

**TOURISM MUNICIPAL SERVICES CORPORATION
SERVICE LEVEL AGREEMENT**

THIS AGREEMENT (the “**Agreement**”) is made as of the ____ day of _____, 2025 (the “**Effective Date**”)

BETWEEN:

THE CORPORATION OF THE CITY OF BRAMPTON

(the “**City**”)

-and-

BRAMPTON TOURISM DEVELOPMENT CORPORATION

(the “**Tourism MSC**”)

(individually a “**Party**” and collectively the “**Parties**”)

WHEREAS the Tourism MSC is a municipal services corporation incorporated as per *Ontario Regulation 599/06 – Municipal Services Corporations* being a regulation under the *Municipal Act, 2001*, SO 2001, c.25 (the “*Municipal Act, 2001*”);

AND WHEREAS the Parties desire to enter into this Agreement to satisfy the requirements of Section 6 of *Ontario Regulation 435/17 - Transient Accommodation Tax*.

AND WHEREAS the City shall be the sole member of the Tourism MSC

AND WHEREAS The Tourism MSC is an ‘Eligible Tourism Entity’ as defined by *Ontario Regulation 435/17 - Transient Accommodation Tax*. The main objective of the Tourism MSC will be to work in partnership with the City to promote tourism activity.

NOW THEREFORE in consideration of the mutual covenants and agreements contained herein and subject to the terms and conditions hereinafter set out, the Parties hereby agree as follows:

ARTICLE 1 - DEFINITIONS

1. In this Agreement:
 - a. “**Annual Report**” has the meaning ascribed to it in Article 5.4 of this Agreement;
 - b. “**Annual General Meeting**” means the annual general meeting of the Board;
 - c. “**Applicable Law**” includes all federal, provincial and municipal laws applicable to the Tourism MSC including City By-Laws and policies;

- d. **“Asset(s)”** means mean real property, equipment, materials, and personal property of the City and its agencies, boards, commissions and corporations, or as otherwise defined in the City’s Asset Transfer Policy
- e. **“Board”** means Board of Directors of the Tourism MSC;
- f. **“Brampton”** means the City of Brampton
- g. **“By-Law”** shall refer to the corporate By-Law (No.1) of the Tourism MSC;
- h. **“City”** means The Corporation of the City of Brampton;
- i. **“Confidential Information”** shall have the meaning ascribed to it in the *Municipal Freedom of Information and Protection of Privacy Act*, R.S.O. 1990, c.M.56, as amended;
- j. **“City Treasurer”** means the duly appointed Treasurer of the City or their designate who shall be the Treasurer of the Tourism MSC;
- k. **“Council”** means the City’s Mayor members of Council;
- l. **“Directors”** means members of the Board of Directors of the Tourism MSC;
- m. **“Financial Statements”** shall have the meaning ascribed to it in Section 4;
- n. **“Interim Directors”** means the Council appointed to the Board on an interim basis;
- o. **“MAT”** means the Municipal Accommodation Tax, a tax on the purchase of transient accommodation in the municipality which funds tourism promotion and other projects in the City;
- p. **“MAT Fund”** means the Municipal Accommodation Tax implemented by the City pursuant to *Ontario Regulation 435/17 - Transient Accommodation Tax*;
- q. **“Sole Member”** means the City in its capacity as the sole member of the Tourism MSC;
- r. **“Sole Member Direction”** means the Sole Member Direction and Sole Member Declaration made issued by the City to the Tourism MSC;
- s. **“Tourism MSC”** means the Brampton Tourism Development Corporation;
- t. **“Transient Accommodation”** means accommodation for a continuous period of stay of twenty-nine (29) nights or less; this continuous period not being disrupted by the purchase of different rooms, suites, beds or lodging in the same licensed establishment;

- u. “**Tourism Strategy**” means the strategy and objectives of the Tourism MSC, which may include, but is not limited to, the Brampton Tourism Strategy strategic tourism plan approved by Council, as amended from time to time.

ARTICLE 2 – COMPLIANCE WITH APPLICABLE LAW

2. The Tourism MSC shall, at all times, comply with all Applicable Law, regulations, and codes from the City, the Province of Ontario and the Government of Canada including, but not in any way limited to, the *Municipal Act*, 2001 and the *Municipal Freedom of Information and Protection of Privacy Act*, R.S.O. 1990, c. M. 56 (“MFIPPA”).

2.1 The Parties acknowledge and agree with each other that:

- a. the Tourism MSC was incorporated as per the *Not-for-Profit Corporations Act*, 2010, SO 2010, c.15;
- b. the City intends to enact a by-law to impose a municipal accommodation tax (“MAT”) pursuant to *Ontario Regulation 435/17 - Transient Accommodation Tax*;
- c. the Tourism MSC was incorporated to serve as an ‘Eligible Tourism Entity’ for the purposes of *Ontario Regulation 435/17 - Transient Accommodation Tax*;
- d. *Ontario Regulation 435/17 - Transient Accommodation Tax* allows a municipality to provide an eligible tourism entity with fifty percent (50%) of the annual MAT revenue collected (less the City’s reasonable costs of collecting and administering the MAT that are attributable to such fiscal year), to be used for the exclusive purpose of promoting tourism in Brampton;

ARTICLE 3 – FINANCIAL AND ASSET ASSISTANCE

3.1 The City may provide assistance to the Tourism MSC as long as the City remains the Sole Member.

3.2 The type of assistance that may be provided by the City to the Tourism MSC may include, but is not limited to:

- a. giving, lending or selling any property of the City;
- b. providing fund(s) or funding;
- c. guaranteeing and/or underwriting for the purposes of borrowing; andd. providing the services of City employees or those under contract with the City

Transfer of MAT Funds to the Tourism MSC

3.3 The City shall provide at least 50% of the MAT Funds collected in 2024 to the Tourism MSC in accordance with *Ontario Regulation 435/17 – Transient Accommodation Tax* and shall transfer the amount of the MAT Funds that the City has been holding in a reserve fund, within sixty (60) days of the Effective Date of this Agreement.

3.4 The City desires to provide the Tourism MSC with a minimum of fifty percent (50%) of the City’s annual collected MAT revenue (less the City’s reasonable costs of collecting and

administering the MAT that are attributable to such fiscal year), subject to the terms and conditions set forth herein; and

3.5 The Parties desire to enter into this Agreement in order to set out reasonable financial accountability matters to ensure that amounts paid to the Tourism MSC are used for the exclusive purpose of promoting tourism in the City as per *Ontario Regulation 435/17 - Transient Accommodation Tax*.

3.6 The frequency of payments from the City to the Tourism MSC shall be determined at the sole discretion of the City, from time to time but shall not exceed sixty (60) days after the end of the fiscal year for the City.

Transfer of Assets

3.7 The City may transfer Assets to the Tourism MSC in accordance with the City's Asset Transfer Policy as required by section 87 of *Ontario Regulation 599/06 – Municipal Services Corporation*.

Tourism MSC Bank Account and Signing Authority

3.8 The City Treasurer shall open and administer a corporate bank account(s) on behalf of the Tourism MSC, including making deposits, transfers and issuing cheques as required.

3.9 The Tourism MSC shall establish a policy or pass a resolution regarding persons authorized to sign in the name and on behalf of Tourism MSC all instruments in writing and any instruments in writing so signed shall be binding upon Tourism MSC.

ARTICLE 4 – CITY RESOURCES

4.1 The City shall (within its sole discretion) charge a fee at fair market value for any resource or service (including the use of City employees) provided by the City to the Tourism MSC.

Human Resources

4.2 All persons employed for the purposes of operating, administering and supporting the Tourism MSC shall be City employees.

4.3 The Tourism MSC is permitted to use City employees to delivering the day-to-day operations. City employees will continue to work and operate under the current work structure and organizational chart.

4.4 City employees delivering projects through the Tourism MSC shall continue adhering to all existing policies and procedures, including but not limited to those related to accounts payable, purchasing, accounting, human resources, IT, insurance and risk and payroll.

Procurement and Other Services

4.5 The Tourism MSC shall adopt and use the City's Procurement By-law 374-06 (or successor) which shall be considered the policy respecting the procurement of goods and services as required by section 270(2) of the Municipal Act, 2001 (or its successor).

4.6 The Tourism MSC may make a request to the City for any resource or service by providing notice to the City in accordance with this Agreement.

Policies and Procedures

4.7 The Tourism MSC Board of Directors shall adopt and use all applicable City policies as determined by the City. For any other policies, the Tourism MSC shall prepare its own corporate policies and shall maintain a log of such documents and make them available to the City.

ARTICLE 5 – ANNUAL REPORTING

5.1 Budget and Business Plan. The Tourism MSC shall prepare annual operating budgets and business plans subject to the City's approval in accordance with the By-Law. ~~The MSC budget and business plans presentation will align with the City's budget deliberations.~~ Once approved the operating budget and business plan may not be revised without express consent of Council.

5.2 Budget. Each budget referenced in Section 4.1 shall include:

- a. Details of Tourism MSC's financial plan for at least the next year; and
- b. an analysis of the Tourism MSC's anticipated revenues, expenses, capital expenditures and cash requirements.

5.3 Business Plan. Each business plan referenced in Section 4.1 shall comply with and endorse the Tourism Strategy and shall include;

- a. the strategic objectives, priorities and business objectives;
- b. revenue and expenditures anticipated in the coming year;
- c. performance metrics for monitoring progress and accomplishments; and
- d. information pertaining to any proposed bids or other financial commitments related to any projects or events.

5.4 Annual Report. The Board shall prepare and approve the Annual Report and submit and present same to the City (by a date determined by the City), in its capacity as Sole Member, at a Sole Member meeting, which may be the Annual General Meeting. The Annual Report shall include:

- a. budget and business plan including any proposed financial partners;
- b. audited financial statements prepared in a form acceptable to the City Treasurer; and
- c. information pertaining to any proposed bids or other financial commitments related to any projects or events.

5.5 Reporting to Council. In addition to the reporting provisions stated in Section 4.4, the Tourism MSC shall report to Council:

- a. on any matter, issue or concern within thirty (30) business days of receiving a request from Council; or
- b. on any matter it deems appropriate pursuant to this Agreement.

5.6 Financial Statements. The Board shall deliver to the City, in its capacity as Sole Member, as soon as practicable and in any event no later than the 31st day of May in the year following the end of each fiscal year, the Tourism MSC's audited annual Financial Statements signed on behalf of the Board by two (2) members of the Board along with a copy of the Independent Auditor's Report.

5.7 Accounting. The Tourism MSC shall adopt and use the accounting policies and procedures that may be approved by the Board from time to time and all such policies and procedures shall be in accordance with Canadian Generally Accepted Accounting Principles, Public Sector Accounting Board Standards and applicable regulatory requirements.

5.8 Auditor. The City, in its capacity as Sole Member, shall appoint an Auditor licensed under the *Public Accounting Act*, 2004, S.O. 2004, c.8 and who shall be engaged to prepare and provide the Independent Auditor's Report and the Audit Findings Report. The Audit Findings Report will describe whether the Tourism MSC has any corrected or uncorrected misstatements and any process improvement areas or control deficiencies.

5.9 Access to Records. The City shall have unrestricted access to the books and records of the Tourism MSC during normal business hours. The City shall treat all information of the Tourism MSC with the same level of care and confidentiality as any Confidential Information of the City. Records produced by the Tourism MSC must be retained in accordance with the retention timeframe stipulated in the City's Records Retention By-Law (272-2014) and must be accessible and remain available for the City to carry out its statutory obligations.

5.10 Revenue. The Tourism MSC will comply with Brampton's Donations and Gifts Received Administrative Directive. In addition to the MAT Fund and subject to Council approval and compliance with Applicable Law, the Tourism MSC may also generate revenue from the following sources;

- a. Corporate sponsorship;
- b. Donations;
- c. Project based or general marketing relationships with other organizations;
- d. Government grants and loans;
- e. Revenue generating projects;
- f. investment income; and
- g. Joint ventures or partnerships

ARTICLE 6 – SELECTION OF THE TOURISM MSC BOARD OF DIRECTORS

6.1 The By-Law pertaining to the Tourism MSC shall further detail the affairs of the Tourism MSC.

6.2 The City as the Sole Member, will be responsible for appointing and/or electing as well as removing Directors to and from the Board and any officers in accordance with the By-Law.

6.3 The Tourism MSC is subject to legislative requirements beyond those imposed on standard business and not-for-profit corporations. Accordingly, the Tourism MSC is subject to a number of statutes and regulations, including but not limited to the *Corporations Act* (Ontario), the *Not-for-Profit Corporations Act*, 2010 (Ontario) upon its provisions coming into force, the *Municipal Act*, 2001 (Ontario) and the Municipal Services Corporations Regulation under the *Municipal Act*, 2001 (Ontario Regulation 599/06) or any successor or replacement legislation or regulation. The activities of the Tourism MSC shall, at all times, conform with all applicable law.

6.4 The number of Directors on the Board shall be comprised of an odd number of Directors. A majority of Directors shall constitute a quorum for the transaction of business at any meeting of the Board. Notwithstanding vacancies in the Board, the remaining Directors may exercise all the powers of the Board so long as a quorum of the Board remains in office;

6.5 The Tourism MSC shall initially be comprised of Interim Directors appointed by Council.

ARTICLE 7 - TOURISM MSC MARKETING AND PROMOTION

7.1 The Tourism MSC agrees that all amounts paid to it by the City shall be used for the exclusive purpose of providing the City with tourism promotion and tourism development services.

7.2 The Tourism MSC shall strive to fulfil the following objectives while providing tourism promotion and tourism development services to the City:

- a. promote tourism in the city in accordance with the Tourism Strategy
- b. assist in securing and executing the hosting and promotion of events that are deemed to be a regional, provincial, national and/or international draw;
- c. promote the City as a destination for tourists, visitors, festival attendees, meeting and conference delegates and business travelers;
- d. support the creation of tourism product development which brings new and innovative products, experiences, and services to the market for tourists to enjoy;
- d. support tourism sector development and capacity-building;
- e. promote and market the City as a leading designation for tourism, leisure and business travel with an emphasis on promoting overnight stays; and
- f. undertake its duties using objective decision-making that is accountable and transparent, with a focus on providing City-wide benefits.
- g. facilitate a high level of collaboration amongst the City's tourism industry, business organizations and the City.

ARTICLE 8 - NOTICE

Any notice, invoice or other communication required or permitted to be given by this Agreement shall be in writing and shall be effectively given if (i) delivered personally; or (ii) sent by prepaid courier services; or (iii) sent by facsimile or other similar means of electronic communication to the respective parties as follows:

The Corporation of the City of Brampton
Strategic Communications, Tourism & Events
2 Wellington St W,
Brampton, ON, L6Y 4R2

Brampton Tourism Development Corporation
2 Wellington St. W,
Brampton, ON, L6Y4R2

ARTICLE 9 – TERM AND TERMINATION

This Agreement shall be effective as of the Effective Date and shall continue in effect until the earlier of:

- a. the dissolution of the Tourism MSC; or
- b. the City provides the Tourism MSC with written notice of its desire to terminate this Agreement.

ARTICLE 10 - GENERAL PROVISIONS

10.1 The laws of the Province of Ontario and federal laws of Canada shall govern the validity and interpretation of this Agreement.

10.2 In the event that any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable, the remaining provisions of this Agreement will not be affected and shall continue in full force and effect.

10.3 Nothing in this Agreement shall be construed as creating any agency, employment relationship, partnership, principal-agent or other form of joint venture between the parties. The Tourism MSC shall have no authority to bind the City.

10.4 Time shall be of the essence in all respects of this Agreement.

10.5 The Tourism MSC shall not assign this Agreement in whole or in part without the express written consent of the City.

10.6 This Agreement may be amended by the written consent of both Parties.

10.7 No waiver of a breach by a Party shall constitute an amendment or consent to or waiver of any other different or subsequent breach.

10.8 This Agreement contains the entire agreement of the Parties and supersedes any and all prior agreements, written or oral, between the Parties relating to the subject matter of this Agreement.

10.9 The Tourism MSC is deemed to be an institution for the purposes of the *Municipal Freedom of Information and Protection of Privacy Act*.

10.10 This Agreement shall enure to the benefit of and be binding upon the respective successors, administrators and assigns of each Party.

10.11 Pursuant to Section 16 of *Ontario Regulation 599/06 – Municipal Services Corporations*, the Corporation is hereby authorized to operate within the boundaries of the City.

[signature page follows]

IN WITNESS WHEREOF the Parties have executed this Agreement as of the Effective Date.

THE CORPORATION OF THE CITY OF BRAMPTON

Per: _____
Name: _____
Title: _____

BRAMPTON TOURISM DEVELOPMENT CORPORTION

Name: _____
Title: _____