

**CITY OF VAUGHAN  
REPORT NO. 1 OF THE  
FINANCE, ADMINISTRATION AND AUDIT COMMITTEE**

***For consideration by the Council  
of the City of Vaughan  
on January 29, 2019***

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The Finance, Administration and Audit Committee met at 9:38 a.m., on Monday, January 21, 2019.

Present: Councillor Rosanna DeFrancesca, Chair  
Regional Councillor Mario Ferri  
Regional Councillor Gino Rosati  
Regional Councillor Linda D. Jackson  
Councillor Marilyn Iafrate  
Councillor Tony Carella  
Councillor Sandra Yeung Racco  
Councillor Alan Shefman

The following items were dealt with:

**1     INTERNAL AUDIT REPORT – 2019 INTERNAL AUDIT RISK BASED  
WORK PLAN**

**The Finance, Administration and Audit Committee recommends:**

- 1)     That the recommendation contained in the following report of the Director of Internal Audit, dated January 21, 2019, be approved;**
- 2)     That staff report back regarding the opportunities for one additional FTE for Internal Audit, including financial ramifications and a proposed work plan for said additional FTE.**

**Recommendations**

- 1.     That the 2019 Internal Audit Risk Based Work Plan be approved.**

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**2     INTERIM PROPERTY TAX LEVY FOR 2019 – ALL WARDS**

**The Finance, Administration and Audit Committee recommends approval of the recommendation contained in the following report of the Chief Financial Officer and City Treasurer, dated January 21, 2019:**

1.     That a by-law be prepared to levy interim property taxes for 2019, with three instalments due in March, April and May for all property classes.

**3     MUNICIPAL ACCOMMODATION TAX**

**The Finance, Administration and Audit Committee recommends:**

- 1)     **That the recommendation contained in the following report of the Interim City Manager, the Chief Financial Officer and City Treasurer and the Deputy City Manager, Corporate Services, dated January 21, 2019, be approved, subject to deferring recommendation #7 to the Council meeting of January 29, 2019;**
- 2)     **That Communication C1, presentation material entitled, “Municipal Accommodation Tax (MAT) and Tourism Destination Marketing Organization (DMO) in Vaughan, Ontario”, be received; and**
- 3)     **That the deputation of Mr. Dino Giuliani, Kleinburg Inn, Highway 27, Vaughan, be received.**

**Recommendations**

1.     That a four per cent (4%) Municipal Accommodation Tax (MAT) be implemented for paid overnight accommodations at hotels, motels, campgrounds, bed and breakfast organizations operating in the City of Vaughan, effective April 1, 2019;
2.     That a four per cent (4%) Municipal Accommodation Tax (MAT) be implemented for short-term rental (STR) providers (including online home sharing platforms) operating in the City of Vaughan, subject to Council’s future direction on short-term rentals;
3.     That a new reserve fund “Municipal Accommodation Tax” be established for the financial sustainability management of the MAT revenues;
4.     That the Chief Financial Officer and City Treasurer be authorized to make one or more payments in each fiscal year to one or more eligible tourism promotion entities, the total of which be equal to fifty per cent (50%) of Municipal Accommodation Tax revenue collected, net of a reasonable collection and administration fee;
5.     That the City Clerk be authorized to enter into an agreement with each eligible tourism entity respecting the financial accountability

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- required to ensure that all Municipal Accommodation Tax amounts paid to the eligible tourism entity are used for the exclusive purpose of promoting tourism as required by Ontario Regulation 435/17;
6. That the City's portion of the Municipal Accommodation Tax revenue be directed to support investments, such as Vaughan-based placemaking, beautification, infrastructure and communications programming that support citizen/visitor/guest experience and tourism-related services, infrastructure development and services-in-kind for tournaments and other events using city assets, subject to the annual budget approval process;
  7. That staff take all steps necessary to create a Municipal Services Corporation (MSC) pursuant to the Ontario *Municipal Act*, requirements of Ontario Regulation 599/06, and other applicable legislation and regulations in the Province of Ontario, and Canada; and, that the Municipal Services Corporation be called "Tourism Vaughan" with objectives of promoting tourism in the City of Vaughan; and, that The Corporation of the City of Vaughan serve as the sole shareholder of the Municipal Services Corporation; and, that the following executive positions be approved to serve as the start-up Board of Directors of the Municipal Services Corporation: City Manager (or designate), Chief Financial Officer (or designate), Chief of Corporate Initiatives and Intergovernmental Relations (or designate) and one member of Council;
  8. That a by-law be brought to a future Council meeting to establish the City of Vaughan Municipal Accommodation Tax (Hotels/Motels), effective April 1, 2019; and
  9. That the City Clerk, City Solicitor, Chief Financial Officer and Chief of Corporate Initiatives and Intergovernmental Relations and his or her designate be authorized and directed to take all actions to give effect to these resolutions.

**4 COMMITTEE OF THE WHOLE (CLOSED SESSION) RESOLUTION  
JANUARY 21, 2019**

**The following resolution was passed to enable Committee of the Whole (Closed Session) to resolve into closed session for the purpose of discussing the following:**

- 1) **2019 COLLECTIVE AGREEMENT NEGOTIATIONS FOR CUPE  
PART-TIME CLERICAL AND TECHNICAL EMPLOYEES, LOCAL  
905.22**  
(labour relations or employee negotiations)
- 2) **UPDATE ON INTERNAL AUDIT REPORT – WATER,  
WASTEWATER AND STORMWATER AUDIT PROJECT**  
(litigation or potential litigation)  
(personal matters about an identifiable individual)

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**3) UPDATE ON MEETING WITH PROVINCE REGARDING RIZMI  
REMAINING LANDS**

(solicitor/client privilege /  
a position, plan, procedure,  
criteria or instruction to be applied to any negotiations  
carried on or to be carried on by or on behalf of the municipality or local board)

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The meeting adjourned at 11:10 a.m.

Respectfully submitted,

Councillor Rosanna DeFrancesca, Chair