

Explorers' Edge Board of Directors Meeting Minutes
Tuesday, January 19, 2016
Quality Inn, Bracebridge

Present: John Miller, Nicole Saulnier, Gary McMullen, Jeff Suddaby, Kim Loader, Jackie Leung, Andy Vitch, Curt Dunlop, Anthony Rizzo

Regrets: Jerry Feltis, Dympna Hayes, Hilary Chambers, Drew Rachar, Esa Paltanen

Via Conference Call: n/a

Resource: Laura Hernando - MTCS

Staff: James Murphy, Erin Smit

Welcome and Introductions: Jackie Leung called the meeting to order at 9:43am

Approval of Agenda –January 19, 2016

Motion: Curt Dunlop

Seconded: Anthony Rizzo

Discussion: n/a

Carried.

Approval of Minutes – December 8, 2015

Motion: Anthony Rizzo

Seconded: Andy Vitch

Discussion: n/a

Carried.

Tourism Operator Relations Committee Update, Partnership Program – Jeff Suddaby

Suddaby discussed the Phase II Application of the FedNor project which has been put on hold until the next fiscal year. (based on recommendations from FedNor and MTCS). EE was forced to reconvene; ED Murphy had to look to other partners for those funds moving forward. Kearney Dog Sled Races which we wanted to support was pushed back to 2017. Bracebridge Fire & Ice Festival marketing and social media project was put forward, as well as request for support from Johnston's Cranberry Marsh for their ice trail marketing (via social media) and way finding signage. Looked at what else is happening in the region that was on the docket; also Monty Python Festival in Parry Sound with the Chamber of Commerce and the Regional Air Service project. EE was able to approve Monty Python, Fire & Ice, Regional Air Service, and Cranberry Marsh Ice Trail; committee has approved these projects. ED Murphy went to the province to ensure these projects fit the mandate, all were approved. Now requires approval from the board, and closes out the fiscal year as it relates to Partnership Projects. Tourism Excellence North has had their funding approved for a three year commitment from NOHFC and FedNor, vetted through the Ministry.

Suddaby spoke to Regional Air Service; meeting with the District in November where we are partnering with the District of Muskoka and the Town of Gravenhurst. ED Murphy clarified this is not a feasibility study; purpose is to align the project to present to CATSA (Canadian Air Transport Security Authority) for security screening. Before 2011, airports supplied their own security screening equipment; post 2011, CATSA now needs to approve equipment and it must be designated by them. Once we have that designation from CATSA (Tier 2), we can then have conversations with certain airlines (Porter, WestJet, etc) about bringing their service to the Muskoka Airport.

Rizzo asked if there is a chance with this funding spend that the project could still go nowhere. Leung mentioned it's better to spend the money to investigate the project than to not attempt to move this major project forward. Vitch discussed the rejection of the expansion of Billy Bishop Airport for Porter Airlines, and how this may affect their expansion into other areas. Rizzo mentioned airport in Tottenham on Hwy 9 and its expansion and how this may affect our proposal; their location is 20minutes away from Toronto. ED Murphy agrees there risk in the project. Have been discussions on what can be done to mitigate the risk; attracting American and UK visitors to the region. Rizzo also mentioned North Bay Airport and its declining use by visitors and how this may affect our proposal. ED Murphy spoke to what our service would look like as far as selling seats; 10 week period with runs Thursday to Sunday and Sunday to Thursday. Leung spoke to the broader terms of the project and the priorities of the board moving this project forward. ED Murphy discussed the packaging proposals and product with Twenty 31 moving forward; they are interested in helping to develop packages with operators and they are confident we can fill planes. Dunlop is feeling positive about the project; feels spend is of value to see what we can develop in moving Regional Air Service forward. Loader asked about the time line for the project; ED Murphy replied that will come from spend on feasibility study and what its outcome is.

As far as budget reallocation is concerned for these proposed partnership project changes:

Current:

Partnership Revenue: \$166,000

Partnership Expense: \$332,000

TPA – MTCS Expense: \$166,000

Amendment:

Partnership Revenue: \$110,731

Partnership Expense: \$277,462

TPA – MTCS Expense: \$166,731

Motion to Accept Allocation of Funds for New Partnership Projects Brought to the Table:

Motion: Curt Dunlop

Seconded: Andy Vitch

Discussion: n/a

Carried.

ED Murphy discussed four bucket strategy for Partnership Funding moving forward and EEs commitment to projects that fit within these parameters; International Marketing and Development, Workforce

Development, Marketing Events & Festivals, and Marketing Niche & Product. Hernando mentioned if something is not in the operational plan and therefore not in the TPA, there needs to be an amendment to move that project forward. If they are grouped like this, there is a lot more flexibility on how the projects can be moved around. ED Murphy mentioned the income statement (leading into Andy's presentation to follow); partnership revenue and expenses have now been amended.

2016-2017 Potential Partnerships

Committed:

International Market Development: International Marketing US & UK

Workforce Development: Tourism Excellence North

Un-Committed:

Marketing Product and Niche Workforce

Marketing Festivals and Events

Financial Presentation – Andy Vitch

for period ending December 31, 2015

Vitch spoke to amended income statement; changes have been discussed in partnership presentation. Other change being made is in regards to salaries. This amendment was taken from workforce development; not doing less with workforce development but putting budget in (for this fiscal year only). If money is left on the table, it goes back to the Ministry; accrued expense.

Motion to Accept the Amended Expense

Motion: Anthony Rizzo

Seconded: Gary McMullen

Discussion: n/a

Carried.

Approval of Financials

for period ending December 31, 2015

Motion: Anthony Rizzo

Seconded: Gary McMullen

Discussion: n/a

Carried.

Executive Director Update – James Murphy

Operational Plan Update

ED Murphy has been working on partnership programs including the commercial air service, Parry Sound Chamber of Commerce projects, and MTCS update; lots of time spent on these projects; also been working with FedNor in regards to partnership programs. Discussed Human Resources; upcoming vacations for staff, as well as hiring maternity leave position for Tourism Administrator and hiring of new staff to fill Content Writer position. As far as project management, discussed the trade shows (pulling

from the Auto Show and replacing with the Toronto International Cycling Show, work on the new cycling website, as well as work towards the craft beer and paddling self-guided tour sites. Also spoke to the current photography project, ongoing research work, upcoming Ask Me Anything forums (WeBook, TripAdvisor, etc), and training webinars. ED Murphy helped in facilitating a speaker for Huntsville, Tony Elenis from the Ontario Restaurant Hotel & Motel Association; Suddaby will be hosting a lunch with him at 3 Guys and A Stove and interested board members are invited to attend.

Suddaby discussed the decision by the Town of Huntsville in eliminating funding of tourism dollars, and where will these monies be coming from now. Chamber discussed initiating DMF fee; who should be leading this project. Hernando discussed information available on the Ministry website about Destination Marketing Programs (was called DMF previously); offers information and resources on who to speak to about the programs as well as information for spearheading these initiatives. ED Murphy discussed the need to know what the DMF money will be used for, how will it work, and how much will it be; how does it Rizzo asked about how he thinks this will be received by not only the consumer but by the operator who is asked to tack that fee onto their guest. McMullen mentioned a visit to Victoria and paying a DMF as well as a municipal tax. Vitch mentioned as a business owner, it would be a big mistake for EE to lead this discussion. Spoke to friction with DMOs when this came about, discussed undercurrent through the community if EE leads this DMF project. Vitch says EE is popular with small business owners who run programs that cost nothing to them (Fuel & Fun, etc). From an operator's perspective, the business he gets at Sunny Point is in direct relation to how much he spends and what he does to push his business forward. Would rather not see a DMF, and will spend his own money to market himself. Leung discussed how huge tourism is in our economy, tourism is 13% of GDP in our region, thinks tax base should fund some of the infrastructure that tourists enjoy; agrees that EE should be balanced and neutral in presenting various opinions, but that the lead should be taken by business owners. McMullen asked who is then spearheading the project; ED Murphy mentioned Tony Elenis is coming up in February to present at the Town Hall meeting in Huntsville at Partners Hall; will help in asking what does the project look like, what are the case studies, and who will step forward to sort out this project.

ED Murphy discussed Draft Operational Plan (was distributed to each board member). Discussed the key pillars; Governance, Marketing, Product Development, Workforce Development, Partnership Allocation and Investment Attraction. Only changes made were in regards to the partnership allocation (as discussed prior to this discussion, see above), and monies set aside for Investment Attraction from Partnership, as well as \$10k up in Marketing/Social Media based on feedback from board meeting in December. Rizzo asks if what we are seeing in the document is what came from the meetings in the Fall, was then refined from feedback in December, and what we have now is set out dollar figures based on boards decided priorities. ED Murphy replies yes, plan still needs a bit of polish, but details, priorities, and projects are all laid out.

Motion to Accept the Draft Operational Plan as Presented

Motion: Curt Dunlop

Seconded: John Miller

Discussion: n/a
Carried.

Governance Committee Update – Anthony Rizzo

Rizzo thanked Miller and Curtis for their time with conference call last week. Discussed the committee structure; as part of the strategic plan that was done in the fall, feedback is needed regarding some terms of reference. Some of the issues brought to the board were high numbers on some committees, and how decision making can become convoluted with such high numbers of individuals and opinions at the table. Committee structure is set; will retain Governance, Marketing, Research, Tourism Operator Relations and Transacting (as well as Community Relations Committee). Proposal was made from governance committee that each individual committee is structured on a 4 year term; size will encompass 3 directors, 2 industry stakeholders, and an industry expert with the committee chair not holding a vote unless it was necessary for breaking a tie. Leung mentioned she thinks this structure is too director heavy, and that committees should include more regional stakeholders. Rizzo spoke to current structure of having 18 or so members on some committees can hold up progress and decision making. Dunlop mentioned perhaps just a looser number of restrictions; set a size cap at 8. Saulnier asked if this affects a large number of committees; was discussed that this primarily affects the marketing committee. No mechanism is currently in place to move members through the committee; purpose of the committee is to elevate our marketing efforts, not to train members on our strategy.

Suddaby spoke to importance of regional representation; sees at least 4 or 5 stakeholders on each committee. ED Murphy discussed importance of efficiencies; a lot of work that goes into preparing for each meeting; are we getting the outcomes we're looking for with the current structure. Suddaby spoke to last marketing meeting; Peter Coish of Kuration Inc. did his presentation and there were little rumblings around the table about it. Board discussed what the newly proposed structure would then look like; up to 8 members total; 2 directors, 4-5 industry stakeholders, 1 industry expert to a maximum of 8 members on each committee, also 4 year term maximum. Dunlop asked about opportunities for including a higher number of opinions without them hankering the progress of meetings themselves; perhaps an online structure for receiving feedback. Hernando mentioned RTO12 has a large number of committees; could some perhaps be joined together? Also spoke to high percentage of stakeholder satisfaction, and perhaps this is why; allowing for a large number of engagements.

Motion to Accept New Committee Structure 8 members total; 3 directors (including chair), a maximum of 5 additional members, including regional tourism stakeholders and industry experts, applicable to each committee.

Motion: Curt Dunlop
Seconded: Kim Loader
Discussion: n/a
Carried.

Rizzo then discusses board of director succession planning. Esa Paltanen has resigned as a member of the board. Vacancy now lies for that position, as well as upcoming director vacancies; Vice Chair for Jerry

Feltis as well as Jackie Leung stepping down as Chair (has filled two years), will remain on as director for one more year. Nomination committee will need to be set up; are we considering filling the current director vacancy left by Paltanen or will we wait until fiscal ends and decide at AGM? Dunlop mentioned looking at the current structure of the board and where we are currently lacking as far as regional representation and industry representation is concerned. ED Murphy spoke to succession planning; June 2016 will be the AGM (nomination committee, director vacancies, and executive committees). ED Murphy discussed meeting with ADM on Thursday afternoon; if anyone is available and interested in joining they are able to.

Research Committee Update – Curt Dunlop

Dunlop discussed budget reconciliation; research data sets are on hold indefinitely and we are still working on stats from 2013. Looking at how to spend that money moving forward; recommendation for that budget is \$5k on PKF Occupancy Data, \$10k on Annual Dashboard (Tourism Indicator Framework), and \$15k on Consumer Insight Data Collection.

The consumer tracking study would focus on brand tracking; awareness that is aided and unaided, as well as comparison against other destinations. The study will focus on product, including gauging consumer motivation on booking packages, and will concentrate on golf, Group of Seven, cycling, craft beer, and Canada's 150th birthday. Research will also focus on data collection from 500 sample size (looking to gather visitor intelligence, what is the consumer thinking; Southern Ontario visitors of which 25% must have visited the region in the past so they can speak to product available). Three competitive quotes have been brought in for the data collection.

Dunlop discussed the tourism business indicators, primarily the HST data inputs. In the last report, 22 operators submitted HST statistics, 14 operators submitted gate attendance numbers, and 7 golf courses submitted their total number of rounds of golf. Since 2014, HST contributing operators has grown from 10 operators to 22 operators, gate attendance submission has grown from 6 operators to 13 operators, and gold course rounds submissions has grown from 4 courses to 7. Each time a report has been produced, the number of participants has seen an increase. During this period, the convenience and amount of time needed to collect the data has also improved. Dunlop had discussed with Tyler Francis who said it is becoming easier to get participants to continually submit their data for each report, but that there are still difficulties having operators follow through by the deadline; suggested incentivizing data collection through possibly a \$25 credit for a Facebook Ad. Rizzo mentioned the issues surrounding submission for seasonal businesses, while Loader mentioned how easy it is for her business; takes her less than 15 minutes to gather the necessary information. Group discussed collection becoming an annual submission instead of the current quarterly submission. As the data set continues to grow, it will become an even better reflection of the health of the tourism industry in our region.

Dunlop discussed other variables the research committee is looking at, including temperature and precipitation data, average daily rate, revenue per room, overall occupancy (PKF), social media data, data from the visitor exit surveys (responses increasing with each report), as well as data from provincial parks in the region including total day use visitors and total camper nights. Moving forward, research

committee is looking at additional locks data (how many boats pass through annually), additional outfitter data (breakdown of rental equipment), improved visitor exit survey (additional questions asked with more responses collected), and continuing to increase participation in existing data categories. Annual data submission should help to increase participation as well as lowering the total man hours spent collecting data. For the 2015 report, new participants have already been added and more are expected to submit data as we get deeper into the collection process.

The 2016-2017 fiscal year outlooks will see a continuation of the annual tourism indicator framework, analysis of the 2016 data collection, as well as access and insight into American markets (related to possible regional air service).

Motion to Approve Allocation of Budget

Motion: Kim Loader

Seconded: Anthony Rizzo

Discussion: n/a

Carried.

Meeting went In Camera at 11:40am

Motion to Adjourn

Motion: Jackie Leung

Seconded: Curt Dunlop

Discussion: n/a

Carried.