
To: Mayor Watters and Members of Council

Report: CAO2025-18

Prepared By: Dan Wilson, Chief Administrative Officer

Date: 29 Sep 2025

RE: Municipal Accommodation Tax Implementation Update

Recommendation:

THAT the Council of the Township of Centre Wellington approve the Municipal Service Corporation Structure for Economic Development and Tourism services, outlined in the Linton Consulting Services Inc. report included in report CAO2025-18.

AND THAT Council approve proceeding to community engagement, preparing the required case study to establish a municipal service corporation, and to begin preparation of the necessary articles of incorporation, by-laws, and agreements.

AND THAT Council approve the funding increase for the Municipal Accommodation Tax Implementation Project outlined in report CAO2025-18.

AND THAT Council direct staff to report back to Council with engagement results, a draft case study, draft by-laws, and draft agreements prior to formally establishing a municipal service corporation.

Report:

On April 28 2025, Township Council approved the Municipal Accommodation Tax (MAT) Implementation Plan outlined in report CAO2025-06. The resolution passed was as follows:

THAT the Council of the Township of Centre Wellington agree in principle to establishing a Municipal Accommodation Tax and the required Municipal Service Corporation.

AND THAT Council approve the Municipal Accommodation Tax implementation approach as outlined in in report CAO2025-06.

As outlined in report CAO2025-06:

- Under Ontario Regulation 435/17 (Transient Accommodation Tax) of the Municipal Act, 2001, the Township must share a minimum of 50% of MAT revenues (less the municipality's reasonable costs of collecting and administering the tax) with an entity that is designated as an Eligible Tourism Entity.
- An Eligible Tourism Entity is defined through Ontario's MAT framework as a non-profit organization whose mandate includes the promotion of tourism in a specific municipality. Examples include Destination Marketing Organizations (DMOs) and certain local tourism associations.
- Township staff propose establishing a not-for-profit Municipal Service Corporation (MSC) to serve as a DMO in Centre Wellington. The Township is best positioned to advance the work of the MAT through the MSC model.

The Council approved implementation approach included the following steps:

- Step 1 – Determine the appropriate structure for the MSC
- Step 2 – Prepare the legislated required case study to establish the MSC
- Step 3 – Community engagement
- Step 4 – Preparation of necessary corporation, by-laws, and agreements

To initiate this project, Township staff issued a Request for Proposal to complete Step 1, and if Council provides approval, assist with Steps 2 and 4. The successful proponent to the Request for Proposal was Linton Consulting Services Inc.

This staff report provides the final report from Linton Consulting Services Inc. for Step 1 of the implementation approach. Staff are seeking approval to proceed to community engagement, preparing the required case study to establish an MSC, and to begin preparation of the necessary corporation, by-laws, and agreements.

Engagement for this project will include:

- Preparing an engagement plan for the project with the Manager of Strategic Initiatives and Communications.
- A series of in-person and virtual meetings with residents and interested businesses on the MSC structure and the plan to implement a MAT.
- Discussions with the Fergus and Elora BIAs.
- Discussions with accommodation providers regarding the MSC structure and the plan to implement a MAT.
- Potential use of a community questionnaire.
- Presence at the Township Project Open House (October 21st, 6pm).

Attached to this report, please find:

- Attachment A - Linton Consulting Report
- Attachment B - Linton Consulting Presentation to Council
- Attachment C - MAT Implementation Project Cost Breakdown

Corporate Strategic Plan:

Create the conditions for economic prosperity
Improve the activity, health & wellness of our community
Provide innovative & sustainable governance

Financial Implications:

The MAT Implementation project cost breakdown is provided in Attachment C to this report.

Staff are requesting additional funding totalling \$24,800 (from the General Capital Reserve) to provide for the progression of the project to the next stage, specifically to have Linton Consulting Services Inc. assist Township staff with public engagement (originally outside of scope in the Request for Proposal), and to provide a provision for the Township's lawyer to work with Linton Consulting on the necessary agreements and bylaws.

Consultation:

This report was prepared in consultation with:

- Linton Consulting Services Inc.
- Senior Management Team
- Kendra Martin, Manager of Strategic Initiatives and Communications

Attachments:

- [Attachment A - Linton Consulting Report](#)
- [Attachment B - Linton Consulting Presentation to Council](#)
- [Attachment C - MAT Implementation Project Cost Breakdown](#)

Approved By:

Dan Wilson, Chief Administrative Officer



Centre Wellington

Township of Centre Wellington

ECONOMIC PROSPERITY. ORGANIZATIONAL EXCELLENCE.

FINAL REPORT

September 19, 2025

Linton Consulting Services Inc.
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1.0 Introduction

- 1.1 Context
- 1.2 Current State Organizational Model
- 1.3 Current Assessment Summary
- 1.4 Comparative Analysis Summary
- 1.5 Design Principles

The Context

- ❑ Over the past decade, Centre Wellington has made significant strides in both economic development and tourism. Highlights include the creation of a blue-ribbon economic development task force, a successful destination marketing project, creation of a Township-owned 56-acre business park, and downtown revitalization projects.
- ❑ Currently, economic development and tourism are in two separate departments. Tourism is clustered with community/special events within the Community Services Department while economic development is clustered with planning and building within the Planning and Development Department. While this organizational model may have worked in the past, the interconnectivity and inter-dependence of economic development and tourism suggest the need to revisit this model.
- ❑ Township Council has “agreed in principle” to establish a Municipal Accommodation Tax (MAT) to ensure that visitors are contributing to maintaining and improving Township assets and infrastructure. In addition, a 20-year Economic Development and Tourism Strategy is currently underway with a preliminary recommendation to implement MAT through a Municipal Service Corporation (MSC).

Need for This Project

- ❑ The purpose of this project is to consider the creation of an MSC. The mandate of this MSC would be to administer a MAT program and position the Township to attract jobs and investment while optimizing the value of tourism to the community. Two streams of work are required:
 - 1. Stream 1: Review and Best Practices Analysis**
 - Assess potential MSC governance model options.
 - Identify trends and best practices from Ontario municipalities that have implemented MAT-funded destination marketing organizations and/or economic development corporations.
 - 2. Stream 2: Governance and Organizational Structure**
 - Review of the current Township organizational structure, staffing, and budget for relevant departments/divisions.
 - Recommend the appropriate corporate structure, board composition, and governance framework for the MSC.
 - Define roles, responsibilities, and reporting relationships between the MSC and the Township, including staffing and other assets currently owned by the Township economic development and tourism uses.
 - Outline content and sections that would be defined in a future service agreement between the MSC and Township.
 - Recommendations on funding/revenue allocations to the MSC.
 - Identify statutory requirements.

1.2 Current State Organizational Model

The “Big Picture”

- ❑ The Township of Centre Wellington provides residents a full suite of services through the below five-department organizational model. Tourism currently falls under Community Services and economic development resides in Planning and Development.

Office of the CAO

- Strategic initiatives
- Communications
- Fire and rescue services

Corporate Services

- Financial services
- Legislative services
- Municipal law enforcement
- Licensing
- Vital statistics
- Records management
- Purchasing and risk management
- Information technology
- Payroll

Infrastructure Services

- Roads and transportation
- Engineering services
- Water supply and distribution
- Wastewater collection and treatment
- Stormwater management
- Environmental sustainability
- Cemeteries operations
- Source water protection
- GIS and asset management

Community Services

- Parks and open spaces
- Recreation facilities operations
- Recreation programming
- **Community development, culture and tourism**
- Volunteer coordination
- Seniors centre
- Cemeteries administration
- Township buildings and properties

Planning and Development

- Land use planning
- Development planning
- Official plan and zoning
- Building services
- Heritage
- **Economic development**

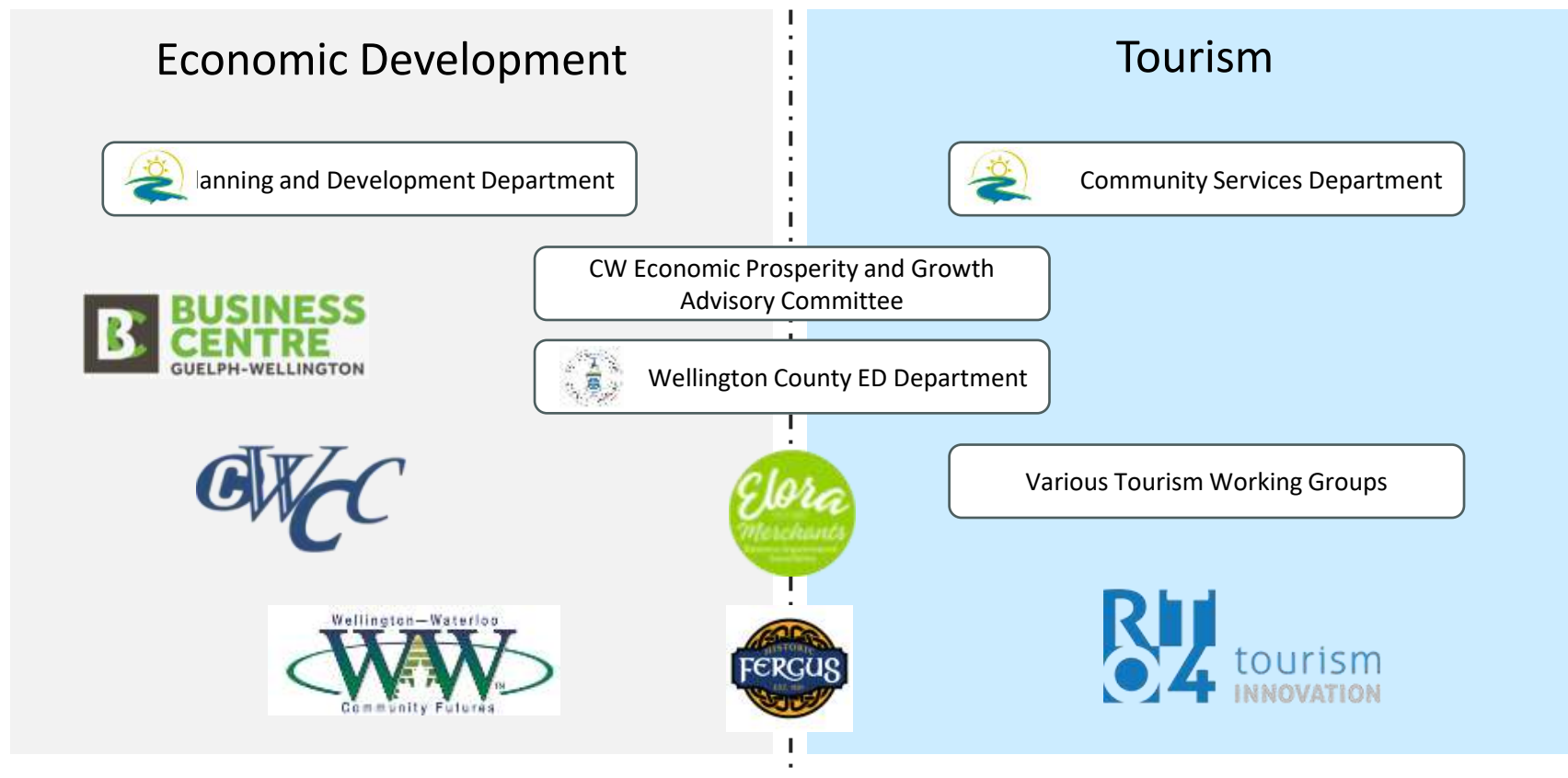
Human Resources

- Employee relations
- Talent management
- Learning and development
- Compensation and benefits
- Health and safety
- HR management and compliance

1.3 Current Assessment Summary

Economic Development and Tourism Key Players

- ❑ Economic development and tourism functions and roles/responsibilities are shared among several organizations. While each organization has unique area of focus, there is significant overlap in who is responsible for what.



1.3 Current Assessment Summary (continued)

Township Economic Development and Tourism Roles/Responsibilities

- ❑ Identifying who does what economic development and tourism-related activities is an important step in developing a future-state organizational model. The estimated percentage of time spent came from 1:1 interviews with managing directors and relevant managers.

Positions with ED/Tourism Role	Estimated average % time spent on ED and Tourism
CAO	5%
Executive Coordinator	10%
Manager, Strategic Initiatives and Communications	10%
Digital Media Associate	30%
Managing Director of Community Services	10%
Manager, Community Development	15%
Tourism and Destination Coordinator	95%
Tourism Customer Service (2.5 FTEs)	100%
Manager, Buildings and Properties (Elora Tourism Office)	5%
Manager, Recreation Facilities	5%
Manager, Parks	5%
Managing Director of Planning and Development	15%
Manager, Economic Development	100%
Planning and Development Coordinator	40%

Approach to Comparative Analysis

- ❑ Across Ontario, municipalities have implemented a spectrum of organizational models to manage their economic development and tourism functions. Some use fully autonomous MSCs to manage both economic development and tourism with limited involvement/ oversight from their respective Councils. Others have kept these functions in-house within a more traditional municipal departmental structure. There are also several hybrid models that attempt to leverage the strengths and minimize the weaknesses of autonomous MSCs and in-house models.
- ❑ Our comparative review has synthesized key findings into the below five areas of focus. This provides valuable guidance to help build a made-in-CW model consistent with best practices. (The attachment to this report includes additional details.)

Areas of Focus	Key Findings
In-House vs. MSC	• In-house departments benefit from strong integration into municipal policy and service networks but can be slower to act. • MSCs are often better positioned to adapt to time-sensitive opportunities, negotiate/partner with private investors, and enable greater responsiveness to business community needs.
Staffing Model	• Comparative and academic research suggests that a fully autonomous model is highly inefficient and that in the event an MSC is created, shared-staffing services model is preferred.
Board Governance	• MSC boards should be balanced by including economic development/tourism professionals and elected officials. The rationale behind this structure is to ensure that funding and the overall organization direction serves the needs and aligns with the goals of the municipality.
Reporting to Council and Decision-Making	• Regular and timely communication and activity reporting to Council has been identified as the most critical success factor for MSCs.
Community Involvement	• Most effective mechanism to receive public feedback is through regular reporting to Council and by board oversight. This process embeds community input into the outcomes of MSCs and ensures meaningful oversight and involvement.

Towards an Effective Future State Model

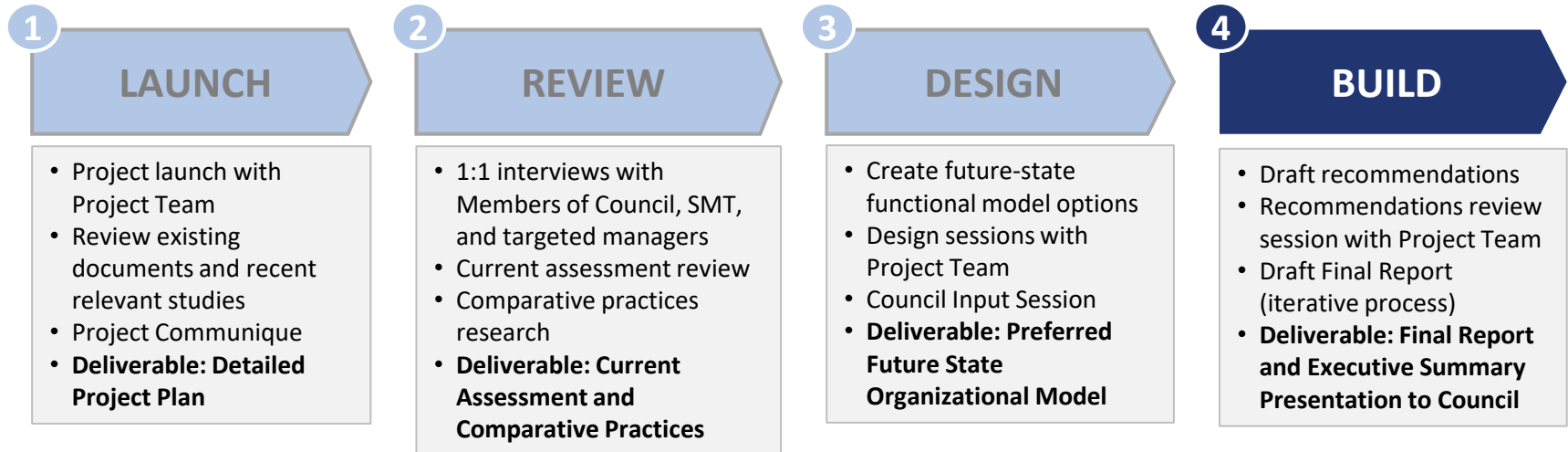
- ❑ The below Design Principles are a synthesized list of key principles from comparative research and initial Council input. These Principles have been used to evaluate future state organizational model options and develop recommendations:
 1. **Strategic alignment** of goals and priorities between municipality and corporation.
 2. **Flexibility** to effectively/rapidly pursue business opportunities and make decisions.
 3. **Effective staff sharing** between the municipality and corporation, including adopting the Township's grid/compensation structure.
 4. **Realize synergies** by clustering ED and tourism.
 5. **Capacity and skills** to drive both economic development and tourism.
 6. **Who Does what clarity** and decision-making authority.
 7. **Regular reporting** to Council.
 8. **Practical and affordable** with limited organizational disruption.

2.0 Recommendations

- 2.1 Introduction
- 2.2 Preferred Future State Model
- 2.3 Recommendations Overview
- 2.4 Detailed Recommendations
- 2.5 Staffing Impacts

From Findings to Recommendations

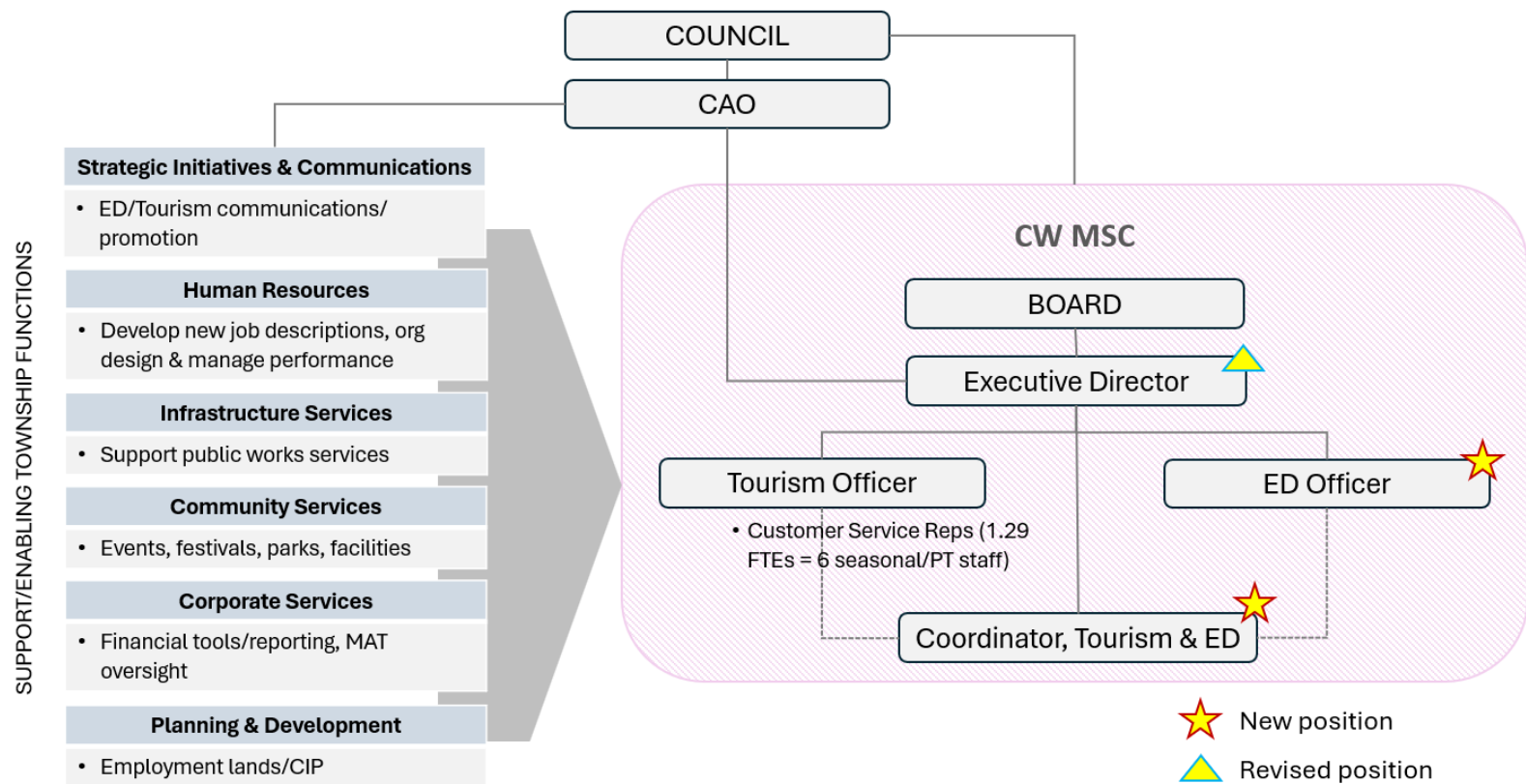
The below process was used to transition from findings to recommendations:



2.2 Preferred Future State Model

Model Selected by Senior Management Team and Council

- ❑ Linton Consulting facilitated two Future State Model Options working sessions. The first (August 12) with the senior management team and the second with Township Council (August 13). (Township Council was not informed of the senior management team's preferred model.)
- ❑ Five model options were presented (see Appendix B for details). The model below was unanimously selected as the Preferred Future State Model by both senior management team and Council.



Governance Recommendations

- ❑ The foundation for establishing an MSC is found in Section 203 of the Municipal Act, 2001. The specific requirements are set out in Reg. 599/06: Municipal Services Corporations. Governance-related recommendations ensure that the proposed MSC is compliant with these statutory requirements.

People Recommendations

- ❑ Implementing the Preferred Future State Model requires organizational reconfiguration with new and revised positions.

Process Recommendations

- ❑ Actions need to be taken to ensure effective day-to-day operations and efficient workflows and processes between the Township and MSC.

Financial Recommendations

- ❑ As the sole shareholder of the MSC, the Township remains financially accountable. These recommendations ensure that mechanisms are in place to ensure appropriate financial control and reporting.



Recommendation 1

Implement the “duties of a municipality” as outlined by Municipal Act, 2001, Ontario Regulation 599/06 to complete a business case study, adopt and maintain policies on asset transfers to corporations, and consult with the public about the proposal to establish an MSC and administer a MAT program.



Actions

- Following Council approval of the recommended MSC organizational model, complete the following statutory requirements:
 - Business case study that clearly outlines the scope, activities, and level of authority of the MSC.
 - Asset transfer policies clearly outlining how the municipality will transition (or not transition) assets from the Township to the MSC.
 - Public participation that provides residents and businesses the opportunity to provide input to implementing a MAT and establishing an MSC.

Rationale / Anticipated Benefits

- Implementing this recommendation will ensure that the Township is compliant with all statutory requirements.
- Aligned to the following Design Principles:
 - 1. Strategic alignment** – compliance with statutory requirements will contribute to ensuring consistency between the goals of the MSC and Township.
 - 2. Flexibility** – ensures the MSC has the freedom to operate within the parameters of the statutory requirements.
 - 6. Who does what clarity** – business plan will clearly outline who does what avoiding role duplication between the Township and MSC.

Implementation Considerations

- Implementation of this recommendation will be triggered by Council approval of the MSC organizational model

Timing: Phase 1 implementation

Recommendation 2

Produce an MSC Terms of Reference consistent with the business case study that further defines the MSC's authority, operations, and financial framework, and outlines how it will interact/connect with the Township, residents, and businesses.



Actions

- Include the following components of the MSC Terms of Reference:
 - **Purpose and Scope of Business** – economic development, tourism, and MAT administrative services the corporation will provide.
 - **Governance Structure** - details about the board of directors, their composition, appointment process, term, and responsibilities, including management structure and the role of the Executive Director.
 - **Financial Framework** – how the MSC will be funded and how it will manage its finances.
 - **Relationship with Municipality** - how the municipality oversees the corporation, and the responsibilities and decision-making authority that will be retained by the municipality.
 - **Community Engagement** - plans for public consultation and how the corporation will ensure accountability to the community.
 - **Asset Management** - how the MSC's assets, if any, will be managed.
 - **Legal Compliance** - how the MSC will comply with relevant legislation.

Rationale / Anticipated Benefits

- Legal requirement to establish a MSC Terms of Reference as the foundational document for the new corporation.
- Aligned to the following Design Principles:
 - 1. Strategic alignment** – Terms of Reference will align the high-level goals and priorities of the MSC to those of the Township.
 - 2. Flexibility** – clear scope and decision-making authority will enable the MSC to operate with flexibility within these parameters.
 - 3. Effective staff sharing** – Terms of Reference will formalize staff-sharing policies/protocols.
 - 6. Who does what clarity** – Terms of Reference will clarify the MSC's scope of business.
 - 7. Regular reporting** – Terms of Reference will include when and how often the Executive Director will report to Council.

Implementation Considerations

- Creating a MSC Terms of Reference will be the second recommendation to implement. Once the Terms of Reference has been approved by Council, the creation of a MSC Steering Committee can commence.

Timing: Phase 1 Implementation

Recommendation 3

Township CAO and Chief Human Resources Officer (CHRO), in consultation with the Mayor, initiate a transparent and public application process to establish a skill-based MSC Board of Directors.



Actions	Rationale / Anticipated Benefits
- Develop a MSC Board Skills Matrix that identifies desired spectrum of skills and experience for the five non-ex-officio board positions. - MSC Board should include the following characteristics: 3-year terms (rotating appointments to avoid having to replace the entire Board every three years); two term maximum before taking a minimum one-year leave (business case study will include additional details) - Volunteer (not paid) positions - Elected officials cannot be chair or vice-chair - Council must approve all appointments 7 voting directors: - Mayor (ex-officio) - Member of Council as selected by Council (ex-officio) - Five community appointees (based on skills matrix and an application process) - Township CAO and Managing Director of Corporate Services attend board meetings as non-voting staff representatives - Discontinue the Economic Prosperity and Growth Advisory Committee once this Board is in place.	- Legal requirement to establish a board for the non-profit MSC with responsibility to oversee operations and financial accountability of the MSC. - Recommended board composition is in line with comparative practices. - Aligned to the following Design Principles: 1. Strategic alignment – two Members of Council and the active involvement of the CAO and Managing Director of Corporate Services will contribute to aligning Township and MSC strategic priorities. 2. Flexibility – a lean Board comprised of skilled Directors will contribute to effectively/rapidly pursuing business opportunities. 4. Realize synergies – including both business and tourism subject matter experts on the Board will contribute to integrated and holistic decision-making. 5. Capacity and skills – a skills-based Board will provide the MSC with a strong business perspective enabling effective decision-making for both economic development and tourism activities/projects 7. Regular reporting – highly experienced Board Members will be able to support the Executive Director’s presentations to Township Council. 8. Practical and affordable – volunteer vs. paid Board positions contribute to this being a cost-effective recommendation.
Implementation Considerations	
Board can be established as soon as Recommendations 2 and 3 have been implemented.	
Timing: Phase 1 Implementation	

Recommendation 4

Formalize a quarterly reporting process and agenda where the MSC Executive Director will present quarterly reports to Township Council. Reports will include a summary of revenues and expenses and highlight key activities and milestones. The public will receive appropriate meeting notice and associated reports/documents and can register as delegations.



Actions

- Establish a MSC Report Template in cooperation with the Township CAO, Managing Director of Corporate Services, and the Municipal Clerk. The agenda will include:
 - Financial overview (revenues and expenses)
 - Key activities/achievements
 - Upcoming projects/activities
 - Visitor/tourism financial benefits summary
- Revise MSC Report template as required.

Rationale / Anticipated Benefits

- Our comparative practices research confirmed that regular communication between municipalities and their municipal corporations is a key success factor.
- Township Members of Council identified regular and consistent reporting from the MSC to Council was extremely important.
- Aligned to the following Design Principles:
 - 1. Strategic alignment** – regular reporting will contribute to maintaining alignment between priorities of the Township and the MSC.
 - 6. Who does what clarity** – regular reporting will maintain clarity for Council on what the MSC is responsible for and what remains within the jurisdiction of the Township.
 - 7. Regular reporting** – this recommendation ensures this design principle is achieved.
 - 8. Practical and affordable** – there is no direct costs associated with this recommendation.

Implementation Considerations

- One of the four quarterly reports should be a more formal annual report.

Timing: Phase 1 Implementation

2.3 Recommendations – People

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Recommendation 5

Upgrade the current Manager, Economic Development position to become MSC Executive Director. This position will report to the Board of Directors with operational accountability to the Township CAO. The Executive Director will be responsible to establish and achieve the MSC's strategic goals and priorities, manage all economic development and tourism activities and staff, including the administration of the MAT program; MSC Board, with the advice and support of the CAO and CHRO, will advertise and fill this position.



Actions

- Establish job description based on the position roles and responsibilities outlined in this report.
- Initiate job evaluation process to confirm recommended grade 14 level and determine level of compensation.
- The MSC Board, with the advice and support of the CAO and CHRO, will facilitate the process to fill this position.

Rationale / Anticipated Benefits

- This position was recognized as being essential by both Township senior management team and Council during the design working sessions.
- Aligned to the following Design Principles:
 - 1. Strategic alignment** - the Executive Director will be held accountable to develop MSC strategic priorities in alignment to the Township's strategic vision.
 - 2. Flexibility** – Executive Director will have clear parameters providing flexibility to actively pursue business opportunities.
 - 4. Realize synergies** – introduces accountability to manage and integrate both economic development and tourism.
 - 5. Capacity and skills** - job description will ensure extensive experience and proven skills in both economic development and tourism.
 - 6. Who does what clarity** - job description will establish clear roles, responsibilities, and expectations.
 - 7. Regular reporting** – job description will include Council reporting requirements.
 - 8. Practical and affordable** – this recommendation requires a minor compensation increase to an existing Township position.

Implementation Considerations

- Filling this position will be triggered by the retirement of the Township's Manager of Economic Development. Implementing this recommendation should follow the appointment of the MSC Board of Directors.

Timing: Phase 1 Implementation

Recommendation 6

Transition the Coordinator, Tourism from Community Services Department to become Tourism Officer reporting to the Executive Director. This position will be responsible to develop, expand and enhance Centre Wellington's tourism product, visitor experience, and positive community relations, and be the primary day-to-day point of contact for all tourist-focused groups/associations as well as the primary day-to-day point of contact to Township staff for tourism and MAT-related activities.



Actions

- Revise job description based on the position roles and responsibilities outlined in this report.
- Initiate job evaluation process to determine if any changes are required in either grade or compensation levels.
- Transition part-time Community Services Customer Service Representatives located at the Elora Tourism Office to the MSC reporting to the Tourism Officer.

Rationale / Anticipated Benefits

- This position was recognized as being essential by both the Township senior management team and Council during the design working sessions.
- Aligned to the following Design Principles:
 - 2. Flexibility** – having this position dedicated to tourism provides focus to proactively pursue opportunities.
 - 4. Realize synergies** – this position will work closely with the Economic Development Officer, and both will report directly to the Executive Director.
 - 6. Who does what clarity** - job description will establish clear roles, responsibilities, and expectations for this position.
 - 8. Practical and affordable** – limited financial impact of transitioning this position from the Township to the MSC.

Implementation Considerations

- Transition this position to the MSC after hiring an Executive Director and establishing the Board of Directors.

Timing: Phase 1 Implementation

Recommendation 7

Create an Economic Development Officer position reporting to the MSC Executive Director. This position is responsible to deliver a spectrum of economic development services, including business retention, expansion and investment, entrepreneurship and innovation, workforce attraction, employment land marketing and sales, and partnerships and collaboration.



Actions

- Establish job description based on the position roles and responsibilities outlined in this report.
- Initiate job evaluation process to validate recommended grade 10 level and determine level of compensation.
- Executive Director to advertise and fill position in coordination with Township CHRO.

Rationale / Anticipated Benefits

- This position was recognized as being essential by both the Township senior management team and Council during the design working sessions.
- Limited economic development capacity was identified as an issue through the Economic Development and Tourism Strategy Project (EDTS).
- Aligned to the following Design Principles:
 - 2. Flexibility** – having this position dedicated to economic development provides focus to proactively pursue jobs and investment.
 - 4. Realize synergies** – this position will work closely with the Coordinator, Tourism and both will report directly to the Executive Director.
 - 5. Capacity and skills** – this additional position helps address the capacity gap that has been identified by the EDTS.
 - 6. Who does what clarity** - job description will establish clear roles, responsibilities, and expectations for this position.

Implementation Considerations

- Create/fill this position after hiring of an Executive Director and establishing the Board of Directors (subject to budget approval).

Timing: Phase 1 Implementation

2.3 Recommendations – People

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Recommendation 8

Create a Coordinator, Tourism and Economic Development position reporting to the MSC Executive Director. This position supports both economic development and tourism and is the primary point person coordinating all downtown beautification, maintenance and downtown business support activities. This Coordinator is also the primary point of contact for the BIAs.



Actions

- Establish job description based on the position roles and responsibilities outlined in this report.
- Initiate job evaluation process to confirm that this is a grade 8 position and determine level of compensation.
- Executive Director to advertise and fill position in coordination with Township CHRO.

Rationale / Anticipated Benefits

- This position was recognized as being essential by both the Township senior management team and Council during the design working sessions. There was agreement that this position should be implemented in Phase 2.
- Addresses the economic development and tourism staff capacity issue that was identified in the Draft Economic Development and Tourism Strategy Project (EDTS).
- Aligned to the following Design Principles:
 - 2. Flexibility** – having this position support both economic development and tourism provides a level of flexibility to pursue the highest priority activities/projects across both functions.
 - 4. Realize synergies** – this position provides capacity to realize the day-to-day synergies between economic development and tourism.
 - 5. Capacity and skills** – this additional position helps address the capacity gap that has been identified by the EDTS.
 - 6. Who does what clarity** - job description will establish clear roles, responsibilities, and expectations for this position.

Implementation Considerations

- Create/fill this position after the MSC has been operational for 6 months to 1 year.

Timing: Phase 2 Implementation

Recommendation 9

Create a Service Level Agreement (SLA) between the Township and the MSC defining the performance standards and responsibilities between the MSC and the Township. This SLA will serve as a framework outlining specific service standards, roles, and dependencies for both organizations to ensure predictable, high-quality, and accountable service delivery; design future-state operational workflows in targeted areas where the Township and MSC share responsibilities.



Actions

- Include the following components in the SLA (additional details will be included in the business case study):
 - **Service Standards** - specifies the performance expectations/targets for both the MSC and the Township.
 - **Mutual Responsibilities** - details the duties of both the MSC and Township staff, including actions required by the municipality to support the delivery of economic development and tourism functions (e.g., providing permits, data).
 - **Performance** - includes a process to track how the MSC is meeting service levels.
 - **Issues Resolution** - outlines a process for addressing service disruptions or failures to meet agreed-upon standards.
 - **Commitment to Collaboration** - fosters a partnership approach, promoting continuous improvement in service delivery through information sharing and cooperation.
- Review/redesign processes to establish detailed future-state operational workflows in targeted areas where both the Township and the MSC share responsibility (e.g. festivals, culture, land acquisitions, etc.)

Rationale / Anticipated Benefits

- Our comparative practices research confirmed that clear roles, responsibilities, and expectations between municipalities and their municipal corporations is a key success factor.
- This agreements establishes clear performance expectations and provides a mechanism for reviewing performance and resolving issues.
- Aligned to the following Design Principles:
 - 1. Strategic alignment** – formalizing who does what is important to ensure alignment of priorities and activities.
 - 3. Effective staff sharing** – clear roles and responsibilities will reduce potential duplication of effort contributing to more effective use of Township staff time and effort.
 - 6. Who does what clarity** - this recommendation ensure this design principle is achieved.
 - 7. Regular reporting** – performance against this SLA will be a component of regular MSC reporting to Council.
 - 8. Practical and affordable** – limited cost to implementing this recommendation.

Implementation Considerations

- This is a foundational formal agreement between the Township and MSC that should be implemented early in Phase 1.

Timing: Phase 1 Implementation

Recommendation 10

Establish a sustainable revenue stream for the MSC through MAT revenues, percentage of paid parking revenues, and 3% of municipal share of Ontario Lottery and Gaming (OLG) revenues (as per current Township policy).



Actions

- Update revenue expectations based on MAT percentage and paid parking rates. (outside the scope of this project)
- Council approval of MAT percentage rate, paid parking rates, and percentage of paid parking allocated to the MSC. (These decisions to be included in the MSC business case study.)
- Council approval of this recommendation (or revised recommendation).

Rationale / Anticipated Benefits

- Recognition from both the senior management team and Council that the MSC needs to have a sustainable funding model.
- Aligned to the following Design Principles:
 - 2. Flexibility** – sustainable year over year funding enables the MSC to be strategic and flexible in pursuing potential opportunities.
 - 4. Realize synergies** – pooling revenues will contribute to achieving positive outcomes for both economic development and tourism outcomes.
 - 5. Capacity and skills** – having a sustainable revenue stream will contribute to building the internal capacity to achieve positive results.

Implementation Considerations

- This recommendation requires Council discussion/approval prior to the implementation of the MSC model.

Timing: Before Phase 1

Recommendation 11

Township of Centre Wellington will initially retain ownership of all property and assets, including the current business park and the downtown Elora tourism office. Review this arrangement after one year of MSC operation.



Actions

- No action required as this recommendation retains the status quo for land/property ownership. The authority to accept offers to purchase land continues to be delegated to the Township CAO, conditional upon each being compliant with all Council approved policies and procedures. Council retains the authority to accept any offer to purchase that is not compliant with Council-approved policies and procedures.
- After one year of MSC operations, complete a review of this arrangement to assess whether Township ownership of land/property provides an appropriate level of flexibility for the MSC to effectively pursue business opportunities.

Rationale / Anticipated Benefits

- This recommendation provides consistency and simplicity in land/property ownership status.
- MSCs are less encumbered by Municipal Act limitations and are better positioned to make decisions quickly (e.g. property transactions). Reviewing this Township-owned property/assets arrangement should be reviewed six months to one year after MSC implementation.
- Aligned to the following Design Principles:
 - 1. Strategic alignment** – Township owning all land will ensure alignment in goals and priorities between the MSC and Township.
 - 6. Who does what clarity** – single entity owning land/property avoids confusion.
 - 8. Practical and affordable** – this recommendation retains the status quo.

Implementation Considerations

- No implementation required at this time as this recommendation is to retain the status quo.

Timing: 6 months – 1 year after MSC implementation

New MSC Positions

Position Title	Proposed Grade/ Compensation Range	Position Description	Key Responsibilities	Primary Township Connections
Economic Development Officer	Grade 10 \$85-\$96K + benefits	Reporting to the Executive Director, this position is responsible to deliver a spectrum of economic development services.	• Business retention, expansion and investment • Partnerships and collaboration (e.g. universities, County, other stakeholders) • Business visitation program • Employment land marketing and sales • Key internal Township linkages	• Strategic Initiatives and Communications • Planning • Building • Engineering
Coordinator, Tourism and Economic Development	Grade 8 \$73-\$82K + benefits	Reporting to the Executive Director, this position supports both economic development and tourism and is the primary point person coordinating all downtown beautification, maintenance and downtown business support activities.	• Support both economic development and tourism as directed by the Executive Director. • Primary point of contact for BIAs	• Strategic Initiatives and Communications • Public Works • Community Services • Parks • Buildings and Properties • Corporate Services

Revised MSC Positions

Position Title	Proposed Grade/ Compensation Range	Position Description	Key Responsibilities	Primary Township Connections
Executive Director (formerly Manager of Economic Development)	Grade 14 \$132-\$148K + benefits	Reporting to the MSC Board with operational accountability to the CAO, responsible to establish and achieve the MSC's strategic goals and priorities, manage all economic development and tourism activities and staff, including the administration of the Municipal Accommodation Tax program.	- Responsible for quarterly updates to Council. - Participate in Township senior management team meetings upon CAO invitation. - Establish, maintain, and communicate MSC's mandate, brand, and priorities. - Manage all MSC operations and staff, including MAT administration/reporting - Primary executive-level point of contact for external tourism/economic development related associations/groups, including Wellington County	- CAO - Council - Senior management team - Strategic Initiatives and Communications
Tourism Officer (formerly Tourism Coordinator)	Grade 10 \$86-\$96K + benefits	Reporting to Executive Director, responsible for all tourism-related priorities.	- Develop/expand/improve Centre Wellington's tourism product, visitor experience, and positive community relations. - Primary day-to-day point of contact to tourist-focused groups/associations. - Primary day-to-day point of contact to Township staff in tourism and MAT- related activities.	- Strategic Initiatives and Communications - Public Works - Community Services - Parks - Buildings and Properties - Legislative Services

Revised Township Positions

Position Title	Proposed Changes
Township Council	• With an arms-length MSC, Council would establish the initial MSC mandate, decision-making and operating parameters, budget, and approve Board of Directors. Council would not be involved or provide direction in day-to-day operations or decision-making. • The Mayor and additional Councillor selected by Council would be ex-officio MSC Board Members. • Council would receive quarterly reports delivered by the MSC Executive Director.
CAO	• Executive Director will report to the CAO on operational matters and to the Board on strategic matters. The business case study will clarify/formalize this shared accountability framework. • The CAO will work with the CHRO in establishing the initial MSC Board of Directors. • The CAO would attend Board meetings as the primary Township representative. • The CAO would direct and manage all support services provided by the Township to the MSC in compliance to the service level agreement. • The CAO (supported by the Executive Coordinator) would be responsible to manage the SLA.
Chief Human Resources Officer	• The CHRO will support the CAO in establishing the initial MSC Board of Directors. • Lead the process to create, revise, and evaluate levels of all new and revised MSC and Township positions. • Provide human resources services to the MSC as required.
Managing Director of Corporate Services	• Attend board meetings and provide financial oversight and legislative subject matter expertise to the MSC.
Managing Director of Community Services	• Continue to oversee community development and community-based events, but the tourism-related functions would be transitioned to the MSC. The Director will need to work with the MSC Executive Director to formalize what activities are primarily community-related and what activities are primarily tourist-related. • Attend MSC board meetings as required when subject matter relates to Community Services.

Revised Township Positions (continued)

Position Title	Proposed Changes
Managing Director of Planning and Development	• Director would no longer be responsible for economic development activities; however, land development and Community Improvement Plan processes will require the Planning and Building Department to work closely with the MSC Executive Director and Economic Development Officer. • Attend MSC board meetings as required when subject matter relates to Planning and Development.
Manager, Community Development	• Manager, Community Development would no longer be responsible for tourism activities as the Tourism Officer will be shifted from reporting to the Manager to reporting to the MSC Executive Director. Manager, Community Development will need to work closely with the Tourism Officer on all events/festivals as these are both community and tourism-related.
Planning and Development Coordinator	• Currently, 40% of this position is dedicated to supporting economic development. These activities would be shifted to the new Economic Development Officer and the Coordinator, Tourism and Economic Development.

3.0 Towards Implementation

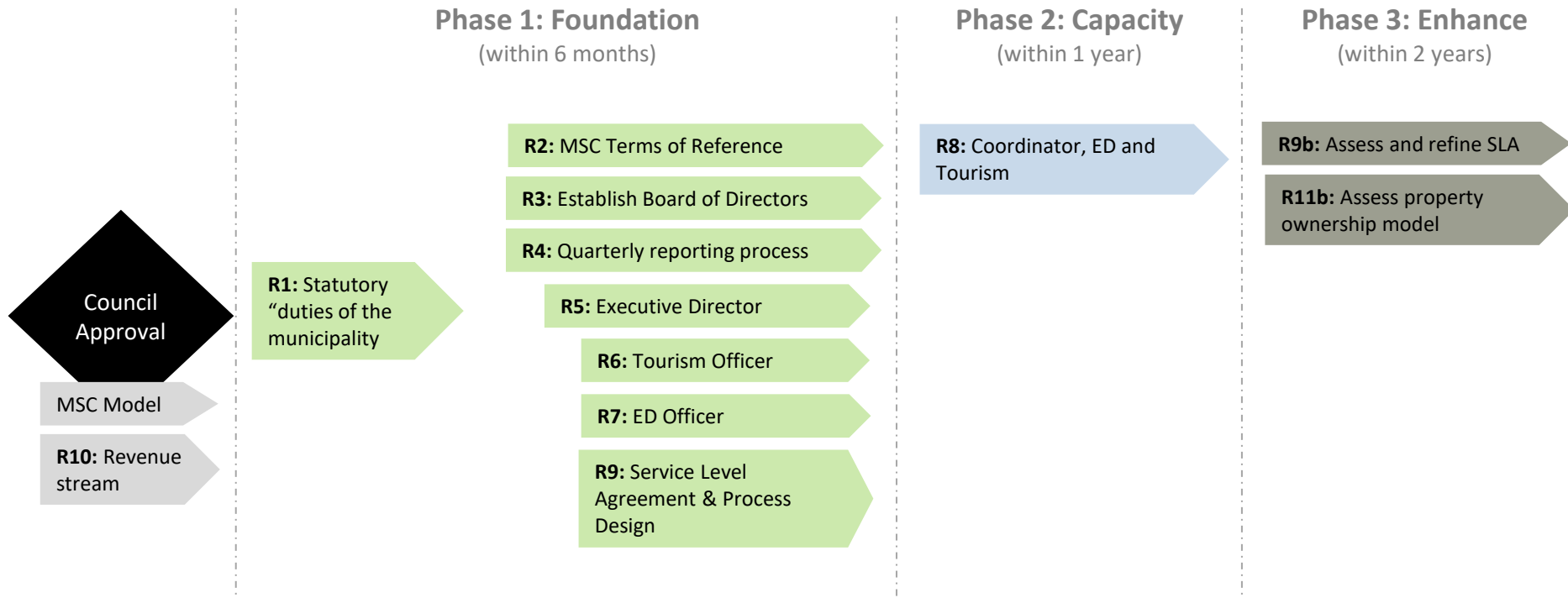
- 3.1 Proposed Implementation Sequence and Timing
- 3.2 Staff Cost Estimates
- 3.3 Business Case Study Components
- 3.4 Community Engagement Suggestions

3.1 Proposed Implementation Sequence and Timing

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High-Level Implementation Sequence

- ❑ Following Council approval of the recommended MSC model, implementing the recommendations and action items requires a phased approach that recognizes the reality of limited resources and budgets:
- Phase 1: Foundation (within 6 months) – establish the MSC and begin operations.
 - Phase 2: Capacity (within 1 year) – add a staff resource to deliver priority services.
 - Phase 3: Enhance (within 2 years) – assess strengths and weaknesses and make required enhancements.



3.2 Staff Cost Estimates

Phase 1: Foundation	Estimated Cost
R1: Statutory duties of the municipality	Financial top up required for engagement and legal review
R2: MSC Terms of Reference	
R3: MSC Board of Directors	
R4: Quarterly reporting process	\$0
R5: Executive Director	\$25K-\$27K (from grade 12 to grade 14)
R6: Tourism Officer	\$0 (existing position)
R7: ED Officer	\$116K-\$130K (grade 10)
R9: Service Level Agreement & Process Design	Included in implementation budget
ESTIMATED COST	\$141,000-\$157,000

Phase 2: Capacity	Estimated Cost
R8: Coordinator, ED and Tourism	\$73K-\$82K (grade 8)
TOTAL ESTIMATED COSTS	\$99,000-\$111,000

Phase 3: Enhance	Estimated Cost
R9b: Assess and refine SLA (internal MSC/Township resources)	\$0
R11b: Assess property ownership model (internal MSC/Township resources)	\$0
TOTAL ESTIMATED COSTS	\$0

NOTE: 35% benefits are included but additional employee office costs (technology, office space, mileage, training, etc.) are not included these staffing cost estimates.

Ontario Regulation 599/06 (Under the Municipal Act, 2001) Requirements

- ❑ An MSC business case study is required that details the financial projections, scope of services, governance structure, and risks and benefits of establishing an MSC to provide services the municipality could otherwise deliver itself.
- ❑ This study addresses the MSC's relationship with the municipality, including how assets will be transferred and how the MSC will be held accountable. The plan requires community consultation and adoption of asset transfer policies before the MSC is created.
- ❑ The components of a business case study must include the following components: (Information for these items is included in the recommendations within this report.)
 - **Scope and Purpose** - Clearly define the services the MSC will provide and its permitted activities.
 - **Financial Projections** - Project financial results for the next five years, including costs, revenues, advantages, and risks for the municipality.
 - **Comparison with Alternatives** - Compare the MSC model with other options for providing the same service to show its potential advantages.
 - **Governance Structure** - Outline the corporate structure, including the roles and terms of the directors and how they will be appointed.
 - **Accountability** - Specify the accountability mechanisms for the MSC to the municipality and taxpayers.
 - **Asset Transfer** - Detail the original value of any municipality-owned assets (if any) to be transferred to the corporation and the services or benefits the municipality will receive.

Ontario Regulation 599/06 (Under the Municipal Act, 2001) Requirements

- ❑ Following Council approval of the preferred future-state MSC model, it will be important to engage Centre Wellington residents, businesses, stakeholders and accommodation service providers to communicate the preferred future-state MSC model as well as getting their input on the administration of the MAT program.
- ❑ **Targeted audiences:**
 - Residents/businesses
 - Tourism/economic development partners (e.g. RTO4, Wellington County)
 - Business-related associations (e.g. CW Chamber of Commerce, BIAs, Probus Club, Waterloo-Wellington Community Futures, Business Centre Guelph-Wellington)
 - Accommodation providers (e.g. Airbnb, Vrbo, hotels)
- ❑ **Communication methods:**
 - ConnectCW portal
 - Community online survey
 - Key Projects Open House (in-person)
 - Virtual Open House(s)
 - CW Chamber of Commerce CAO speaking event
 - 1:1 conversations with key tourism/economic development stakeholders
- ❑ **Key messages:**
 - Visitors to Centre Wellington will be paying their fair share to maintain/improve community assets/amenities through MAT and parking revenues.
 - Establishing an MSC provides focus and capacity to actively pursue local jobs and investment.
 - MSC will be responsible to work with all stakeholders to maintain healthy relationship between residents and visitors.
 - MSC will be 100% owned by the Township of Centre Wellington and the new entity will be required to report to Council on a quarterly basis.
 - MAT and growth-related funding will fund all new and revised staffing costs. These positions will not require additional tax dollars.
 - MAT funds will be used to implement new community improvement projects that benefit both visitors and residents.
 - Residents will be reimbursed for all Centre Wellington MAT charges.

Appendix A: Current Assessment and Comparative Practices

- Introduction
- Current State Overview: Roles and Responsibilities
- Legislative Requirements
- Comparative Practices
- ATTACHMENT: Comparative Practices Full Report

Introduction

- ☐ Context
- ☐ Project Introduction
- ☐ Strategic Plan Direction
- ☐ Economic Development and Tourism Strategy Recommendations
- ☐ Initial Feedback from Members of Council

The Context

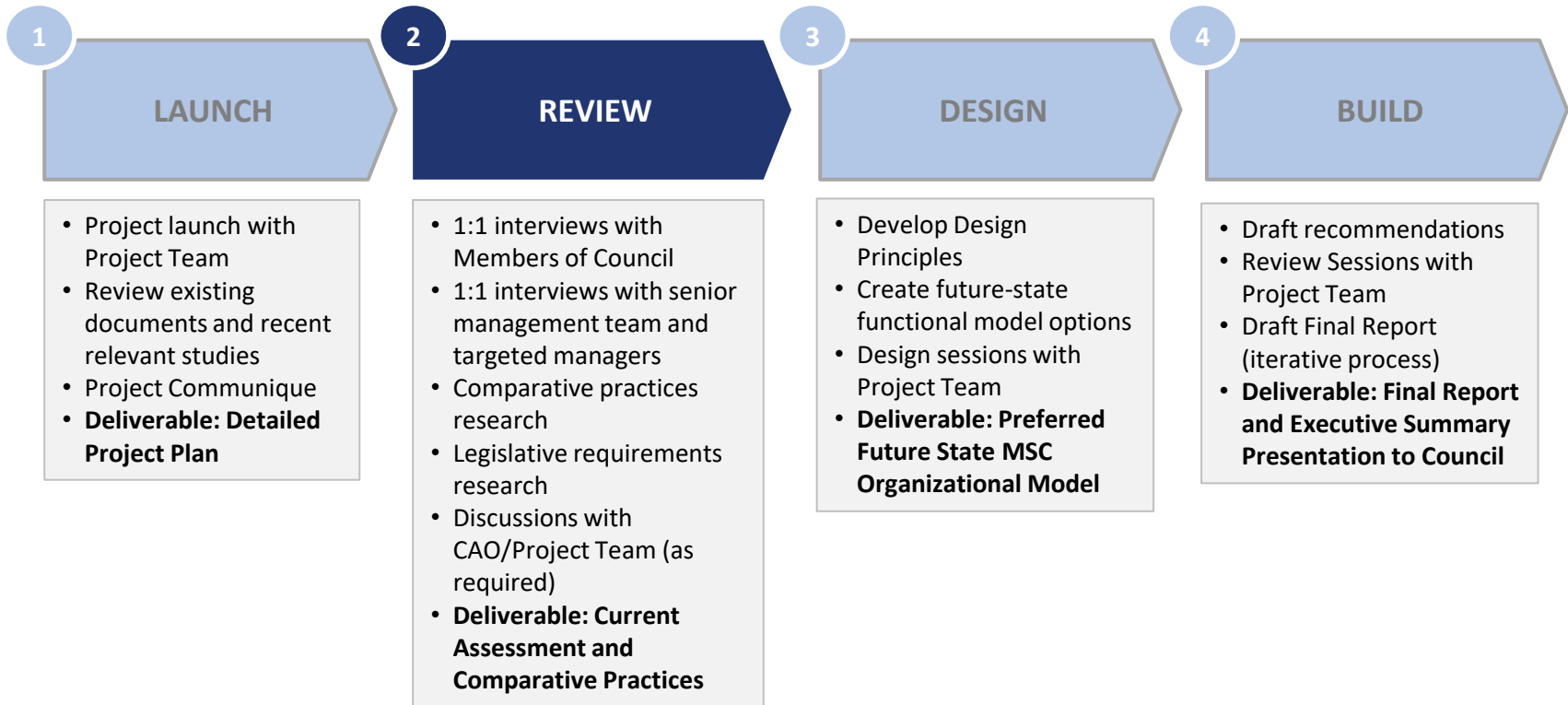
- ❑ Over the past decade, Centre Wellington has made significant strides in both economic development and tourism. Highlights include the creation of a blue-ribbon economic development task force, a successful destination marketing project, creation of a Township-owned 56-acre business park, and downtown revitalization projects.
- ❑ Currently, economic development and tourism are in two separate departments. Tourism is clustered with community/special events within the Community Services Department while economic development is clustered with planning and building within the Planning and Development Department. While this organizational model may have worked in the past, the interconnectivity and inter-dependence of economic development and tourism suggest the need to revisit this model.
- ❑ The Township is in the process of completing a 20-year Economic Development and Tourism Strategy. In addition, implementing a Municipal Accommodation Tax (MAT) is scheduled for 2026.

Need for This Project

- ❑ The purpose of this project is to consider the creation of a Municipal Service Corporation (MSC). The mandate of this MSC would be to administer a MAT program effectively and in compliance with legislative requirements and to position the Township to effectively drive jobs and investment. Two streams of work are required:
 - 1. Stream 1: Review and Best Practices Analysis**
 - Assess potential MSC governance model options.
 - Identify trends and best practices from Ontario municipalities that have implemented MAT-funded destination marketing organizations and/or economic development corporations.
 - 2. Stream 2: Governance and Organizational Structure**
 - Review of the current Township organizational structure, staffing, and budget for relevant departments/divisions.
 - Recommend the appropriate corporate structure, board composition, and governance framework for the MSC.
 - Define roles, responsibilities, and reporting relationships between the MSC and the Township, including staffing and other assets currently owned by the Township economic development and tourism uses.
 - Outline content and sections that would be defined in a future service agreement between the MSC and Township.
 - Recommendations on funding/revenue allocations to the MSC.
 - Outline compliance requirements under the Ontario Municipal Act and relevant legislation.

Project Phases and Deliverables

- ❑ The project has four phases with each phase concluding with a major deliverable. The Current Assessment and Comparative Practices Report is the Phase 2 deliverable. (Phase 5: Implement is dependent on Council approval of recommended future state organizational model.)



Strategic Plan 2023-2026

- ❑ Through its Strategic Plan 2023-2026, the Township of Centre Wellington has established five strategic goals:
 1. **Economic Prosperity** - create the conditions for economic prosperity.
 2. **Activity, Health and Wellness** - improve the activity, health and wellness of our community.
 3. **Manage Growth** - managing growth while enhancing the community's unique character.
 4. **Environmental Stewardship** - championing environmental stewardship.
 5. **Governance** - provide innovative and sustainable governance.
- ❑ Under “Economic Prosperity”, the Township has identified five focus areas.



Council Direction (April 28, 2025)

- ❑ To contribute to achieving its strategic goals and economic development priorities, the Township of Centre Wellington Council approved the following recommendation:
 - *That the Council of the Township of Centre Wellington agree in principle to establishing a Municipal Accommodation Tax and the required Municipal Service Corporation. And that Council approve the Municipal Accommodation Tax implementation approach as outlined in report CAO2025-06.*

EDTS Scope and Areas of Focus

- ❑ The Township of Centre Wellington is currently in the process of completing an Economic Development and Tourism Strategy (EDTS) with a 20-year vision, aiming to enhance the community's economic growth, attract investment, and solidify its position as a tourist destination. This strategy will guide the municipality's actions from the next five years and beyond, focusing on community values and enhancing the quality of life for residents and visitors. This project had several areas of focus:
 - ❑ Economic Growth - attracting and retaining businesses, supporting entrepreneurship, and fostering a diverse and resilient economy.
 - ❑ Tourism Development - establishing Centre Wellington as a four-season visitor destination, promoting local attractions, and enhancing the visitor experience.
 - ❑ Community Engagement - gathering input from residents, business owners, and visitors to shape the strategy and ensure it aligns with community needs.
 - ❑ Infrastructure Development - investing in infrastructure improvements to support economic activity and enhance the overall community.
 - ❑ Workforce Development - ensuring a skilled workforce to meet the needs of local businesses.

Current Capacity Issues

- ❑ The Draft EDTS indicates that the capacity of the Township's economic development and tourism team is a critical factor in effectively executing this Plan. Currently, Centre Wellington's economic development and tourism teams operate with fewer resources than comparable municipalities. This limited capacity results in missed opportunities to drive jobs and investment and stretched existing staff resources. Recommended actions (draft) include:
 - ❑ Expand staff complement for economic development and tourism to align with similar-sized communities. Explore opportunities for departmental synergies.
 - ❑ Explore utilization of technology to automate work and increase efficiency to reduce workload.
 - ❑ Direct a portion of funds collected from tourism-adjacent initiatives (i.e., Municipal Accommodation Tax (MAT), paid parking) to tourism investments, including expanded staff complement.
 - ❑ Establish an EDTS Working Group.

Approach

- ❑ 1:1 interviews were conducted with Members of Council between July 11-17. The purpose of these discussions was to document initial impressions of project key success factors and their thoughts on the future state model. Questions included the following:
 - ❑ What project outcomes are most important to you?
 - ❑ What features must be built into the future state model for it to be successful?
 - ❑ What role do you envision for the Mayor/Council in the future state model?

Key Findings

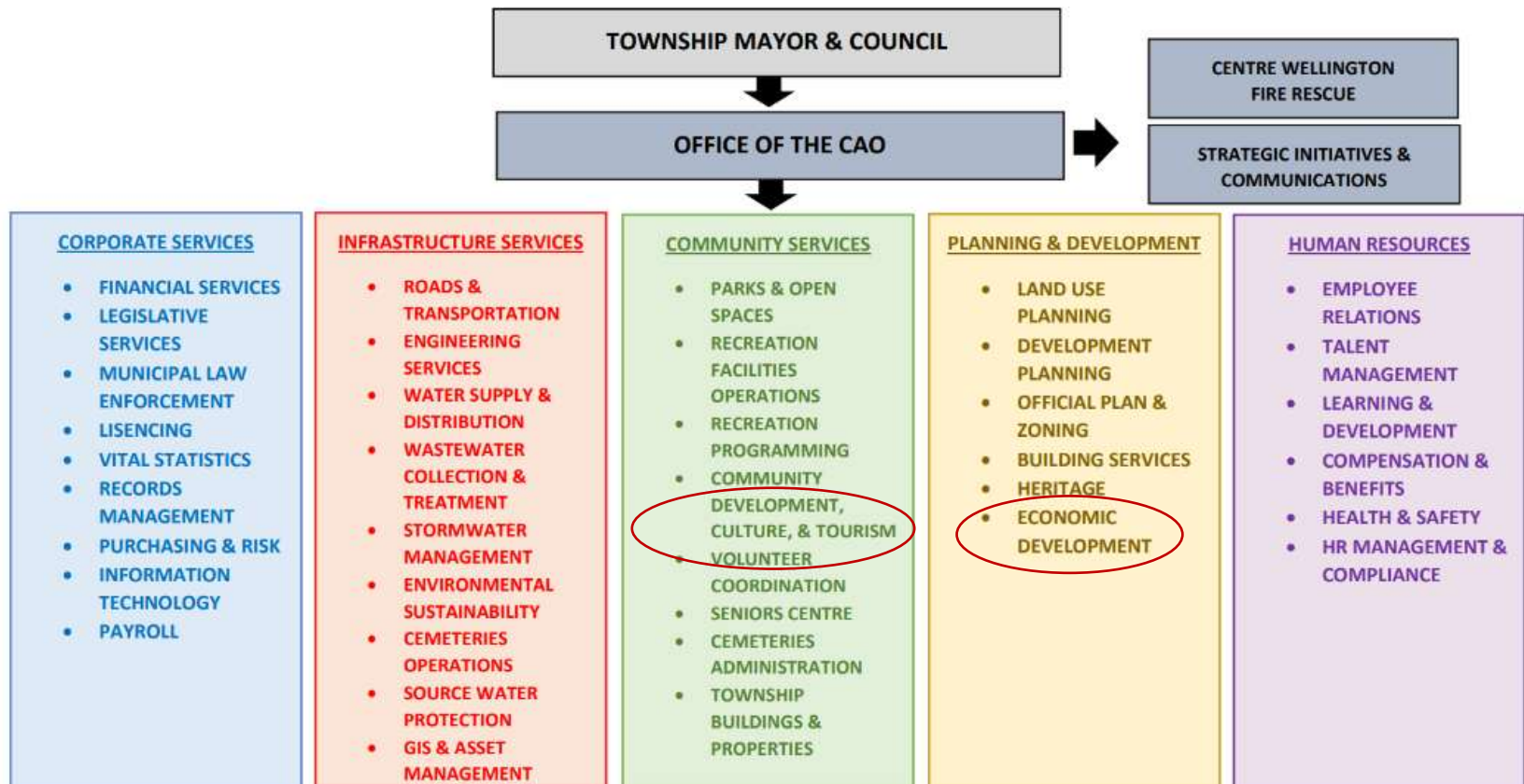
- ❑ There was considerable shared opinions and common ground among Member of Council. Findings from these 1:1 interviews included:
 - ❑ Unanimous support for implementing a MAT program to ensure that tourists contribute their fair share to maintain and improve Township infrastructure/amenities. Several councillor indicated a desire for MAT funds to be used to build new amenities like parks or trails that could be used by both visitors and residents.
 - ❑ Agreement that the synergies between economic development and tourism will only be fully realized if these functions are clustered together rather than being in two separate departments.
 - ❑ Agreement that staff capacity is an issue for both economic development and tourism – especially considering the Township’s current growth rate. This limited staff capacity results in missing opportunities to leverage our strategic advantages (e.g. agriculture, agri-food sector).
 - ❑ Agreement that a MSC should be arms length from Township Council. However, decision-making parameters of the MSC need to be clear and well-documented.
 - ❑ Recognition that there needs to be alignment between the strategic priorities of the Township and the MSC.
 - ❑ Agreement that the MSC Board should not be too large, and that Council involvement on the Board should include the Mayor. Some councillors would prefer one additional councillor, while others would prefer two additional councillors.
 - ❑ Agreement that the MSC should provide Council with quarterly updates on revenues, expenses and key performance indicators of the corporation. Quarterly updates could transition to bi-annual updates after a year of operation.
 - ❑ Agreement that the future state model should support an effective relationship with the BIAs.
 - ❑ Some concern expressed that the tourism function cannot overshadow the economic development function.
 - ❑ Agreement that the Township’s tourism product needs expand beyond Elora and include Fergus and Belwood.
 - ❑ Suggestion that there is an opportunity to effectively brand the new MSC to build positive momentum in the community.

Current State Overview: Roles and Responsibilities

- ☐ Current State Overview: Who Does What
- ☐ Office of the CAO
- ☐ Community Services
- ☐ Planning and Development
- ☐ Other ED/Tourism Players

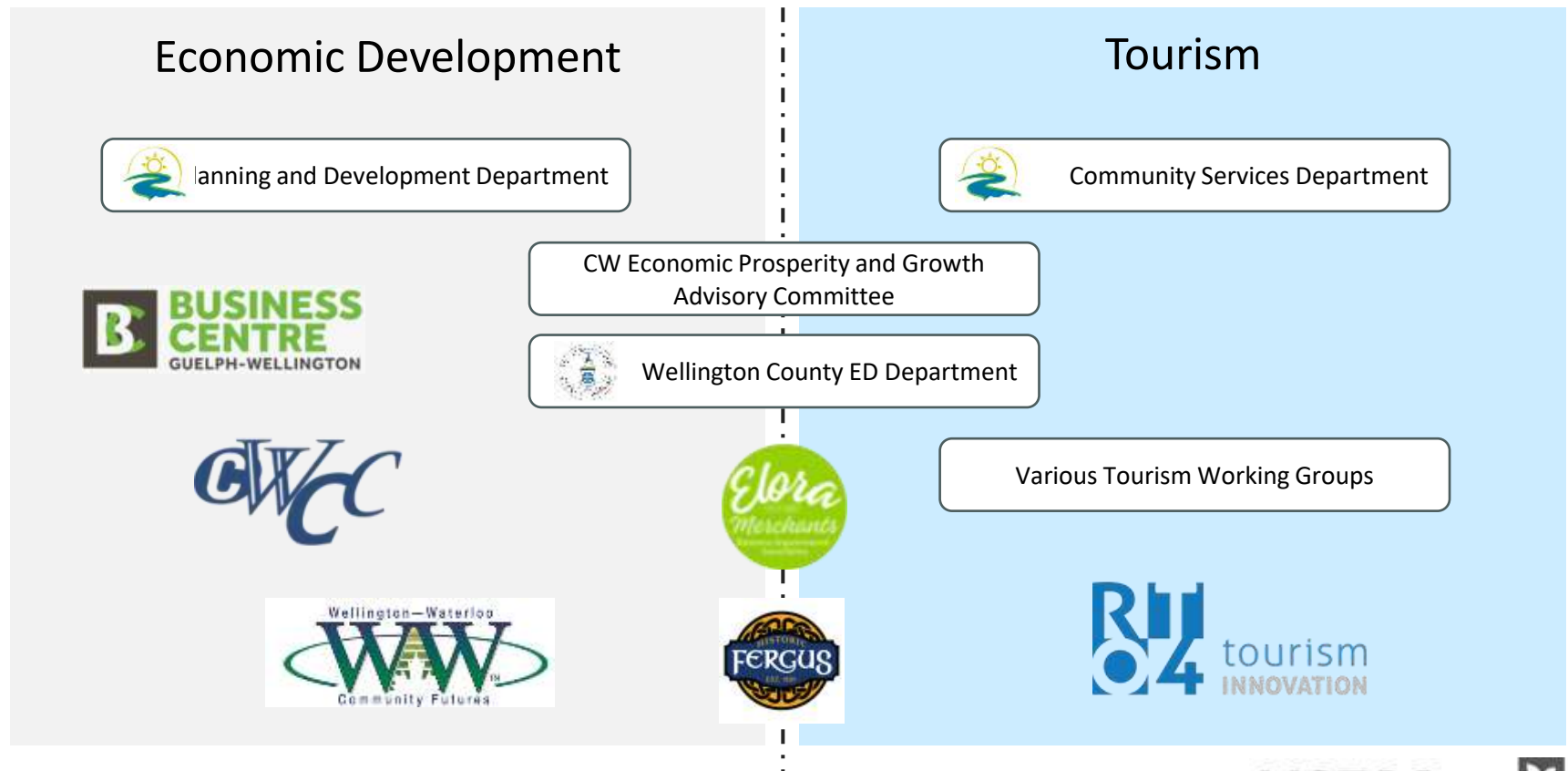
Current State Functional Model: The Township “Big Picture”

- ❑ The Township is clustered into five department and two additional divisions with the CAO having eight direct reports.
- ❑ The economic development functions falls under Planning and Development with the Manager, Economic Development reporting to the Managing Director of Planning and Development. There are synergies between planning, building, and economic development’s focus on promoting employment land within the Township.
- ❑ The tourism function resides under Community Services with the Manager, Community Development reporting to the Managing Director of Community Services. There are synergies between festivals, events, and cultural events with tourism activities.



Economic Development and Tourism “Key Players”

- ❑ Economic development and tourism functions and roles/responsibilities are shared among several organizations. While each organization has unique area of focus, there is significant overlap in who is responsible for what. For example, all the below groups are involved to some degree maintaining/promoting Centre Wellington’s downtown areas.
- ❑ Our future state organizational model must clarify who is accountable for what outcomes to reduce duplication of effort and avoid functional gaps.



Roles and Responsibilities

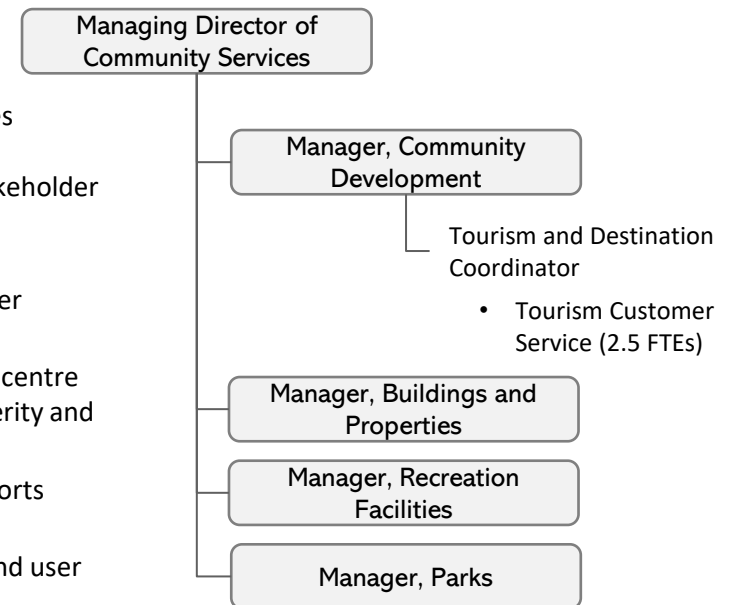
- ❑ Accountable to Township Council, the CAO provides strategic direction to the Managing Directors of Community Services and Planning and Development for all economic development and tourism-related functions.
- ❑ Reporting to the CAO, the Executive Coordinator supports internal cross-department project delivery. This includes economic development and tourism-related initiatives from time to time.
- ❑ Reporting to the CAO, the Manager, Strategic Initiatives and Communications supports the development of marketing and communications materials for both economic development and tourism-related functions.
- ❑ Reporting to the Manager, Strategic Initiatives and Communications, the Digital Media Associate provides digital media services to support both economic development and tourism.
- ❑ Reporting to the CAO, the Managing Directors of Community Services, Planning and Development, and Corporate Services provide leadership/management of economic development and tourism functions. Their level of effort has been included in the following pages.



Positions With ED/Tourism Role	Estimated average % time spent on ED and Tourism
CAO	5%
Executive Coordinator	10%
Manager, Strategic Initiatives and Communications	10%
Digital Media Associate	30% (5% ED, 25% tourism)

Roles and Responsibilities

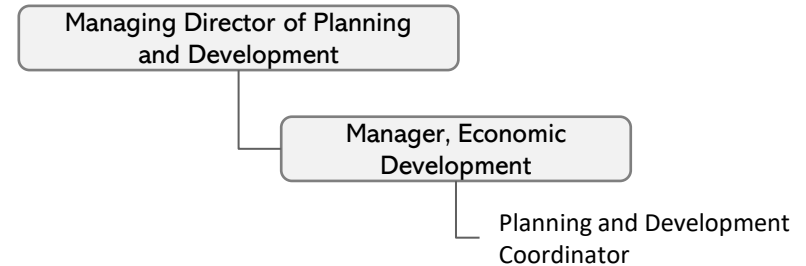
- ❑ **The 2025 Tourism budget is \$281,873.**
- ❑ Accountable to the CAO, the Managing Director of Community Services oversees tourism-related functions, including visitor experience, events, festivals, BIA liaison/support, corporate sponsorship, parks and facility maintenance, and stakeholder management.
- ❑ Manager, Community Development provides oversight for destination marketing/promotion, downtown/BIA activities, events and festivals, stakeholder relations, corporate sponsorship, and cultural activities.
- ❑ Tourism and Destination Coordinator delivers tourism services, oversees visitor centre operations/staff, special tourism-related projects, and attends Economic Prosperity and Growth Advisory Committee meetings.
- ❑ Manager, Buildings and Properties maintains the Elora Tourism Office and supports tourism-related capital projects.
- ❑ Manager, Recreation Facilities supports indoor facilities set-up, maintenance, and user group agreements.
- ❑ Manager, Parks supports outdoor and downtown set-up, maintenance, garbage, planting, and grass cutting.



Positions With ED/Tourism Role	Estimated average % time spent on ED and Tourism
Managing Director of Community Services	10%
Manager, Community Development	15%
Tourism and Destination Coordinator	95%
Tourism Customer Service (2.5 FTEs)	100%
Manager, Buildings and Properties (Elora Tourism Office)	5%
Manager, Recreation Facilities	5%
Manager, Parks	5%

Roles and Responsibilities

- ❑ **The 2025 Economic Development budget is \$223,922.**
- ❑ Accountable to the CAO, the Managing Director of Planning and Development oversees economic development-related functions, including providing leadership/direction and managing the administration and development of the Township's business park.
- ❑ Manager, Economic Development is responsible to implement the Township's economic development strategy, including business retention and expansion, business park and land development, marketing, managing ED stakeholders and partners, employment land development reviews, corporate real estate, Community Improvement Plan (CIP) activities, and participation in Economic Prosperity and Growth Advisory Committee, and Council presentations.
- ❑ Planning and Development Coordinator supports the Manager with CIP activities, marketing, data management, ED-related projects and assistance with zoning and employment land sales.



Positions With ED/Tourism Role	Estimated average % time spent on ED and Tourism
Managing Director of Planning and Development	15%
Manager, Economic Development	100%
Planning and Development Coordinator	40%

2.5 Other ED/Tourism Players



**Wellington
County**

- ☐ Business support services
- ☐ Community Improvement Programme (aligned to municipal CIPs)
- ☐ Regional coordination through cross-County committee
- ☐ Cross-County destination marketing
- ☐ Workforce development
- ☐ Attainable housing
- ☐ Tourism signage



**Centre Wellington
Chamber of Commerce**

- ☐ Business support services
- ☐ Business to business networking
- ☐ Government advocacy activities
- ☐ Business directory



- ☐ Established by Ontario Municipal Act funded by dedicated BIA levy
- ☐ Downtown promotion and beautification
- ☐ Downtown revitalization activities
- ☐ Special events / programs
- ☐ Advocate for downtown businesses



**CW Economic
Prosperity and Growth
Advisory Committee**

- ☐ Council, BIA, Chamber of Commerce, citizen and youth representatives
- ☐ Advice council on economic development and growth items
- ☐ No decision-making authority
- ☐ Manager, ED is the key Township staff member at monthly committee mtgs



- ☐ Not for profit organization with Board of Directors
- ☐ Business financing
- ☐ Business planning and training services
- ☐ Community economic development partnerships/liaison activities
- ☐ Business-related events



**BUSINESS
CENTRE**
GUELPH-WELLINGTON

- ☐ Entrepreneurial/small business support services
- ☐ Business advisory services
- ☐ Events and networking



tourism
INNOVATION

- ☐ Includes Huron County, Perth County, Waterloo Region and Wellington County
- ☐ Supports destination product development and marketing
- ☐ Providing tourism funding opportunities
- ☐ Linkages to Destination Ontario and Canada Tourism, Culture and Sport

Legislative Requirements

- ☐ Municipal Accommodation Tax (MAT) Requirements
- ☐ Municipal Services Corporation (MSC) Requirements

Municipal Accommodation Tax (MAT) Requirements

- ❑ The Ontario legislative requirements for implementing a Municipal Accommodation Tax (MAT) are outlined in Ontario Regulation 435/17 (Transient Accommodation Tax). Here are the key points:
 - ❑ Authority to Implement: Only single-tier and lower-tier municipalities have the authority to implement a MAT program. Upper-tier municipalities (regional or county governments) do not have this authority.
 - ❑ Tourism Entity Eligibility: To be eligible to receive MAT revenue, a tourism entity must be a not-for-profit organization with a mandate that includes tourism promotion.
 - ❑ Revenue: Municipalities must share at least 50 % of net MAT revenue with a local not-for-profit tourism organization (e.g. Destination Marketing Organization) while the rest goes toward municipal tourism-related programs and/or infrastructure.
 - ❑ Agreement Requirement: A municipality and the tourism entity must have an agreement to ensure that the amounts paid to the entity are used solely for promoting tourism.
- ❑ The process for setting MAT rates involves several steps to ensure compliance with legislative requirements and alignment with municipal goals. Here is an overview of the process:
 - ❑ Council Approval: The first step is obtaining approval from the municipal council to establish a MAT program.
 - ❑ Consultation: Engaging with stakeholders, including local businesses, tourism entities, and residents, to gather input and ensure that the MAT program aligns with community needs and priorities.
 - ❑ Rate Determination: The municipality must determine the appropriate MAT rate. This involves analyzing factors such as the local tourism market, economic conditions, and the financial needs of the municipality.
 - ❑ Agreement with Tourism Entity: The municipality must establish an agreement with an eligible tourism entity to ensure that the MAT revenue is used exclusively for promoting tourism. This agreement should outline the roles, responsibilities, and reporting obligations of both parties.
 - ❑ Monitoring and Reporting: The municipality must regularly monitor the MAT program's performance and provide updates to the council. This includes reporting on revenue collected, expenditures, and key performance indicators to demonstrate the program's success or areas for improvement.

Municipal Service Corporation (MSC) Requirements

- ❑ Ontario Regulation 599/06: Municipal Services Corporations (under the Municipal Act, 2001) outlines the rules and guidelines for municipalities in Ontario to establish and operate municipal services corporations. Here are some key points:
 - ❑ General Powers: Municipalities have the power to establish corporations, manage incorporators, members, directors, officers, and handle securities of corporations .
 - ❑ Duties of Municipality: Municipalities must conduct a business case study, establish asset transfer policies, ensure public participation, and can create economic development corporations and holding corporations .
 - ❑ Rules for Municipality: There are specific rules regarding the prohibited use of powers, assignment, debt instruments, and assistance to corporations .
 - ❑ Rules for Corporations: Corporations have limitations on their actions, territorial operations, amendments to corporate documents, and their status and compliance .

Comparative Practices Summary

- ☐ Introduction
- ☐ In-House vs. Municipal Service Corporation
- ☐ Staffing Models
- ☐ Board Governance
- ☐ Reporting to Council and Decision-Making Parameters
- ☐ Community/Stakeholder Involvement

Approach to Comparative Review

- ❑ Across Ontario, municipalities have implemented a spectrum of organizational models to manage their economic development and tourism functions. Some have selected fully autonomous Municipal Service Corporations (MSC) to manage both economic development and tourism with limited involvement/oversight from their respective Councils. Many others have decided to keep these functions in-house within a more traditional municipal departmental structure. There are also several hybrid models that attempt to leverage the strengths of both the autonomous MSCs and in-house models.
- ❑ This comparative review has synthesized key findings from the comparable practice data into the below five areas of focus. This provides valuable guidance to help build a made-in-CW model consistent with best practices. (The Appendix to this report include additional details.)

Areas of Focus	Key Findings
In-House vs. MSC	• In-house departments benefit from strong integration into municipal policy and service networks but can be slower to act. • MSCs are often better positioned to adapt to time-sensitive opportunities, negotiate/partner with private investors, and enable greater responsiveness to business community needs.
Staffing Model	• Comparative and academic research suggests that a fully autonomous model is highly inefficient and that in the event an MSC is created, shared-staffing services model is preferred.
Board Governance	• MSC boards should be balanced by including economic development/tourism professionals, municipal staff, and elected officials. The rationale behind this structure is to ensure that funding and the overall organization direction serves the needs and aligns with the goals of the municipality.
Reporting to Council and Decision-Making	• In some cases, Councils are responsible for overseeing specific allocations, while in other municipalities, the MSC operates with more autonomy, having Council review and approve annual budgets or funding plans, rather than individual allocations. • A good practice is introducing agreed upon key performance indicators to be reported on.
Community/Stakeholder Involvement	• Most effective means of hearing from the public is through regular reporting to Council and by board oversight. This process embeds community input into the outcomes of MSCs and ensures that there is meaningful oversight and involvement.

Overview

- ❑ The governance structure of economic development entities plays a pivotal role in determining accountability, transparency, and responsiveness to public priorities. This subsection considers the value of having an in-house economic development department compared to an arms-length municipal service corporation.
- ❑ Generally, the strengths of an embedded economic development department include transparency (due to regular reporting to Council and senior staff), access to municipal administrative services/infrastructure, and consistent alignment with broader municipal objectives. MSCs, on the other hand, offer a more flexible, nimble approach to economic development. Their relative autonomy means that they can make more adaptive decisions avoiding some of the bureaucratic challenges/bottlenecks that in-house departments may face.

In-House Department	Arms-Length MSC
Transparency: Reinforces transparency, allowing elected officials to oversee economic development through budget processes and public meetings.	Autonomy: Designed to operate with a degree of autonomy from typical municipal structures, allowing more swift decision-making.
Access to Municipal Services: Benefits from access to the broader suite of municipal services without the need for additional independent contracting or administrative duplication.	Innovation: Can be structured to operate more like private-sector entities, with streamlined procurement, greater independence/flexibility, and faster overall processes.
Funding: Funded through the municipal budget process, offering stable and predictable funding.	Funding: May have access to a broader range of financial tools, though they do so with a feeling of greater financial insecurity than an in-house department.

Bottom-Line

- ❑ In-house departments benefit from strong integration into municipal policy and service networks but can be slower to act.
- ❑ MSCs are often better positioned to adapt to time-sensitive opportunities, negotiate/partner with private investors, and enable greater responsiveness to business community needs.

Case Study: Middlesex County

- ❑ Middlesex County is in the process of adapting its service delivery model to deliver its economic development program through an arms-length Municipal Service Corporation (MSC). In September 2024, the County's Committee of the Whole approved a recommendation directing staff to develop an implementation strategy for the arms-length MSC. (As of mid-2025, County Council has not formally approved implementing an autonomous MSC, though that process is currently underway.)
- ❑ This MSC would replace the previous internal municipal economic development operation. The current model was seen as having strong staff who facilitate meaningful connections, however consultations noted that economic development services across the County needed a change.
- ❑ While the current model stressed accountability and transparency, the challenges identified by member municipalities and stakeholders included:
 1. Limited funding relative to services provided.
 2. A lack of direct municipalities-economic development connections.
 3. Confusion about department offerings.
 4. Lack of clear performance metrics.
- ❑ As per the County's Strategic Plan, municipal goals include building and maintaining strong relationships with partners, engaging in collaborative economic development initiatives, and strengthening the economic foundations of the County's local communities. The Strategic Plan also speaks to attracting new business and leveraging strategic locations for industrial opportunities in the County. It was argued that these economic development goals align better with the notion that an MSC has more flexibility in creatively pursuing leads and partnerships.
- ❑ The introduction of an MSC also was seen as aligning with how Middlesex County hoped to continue promoting its business-friendly reputation and its quick response practices for new or expanding business inquiries.
- ❑ In September 2024, Middlesex County approved a recommendation directing staff to develop an implementation strategy for an arms-length MSC.

Overview

- ❑ Another element to understanding the structure of delivering economic development and tourism is potential staffing models. This section expands on the previous section by discussing how different staffing models may operate. There are three models presented:
1. Fully in-house (i.e., in-house economic development department)
 2. Fully autonomous
 3. Shared staffing services

Fully In-House	Fully Autonomous	Shared Staffing
Coordination: Economic development staff are municipal employees, ensuring policy alignment.	Autonomy: MSCs employ their own staff and manage independent budgets.	Efficiency: Allows municipalities and MSCs to share staff, office space, and administrative resources.
Stability: Pay and benefits tend to be more stable compared to MSCs.	Challenges: Higher overhead and operational complexity and reliance on municipal administrative support through fee-for-service or in-kind arrangements.	Challenges: Dual reporting and administrative duplication require clear governance agreements and role delineations.
Challenges: Limited flexibility in compensation and promotion.		

Bottom-Line

- ❑ Comparative and academic research suggests that a fully autonomous model is highly inefficient. In the event that an MSC is created, shared-staffing services model is preferred.

Overview

- ❑ While lower-tier and single-tier municipalities in Ontario are authorized to implement a MAT, provincial legislation provides limited guidance on its administration, management, and distribution. The legislation does mandate that at least 50% of net revenue from the MAT must be allocated to a not-for-profit tourism organization, whether an internal department or arms-length MSC.
- ❑ When it comes to administering a MAT program, evidence suggests that Ontario municipalities have overwhelmingly chosen to establish a non-municipal entity to oversee distribution. Approximately 85% of municipalities with a MAT have distributed at least a portion of funding through a designated tourism entity, rather than through a municipal economic development department/organization. Given this distribution, the remaining three sections profile aspects of an arms-length municipal service organization, with the idea that the general trends identified would be incorporated into either an arms-length tourism agency administering a municipal accommodations tax (MAT), and/or an economic development corporation.
- ❑ Arms-length agencies that have been successful across Ontario have instituted a clear governance framework that blends municipal oversight with operational independence. Effective governance is imperative to ensure that goals and actions remain aligned across the municipality, but independence is needed to take advantage of the strengths of an MSC. The board plays a critical role in determining revenue allocation, municipal voices are heard (as well as the voices of community stakeholders), and strategic objectives/performance metrics are met.

Successful MSCs have instituted a clear governance framework that blends municipal oversight with operational independence.

Board Composition

- ❑ Generally, MSC boards that were reviewed are made of a blend of economic development (and/or tourism stakeholders) professionals, municipal staff, and elected officials. Industry stakeholders are encouraged to engage with these boards to assist in shaping the sector's direction and providing a voice for the area's business community.
- ❑ This configuration allows for a balanced governance model, and can also include not-for-profit organizations in the municipality, such as BIAs or Chambers of Commerce, further diversifying the board. Board representatives are frequently responsible for grant allocations and collaborating closely with local government to ensure funding aligns with tourism and economic development priorities. In some cases, mixed boards include industry leaders, business community members, and appointed individuals from the municipality who are not necessarily council or staff. Overall, the rationale behind this structure is to ensure that funding and the overall organization direction serves the needs and aligns with the goals of the municipality.

Board Responsibilities

- ❑ Boards are typically seen to share three core responsibilities:
 1. Setting strategic direction.
 2. Overseeing funding allocations
 3. Reporting to Council.
- ❑ Boards play a key role in shaping strategic direction. They often set annual priorities, approve marketing initiatives, and evaluate proposals for tourism-related events or projects. When supported by a clear strategic planning framework (as illustrated previously, clarity on roles and oversight is imperative), boards can also hold staff accountable for meeting established goals and expectations. Further, the board can help provide strategic decision-making support when it is unclear what direction an organization should pursue to remain aligned with municipal objectives.
- ❑ Another core responsibility is funding allocation. Boards frequently oversee the review and approval of grant applications and the disbursement of funds. This role is especially prominent in tourism entities, where boards in some municipalities manage the MAT grants program. These boards typically issue annual calls for proposals, evaluate submissions based on set criteria, and make funding decisions independently—though within an overall budget that requires Council approval.
- ❑ Regardless of their level of control over financial allocations, boards are accountable for reporting. This includes submitting regular financial statements and performance updates to municipal Council.
- ❑ Overall, across the municipalities and tourism bodies examined, the influence of MSC boards on decision-making varies widely. While some boards exercise full operational control, others function in an advisory role, providing recommendations to Council or municipal staff. In some cases, boards operate with a high degree of independence, though still within Council-approved budgets.
- ❑ Finally, regardless of the exact breakdown of a board's composition, or level of authority over specific decision-making, it was clear in reviewing MSC boards across the province that there is a real effort made to reflect the broader community. Business leaders, not-for-profit organizations, municipal staff, and Councillors all had a role to play in bringing their background to the board and supporting oversight of the organization. Through these individuals, representing their "community," stakeholders can have influence over economic development and/or tourism initiatives in their municipality. Without this voice, industry and community members can struggle to have their voice heard and the organization may fight an uphill battle for success long-term. This transparency in decision-making is critical, as it allows for initiatives to be undertaken with the hypothetical support of a wide swath of community members

Boards are accountable to submit regular financial statements and performance updates to municipal Council.

Approval of Budgets and Reporting to Council

- ❑ In a review of common practices, Councils have a significant role to play in the monitoring and decision-making processes of economic development and tourism-related MSCs. Councils are heavily involved in the delivery of programs, budget approvals, accountability, and municipal alignment. With respect to tourism entities, Councils are typically involved with the initial decision to adopt the MAT through budgets and funding approval, to monitoring and accountability, and by being a voice for community stakeholders. As elected officials, Councillors offer a direct connection to community needs and priorities, making them well-placed to guide economic development and/or tourism development in ways that serve the broader public interest.
- ❑ Once an MSC is established, Councils have varying levels of engagement with respect to funding allocations. As it relates to tourism entities providing MAT-related funds, levels of engagement have depended on the breakdown of the tourism entity's decision-making autonomy. In some instances, Council's are responsible for overseeing specific allocations that the tourism entity has proposed. Within other municipalities, the organization operates with some autonomy, having Council review and approve annual budgets or funding plans, rather than individual allocations. Even when the tourism organization has decision-making authority, Council is still responsible for approving general funding and ensuring that goals align with overarching municipal directives and goals. This is largely the same for economic development MSCs that were reviewed, though it appears that on average the economic development agencies have more independence and budgetary flexibility outside of reporting, compared to MAT-related tourism MSCs.
- ❑ Council can also be called on for supplementary budget top-ups, especially when considering large scale initiatives (i.e., purchasing and developing land, or tourism-related asset development). There are other ways to raise funds that these organizations have taken advantage of (i.e., grant applications) but at times Council is also called upon to support these organizations through additional budget supports.

Monitoring and Accountability

- ❑ Councils appear to most often require periodic (quarterly or annual) reports from MAT recipients detailing fund usage, tourism marketing results, and economic impacts. The depth of reporting (i.e., level of detail/particulars around daily decision making) vary depending on the Council, but most appear to require at least some level of annual reporting.
- ❑ The same is true for economic development MSCs, with reporting typically consisting of more frequent reporting on general activities or measurable metrics (i.e., grants supported, businesses engaged with, community events, etc.), as well as annualized reporting on budgets, business plans, or financial statements. Some organizations have key performance indicators or metrics for review (i.e., business growth, visitor figures, etc.), but most strategic planning exercises have avoided specific KPIs due to the challenge of proving causation between economic development/tourism initiatives and definable outcomes.

Strategic Direction and Alignment

- ❑ A final way in which Councils oversee organizational direction is through ensuring that the work undertaken aligns with the municipality's broader economic development, cultural, and tourism vision and goals. Even in municipalities where the organization has relative autonomy, as a key component of community development it is imperative the organizational and other municipal initiatives are aligned. This was noted repeatedly in the initial chapter and is relevant for both MAT-related organizations and economic development MSCs. Ensuring this alignment between municipal goals and the arms-length organization is crucial.
- ❑ To that end, Councillors often serve as conduits for community concerns or ideas regarding tourism and economic development. While residents are engaged directly during a strategic planning process (see following chapter), ongoing direct engagement with residents is time-consuming and inefficient. Instead, Council meetings provide a public forum where strategic direction can be discussed and challenged. This is an efficient and effective way to ensure that decision-making reflects the expectations of community members without having never-ending community engagement sessions.

Critical to have alignment between the goals and strategic priorities of the municipality and the MSC.

Targeted Outreach and Meaningful Input

- ❑ Stakeholder engagement is best done through targeted outreach, avoiding the need for consistent and ineffective engagement. The most effective means for gaining deliberate feedback is through a strategic planning process with targeted engagement and clear objectives. Once this process is complete, and identifiable goals and actions are created with community feedback, the most effective means of hearing from the public is through regular reporting to Council and by board oversight. This process embeds community input in the outcomes of MSCs and ensures that there is meaningful oversight and involvement.
- ❑ The strategic plan must reflect input from the community and stakeholders and result in actions that are realistic. This strategy can then be used to align directives and investment initiatives for the MSC with the municipality's broader goals.
- ❑ Once the strategic planning process is completed, continued input from the community should be filtered through Council. This is because Councillors represent municipal stakeholders and can bring forward issues that community members feel warrant revision, without overburdening staff or expecting stakeholders to be constantly analyzing low-level decisions.
- ❑ Reporting schedules vary but typically see quarterly (or bi-annually) activity reports and annual funding allocations. There was relatively minimal consistency in the level, timing, and depth of funding of tourism organizations, while economic development corporations tended to follow the above quarterly/annual mix.
- ❑ While more involved community engagement tools (i.e., annual or sub-annual surveying) could be seen as increased engagement, the reality is this tool is remarkably time consuming and inefficient. Moreover, community members and industry stakeholders quickly begin to feel "survey fatigue," leading to decreased engagement in the community. Therefore, focusing on getting direction from a strategic planning process and then following-up with Council is much more viable and effective. All in, this engagement process helps ensure that the community is heard from, stakeholders are engaged, and oversight exists at a reasonable level while allowing the MSC the flexibility to achieve its desired ends

The most effective means for gaining deliberate feedback is through a strategic planning process with targeted engagement and clear objectives.

ATTACHMENT: Comparative Practices Full Report

Organizational Best Practices Analysis

Prepared for Centre Wellington

July 2025

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1. MUNICIPAL ECONOMIC DEVELOPMENT DEPARTMENT VS ECONOMIC DEVELOPMENT CORPORATION

The governance structure of economic development entities plays a pivotal role in determining its accountability, transparency, and responsiveness to public priorities. This subsection considers the value of having an economic development organization (internal to the municipality) compared to an arms-length economic development corporation.

In-house municipal economic development departments¹ operate within the community's municipal government, reporting directly to senior municipal staff and council. By contrast, arms-length economic development corporations (EDCs) are established as municipal service corporations (MSCs), governed by a board of directors with varying levels of municipal control depending on the structure chosen by the municipality.

Information below provides further context to each structure. Generally, the strengths of an embedded economic development department include transparency (due to regular reporting to Council and senior staff), access to municipal administrative services/infrastructure, and consistent alignment with broader municipal objectives. EDCs, on the other hand, offer a more flexible, nimble approach to economic development. Their relative autonomy means that they can make more adaptive decisions "on the fly" and avoid some of the bureaucratic challenges/slowdowns that in-house departments may face.

¹ There are of course different terms for "department" (i.e., division, team, organization, etc.) but within this report, for simplicity's sake, we refer to an in-house economic development staffing complement as a department.

1.1. Economic Development Department Within the Municipality

An economic development department embedded in a municipal structure reinforces transparency, allowing elected officials to oversee economic development through budget processes and public meetings. Across the province, in-house economic development staff submit regular reports alongside annual budgets for council approval, maintaining a clear chain of accountability. This finding aligns with two academic studies (from 2019 and 2023) on arms-length agencies compared to in-house options, where the biggest concern with arms-length agencies is difficulty addressing agencies that do not consistently deliver results.

Internal municipal departments also benefit considerably from access to the broader suite of municipal services (e.g., interdepartmental expertise, benefits packages, and IT infrastructure) without the need for additional independent contracting or administrative duplication. This service sharing leads to efficiency and consistency compared to arms-length agencies, particularly in smaller municipalities with limited capacity. However, from a human resources standpoint, the municipal framework also imposes constraints. Staff are often bound by collective agreements, hiring processes can be protracted, and innovation may be limited by the risk-averse nature of a larger corporate culture. These challenges can limit the municipality's ability to respond quickly to market opportunities or to tailor programming to the evolving needs of businesses.

In-house economic development departments are funded through the municipal budget process, offering stable and predictable funding. Their expenditures are subject to annual approvals by council and are bound by public sector financial regulations. As with the general organizational structure, this process provides transparency but is suggested to limit financial innovation. In-house departments typically cannot borrow funds, generate revenue independently, or manage investment portfolios, which restricts their ability to engage in certain types of economic development initiatives such as site development. However, municipalities have found avenues to manage site development at times, and comparable municipalities with limited funds shifting to an MSC model (e.g., Middlesex County) do not suggest taking on site development as an immediate goal, due to still-existing constraints.

Summary

While in-house departments benefit from strong integration into municipal policy and service networks, they can be slower to act. Decision-making in-house often involves multiple layers of approvals and coordination across departments, slowing down the process, a frequent frustration for private-sector businesses engaging with these departments. While this deliberation (typically) maintains consistency with broader municipal objectives and reduces the likelihood of unilateral or controversial actions, it can also limit responsiveness. This slower pace is seen as a potential hindrance to competing for investment opportunities or seeking innovation.

1.2. Economic Development Corporation

Municipal Service Corporations are designed to operate with a degree of autonomy from typical municipal structures, allowing more swift decision-making compared to bureaucratic processes. However, this independence must be contrasted with the reduced direct oversight that comes with an in-house model.

That is not to say that MSCs operate entirely independently: boards (profiled in Section 3) often include municipal representatives and/or staff, which can increase oversight. Between boards and funding controls (through Council approvals), there is still significant oversight, especially in smaller municipalities. At the same time, without consistent, robust oversight, academic reports have noted risks associated with “mission drift” and “diminished alignment with municipal goals” over time as MSC goals change. Therefore, while boards and ongoing funding controls provide an avenue for oversight, they still do not provide the same level of control that an in-house department experiences. As a result, while MSCs offer greater autonomy, their governance must be carefully structured to ensure accountability and alignment with broader municipal/departmental goals.

Regarding innovation and potential unique partnerships, MSCs can be structured to operate more like private-sector (or [more nimble](#) not-for-profit) entities, with streamlined procurement, greater independence/flexibility, and faster overall processes. This independence enables them to pivot quickly where needed, form partnerships, and be more creative in engaging on projects with potential private sector investors. While this is a significant positive, it must again be

tempered against the potential for that same flexibility to lead to misalignments with broader municipal planning or council priorities if not checked by clear mandates or regular performance reviews. Again, therefore, it is seen that arms-length structures offer a more agile and business-friendly environment but need strong governance/oversight frameworks to ensure public accountability.

Another area where the two models see divergence is through access to funding. Arms-length EDCs may have access to a broader range of financial tools, though they do so with a feeling of greater financial insecurity than an in-house department. As incorporated entities under the Municipal Act, EDC's can officially borrow funds, own and manage real estate, enter into joint ventures, and even generate revenue through land sales, leases, or fees. This financial latitude allows MSCs to undertake more complex and entrepreneurial initiatives, if desired. However, while this model can unlock new funding streams and reduce dependence on property taxes, it also introduces financial risks, in two key ways.

First, financial independence must be balanced against insecurity; organizations we have spoken to suggest that they have an annual fight to "justify the investment" in a way that in-house departments do not. Moreover, a lack of liquidity and delayed funding acceptance (or grant approval from non-municipal partners) has meant for some organizations that their staff has gone unpaid waiting for funding approval, to hopefully be backfilled. This uncertainty has led to challenges keeping staff year-over-year, as many seek out more stable positions in other organizations.

Second, while the Municipal Act allows MSCs to make more aggressive, flexible plans for revenue generation, it also opens up potentially speculative activities or initiatives that accumulate debt in ways that indirectly affect municipal credit or public trust. Therefore, as with previous discussions, the positives of financial independence must be carefully balanced with oversight mechanisms that protect the municipality's long-term interests.

Summary

In sum, it is suggested that EDCs are often better positioned to adapt to time-sensitive opportunities, negotiate/partner with private investors, and enables greater responsiveness to business community needs. This is particularly important in competitive investment attraction. However, these positives must be balanced with the reality that MSCs have a less

stringent oversight process than in-house economic development department and can see “mission drift” separate their goals and objectives from those of the municipality. As well, financial independence allows for flexibility but also the potential for annual fiscal uncertainty. Therefore, strong oversight and regular communication/funding clarity is needed.

1.3. Case Study: Middlesex County

Middlesex County is in the process of adapting its service delivery model to deliver its economic development program through an arms-length Municipal Service Corporation (MSC). In September 2024, the County's Committee of the Whole approved a recommendation directing staff to develop an implementation strategy for the arms-length MSC. As of mid-2025, County Council has not formally voted to adopt a motion creating an autonomous EDC, though that process is ostensibly underway. This case study does not focus on the specifics of the potential creation of the MSC, instead noting the reasoning behind the recommendation for the eventual implementation.

This MSC would replace the previous internal municipal economic development operation. The current model was seen as having strong staff who facilitate meaningful connections, however consultations noted that economic development services across the County were in need of a change. While the current model stressed accountability and transparency, the biggest issues that member municipalities/stakeholders suggested were:

1. Limited funding relative to services provided.
2. A lack of direct municipalities-economic development connections.
3. Confusion about department offerings.
4. Lack of clear performance metrics.

In considering an MSC as an alternative to the in-house model, Middlesex County was able to lean on a range of similarly structured municipalities in the nearby area, including Rural Oxford Economic Development Corporation, Sarnia-Lambton Economic Partnership, Invest ~~WindsorEssex~~, and London's Economic Development Corporation.

As per the County's Strategic Plan, municipal goals include building and maintaining strong relationships with partners, engaging in collaborative economic development initiatives, and strengthening the economic foundations of the County's local communities. The Strategic Plan also speaks to attracting new business and leveraging strategic locations for industrial opportunities in the County. It was argued that these economic development goals align better with the



notion that an MSC (compared to an in-house department) has more flexibility in creatively pursuing leads and partnerships.

The introduction of an MSC also was seen as aligning with how Middlesex County hoped to continue promoting its business-friendly reputation and its quick response practices for new or expanding business inquiries. As noted in previous sections, this nimbleness is, again, considered a strength of an MSC compared to an in-house economic development department.

The recommendations provided in support of an arms-length MSC suggested that the new MSC should focus on capacity building, branding and program development. These focuses would allow for a clearer understanding of roles and responsibilities and reviewable performance metrics for evaluation. It should be noted that one of the strengths noted above for an MSC was the ability to engage in more aggressive fiscal management (i.e., purchasing land) however this was not recommended as a goal for the new organization. Essentially, this was seen as too large-scale given the context, and the MSC would be better served focusing on core competencies first.

In presenting this information for Middlesex County, it should be noted that comparators are limited by the reality that every municipality is different. In this instance, the County has a population of approximately 500,000, compared to Centre Wellington's approximately 30,000 residents. Admittedly, this population count includes the City of London's population, which administratively operates separately from the County. The County's population excluding the City of London is estimated at approximately 75,000, which is still more than double the population of Centre Wellington. This suggests a slightly different scope of services and capabilities compared to Centre Wellington. While it doesn't mean this information is moot, it should nevertheless be flagged when considering the comparative relevance to Centre Wellington.

Summary:

In September 2024, Middlesex County approved a recommendation directing staff to develop an implementation strategy for an arms-length MSC. The ensuing process is underway, though no motion has been voted on as of mid-2025.

The in-house structure was seen as limiting to the County's economic development efforts due to a lack of funding, lack of connectivity to member municipalities, confusion about the department's offerings, and a lack of performance metrics.

The proposed MSC structure was suggested to be more able to address these issues, and to align the County's economic development initiatives with its broader Strategic Planning goals.

2. STAFFING MODELS

Another piece to understanding the structure of delivering economic development and tourism is potential staffing models. This section expands on the previous section by discussing how different staffing models may operate. There are three models presented:

- 1) Fully in-house (i.e., in-house economic development department)
- 2) Fully autonomous
- 3) Shared staffing services

Comparative and academic research suggests that a fully autonomous model is highly inefficient and that in the event an MSC is created, shared-staffing services provide a much more agreeable structure.

2.1. Fully In-House

Under this model, economic development officers and small business advisors are hired as municipal employees, working within the existing administrative structure. For Centre Wellington, this would essentially maintain the status quo, with a potential adjustment of roles, etc. Salaries, office space, IT, and operational costs are covered through municipal budgets, and reporting is direct to senior municipal leadership/Council. All decisions flow through the municipal chain of command.

This model is seen as benefiting from internal coordination with other municipal departments, though as noted previously this can also slow processes down due to the need for consistent cross-department deliberation. This internal model also supports consistent policy alignment and simplified budgeting processes.

While this model is seen as limiting in terms of flexible compensation or aggressive promotion, in reality, discussions we have had with a host of stakeholders in MSCs suggest that the “grass is not always greener.” That is, while MSCs offer more flexibility, there is a consistent expectation that they will provide cost-savings relative to the in-house model, which

limits compensation packages. Speaking to a number of arms-length agencies, they have noted that comparable pay and benefits packages are better in-house than externally. It is always difficult to compare directly, but for those in MSCs, the in-house model regarding pay and benefits has been regarded as more stable and potentially more efficient.

2.2. Fully Arms-Length Staffing Model

Fully arms-length organizations with no shared staffing employ their own staff, manage independent budgets, and operate autonomously from municipal HR or administrative systems. There is still oversight (through board representation and budget approvals/funding) but the administrative and human resources aspect of the organization is entirely independent. Though non-economic development arms-length organizations may operate with independent boards, this is not the case for EDC MSCs.

The idea behind fully autonomous administrative systems is again to promote agility and specialization, however it is clear that in this regard, the negatives outweigh the positives. Both academic and comparative analyses suggest that independent administrative systems lead to higher overhead and operational complexity, leading to duplicative, costly services. Where current municipalities use an autonomous economic development corporation, administrative support services are almost universally supported by the municipality, with either a relatively small fee-for-service, or provided as an in-kind support service. In some cases, smaller MSCs have also had staff paid through a municipality's payroll (whether all staff, or a staffing complement), due to cost-savings/burden sharing.

2.3. Shared Staffing / Partnership Model

A shared staffing (or partnership) model allows municipalities to collaborate with the MSC to share staff, office space, and/or administrative resources. These shared-service partnerships can offer the best of both worlds from the previous two models. That is, they allow for administrative efficiencies alongside operational flexibility.

This model allows for flexibility, especially as it relates to economic development initiatives where “being seen” is valued among local businesses. Flexible (or multiple) office spaces allow economic development staff to be engaged throughout the municipality, so that businesses in different communities can easily get face-to-face time with staff and see them doing work locally. For a municipality as large as Centre Wellington, this flexibility is a boon.

Discussions with organizations using this model have noted challenges, however, including the potential for dual reporting obligations, resulting in lost efficiencies. For example, an arms-length MSC noted that although they save money by integrating software with their municipality, the uses are different and have led to duplicative efforts to align reporting structures. Other differences in policy, payroll systems, or operational applications can lead to similar inefficiencies. For these reasons, successful shared-service models require clear governance agreements, delineated roles, and formal administrative sharing/reporting mechanisms.

3. MSC/TOURISM ENTITY BOARD COMPOSITION

While lower-tier and single-tier municipalities in Ontario are authorized to implement a Municipal Accommodation Tax (MAT), provincial legislation provides limited guidance on its administration, management, and distribution. The legislation does mandate that at least 50% of net revenue from the MAT must be allocated to a not-for-profit tourism organization, whether an internal department or arms-length MSC.

With respect to the organizational management of municipal accommodation tax revenues, we see that Ontario municipalities have overwhelmingly chosen to establish a non-municipal entity to oversee distribution. That is, approximately 85% of municipalities with a MAT have distributed at least a portion of funding through a designated tourism entity, rather than through a municipal economic development department/organization. Given this distribution, the remaining three sections profile aspects of an arms-length municipal service organization, with the idea that the general trends identified would be incorporated into either an arms-length tourism agency administering a municipal accommodations tax (MAT), and/or a economic development corporation.

As it is unclear what direction the Township will pursue with regard to the development of its economic development program and MAT, the general trends are reflected here rather than trying to identify the most granular details of each model. In effect, the oversight needed for each organization is the same, as the models are similar.

Arms-length agencies that have seen success across Ontario have instituted a clear governance framework that blends municipal oversight with operational independence. As discussed above, oversight is imperative to ensure that goals and actions remain aligned across the municipality, but independence is needed to take advantage of the strengths of an MSC. The board therein plays a critical role in determining revenue allocation, municipal voices are heard (as well as the voices of community stakeholders), and strategic objectives/performance metrics are met.

Board Make-Up

Generally, MSC boards that were reviewed are made of a mix of economic development (and/or tourism stakeholders) professionals, municipal staff, and elected officials. Industry stakeholders are encouraged to engage with these boards to assist in shaping the sector's direction and providing a voice for the area's business community. This must be balanced with the potential for conflicts of interest, resulting in a need to have strong processes in place for board management.

This set-up allows for a balanced governance model, and can also include not-for-profit organizations in the municipality, such as BIAs or Chambers of Commerce, further diversifying the board. Board representatives are frequently responsible for grant allocations and collaborating closely with local government to ensure funding aligns with tourism and economic development priorities. In some cases, mixed boards include industry leaders, business community members, and appointed individuals from the municipality who are not necessarily council or staff. Overall, the rationale behind this structure is to ensure that funding and the overall organization direction serves the needs and aligns with the goals of the municipality.

Board Roles and Influence on Funding

Boards are typically seen to share three core responsibilities:

- 1) Setting strategic direction.
- 2) Overseeing funding allocations
- 3) Reporting to Council.

Boards play a key role in shaping strategic direction. They often set annual priorities, approve marketing initiatives, and evaluate proposals for tourism-related events or projects. When supported by a clear strategic planning framework (as illustrated previously, clarity on roles and oversight is imperative), boards can also hold staff accountable for meeting

established goals and expectations. Further, the board can help provide strategic decision-making support when it is unclear what direction an organization should pursue to remain aligned with municipal objectives.

Another core responsibility is funding allocation. Boards frequently oversee the review and approval of grant applications and the disbursement of funds. This role is especially prominent in tourism entities, where boards in some municipalities manage the MAT grants program. These boards typically issue annual calls for proposals, evaluate submissions based on set criteria, and make funding decisions independently—though within an overall budget that requires Council approval.

Regardless of their level of control over financial allocations, boards are accountable for reporting. This includes submitting regular financial statements and performance updates to municipal Council.

Overall, across the municipalities and tourism bodies examined, the influence of MSC boards on decision-making varies widely. While some boards exercise full operational control, others function in an advisory role, providing recommendations to Council or municipal staff. In some cases, boards operate with a high degree of independence, though still within Council-approved budgets.

Finally, regardless of the exact breakdown of a board's composition, or level of authority over specific decision-making, it was clear in reviewing MSC boards across the province that there is a real effort made to reflect the broader community. Business leaders, not-for-profit organizations, municipal staff, and Councillors all had a role to play in bringing their background to the board and supporting oversight of the organization. Through these individuals, representing their "community," stakeholders are able to have influence over economic development and/or tourism initiatives in their municipality. Without this voice, industry and community members can struggle to have their voice heard and the organization may fight an uphill battle for success long-term. This transparency in decision-making is critical, as it allows for initiatives to be undertaken with the hypothetical support of a wide swath of community members.



4. REPORTING TO COUNCIL AND DECISION-MAKING PARAMETERS

In a review of common practices, it is abundantly clear that Councils have a significant role to play in the monitoring and decision-making processes of economic development and tourism-related MSCs. Overall, that is, Councils are closely linked with the delivery of programs, budget approvals, accountability, and municipal alignment. With respect to tourism entities, Councils are involved with the initial decision to adopt the MAT through budgets and funding approval, to monitoring and accountability, and by being a voice for community stakeholders. As elected officials, Councillors offer a direct connection to community needs and priorities, making them well-placed to guide economic development and/or tourism development in ways that serve the broader public interest. The below subsections profile aspects of Council oversight.

Approval of Budgets and Funding Plans

Once an MSC is established, Councils have varying levels of engagement with respect to funding allocations. As it relates to tourism entities providing MAT-related funds, levels of engagement have depended on the breakdown of the tourism entity's decision-making autonomy. In some instances, Council's are responsible for overseeing specific allocations that the tourism entity has proposed. Within other municipalities, the organization operates with some autonomy, having Council review and approve annual budgets or funding plans, rather than individual allocations. Even when the tourism organization has decision-making authority, Council is still responsible for approving general funding and ensuring that goals align with overarching municipal directives and goals. This is largely the same for economic development MSCs that were reviewed, though it appears that on average the economic development agencies have more independence and budgetary flexibility outside of reporting, compared to MAT-related tourism MSCs.

Council can also be called on for supplementary budget top-ups, especially when considering large scale initiatives (i.e., purchasing and developing land, or tourism-related asset development). There are other ways to raise funds that these organizations have taken advantage of (i.e., grant applications) but at times Council is also called upon to support these organizations through additional budget supports.

Monitoring and Accountability

Councils appear to most often require periodic (quarterly or annual) reports from MAT recipients detailing fund usage, tourism marketing results, and economic impacts. The depth of reporting (i.e., level of detail/particulars around daily decision making) vary depending on the Council, but most appear to require at least some level of annual reporting.

The same is true for economic development MSCs, with reporting typically consisting of more frequent reporting on general activities or measurable metrics (i.e., grants supported, businesses engaged with, community events, etc.), as well as annualized reporting on budgets, business plans, or financial statements. Some organizations have key performance indicators or metrics for review (i.e., business growth, visitor figures, etc.), but most strategic planning exercises have avoided specific KPIs due to the challenge of proving causation between economic development/tourism initiatives and definable outcomes.

Strategic Direction and Alignment

A final way in which Councils oversee organizational direction is through ensuring that the work undertaken aligns with the municipality's broader economic development, cultural, and tourism vision and goals. Even in municipalities where the organization has relative autonomy, as a key component of community development its imperative the organizational and other municipal initiatives are aligned. This was noted repeatedly in the initial [chapter](#), and is relevant for both MAT-related organizations and economic development MSCs. Ensuring this alignment between municipal goals and the arms-length organization is crucial.

To that end, Councillors often serve as conduits for community concerns or ideas regarding tourism and economic development. While residents are engaged directly during a strategic planning process (see following chapter), ongoing direct engagement with residents is time-consuming and inefficient. Instead, Council meetings provide a public forum where strategic direction can be discussed and challenged. This is an efficient and effective way to ensure that decision-making reflects the expectations of community members without having never-ending community engagement sessions.

5. COMMUNITY/STAKEHOLDER INVOLVEMENT

Stakeholder engagement is best done through targeted outreach, avoiding the need for consistent and ineffective engagement. While there are times for specific consultation outside of a strategic plan, the most effective means for gaining deliberate feedback is through a strategic planning process with targeted engagement and clear objectives. Once this process is complete, and identifiable goals and actions are created with community feedback, the most effective means of hearing from the public is through regular reporting to Council and by board oversight. This process embeds community input in the outcomes of MSCs and ensures that there is meaningful oversight and involvement.

Community consultations therefore begin with developing a strategic plan (whether economic development or tourism-based). This plan's process includes community input and avenues for a range of stakeholders to be involved. This plan then shapes the actions, goals, and vision of the organization over the ensuing four to five year period, outlining key principles, objectives, and goals.

It's imperative that the plan, at its core, is reflective of what is heard from stakeholders and the broader community, presenting actions that are realistic, supported, and doable. This strategy can then be used to align directives and investment initiatives for the MSC with the municipality's broader goals.

Once the strategic planning process is completed, continued input from the community should be filtered through Council. This is because Councillors represent municipal stakeholders and can bring forward issues that community members feel warrant revision, without overburdening staff or expecting stakeholders to be constantly analyzing low-level decisions.

As discussed in the previous section, reporting schedules vary but typically see quarterly (or bi-annually) activity reports and annual funding allocations. There was relatively minimal consistency in the level, timing, and depth of funding of tourism organizations, while economic development corporations tended to follow the above quarterly/annual mix.

While more involved community engagement tools (i.e., annual or sub-annual surveying) could be seen as increased engagement, the reality is this tool is remarkably time consuming and inefficient. Moreover, community members and

industry stakeholders quickly begin to feel “survey fatigue,” leading to decreased engagement in the community. Therefore, focusing on getting direction from a strategic planning process and then following-up with Council is much more viable and effective. All in, this engagement process helps ensure that the community is heard from, stakeholders are engaged, and oversight exists at a reasonable level while allowing the MSC the flexibility to achieve its desired ends.

Appendix B: Future State Model Options

- Introduction
- Overview of Model Options
- Model Option 1: In-House
- Model Option 2: DMO-Only
- Model Option 3: DMO and EDC
- Model Option 4: MSC1
- Model Option 5: MSC2
- Preferred Future State MSC Model

Approach

- ❑ Informed by the current assessment and comparative practice streams of work, Phase 3 Design included the following activities:
 - ❑ Create of five future-state functional model options based on Request for Proposal requirements.
 - ❑ Interactive Options Review Working Session with the Centre Wellington senior management team (August 12th).
 - ❑ Council Options Review Working Session (August 13th).
 - ❑ Selection of a Preferred Future State Organizational Model based on input from senior management team and Council.

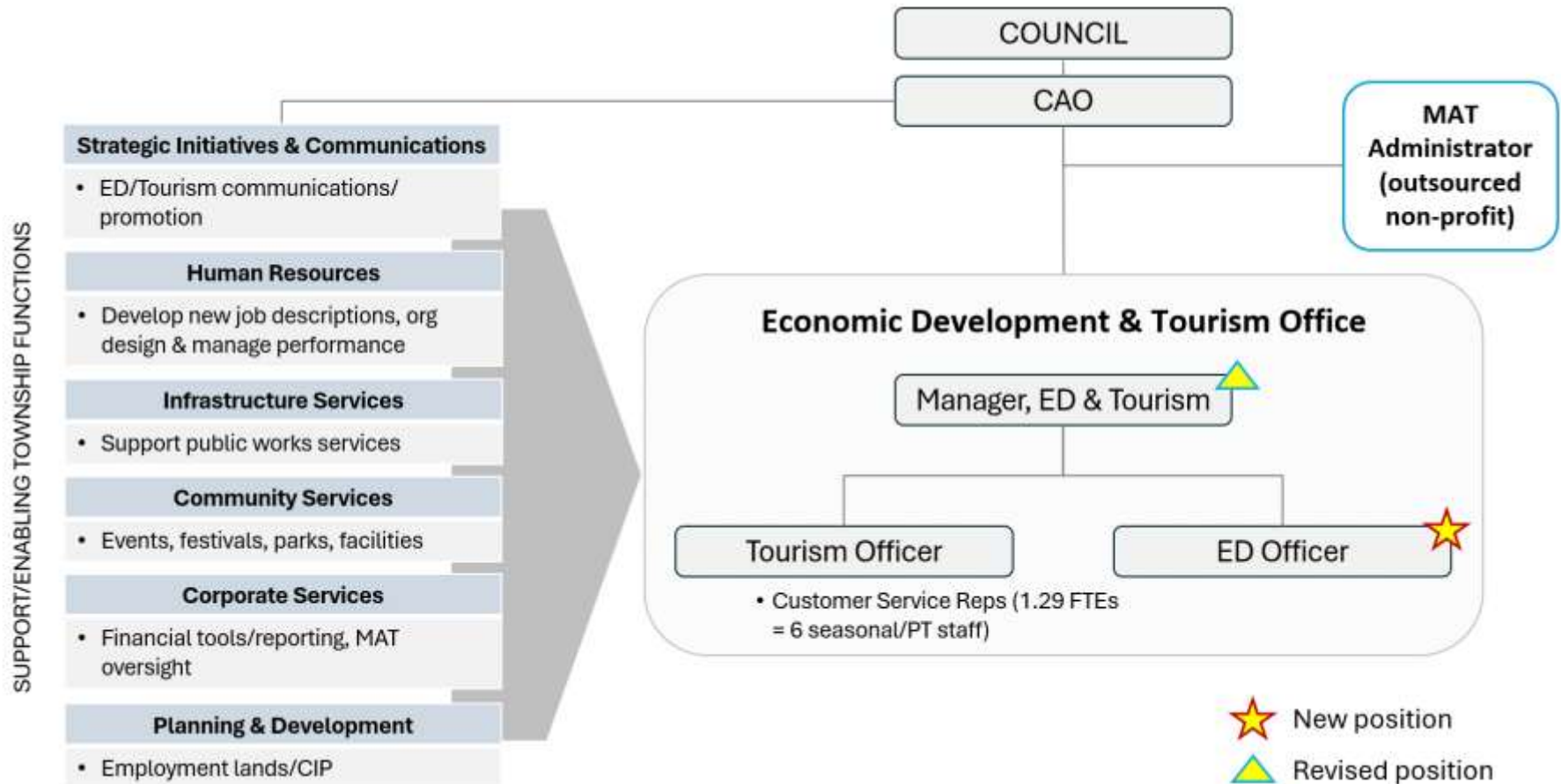
Design Principles

- ❑ The below Design Principles synthesize best practices from the comparative research and initial Centre Wellington Council input. These principles have been used to evaluate future state organizational model options:
 - ❑ **Strategic alignment** of goals and priorities between municipality and corporation.
 - ❑ **Flexibility** to effectively/rapidly pursue business opportunities and make decisions.
 - ❑ **Effective staff sharing** between the municipality and corporation, including adopting the Township's grid/compensation structure.
 - ❑ **Realize synergies** by clustering ED and tourism.
 - ❑ **Capacity and skills** to drive both economic development and tourism.
 - ❑ **Who does what** clarity and decision-making authority.
 - ❑ **Regular reporting** to Council.
 - ❑ **Practical and affordable** with limited organizational disruption.

Five Model Options

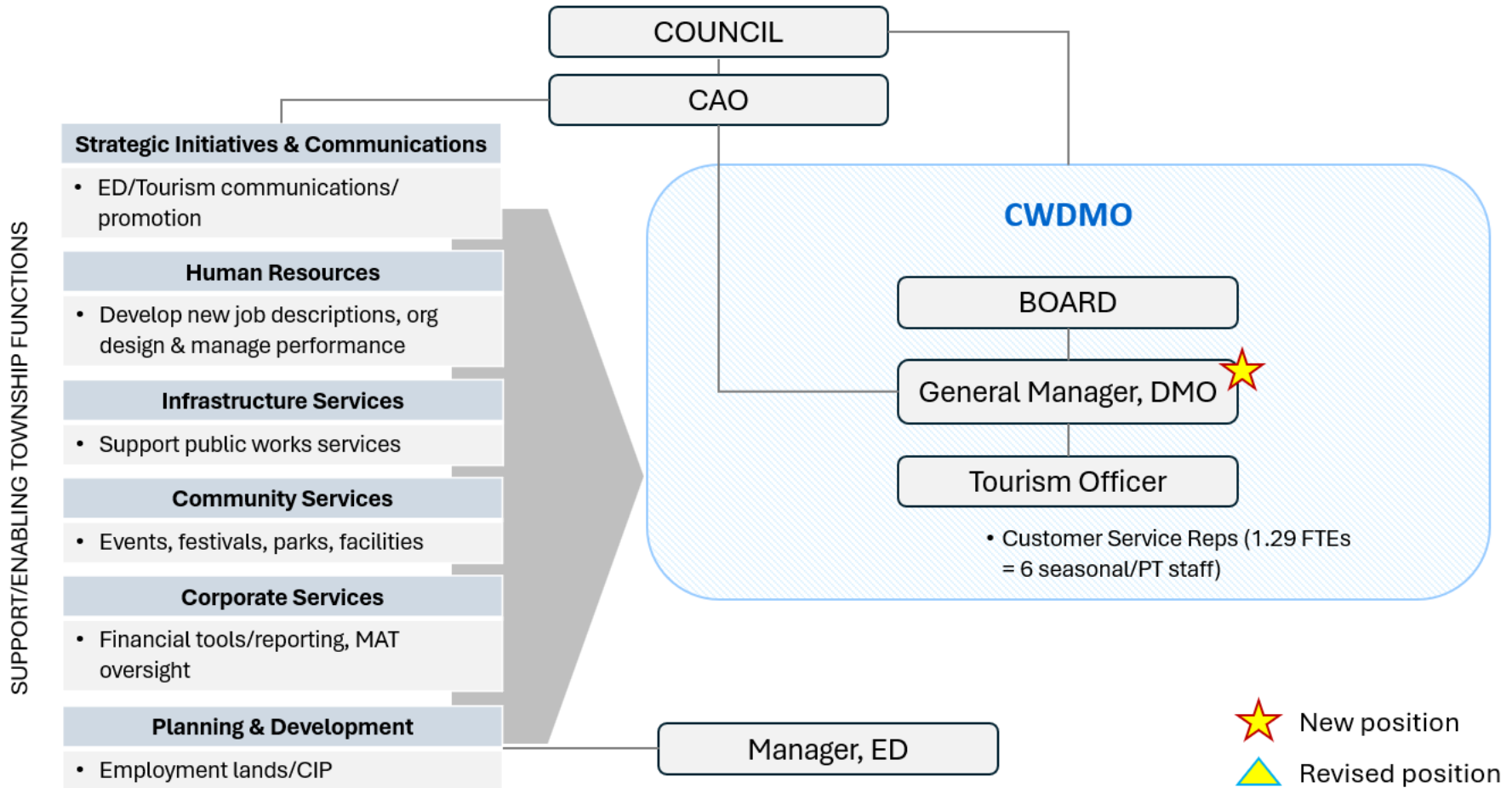
- ❑ Our comparative analysis has determined that a shared staffing model is preferable to a fully autonomous staffing model. As a result, model options 2-5 propose a staff-sharing relationship between the Township and the arms-length Township-owned non-profit organizations.
 1. **In-House** – re-clustering economic development and tourism into a single Economic Development and Tourism Office with a manager-level position reporting directly to the CAO. This model requires outsourcing MAT administration services to a third-party non-profit organization.
 2. **DMO Only** – pulling the tourism function into a non-profit destination marketing organization (DMO) to administer municipal accommodation tax program (MAT) and deliver tourism services but retaining an in-house economic development function reporting to the Planning and Development Department.
 3. **DMO and EDC** – two separate municipal service corporations (MSCs) with one delivering tourism services and administering MAT and the other MSC delivering economic development activities. This model requires the creation of two boards of directors.
 4. **MSC1** – a single non-profit MSC responsible for administering MAT and delivering tourism and economic development services.
 5. **MSC2** – a single non-profit MSC responsible for administering MAT and delivering tourism and economic development services as well as coordination of all downtown economic development and tourism-related activities, including BIA support/liaison.

Model Option 1: In-House



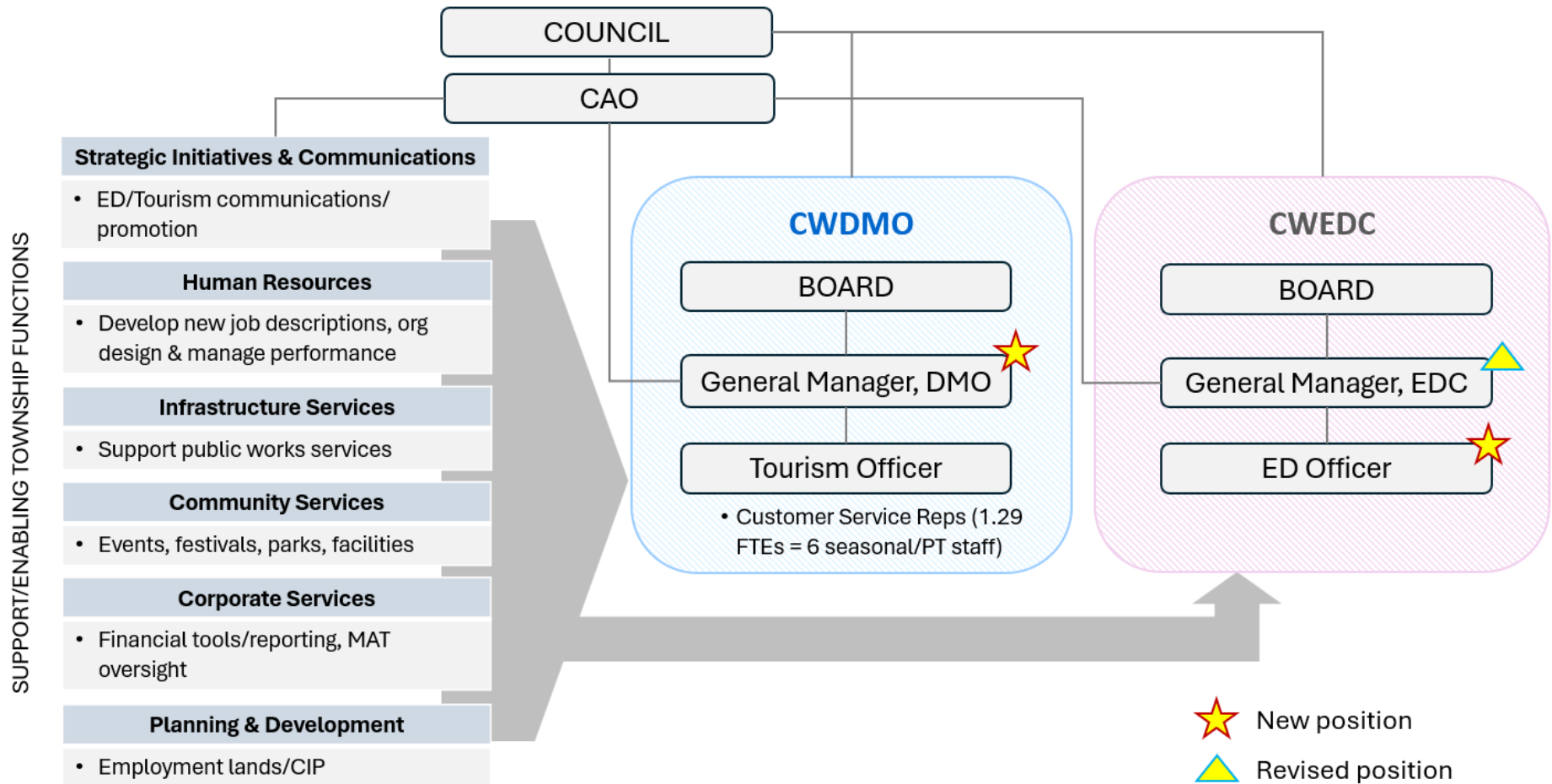
Model Option 2: DMO-Only

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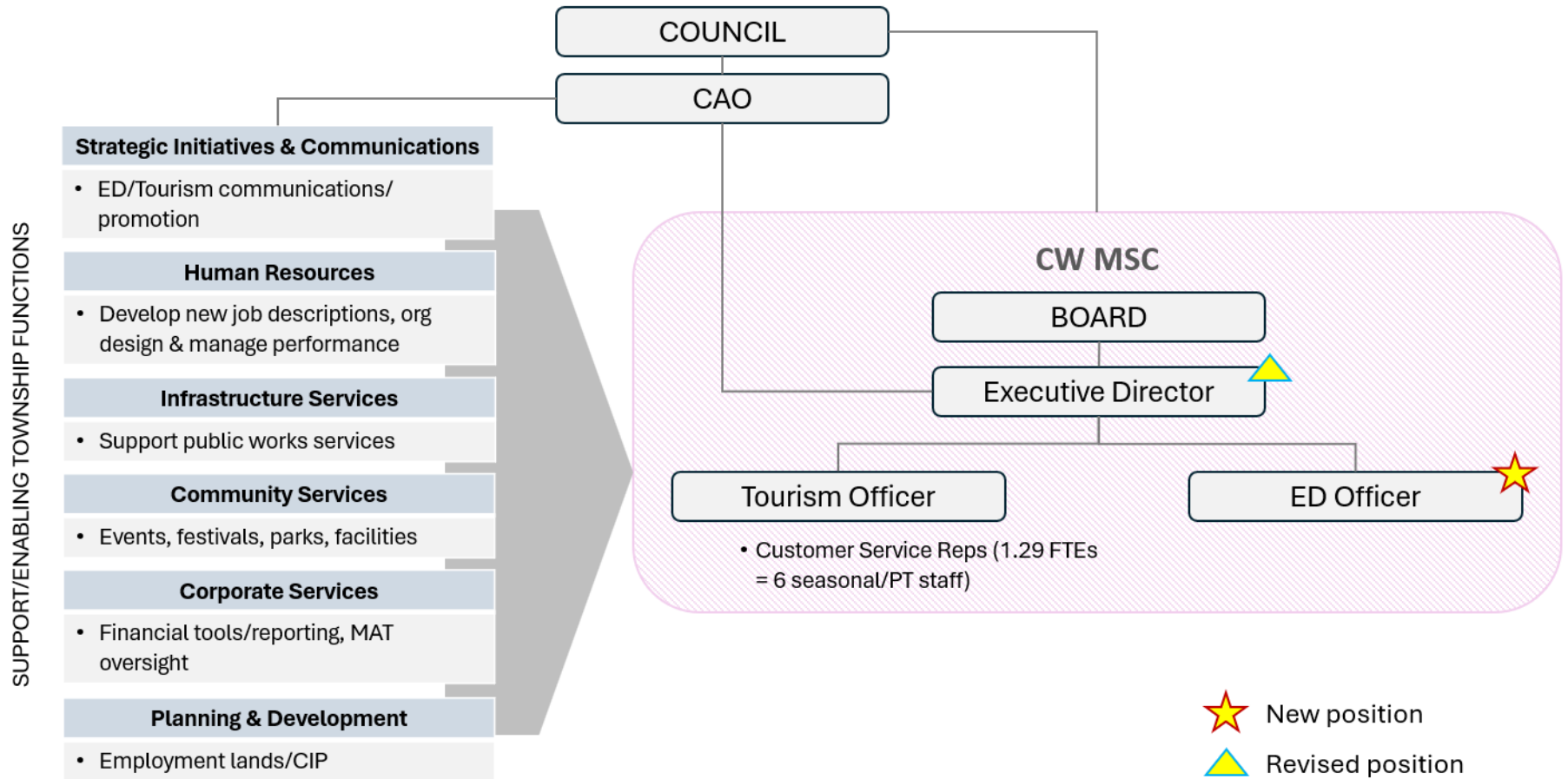
Model Option 3: DMO and EDC

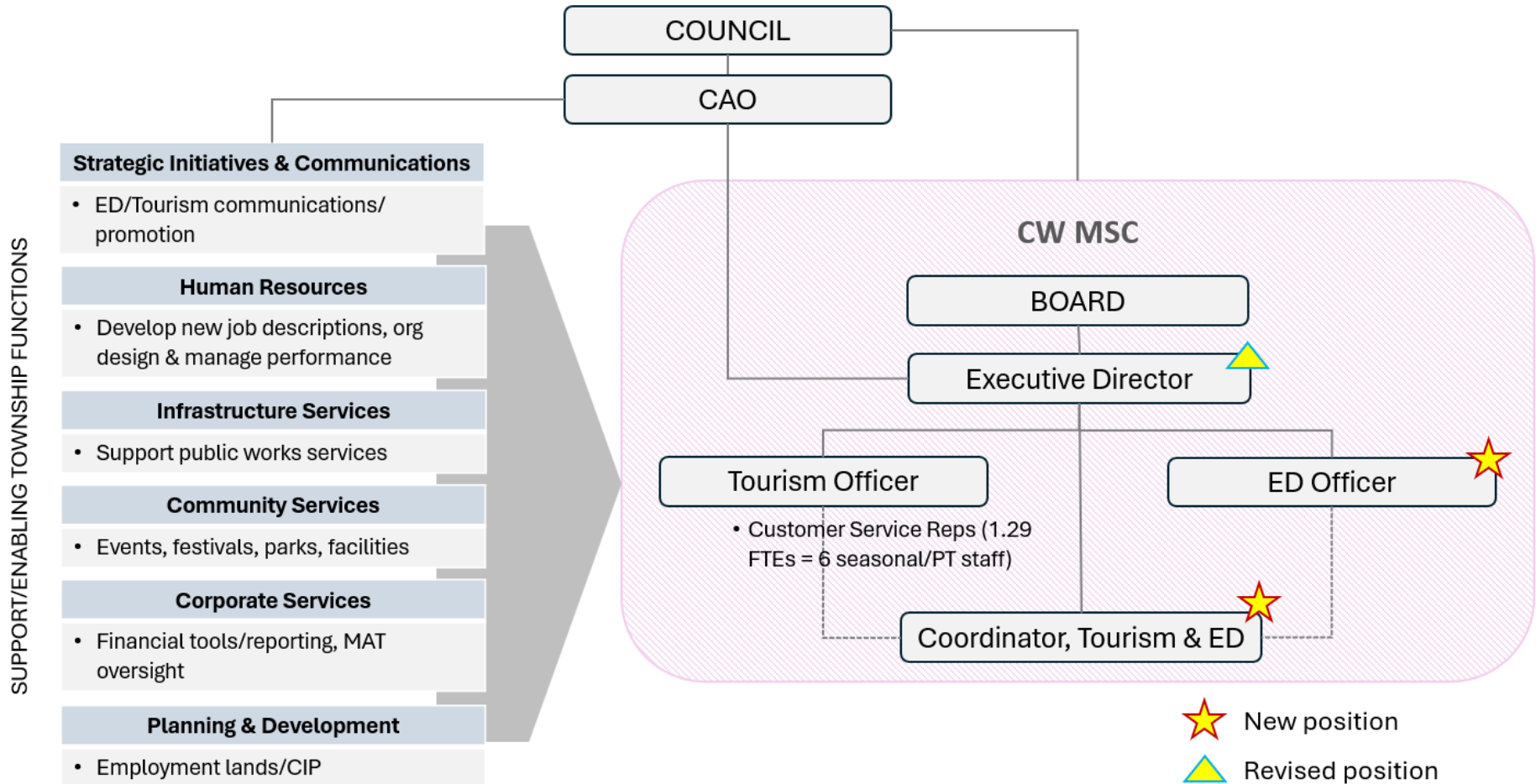
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Model Option 4: MSC1

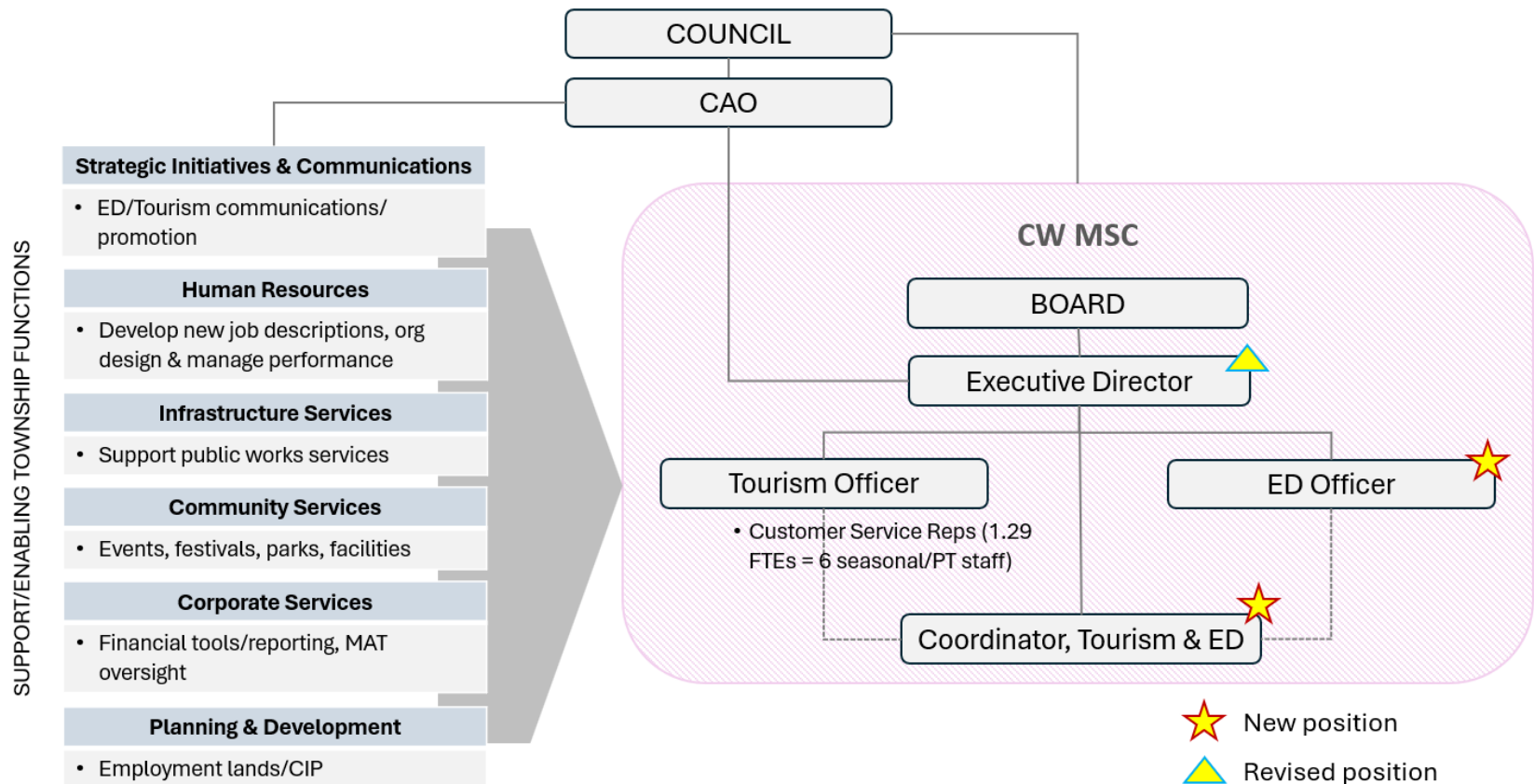
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Model Selected by Senior Management Team and Council

- ❑ In separate working sessions, both the senior management team and Council (independent of each other) unanimously selected Model Option 5: MSC2 as the preferred future state MSC model. Detailed recommendations will be created to implement the below model.



Proposed Roles/Responsibilities of New/Revised MSC Positions

- ❑ There was significant discussion at the senior management team and Council sessions in the importance of clear roles/responsibilities, and lines of reporting. The below table provides a starting point for Phase 4 recommendations:

Positions	Grade	Salary	Potential Roles/Responsibilities
Executive Director (revised – current position title is Manager, Economic Development)	14	\$131K-\$148K	- Reports to MSC Board of Directors with a dotted operational reporting to Township CAO. - Responsible for regular (quarterly) updates to Council. - Participate in Township senior management team meetings upon CAO invitation. - Establish, maintain, and communicate MSC's mandate, brand, and priorities. - MAT administration/reporting with the support of Township Corporate Services. - Primary executive-level point of contact for external tourism/economic development-related associations/groups, including Wellington County.
Tourism Officer (existing – current position title is Coordinator, Tourism)	10	\$85K-\$96K	- Report to Executive Director on all tourism-related priorities. - Develop/expand/improve Centre Wellington's tourism product, visitor experience, and positive community relations. - Primary day-to-day point of contact to tourist-focused groups/associations. - Primary day-to-day point of contact to Township staff in tourism and MAT- related activities.
Economic Development Officer (new)	10	\$85K-\$96K	- Report to Executive Director on all economic development priorities. - Actively pursue opportunities to drive local jobs and investment. - Deliver business retention and expansion activities. - Liaison to the Township for employment land sales and development - Primary day-to-day point of contact to business-focused groups and local businesses. - Primary day-to-day point of contact to Township staff in economic development-related activities.
Coordinator, Tourism and Economic Development (new)	8	\$73-\$82K	- Report to the Executive Director and work with Tourism Officer and Economic Development Officer to support economic development, tourism, and MAT-related activities. - Support vibrant and well-maintained downtowns and connected downtown businesses; primary day-to-day point of contact to Township staff and BIAs for all downtown-related activities.
Customer Service Representatives (1.29 FTEs, 6 seasonal/PT staff) (existing)	PT (1.29 FTEs)	\$23-\$26 per hour	Continue to provide visitor information services at the Elora Tourism Centre.

Township of Centre Wellington

Economic Prosperity. Organizational Excellence.

MAT-MSC Organizational Design Project

COUNCIL PRESENTATION

September 29, 2025



AGENDA

1. Context & Objectives
2. Consulting Team
3. Our Approach
4. Current State: Who Does What
5. Comparative Practices
6. Council Input
7. Design Principles
8. Recommended Future State Model
9. Recommendations Overview
10. Next Steps

CONTEXT & OBJECTIVES

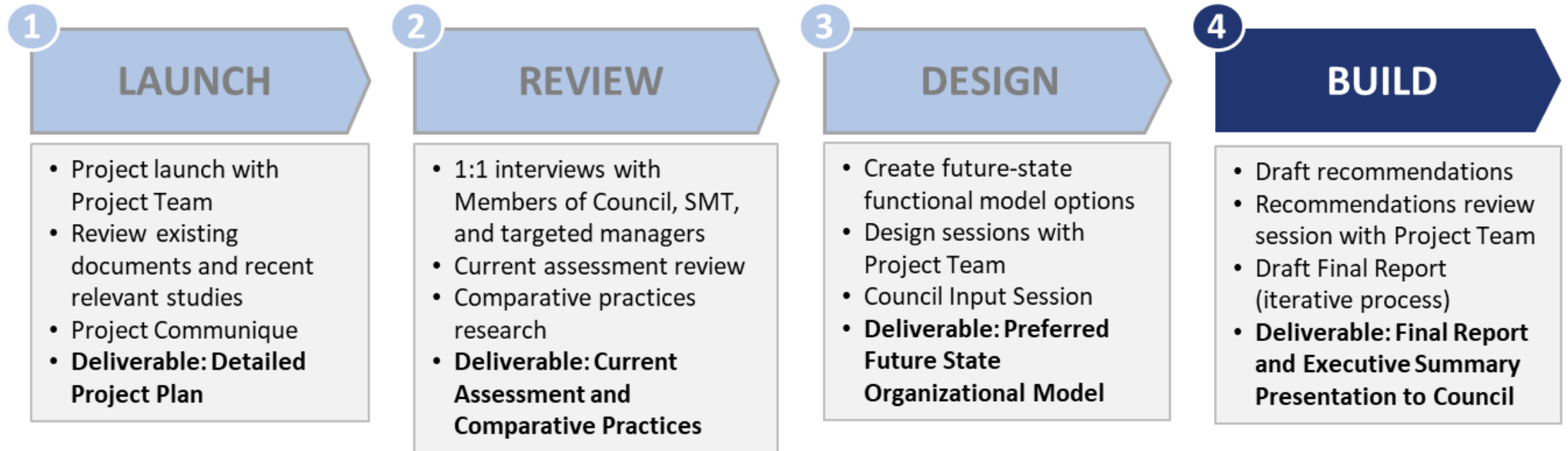
- Over the past decade, Centre Wellington has made strides in economic development and tourism (e.g. 56-acre Township-owned business park, comprehensive destination marketing project).
 - Currently, economic development and tourism are in two separate departments. The inter-dependence of economic development and tourism suggests the need to revisit this model.
 - Township Council has agreed in principle to “*establishing a Municipal Accommodation Tax (MAT) and the required Municipal Service Corporation (MSC)*” (April 28, 2025).
 - A 20-year Economic Development and Tourism Strategy includes a preliminary recommendation to implement MAT through an MSC.
-
- **The purpose of this project is to consider the creation of an MSC to administer a MAT program and position the Township to attract jobs; encourage investment; and optimize tourism.**
 - Stream 1:** Comparative Review – identify trends and best practices
 - Stream 2:** Governance and Organizational Structure – review and redesign org structure

CONSULTING TEAM



OUR APPROACH

- Highly collaborative approach with input from Council, senior management team, and targeted managers.



June 27 —————> Sept 29

CURRENT STATE: WHO DOES WHAT

- Identifying who does what economic development and tourism-related activities was an important first step towards building a future-state organizational model.

Positions with ED/Tourism Role	Estimated average % time spent on ED and Tourism
CAO	5%
Executive Coordinator	10%
Manager, Strategic Initiatives and Communications	10%
Digital Media Associate	30%
Managing Director of Community Services	10%
Manager, Community Development	15%
Tourism and Destination Coordinator	95%

Positions with ED/Tourism Role	Estimated average % time spent on ED and Tourism
Tourism Customer Service (2.5 FTEs)	100%
Manager, Buildings and Properties (Elora Tourism Office)	5%
Manager, Recreation Facilities	5%
Manager, Parks	5%
Managing Director of Planning and Development	15%
Manager, Economic Development	100%
Planning and Development Coordinator	40%

COMPARATIVE PRACTICES

- Municipalities have implemented a spectrum of organizational models to manage their economic development and tourism functions. Below is a synthesis of our key findings:
 1. In-house economic development/tourism departments benefit from strong integration with municipal policies/operations but are typically slower to act.
 2. MSCs are often better positioned to pursue time-sensitive opportunities; negotiate with private investors; and respond/support the business community.
 3. A fully autonomous staffing model (MSC-only staff) is typically highly inefficient due to significant duplication of effort. A more flexible, shared-staffing model is preferred.
 4. MSC boards should be balanced with members that include economic development/tourism professionals and elected officials - with advice/support from municipal staff.
 5. Clarity in “who does what” is extremely important. Decision-making parameters of the MSC must be clear and well-communicated.
 6. Regular and timely communication from the MSC to Council is a key success factor.
 7. An effective approach for gathering public input is through regular MSC reports to Council.

COUNCIL INPUT

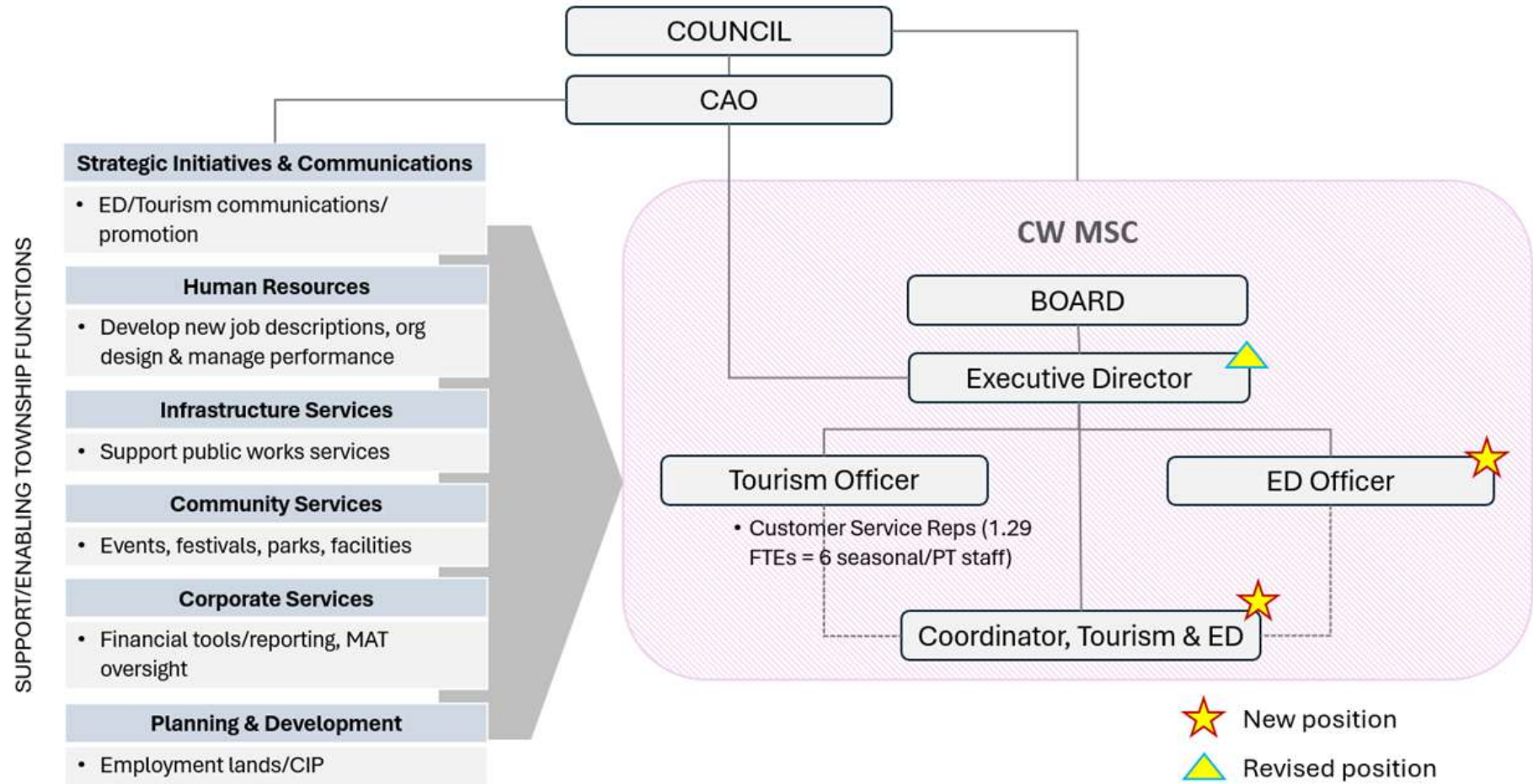
- From 1:1 conversations with Members of Council:
 1. Unanimous support for implementing a MAT program to ensure tourists contribute their fair share to maintaining/improving community infrastructure/amenities.
 2. Agreement that economic development and tourism should be together.
 3. Agreement that staff capacity is an issue for both economic development and tourism – especially considering the Township’s current growth rate.
 4. Agreement that a MSC should be arms length from Township Council, but with decision-making parameters that are clearly defined and communicated.
 5. Recognition there must be alignment between the Township’s and MSC’s priorities and values.
 6. Agreement that an MSC board should include Members of Council.
 7. Agreement that the MSC should provide Council with regular (e.g. quarterly) updates.
 8. Feeling that it would be beneficial for the MSC to positively contributes to a positive working relationship with the BIAs.
 9. Some concern expressed that the tourism function should not overshadow the ED function.
 10. Agreement that the Township’s tourism product and visitor activities need to expand beyond Elora.

DESIGN PRINCIPLES

- The below Design Principles are a synthesized list of key principles from comparative research and initial Council input. These Principles were used to evaluate future state organizational model options and inform the development of recommendations.
 1. **Strategic alignment** of goals and priorities between municipality and corporation.
 2. **Flexibility** to effectively/rapidly pursue business opportunities and make decisions.
 3. **Effective staff sharing** between the municipality and corporation, including adopting the Township's grid/compensation structure.
 4. **Realize synergies** by clustering ED and tourism.
 5. **Capacity and skills** to drive both economic development and tourism.
 6. **Who does what** clarity and decision-making authority.
 7. **Regular reporting** to Council.
 8. **Practical and affordable** with limited organizational disruption.

PREFERRED FUTURE STATE MODEL

- Linton Consulting facilitated two Future State Model Options working sessions – Aug 12th with the senior management team and Aug 13th with Council
- 5 model options were presented, and this model was unanimously selected by both senior management team and Council.



RECOMMENDATIONS OVERVIEW

- **Governance Recommendations** - Municipal Act, 2001 establishes specific requirements for MSCs. Governance-related recommendations ensure that the proposed MSC is compliant with these statutory requirements.
- **People Recommendations** - Implementing the Preferred Future State Model requires some organizational reconfiguration with new and revised positions.
- **Process Recommendations** - Actions need to be taken to ensure effective day-to-day operations and efficient workflows between the Township and MSC.
- **Financial Recommendations** - As the sole shareholder of the MSC, the Township retains financial control. These recommendations introduce mechanisms to ensure appropriate financial accountability and reporting.



GOVERNANCE RECOMMENDATIONS SUMMARY

- **Recommendation 1:** Implement the “duties of a municipality” as outlined by Municipal Act, 2001, Ontario Regulation 599/06 to complete a business case study, adopt and maintain policies on asset transfers to corporations, and consult with the public about the proposal to establish an MSC and administer a MAT program.
- **Recommendation 2:** Produce an MSC Terms of Reference consistent with the business case study that further defines the MSC’s authority, operations, and financial framework, and outlines how it will interact/connect with the Township, residents, and businesses.
- **Recommendation 3:** Township CAO and Chief Human Resources Officer (CHRO), in consultation with the Mayor, initiate a transparent and public application process to establish a skill-based MSC Board of Directors.
- **Recommendation 4:** Formalize a quarterly reporting process and agenda where the MSC Executive Director will present quarterly reports to Township Council. Reports will include a summary of revenues and expenses and highlight key activities and milestones. The public will receive appropriate meeting notice and associated reports/documents and can register as delegations.



PEOPLE RECOMMENDATIONS SUMMARY

- **Recommendation 5:** Upgrade the current Manager, Economic Development position to become MSC Executive Director. This position will report to the Board of Directors with operational accountability to the Township CAO. The Executive Director will be responsible to establish and achieve the MSC's strategic goals and priorities, manage all economic development and tourism activities and staff, including the administration of the MAT program; MSC Board, with the advice and support of the CAO and CHRO, will advertise and fill this position.
- **Recommendation 6:** Transition the Coordinator, Tourism from Community Services Department to become Tourism Officer reporting to the Executive Director. This position will be responsible to develop, expand and enhance Centre Wellington's tourism product, visitor experience, and positive community relations, and be the primary day-to-day point of contact for all tourist-focused groups/associations as well as the primary day-to-day point of contact to Township staff for tourism and MAT-related activities.



PEOPLE RECOMMENDATIONS SUMMARY (continued)

- **Recommendation 7:** Create an Economic Development Officer position reporting to the MSC Executive Director. This position is responsible to deliver a spectrum of economic development services, including business retention, expansion and investment, entrepreneurship and innovation, workforce attraction, employment land marketing and sales, and partnerships and collaboration.
- **Recommendation 8:** Create a Coordinator, Tourism and Economic Development position reporting to the MSC Executive Director. This position supports both economic development and tourism and is the primary point person coordinating all downtown beautification, maintenance and downtown business support activities. This Coordinator is also the primary point of contact for the BIAs.



PROCESS RECOMMENDATION SUMMARY

- **Recommendation 9:** Create a Service Level Agreement (SLA) between the Township and the MSC defining the performance standards and responsibilities between the MSC and the Township. This SLA will serve as a framework outlining specific service standards, roles, and dependencies for both organizations to ensure predictable, high-quality, and accountable service delivery; design future-state operational workflows in targeted areas where the Township and MSC share responsibilities.

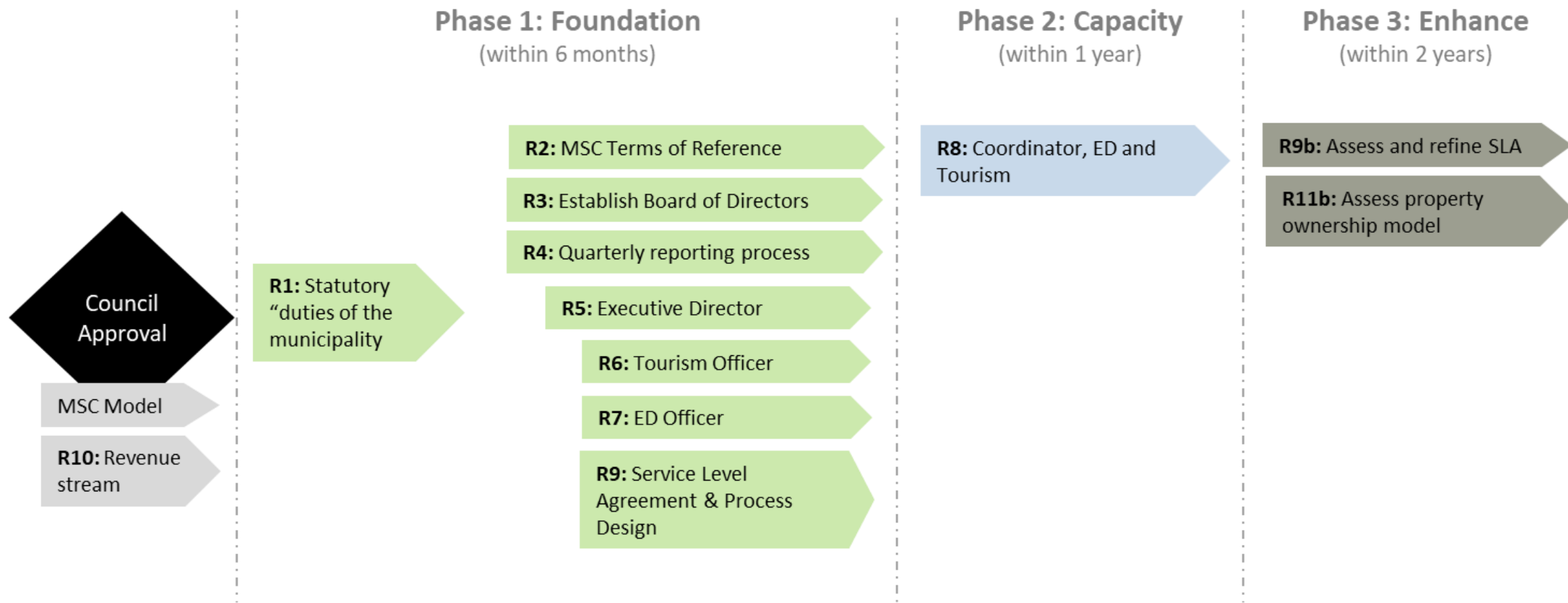


FINANCIAL RECOMMENDATION SUMMARY

- **Recommendation 10:** Establish a sustainable revenue stream for the MSC through MAT revenues, percentage of paid parking revenues, and 3% of municipal share of Ontario Lottery and Gaming (OLG) revenues (as per current Township policy).
- **Recommendation 11:** Township of Centre Wellington will initially retain ownership of all property and assets, including the current business park and the downtown Elora tourism office. Review this arrangement after one year of MSC operation.



NEXT STEPS



STAFF COST ESTIMATES

Phase 1: Foundation	Estimated Cost
R1: Statutory duties of the municipality	Financial top up required for engagement and legal review
R2: MSC Terms of Reference	
R3: MSC Board of Directors	
R4: Quarterly reporting process	\$0
R5: Executive Director	\$25K-\$27K (from grade 12 to grade 14)
R6: Tourism Officer	\$0 (existing position)
R7: ED Officer	\$116K-\$130K (grade 10)
R9: Service Level Agreement & Process Design	Included in implementation budget
ESTIMATED COST	\$141,000-\$157,000

Phase 2: Capacity	Estimated Cost
R8: Coordinator, ED and Tourism	\$73K-\$82K (grade 8)
TOTAL ESTIMATED COSTS	\$99,000-\$111,000

Phase 3: Enhance	Estimated Cost
R9b: Assess and refine SLA (internal MSC/Township resources)	\$0
R11b: Assess property ownership model (internal MSC/Township resources)	\$0
TOTAL ESTIMATED COSTS	\$0

WRAP-UP

- We worked hard with your team to build a made-in-CW solution.

Thank you!



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Attachment C - MAT Implementation Project Cost Breakdown

Cost Estimates

Linton Consulting - MAT Structure, Case Study, and Agreements/Bylaws	86,125
CBRE - MAT Financial Analysis	7,632
Linton Consulting - Assistance with Engagement	7,327
Provision for Legal Review of Agreements/By-laws	20,000
Other Miscellaneous	7,532
Total Costs	\$ 128,616

Approved Funding

2025 Budget	100,000
RT04 Funding - 50% of CBRE Analysis	3,816
Total Funding to date	\$ 103,816

Funding Required	\$ 24,800
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