



# MAT Committee Facilitation Support

→ Summary Report 2

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## 1.0 Project Overview

In early 2024, the Town of Niagara-on-the-Lake partnered with Optimus SBR to support a Committee of Council in prioritizing how best to use the municipal portion of Municipal Accommodation Tax (MAT) revenues. The Committee is currently debating the full variety of uses, and needed support in identifying the types of projects that should be considered, what should not be considered, and creating prioritization/evaluation criteria that could be used to determine if a project were to align with the intended goals.

At the outset of the project, the Optimus SBR team met with three members of the Committee to establish the scope and scale of the project. In particular, the project Mission and Success were defined. The project Mission is designed to act as the core focus for the project – it sets the boundaries around what the project is meant to achieve. Project Success, on the other hand, is designed to focus on the intangible outcomes of the project. Rather than focusing on specific deliverables, it seeks to outline what the Town will receive once the project has been successfully completed. For this project, Mission and Success were defined as:

### **Project Mission:**

- Provide facilitation support to guide structured conversations among the MAT Committee, enabling them to effectively prioritize the allocation of the municipal portion of the revenue.

### **Project Success:**

- Structured facilitation by a neutral third party, ensuring unbiased and conflict-free discussions among MAT Committee members.
- Provide structured activities to discover the full range of potential MAT revenue uses, enabling the MAT Committee to evaluate and determine the most suitable allocations. Ensuring transparency, all options will be thoroughly explored, allowing for informed decision-making.
- Instill confidence and buy-in from the MAT Committee by ensuring all available options are discussed and evaluated to enable evidence-based decision-making for next steps.

The project is being completed via two facilitated sessions with the MAT Committee, led by the Optimus SBR team.

## 2.0 Session 2 Overview

Session two took place on June 10, 2024. The session was held in person in the Town’s Council Chambers, and had three express objectives:

- 1 Refresher on the previous facilitation – activities and outcomes
- 2 Align on a realistic intake process to receive ideas for the MAT
- 3 Identify evaluation criteria to be applied to projects as they are received

To achieve these objectives, the Optimus SBR team worked with the Town’s Treasurer and Director of Corporate Services to develop the following agenda:

Time	Activity (Note)
10:00 – 10:10 AM	<b>Opening Remarks and Procedural Activities</b>
10:10 – 10:25 AM	<b>Overview of Project and Activities to Date</b> <ul style="list-style-type: none"> <li>○ A refresher of the project’s purpose and the activities undertaken to date</li> </ul>
10:25 – 11:30 AM	<b>Plenary Defining an Intake Process</b> <ul style="list-style-type: none"> <li>○ Defining the components of an efficient and effective intake process to ensure a fair, managed, and controlled MAT fund reception/approval flow</li> </ul>
11:30 – 12:00 PM	<b>Aligning on Evaluation Baseline</b> <ul style="list-style-type: none"> <li>○ Building on Session 1 outputs and the plenary discussion, ensuring there are common and clear attributes related to what will and won’t be considered, and the types of evaluations that can take place.</li> </ul>
12:00 – 12:45 PM	<b>Lunch</b>

Time	Activity (Note)
12:45 – 1:45 PM	<b>Evaluation Criteria Breakout Activity</b> <ul style="list-style-type: none"> <li>Working in small groups to define the evaluation criteria you feel is most appropriate</li> </ul>
1:45-2:00 PM	<b>Session Debrief</b> <ul style="list-style-type: none"> <li>Summarizing the outputs of the day to ensure alignment and clarity of outcomes</li> </ul>
2:00 – 2:15 PM	<b>Adjourn &amp; Next Steps</b> <ul style="list-style-type: none"> <li>An overview of next steps for the project</li> </ul>

The second session was designed to build on the outputs of the first session. A separate summary report has been developed for that session, however, we provide a brief summary of the event here to ground readers for the discussions and activities captured below. At the highest level, the first session was focused on identifying four key aspects:

- Laying foundational information for the regulations related to the Municipal Accommodation Tax;
- Defining the term “tourism-related” to ensure all Committee members operated from the same baseline definition;
- Determining those potential uses of the MAT that should be prioritized or considered; and,
- Determining those potential uses of the MAT that should be banned or not considered.

As is demonstrated by the agenda above, the first part of session two sought to play back the major themes and outputs from the first session to ground discussions and the facilitated activities that would take place during this session. Below are the findings that were presented.

**Defining what “Tourism-Related” means**

- Any **initiative that directly contributes to enhancing the tourist experience in Niagara-on-the-Lake**. This includes **infrastructure improvements** like parking, bike trails, and wayfinding systems, as well as services that enhance the overall tourist experience, such as **heritage tourism and eco-agricultural initiatives**.
- Projects should **align with regional tourism strategies** and have a **tangible impact on both visitors and the local community**.

In addition to the above, it was further added that “Tourism-Related” should have a clear linkage to the Town’s Strategic Plan. Once it is finalized, the Tourism Strategy can also be incorporated, however, the Strategic Plan is the core planning document of the Town and should be considered.

Furthermore, it was also noted that the benefits for residents should be realistic and captured. If there are projects that will not benefit residents, or will negatively impact them, these should not be considered. This was further discussed and defined below.

### Items to be Prioritized (Themes)

- Items that directly contribute to the growth and enhancement of tourism in Niagara-on-the-Lake. Some themes include:
  - Developing new tourism infrastructure;
  - Improving transportation systems for tourists;
  - Supporting the development and funding of key tourism-related roles within the Town to enhance tourism services and management; and,
  - Fostering tourism-related events and activities that align with the Town’s Tourism Strategy and broader economic goals.
- Some ideas proposed included:
  - Enhancing traffic flow, including roads and sidewalks.
  - Adding amenities such as washrooms and bike lanes.
  - Developing traffic improvement plans, including electric vehicles, park and ride, and autonomous vehicles.
  - Supporting heritage tourism, eco-agricultural, and Indigenous tourism initiatives.
  - Developing wayfinding signage and maps.
  - Focusing on projects that provide measurable return on investment and align with established guidelines.

The following points outline the additional considerations and refinements discussed during the second session. These points aim to ensure that all initiatives not only align with the Town’s Strategic Plan but also maximize the benefits to residents and tourists while addressing any potential concerns:

- Fostering tourism-related events and activities that align with the Town’s Strategic Plan and broader economic goals.
- Ensure that any initiatives highlight and communicate the benefits to residents, showing how increased tourism and tax revenue positively impact them.
- There are benefits that stream down from tourism to the residents.
- Ensure initiatives do not harm or worsen conditions for residents.
- All proposals should be seen as opening negotiations, and should be considered flexible and open to adjustment, allowing for greater benefit to be made for both residents and tourists.
- Supporting tourist-related initiatives within the Town, including supporting the administrative side and economic development officer as outlined in the draft Tourism Strategy, which has still not been fully approved.
- Address the invisible burden (potentially to be reframed to a “visible burden” to facilitate voting processes) that tourism causes the Town’s infrastructure by setting aside a baseline percentage of the fund to the Public Works team to maintain infrastructure.
  - This would be a small percentage of the fund (e.g., 20%) and would be provided to the Public Works team with the understanding that they would use these funds to support their operations. There was not a need/requirement that the Public Works team would be required to demonstrate how the funds were used.
- Prioritize considerations for which projects can only happen through MAT funds.

#### Items to Not be Prioritized (Themes)

- Projects that do not have a clear tourism-related benefit. Some themes include:
  - General municipal infrastructure unrelated to tourism, such as residential road improvements;
  - Any projects that could be seen as creating a 'slush fund' with no direct accountability or measurable goals;
  - Using MAT funds to stabilize or reduce residential taxes; and,
  - Using MAT funds to fund ongoing operational costs that do not enhance the tourist experience.
- Some ideas proposed included:
  - High-risk or excessive cost projects without defined stakeholder benefits.
  - Replacing existing budget funds related to tourism.
  - Creating discretionary grant slush funds.
  - Projects misaligned with existing plans or those that do not meet established policies.
  - Any initiative without measurable goals or a clear return on investment.

No major additions were included relating to the items presented above.

## 3.0 Outputs of Facilitated Activities

This section will delve into the detailed facilitated activities conducted during the second session, sharing an overview of what was completed and the outcomes of the activities. This overview aims to provide a comprehensive understanding of the methodologies applied and the significant results obtained, ensuring transparency and clarity in the decision-making process.

### 3.1 Why Does an Intake Process Matter?

To organize and align the Committee, a discussion about the importance of a structured intake process was completed. Key reasons for the creation of a structured and mutually agreed upon intake process were identified with the group, specifically:

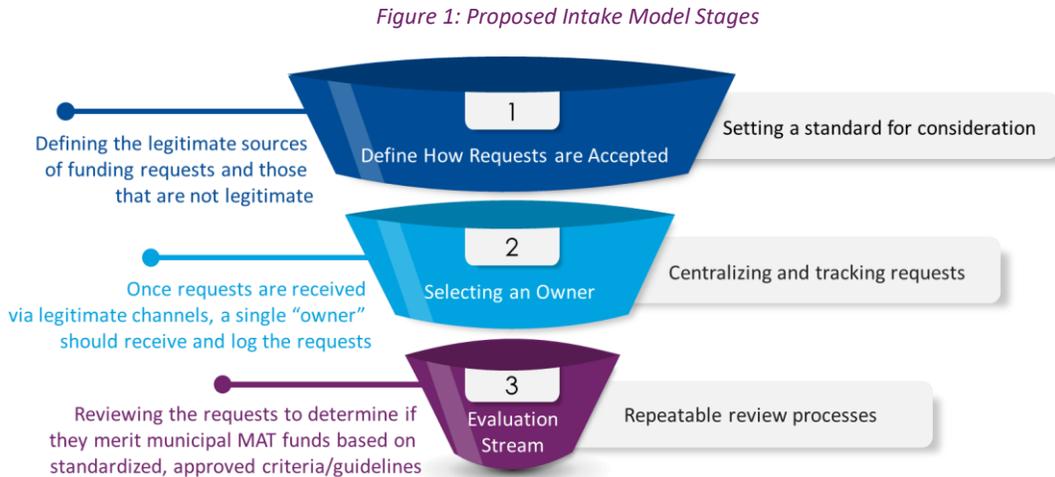
- A defined intake process will ensure that potential projects are not missed.
  - If no intake process exists, potential projects may be sent to different contacts, who may not keep track of them/forward them appropriately, resulting in missed opportunities.
- Individuals can use their position/status to accept/approve projects that otherwise should not be considered.
  - Depending on who the potential project/funding request comes from, there exists a hypothetical possibility that individuals may use their individual position to drive decisions.
- Lack of ownership leads to no funds being used.
  - If no one group/individual is in place to review funding requests, there is a possibility that the requests are not actioned, even if they do merit the use of MAT funds, and that an ever-growing reserve fund is created.
- Decisions are made without clear rationale or understanding of why these should be approved or denied.
  - When no intake process and agreed upon criteria exist, the odds that decisions are made based on subjective criteria that may not be universally agreed upon.

- Projects may be accepted and approved on a “first come, first served” basis.
  - For some smaller projects, this may be okay, as the fund will likely be able to support these types of requests on a rolling basis. However, for larger projects, if NOTL simply accepts the first big request, it may be unable to meet the need/demand of a more deserving or more topical request.
    - As an aside, it was decided that there likely should be some form of competition process for larger value funding proposals, ensuring the best and most appropriate items are selected at pre-determined times throughout the year.

It was mutually agreed upon by all parties that a structured, repeatable, and approved intake process was required to ensure that the proposals received would be appropriate, high quality, and would be reviewed appropriately into the future.

### 3.2 Organizing the Intake Process

During the session, the Optimus SBR team displayed the following diagram as a means to facilitate a plenary discussion on the intake process. This was meant to provide a visual framework that could be used to drive decision-making when designing the intake process. By breaking down the intake process into clear stages, the committee could collaboratively identify and refine the key elements that would ensure transparency and accountability in managing MAT fund requests.



The intake process was discussed as a plenary conversation, and as such included the following discussions and decisions.

#### Stage 1: Define How Requests are Submitted

- **Discussion Items:**
  - There needs to be a structured way by which applications are received. They cannot be sent in by anyone with an idea.
  - There should be a way to ensure a baseline level of appropriateness, to not create loads of extra work and burden for staff or committee members.
  - There may be a need to have multiple levels/groups of people to review content, dependent on the size of the funding request.
  - There likely should be an internal staff person (likely from Finance) who handles the majority of the review/evaluation and makes a recommendation to a broader group (Committee, Council).
- **Submission:** Applicants submit their proposals through a single point of entry, ensuring all necessary documentation and criteria are met.
  - Suggested options for the single point of entry were a generic email inbox, or a specific staff member.

- **Initial Review:** A designated MAT administrator conducts the initial review to ensure the applications meet the established criteria. This step filters out applications that do not align with the basic requirements, reducing the volume of proposals forwarded for further evaluation.
  - Specifically, the initial review would include ensuring there is endorsement (see point below) of the proposal, and clear/reasonable alignment to the Town's Strategic Plan and Tourism Strategy.
- **Endorsement Requirement:** Each project must be endorsed by a Senior Town Staff Member, Councillor, or Organization/Association to limit and focus the number of applications.
  - This is designed to ensure that there are only serious and realistic funding requests presented to the Town. This provides an additional level of scrutiny on all potential uses of MAT funds.

### Stage 2: Selecting an Owner

- **Discussion Items:**
  - There needs to be a central point of contact, to ensure that applications are not lost, there is accountability for reviews, and there is accountability for ultimate decision-making.
  - Creating a tracking system to ensure that funding proposal requests are managed, dependent upon their size and the appropriate process required.
    - A subsequent conversation had was agreement that smaller proposals could be reviewed/approved on an ongoing basis (assuming there continued to be funds in the account). However, larger funding requests should be evaluated at set points throughout the year (e.g., twice per year) and put into competition with one another. This ensures a maintained funding level and the best ideas being selected.
- **Managing Intake:** A member of the Town's staff (likely under the Finance team) should be the lead for accepting proposals.
  - This staff member should be the one who also conducts an initial review of the funding request to ensure it is:
    - In the right stream;
    - Appropriate for the MAT fund; and,
    - Making a preliminary recommendation about whether or not this should be approved, rejected, or further considered (i.e., for a broader competition).
  - NOTE: Evaluation Streams will be further outlined in Stage 3.
- **Focused Committee Review:** Once a staff member has made the initial recommendations, the MAT Committee (developed with an odd number of members, including representation from residents, the tourism industry/businesses including hospitality, and Council members) should conduct a more detailed review to determine if they agree with the staff recommendations.
  - The role of this Committee is to ensure there is a second opinion provided to the funding request, who would then ultimately recommend a course of action to Council. Decisions should be made on predefined criteria, ensuring objectivity and alignment to the Town's strategic priorities.

- **Recommendations:** The MAT Committee, once it has its final recommendation, would report back on its planned activities to Town Council, ensuring there is a clear accountability and audit trail for funding decisions.

**Stage 3: Evaluation Stream**

- **Determining the Appropriate Stream:** As noted above, two streams will be developed for the evaluation of funding proposals.
  - Stream 1 is focused on smaller projects. These would be reviewed and/or approved on a rolling basis, so long as a baseline level of funds always remains in the account.
  - Stream 2 is focused on larger projects, generally those over \$100,000.00. These would be reviewed at set dates/times within a year, and would be evaluated in competition with other Stream 2 funding requests.
- **Review Execution:** Funding requests will be reviewed against set criteria (defined below), ensuring a repeatable process that has the confidence of the Committee, Council, and other senior leadership members within the Town. Once a review is completed, the recommendations will move forward into the implementation and execution of the request as appropriate.
  - Note, this may involve giving projects to internal staff, who would then have to work it into annual priorities/project lists. The result is that, while potentially approved in an expeditious manner, not all projects would start as soon as they are approved.

Based on the Committee's discussions, as outlined above, the intake process for MAT fund applications will include the following steps:



## 4.0 Evaluation Criteria

The second portion of the session focused on defining the evaluation criteria that the Town will use as it moves forward. The objectives and approach are defined below.

### Objective:

The objective was to develop evaluation criteria that identify the various facets to be considered, how they should be evaluated, and the weight that should be applied to each item.

### Approach:

Group Brainstorming: Engage in two small groups to systematically review specific stratifications of funding requests. Each group will think through whether each level of request should receive municipal-portion MAT funding.

Method: Utilize traditional brainstorming techniques, focusing on a systematic and thorough review. After a short period of time, groups switched their sheets to review the work of the other group and provide additional insights and thoughts. A final presentation and plenary discussion was then used to ensure all Committee members were aligned with final outcomes.

## 4.1 Evaluation Criteria Development

### 4.1.1 Brainstorming Activity Overview

During the session, participants engaged in a structured activity to develop evaluation criteria for MAT funding. The activity involved forming two groups to brainstorm and review specific stratifications of funding requests. This collaborative process ensured that each level of request was thoroughly examined and evaluated from multiple perspectives.

#### The Process:



### 4.1.2 Criteria Development

In this phase, participants were tasked with developing specific criteria for evaluating MAT funding requests. The activity involved group discussions to systematically review each stratification and create draft criteria for consideration. Each group completed a structured worksheet to ensure a comprehensive and thorough approach to evaluation.

## 4.2 Evaluation Criteria Table

This section provides an overview of the key evaluation criteria developed through the facilitated activity. The tables provided below are based on the verbatim outputs from the session, which are captured in the appendix of this document.

### 4.2.1 Major Stream Evaluation Criteria Table

As noted above, those proposals that are estimated to cost more than \$100,000 should be evaluated using a more detailed and nuanced evaluation process that will ultimately pit funding requests into competition with one another. The rationale for this approach is that these are large dollar figure proposals, and the Town will likely be unable to accommodate every funding request received. To ensure that the Town selects those funding requests that will have the greatest positive impact on the Town, its residents, and the Tourism Sector, a more detailed review with multiple levels of scoring should be employed.

In the table below, there are some items that are marked as mandatory, in the event a funding request does not satisfy these criteria, the Town can determine if further negotiation is appropriate, or if the request should be dismissed outright, allowing the proponent to resubmit at a later date, to be considered in a future round of competition. Those items that are evaluated using a ranking system should have the total scores for each section tallied to then determine an overall score for the funding request. It is expected that the Town will want to develop its own approximate ranking rubrics to ensure a baseline level of standardization when reviewing funding requests. Where appropriate/possible, the Optimus SBR team has attempted to provide some insights into possible benchmarks in the Notes column.



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Criteria	Sub-Criteria	Evaluation	Weighting	Notes:
<b>Corporate Strategy (Strategic Plan)</b>	Alignment with: <ul style="list-style-type: none"> <li>○ Vibrant &amp; Complete Community</li> <li>○ Good Governance</li> <li>○ Enrich Community Assets, Environment &amp; Infrastructure</li> </ul>	Pass/Fail	Mandatory	Mandatory alignment with at least 1 pillar of the Corporate Strategy, ideally multiple pillars.
<b>Tourism Strategy</b>	<i>Note: when the Tourism Strategy is released, a similar structure compared to the Corporate Strategy should be incorporated.</i>	Pass/Fail	Important until developed	Alignment with at least 1 pillar of the Tourism Strategy (once developed and approved) will be mandatory, with the expectation of aligning with multiple pillars where possible.  During the transitional period, flexibility may be applied until the strategy is fully approved.



Criteria	Sub-Criteria	Evaluation	Weighting	Notes:
<p><b>Climate Change Adaptation Plan</b></p>	<p>Alignment with:</p> <ul style="list-style-type: none"> <li>○ Integrate Climate Change into Plans, Policies, By-Laws and Standards</li> <li>○ Build Urban Forest Resiliency</li> <li>○ Reduce Flooding Risks</li> <li>○ Incorporate Climate Change in Design and Construction</li> <li>○ Minimize Health and Safety Risks to Community Members</li> <li>○ Support Public Awareness and Education</li> </ul>	<p>Pass/Fail</p>	<p>Important, not mandatory</p>	<p>At least some level of alignment is important.</p> <p>If a proposal aligns well with the CCAP, this should be seen as a benefit and should earn additional “points” towards its review/success.</p>



Criteria	Sub-Criteria	Evaluation	Weighting	Notes:
<p><b>Benefits</b></p> <p>This section contemplates the overarching benefits that the funding request is proposing to offer to various stakeholders, including the Town, the local tourism sector, and residents. While no criteria presented is marked as “Mandatory”, if items are absent or poorly presented, consideration should be given to the need for further edits, negotiation, or if the request should be dismissed. However, given the competition manner of the Major Stream, it is expected that those funding requests that are lacking in detail or benefits will score lower than others, and will likely be unsuccessful in their funding request.</p>				
<p>Cost &amp; Benefit Analysis (ROI)</p>		<p>Ranking (1-5)</p>	<p>High</p>	<p>Does the estimated cost of the project outweigh the expected benefits to be enjoyed by the Town.</p> <p>Higher ranking funding requests should provide a clear cost and benefit analysis, outlining cost drivers, having relatively accurate costs identified, and having benefits defined at multiple levels (tourism industry, Town, residents, experiences, environment, etc.). Those funding requests that are missing this information should rank low (i.e., 1).</p> <p>NOTE: This suggests that proposals should have, at a minimum, an estimated cost (with assumptions to validate/justify costs), as well as expected benefits to various stakeholders (tourists, industry [including potential sub-strata of the industry], residents). Costs can be further reviewed/estimated during the staff-level review of a funding proposal.</p>

Criteria	Sub-Criteria	Evaluation	Weighting	Notes:
	Benefit to Tourism Industry	Ranking (1-5)	Medium	<p>Understanding that the tourism industry has multiple sub-components, there are two methods which can be considered for scoring points:</p> <ol style="list-style-type: none"> <li>1. The more aspects of the tourism industry that will receive benefits, as well as the expected impact of the benefit, the higher the proposal ranks.</li> <li>2. Separate point systems for each potential sub-group, which are then added and averaged to give the overall ranking for this sub-criteria.</li> </ol>
	Benefit to Residents of the Town	Ranking (1-5)	Medium	<p>Recognizing that residents should receive <i>some</i> benefit, and there should be no negative impact to residents, this should be scored based on the level of benefit expected.</p> <p>If negative impacts are expected, this should call into consideration the proposal altogether and/or precipitate the negotiation of the proposal.</p> <p>Higher ranking funding requests should have multiple clearly defined benefits for residents of the Town.</p>

Criteria	Sub-Criteria	Evaluation	Weighting	Notes:
<b>Synergies</b>	This section reviews the full suite of potential synergies that funding requests may achieve if approved and implemented. These are not considered mandatory but are seen as important considerations that can improve the effectiveness of the proposed solution.			
	Integration with Existing Projects	Ranking (1-5)	High	If the project dovetails with or builds on an existing project, the project will receive a higher score, as it can have greater impacts than a standalone project or task.
	Resource Sharing Potential	Ranking (1-5)	Medium	If the execution of the project can allow for a sharing or resources with other ongoing projects, reducing the need for hiring exclusive resources, this will be seen as a benefit and will score higher than projects with unique needs.
	Collaborative Opportunities	Ranking (1-5)	Low	Identifying opportunities where the project – either once completed or while in progress – can either enhance existing tourism activities, or it can create future opportunities for collaboration to result in a bigger tourism impact for NOTL.
	Enhancement of Existing Services	Ranking (1-5)	Medium	Does the project, once complete, further enhance the offerings of existing services in the Town? Does this negatively impact the tourism or day-to-day services for Town residents?



Criteria	Sub-Criteria	Evaluation	Weighting	Notes:
<b>Risk Assessment</b>	This set of criteria are designed to understand the level of risk the proposed funding request will require the Town to incur. These explore items related to cost of the solution, the likelihood that the expected benefits can be achieved, and the reliance of the request on other initiatives and/or activities.			
	Cost of Implementation	Ranking (1-5)	Mandatory	<p><i>Separate from ROI.</i></p> <p>Understanding the cost of the project and determining if the cost is commensurate with what would be seen as reasonable and expected. Understanding the cost drivers and, to a degree of certainty, the actual costs expected in implementation and ongoing operation of the proposed funding request.</p> <p>Those projects that have a lower implementation cost, as well as those that have greater detail in the costs presented, should score higher.</p>

Criteria	Sub-Criteria	Evaluation	Weighting	Notes:
	Achievement of Goals	Ranking (1-5)	Medium	<p>Is there a clear and realistic manner in which the proposed goals/outcomes of the funding request will be realized? Are the proposed benefits/outcomes aligned with realistic expectations, or are there large assumptions made that distort the realistic outcomes/goals.</p> <p>Funding requests with clear, realistic and achievable goals will score higher than those funding requests that exaggerate their likely outcomes.</p>
	Dependencies	Ranking (1-5)	Medium	<p>What dependencies are required to ensure that the project is successfully completed by the Town?</p> <p>Projects with less dependencies will score higher compared to those with more dependencies, as it will indicate the ability for a project/activity to be completed in a discrete, structured manner.</p> <p>Consideration will be given to identify if there are dependencies that are required to achieve broader impacts or outcomes.</p> <p>Care should be given to not misconstrue a <i>collaboration opportunity</i> with a required dependency for success.</p>

Criteria	Sub-Criteria	Evaluation	Weighting	Notes:
<b>Ownership</b>	This set of criteria are designed to ensure that the funding request has thought through the ownership of the proposed activity/item/solution from all necessary stages – development, implementation, and ongoing operations. The need for clear ownership is considered mandatory, and if these are not provided, the Town can determine if further negotiation is appropriate, or if the request should be dismissed outright, allowing the proponent to resubmit at a later date, to be considered in a future round of competition.			
	Development: Clearly Accountable Individual or Organization	Pass/Fail	Mandatory	Is there a clear individual or group who will own the development of the proposed item/solution/activity?
	Implementation: Clear Accountable Individual or Organization	Pass/Fail	Mandatory	Is there a clear individual or group who will own the implementation activities, ensuring the idea is successfully implemented?
	Ongoing Operations: Clear Accountable Individual or Organization	Pass/Fail	Mandatory	Is there a clear individual or group who will own the ongoing operations of the request.  Note: if the request does not require any ongoing operations (e.g., it is implemented and then requires no ongoing maintenance, support, or review) this is not seen as required).



### 4.2.2 Minor Stream Evaluation Criteria Table

As noted above, those proposals that are estimated to cost less than \$100,000 should be evaluated using the relatively less stringent criteria provided below. This evaluation process focuses heavily on “Pass/Fail” and “Yes/No” reviews, with the majority of items being “Mandatory” for further review/analysis. The rationale for this approach is that these are designed to be faster reviews, largely led by staff who would then provide recommendations to a Committee or Council. As such, this approach removes subjectivity in qualitative rankings, and focuses on if an item is or is not present.

Where items are not marked mandatory, if the evaluation determines that the outcome is largely negative for those items, it should still result in a broader discussion/review of the funding request to determine if it should be approved, even if all mandatory items are met..

Criteria	Sub-Criteria	Evaluation	Weighting	Notes:
<b>Alignment with existing/planned Town Plan</b>	This set of criteria ensures that the funding request aligns with the Town’s broader goals and plans that are already in place.			
	Town Strategic Plan	Pass/Fail	Mandatory	Mandatory alignment with at least 1 pillar of the Corporate Strategy, ideally multiple pillars.
	Town Tourism Strategy (when enacted)	Pass/Fail	Mandatory	Mandatory alignment with at least 1 pillar of the Tourism Strategy, ideally multiple pillars.



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Criteria	Sub-Criteria	Evaluation	Weighting	Notes:
	Town Climate Change Action Plan	Pass/Fail	Important, not mandatory	<p>At least some level of alignment is important.</p> <p>If a proposal aligns well with the CCAP, this should be seen as a benefit and should earn additional “points” towards its review/success.</p>



Criteria	Sub-Criteria	Evaluation	Weighting	Notes:
<b>Clear Benefit to Tourism</b>	Understanding the benefits the proposed funding request is promising for the tourism sector.			
	Benefits to one or more sectors of tourism	Pass/Fail	Mandatory	Clear benefits to at least one tourism sub-sector will be critical for a request to be considered. If there is no clear benefit to the tourism industry, the request will not be considered further (in its current form).



Criteria	Sub-Criteria	Evaluation	Weighting	Notes:
<b>Other Expected Benefits (e.g., residents)</b>	Understanding the benefits of the proposed funding request to other groups, ensuring that there are no negative outcomes for stakeholders.			
	<ul style="list-style-type: none"> <li>○ Identification of other groups who will receive benefit</li> </ul>	Ranking (1 – 5)	High	<p>While not mandatory, identifying other groups who will benefit as a result of the funding proposal is important to consider.</p> <p>If no other groups are identified, there may be a desire/need to have the Town negotiate the proposal to determine if/how the proposal can be amended to generate additional benefits.</p>



Criteria	Sub-Criteria	Evaluation	Weighting	Notes:
<p><b>Realistic cost evaluation</b></p>	<p>Evaluating the cost of the funding request, ensuring that it is in the appropriate evaluation stream, and that the estimates itself are realistic and will not continue to grow/expand due to a lack of controls in place.</p>			
	<p>Evidence that the proposed cost is realistic and that there are controls to manage growth/expansion.</p>	<p>Pass/Fail</p>	<p>Mandatory</p>	<p>All funding proposals must be submitted with a realistic cost estimate. This should include an overview of the major cost drivers, rough cost breakdowns (e.g., materials costs, reasonable estimate at labour costs, etc.)</p> <p>If the funding request does not provide a cost estimate, it should be rejected as it is unclear if it will belong in the appropriate evaluation stream.</p> <p>If, in the eyes of the Town, the funding request does not have a realistic cost estimate, or if additional detail is required, the Town may choose to either reject the funding request, or it can elect to negotiate with the proponent to receive additional information prior to making a final decision.</p>



Criteria	Sub-Criteria	Evaluation	Weighting	Notes:
<b>Ownership</b>	This set of criteria ensures that ownership of the proposed activity/item/solution is thought through and identified.			
	Development: Clearly Accountable Individual or Organization	Pass/Fail	Mandatory	Is there a clear individual or group who will own the development of the proposed item/solution/activity?
	Implementation: Clear Accountable Individual or Organization	Pass/Fail	Mandatory	Is there a clear individual or group who will own the implementation activities, ensuring the idea is successfully implemented?
	Ongoing Operations: Clear Accountable Individual or Organization	Pass/Fail	Mandatory	Is there a clear individual or group who will own the ongoing operations of the request.  Note: if the request does not require any ongoing operations (e.g., it is implemented and then requires no ongoing maintenance, support, or review) this is not seen as required).



Criteria	Sub-Criteria	Evaluation	Weighting	Notes:
<p><b>Alignment with other Initiatives</b></p>	<p>Reviewing the funding request to understand if/how it may align with othe items that are either in place today or are expected to be in place in the near term.</p>			
	<p>Is there alignment with other initiatives that would amplify the effect/outcome of either initiative?</p>	<p>Yes/No</p>	<p>High</p>	<p>While not mandatory, if there are other possible projects that have been completed, or are in the process of being completed, that this project can align with and/or amplify, this should be considered a benefit.</p> <p>If there are no other initiatives that this item aligns with, this does not disqualify the funding request, but will not be seen as beneficial as those that do align with others.</p>



Criteria	Sub-Criteria	Evaluation	Weighting	Notes:
<p><b>Discrete work</b></p>	<p>While the above criteria evaluates if there are opportunities to align with other initiatives, this section evaluates if the work is its own unique item, or if it is a broader suite of activities. While not mandatory, this can help to identify if this funding request should be grouped with others for a larger impact and/or if the funding request is being placed in this funding request in a potentially inappropriate manner (i.e., breaking up a competition-level request into smaller chunks to receive a less stringent review).</p>			
	<p>Is the initiative its own unique piece of work, or does it depend on other initiatives?</p>	<p>Yes/No</p>	<p>High</p>	<p>While not mandatory, if a funding request is dependent upon other tourism activities for its successful completion/implementation, this should be considered by the Town. For example, if the request relies on a regularly occurring event (e.g., assuming that bicycle tours of the wineries/the Town continue), this can be seen as a minor point.</p> <p>However, if the request relies on other possible initiatives being approved or major capital investment by the Town in other possible activities, this should be considered and may negatively impact the evaluation of the request.</p>



Criteria	Sub-Criteria	Evaluation	Weighting	Notes:
<b>Realistic Timeline</b>	Evaluating if the funding request can realistically be completed in within a calendar year, which would limit risk to the Town.			
	Is there a clear and realistic timeline of less than 1 year from start to completion?	Pass/Fail	Mandatory	<p>Funding requests should not require multiple calendar years to be completed, as this increases risk for cost overruns and/or negative impacts to ownership and the achievement of the request goals.</p> <p>Consideration should be given to those funding requests that are multi-phased (i.e., creation/implementation/ongoing operations). If ongoing operations are expected to extend beyond a calendar year (e.g., in perpetuity), this should not be viewed negatively.</p>

## 5.0 Next Steps

With this report, the Optimus SBR team completes its initial obligations to the Town of Niagara-on-the-Lake. As the Town moves forward in implementation it should:

- Validate the final outcomes with the Committee and Council more broadly.
- Determine who will take on the evaluator role in the Town's staffing structure.
- Develop the policy and sub-procedures/processes to formally implement this approach.
- Pilot both streams and determine if/how changes are required to be more effective and close unforeseen gaps/redundancies in the future.

The Optimus SBR team will continue to be a partner and a source of support for Niagara-on-the-Lake and will be available to provide additional support if/as necessary.

## 6.0 Appendix: Session 1 Summary Report

### 6.1 Session 1 Overview

Session 1 took place on April 22, 2024. The session was held in person in the Town’s Council Chambers, and had three express objectives:

- 1 **Align on the basics of the MAT, including potential uses, limitations, revenue collected to date, and already defined uses**
- 2 **Gain greater alignment on the potential uses that should be considered for the municipal portion moving forward**
- 3 **If possible: Begin defining the boundaries and structures related to evaluation criteria**

To achieve these objectives, the Optimus SBR team worked with the Town’s Treasurer and Director of Corporate Services to develop the following agenda:

Time	Activity (Note)
10:00 – 10:15 AM	<b>Introductions and Session Objectives</b>
10:15 – 10:40 AM	<ul style="list-style-type: none"> <li>○ Overview of the MAT</li> <li>○ Overview of the requirements, what is allowable, and what is not allowable</li> <li>○ Revenue raised to date, including where it has already been committed thus far</li> <li>○ Opportunity for Q&amp;A discussion to ensure no misconceptions persist</li> </ul>
10:40 – 10:50 AM	<b>Break</b>
10:50 – 12:15 PM	<b>Reverse Brainstorming Activity</b> <ul style="list-style-type: none"> <li>○ Flipping the problem on its head to help identify what are and are not viable options</li> </ul>

Time	Activity (Note)
12:15 – 1:15 PM	<b>Lunch</b>
1:15 – 2:00 PM	<b>Plenary Discussion: Aligning on Activities that Should and Should Not be Considered</b> <ul style="list-style-type: none"> <li>○ Wrapping the previous topic and gaining consensus on what should/should not be considered in the future</li> </ul>
2:00 – 2:25 PM	<b>Evaluation Criteria: Core Lenses to Consider</b> <ul style="list-style-type: none"> <li>○ Identifying the levels of evaluation that we should consider as we look to the future</li> </ul>
2:25 – 2:30 PM	<b>Adjourn &amp; Next Steps</b>

The session was initially planned to begin defining the boundaries and structures related to evaluation criteria for project proposals using MAT revenues during this session. However, due to the depth of discussions required to align on the foundational aspects of the MAT, the conversation regarding evaluation criteria was not addressed. This topic has been moved to Session 2 to ensure it receives the thorough discussion and attention it requires.

. To ensure a comprehensive understanding of the Municipal Accommodation Tax, the session focused on presenting key data and facts, followed by structured discussion formats. Overall, the activities of the day included:

- **Presentation of Historical Data and Trends:** An Overview presentation was given on the historical data regarding MAT collections and distributions, highlighting trends and insights that have emerged since its inception in the Town.
- **Review of Legislative Framework:** Participants were provided with summaries of Ontario Regulation 435/17 under *the Municipal Act, 2001*, which outlines the legal framework for MAT. This helped clarify the boundaries within which the Committee can operate. Over 20 municipalities that have implemented the MAT, such as Prince Edward County, Kingston, and Vaughan, were shared. These case studies helped illustrate various approaches to leveraging MAT revenues for tourism and infrastructure development.
- **Interactive Q&A Sessions:** These sessions were designed to address any uncertainties or questions the Committee members had regarding the MAT’s application and potential. Facilitated an exchange of ideas, ensuring a common understanding of key facts and requirements, and helping to clarify the positions and thoughts of the Town.

This multifaceted approach ensured that all members of the Committee started with a solid baseline of knowledge. These activities were completed to set up detailed facilitation activities, enabling more productive discussions on potential uses and priorities for the municipal portion of the MAT revenues.

## 6.2 Session Activities & Outputs

This section will provide greater information into the specific facilitated activities (i.e., the Reverse Brainstorming), and the associated plenary discussions. It will ensure there is a clear understanding of the process undertaken and the results achieved.

### 6.2.1 Facilitated Activities

#### 6.2.1.1 Reverse Brainstorming Overview

##### What is Reverse Brainstorming?

Reverse brainstorming is an innovative problem-solving technique used to enhance creative thinking and break away from conventional approaches. Unlike traditional brainstorming, which focuses on direct solutions, reverse brainstorming flips a problem upside down to identify solutions that would achieve the reverse outcomes. This method challenges participants to first consider how to cause an issue or worsen it, and then to think backwards to find effective solutions.

##### Why We Use Reverse Brainstorming

This technique is particularly valuable because it:

- Encourages creative and out-of-the-box thinking by reversing the problem-solving process.
- Helps identify potential pitfalls and obstacles by focusing on what could go wrong, thus providing a more comprehensive understanding of the problem.
- Facilitates a deeper exploration of issues, leading to more robust and innovative solutions.
- Breaks traditional or long-standing mindsets by reframing the question to focus on different structures and needs.



##### Defining the Question:

What are the optimal uses of the municipal portion of MAT funds?



##### Flipping the Question:

What is the best way to waste the municipal portion of MAT funds?

*What decision-making criteria or structures should we put in place to guarantee these funds are wasted?*

**How It Was Used in Our Session**

During our session, reverse brainstorming was employed to address the complex challenge of defining the optimal uses for the municipal portion of the MAT funds. The activity was structured as follows:

1. **Define the Problem:** Participants were asked to consider the question, "What are the optimal uses of the municipal portion of MAT funds?"
2. **Reverse the Problem:** The question was then flipped to, "What is the best way to waste the municipal portion of MAT funds?"
3. **Idea Collection:** In small groups, participants brainstormed ways to effectively waste the funds, listing as many ideas as possible without constraints.
4. **Reverse the Ideas:** Ideas for wasting the funds were then reversed to explore potential beneficial uses.
5. **Identify Solutions:** Finally, groups discussed how these reversed ideas could translate into viable projects or initiatives for the municipal portion of the funds.

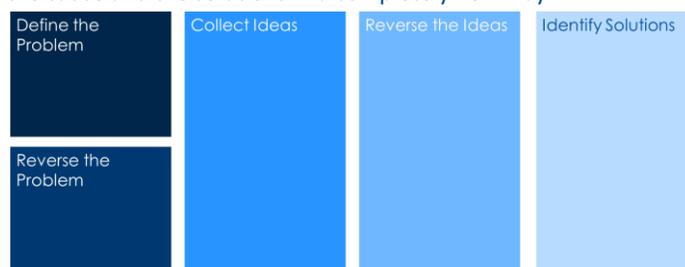
→ Reverse Brainstorming



**The Activity: Reverse Brainstorming**

Reverse brainstorming is a technique that flips typical brainstorming techniques upside down, allowing you to approach complex problems from a different perspective.

- In traditional brainstorming, people will focus on collecting ideas for how to solve a problem.
- In reverse brainstorming, you instead look at what could make the problem worse or why the problem can't be solved.
- Then, you reverse those ideas to discover new things you didn't see before, allowing you to look at the problem, the cause and the solutions in a completely new way.



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**Purpose and Timing of the Plenary**

Following the reverse brainstorming activity, the session transitioned into a plenary discussion. This portion of the session was strategically scheduled to occur after the initial brainstorming to capitalize on the momentum and ideas generated by the smaller groups. The primary objectives of the plenary were to:

- **Facilitate Open Discussion:** Provide a platform for all participants to share their thoughts and ideas openly with the entire Committee.

- **Identify Common Ground:** Explore similarities and differences in the ideas presented, fostering a collective understanding.
- **Guide Decision-Making:** Use the insights gained from the group discussions to inform and shape the decisions regarding the use of MAT funds.

During the plenary, each group presented their reversed ideas and the resultant solutions they had identified. Through this discussion Committee members compared perspectives, seeing how others approached the same problem and identify where there were commonalities and slight differences. This in turn led to idea refinement and further consensus building between Committee members.

### Associated Decisions

The plenary discussion resulted in a more cohesive list of potential project types that should or should not be considered in the future. This process not only involved all Committee members but also made sure their contributions were valued, which was essential for collective decision-making. As a result, the committee agreed to reconvene with a focused agenda on refining evaluation criteria, based on the consensus formed during this meeting.

## 6.2.2 Themed Outputs

This section summarizes the results of the brainstorming and plenary discussions by categorizing them into four themes. Each theme captures the collective input and consensus of the MAT Committee members regarding the use of the Municipal Accommodation Tax (MAT) funds.

### 6.2.2.1 Defining what “tourism-related” means

The term "tourism-related" was elaborated to encompass any initiative that directly contributes to enhancing the tourist experience in Niagara-on-the-Lake. This includes infrastructure improvements like parking, bike trails, and wayfinding systems, as well as services that enhance the overall tourist experience, such as heritage tourism and eco-agricultural initiatives (focused on ecological sustainability in agriculture). It was emphasized that projects should align with regional tourism strategies and have a tangible impact on both visitors and the local community. Specific to the local community, it was noted that they were not the primary audience that is intended to benefit, however, the evaluation of projects should determine if and how the community will receive some tangential benefit.

### 6.2.2.2 Defining what people saw as the best way to waste funds

The group identified several ways in which MAT funds could be wasted, which included spending on non-revenue generating projects, such as:

- Spending on excessive parking facilities without direct tourist benefits.
- Funding projects that do not align with the Town's tourism strategy.
- Using the funds for paying salaries, except for administrative roles directly tied to managing MAT projects.
- Replacing existing budget funds, diverting resources away from impactful tourism development.
- Funding high-risk projects with no clear return on investment.
- Allocating funds to council pet projects with no broader community benefit.
- Creating a discretionary grant slush fund with no oversight or accountability.

Below is a summary of some of the outputs from the ideas Committee members had to waste MAT funds. Please note this is not the exhaustive list, but acts as a representative sample:

- Spending on non-revenue-generating projects like unnecessary new residential infrastructure or projects with no clear ROI.
- Lack of strategic alignment, resulting in spending on high-risk projects or those that replace existing budget funds unrelated to tourism.
- Operational inefficiencies such as no spending limits, lack of transparency, and funding projects on a first-come, first-served basis.

### Flipping those ideas

By reversing the 'waste' ideas, the Committee came up with constructive uses for the funds. For instance, rather than using the funds for excessive parking, they could be allocated to enhance overall traffic management systems that benefit tourists and residents alike. Similarly, instead of replacing existing budget funds, MAT funds could be used to supplement new initiatives that expand the Town's tourism capacity.

### 6.2.2.3 Landing on the list of items to be prioritized

The prioritized uses of MAT funds focused on projects that directly contribute to the growth and enhancement of tourism in Niagara-on-the-Lake. This includes developing new tourism infrastructure, improving transportation systems for tourists, supporting tourism-related positions within the Town, and fostering tourism-related events and activities that align with the Town's Tourism Strategy and broader economic goals.

Below is a summary of some of the outputs from the ideas Committee members had to waste MAT funds. Please note this is not the exhaustive list, but acts as a representative sample:

- Developing new tourism-related infrastructure.
- Improving transportation systems for tourists.
- Supporting tourism-related positions within the Town.
- Fostering tourism-related events and activities that align with the Town's tourism strategy.
- Enhancing traffic flow, including roads and sidewalks.
- Adding amenities such as washrooms and bike lanes.

- Aligning with the Niagara Regional Tourism Strategy where appropriate and driving it in part.
- Addressing geographical needs and ensuring projects benefit both residents and tourists.
- Developing traffic improvement plans, including electric vehicles, park and ride, and autonomous vehicles.
- Supporting heritage tourism, eco-agricultural, and Indigenous tourism initiatives.
- Developing wayfinding signage and maps.
- Focusing on projects that provide measurable return on investment and align with established guidelines.
- Ensuring clear prioritization and spending criteria, including the development of policy guidelines for decision-making.
- Promoting economic development and creating SMART goals for project evaluations.
- Balancing the geographical spread of projects to ensure all areas benefit.

#### **6.2.2.4 Landing on the list of items that should not be considered/prioritized**

It was widely agreed that MAT funds should not be used for projects that do not have a clear tourism-related benefit. This includes general municipal infrastructure unrelated to tourism, such as residential road improvements, or any projects that could be seen as creating a 'slush fund' with no direct accountability or measurable goals. Additionally, the Committee advised against using MAT funds to stabilize or reduce residential taxes or to fund ongoing operational costs that do not enhance the tourist experience.

Below is a summary of some of the outputs from the ideas Committee members had to waste MAT funds. Please note this is not the exhaustive list, but acts as a representative sample:

- Projects without clear tourism-related benefits, such as general municipal infrastructure not related to tourism.
- Projects that could be seen as creating a 'slush fund' with no accountability or measurable goals.
- Using MAT funds to stabilize or reduce residential taxes or fund ongoing operational costs that do not enhance the tourist experience.
- High-risk or excessive cost projects without defined stakeholder benefits.
- Replacing existing budget funds related to tourism.
- Creating discretionary grant slush funds.
- Projects misaligned with existing plans or those that do not meet established policies.
- Any initiative without measurable goals or a clear return on investment.

## 6.3 Next Steps

As we move forward with the development of the evaluation framework for allocation of the Municipal Accommodation Tax (MAT) funds, the following steps are planned to ensure effective and efficient progress:

- Scheduling Another Meeting:
  - A follow-up meeting has been scheduled for June 10 to further refine the ideas and decisions made during the initial sessions. This meeting will aim to develop and evaluation framework for the use of the Municipal portion of the MAT funds.
- Continuing Discussions:
  - Ongoing discussions will focus on addressing any unresolved issues from previous sessions. These discussions will also explore new insights or changes that may impact the project priorities or strategic alignment.
- Focusing on Intake Processes:
  - Development of a structured intake process for proposals and ideas will be initiated. This process will define how new proposals are submitted, reviewed, and selected, ensuring transparency and alignment with established criteria.
- Evaluation Criteria Development:
  - Work will continue on developing comprehensive evaluation criteria for assessing the suitability and potential impact of proposed projects. These criteria will ensure that all funded projects contribute positively to the tourism landscape of Niagara-on-the-Lake and offer measurable benefits.

These steps are designed to maintain momentum and ensure that the utilization of MAT funds is carried out in a manner that is both strategic and beneficial to the community.