

Reserve Policies Municipal Accommodation Tax Reserve	 Hamilton	Corporate Services Department
Policy No: FPAP-RE-004		
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POLICY STATEMENT	This Policy sets out the guidelines for the sources, uses and appropriate target level for the balances in the Municipal Accommodation Tax (MAT) Reserve Funds.
PURPOSE	<p>The objective of the MAT Reserve Funds is to provide for the financing of promotion and development of tourism and tourism related products and activities in the City of Hamilton, such as, but not limited to, hosting fees for tourism events.</p> <p>Also, to provide a source of funds to offset extraordinary and unforeseen expenditures for the Tourism and Culture Division of the Planning and Economic Development Department.</p>
SCOPE	<p>This policy applies to MAT Reserve Funds received by the City of Hamilton from providers of transient accommodation.</p> <p>This policy applies to all City employees that are responsible for the management of financial resources.</p>
PRINCIPLES	<p>The following principles apply to this policy:</p> <p>Source of Funding: Revenue Sharing - Municipal portion of the Municipal Accommodation Tax in respect of the fiscal year. Interest Income - Interest earned on the unused actual cash balance held in the MAT Reserves, according to the City’s Reserve interest allocation policies.</p> <p>Funding Targets: A minimum of the equivalent to one full year of the revenue collected through the MAT based on an average of the prior three years funding must be in the Reserve before funds can be directed to tourism promotion and development activities.</p> <p>Minimum Balance: A minimum of \$2 M must be available in the Reserve at all times.</p> <p>Use of Funds: The MAT Reserves shall be used for the promotion and execution of tourism activities including but not limited to bidding fees; tourism sales; marketing initiatives and the development of tourism products.</p> <p>In the case of extraordinary and unforeseen operating expenditures</p>

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	<p>in the Tourism and Culture Division, the General Manager of the Planning and Economic Development Department shall consult with the General Manager of Finance and Corporate Services to determine if funds from the MAT Reserve can be used to offset the Operating Budget.</p> <p>Transfers from Reserves: All transfers from the MAT Reserve are to be approved by City Council by a budget submission, a separate Council report or a Council motion. All relevant information is to be included with the request.</p>
BORROWING FROM MAT RESERVE	<p>The City may borrow from the MAT Reserve, for non-tourism related activities, as long as the MAT Reserve maintains the minimum balance required by this Policy, at the time the funds are borrowed.</p> <p>The City shall repay the amount borrowed, plus interest according to the City’s internal loan policies.</p>
GOVERNING LEGISLATION	<p>Municipal Act 2001, Section 224 Municipal Act 2001, Section 400.1 and O.Reg. 435/17</p>
RESPONSIBILITY FOR THE POLICY	<p>Corporate Services Department Director of Financial Planning, Administration and Policy</p>
POLICY HISTORY	<p>To be added based on Council approval date of policy.</p>