

## MEMORANDUM TO DEVELOPMENT SERVICES COMMITTEE

May 26, 2016

To: Development Services Committee

From: S. Chait, Director of Culture and Economic Development

Subject: Details of 2016 Business Mission to India Expenses

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Further to a request by Development Services Committee (May 9/16) that an itemized budget for the India mission (January 29-February 10, 2016) be added to the next Development Services agenda, enclosed is a spreadsheet with a detailed accounting of the actual expenditures incurred for the members of the Markham delegation.

As shown on the spreadsheet (prepared by Economic Development staff and reviewed by the Treasurer) the total actual cost per delegate was \$9,336.85 comprising \$8,306.11 funded by or for the delegates plus \$1,030.74 paid by the City in support of the mission's program activities.

Committee members asked for explanations regarding two specific aspects of the costs incurred. Staff has provided answers as follows:

1. Why was the average cost of hotel rooms higher than the rate charged on Internet booking sites?

Hotel booking rates found on Internet booking sites are usually of good value and always present price advantages and discounts. Whenever possible, Markham business missions make use of these services and the discounted rates. The Markham mission to India was designed to be present and engaged with Premier Wynne's delegation in New Delhi, Mumbai and Hyderabad. The Premier's delegation chose to reserve rooms and stage events at Taj hotels in each of these cities. These hotels did not have available rooms for booking on the Internet. Instead, Markham's travel advisor negotiated a preferred group rate based on discounts awarded for using the Taj hotels throughout the Markham mission. This benefited the Markham delegation by ensuring that all the delegates had rooms in the same hotel & that the delegates did not incur additional ground transportation expense & delay in attending official Province of Ontario programs.

2. Why were the mission delegates charged HST on expenditures made outside of Canada?

Each delegate was charged an inclusive fee (hotel/flights/ground transport etc.) in Canadian dollars in Canada. Similar to other travel packages sold here, the cost is subject to HST at 13%. In the case of delegates travelling as representatives of Markham Council or Markham staff, the City receives a rebate resulting in an actual HST impact of 1.76%.

Staff will be present at Development Services Committee on June 7<sup>th</sup> to respond to questions from Committee members.

City of Markham 2016 Business Mission to India  
January 29 - February 10 (13 days)  
Expense Analysis

(May 26, 2016)

Expense Category	Total Cost	Actual Cost/per delegate	Accommodation Cost/Night
<u>Flights (10 Delegates, Economy)</u>			
International (flight incl. hotel in Dubai free of charge)	\$ 22,060.00	\$ 2,206.00	
Domestic (3 flights, 11 delegates)	\$ 12,232.00	\$ 1,112.00	
<b>Flight Subtotal</b>	<b>\$ 34,292.00</b>	<b>\$ 3,318.00</b>	<b>'A'</b>
<u>Accommodations (incl. Breakfast and Free WIFI)</u>			
Delhi (30 room nights)	\$ 13,620.00	\$ 1,362.00	\$ 454.00
Hyderabad (11 room nights)	\$ 4,334.00	\$ 394.00	\$ 394.00
Mumbai (20 room nights)	\$ 12,520.00	\$ 1,252.00	\$ 626.00
Kolkata (27 room nights)	\$ 10,854.00	\$ 1,206.00	\$ 402.00
<b>Accommodation Subtotal</b>	<b>\$ 41,328.00</b>	<b>\$ 4,214.00</b>	<b>'B'</b>
Avg per night (9 nights, hotel gratis in Dubai)	\$ 4,592.00	\$ 468.22	
<b>Flight + Accommodation Subtotal</b>	<b>\$ 75,620.00</b>	<b>\$ 7,532.00</b>	<b>'C' = 'A' + 'B'</b>
<u>Ground Transportation</u>			
Delhi (3.5 days)	\$ 1,985.00	\$ 180.45	
Hyderabad (1 day)	\$ 659.00	\$ 60.00	
Mumbai (2 days)	\$ 795.00	\$ 72.00	
Kolkata (3 days)	\$ 1,598.00	\$ 178.00	
Dubai (1.5 days)	\$ 1,400.00	\$ 140.00	
<b>Ground Transportation Subtotal</b>	<b>\$ 6,437.00</b>	<b>\$ 630.45</b>	<b>'D'</b>
<b>Flight + Accommodation + Grnd. Transportation Subtotal</b>	<b>\$ 82,057.00</b>	<b>\$ 8,162.45</b>	<b>'E' = 'C' + 'D'</b>
1.76% HST		\$ 143.66	
<b>Total Cost per Delegate</b>		<b>\$ 8,306.11</b>	<b>'F'</b>
<u>City Cost</u>			
Meals/Incidentals	\$ 4,398.30	\$ 439.83	<b>'G'</b>
Admin/ Plus Fee for Service (\$500x 13 days)	\$ 6,500.00	\$ 590.91	<b>'H'</b>
<b>Total Cost</b>	<b>\$ 92,955.30</b>	<b>\$ 9,336.85</b>	<b>'I' = 'F' + 'G'</b>

**Notes:**

- Duration of Markham Mission was 13 days including travel days. Cities visited included New Delhi, Hyderabad, Mumbai, and Kolkata with stopover in Dubai.
- Premier's mission was 6 days in India (no travel days) and included visits to New Delhi, Chandigar, Hyderabad, Mumbai. The program fee charged to business delegates was \$3,000 including domestic air and ground transport BUT NOT including international flights, Hotels and Meals. Markham delegates were not charged fees to participate in the Province's program.
- Markham staff received 2 bids for travel package cost and advisory service. Selected Sam Wadera on a fee per service contract.
- Council Approved Report: \$8,900 incl. HST per person
- Ground Transportation includes vehicles, drivers, and mileage. Typically 10-12 hrs/day
- City of Markham receives a rebate resulting in a net HST impact of 1.76%.