

Explorers' Edge Board of Directors Meeting Minutes
Thursday, December 14, 2017
Log Cabin Inn, Parry Sound

Present: Gail Burrows, Jeff Suddaby, Don MacKay, Hilary Chambers, Michael Simonett

Regrets: Eric Miglin, Kim Loader, John Langford, Karina White, Anthony Rizzo, Brenda Scott, Laura Ross

Via Conference Call: Dympna Hayes, Curt Dunlop, Scott Doughty

Resource: n/a

Guests: n/a

Staff: James Murphy, Erin Smit

Welcome and Chair Remarks: Chair Jeff Suddaby called the meeting to order at 9:35am

Suddaby makes opening remarks – board executive is meeting with the MTMA board executive following today's meeting. Discussed how the purpose of the meeting is to open a dialogue between the two organizations. After the operational planning sessions and the recommendation regarding scaling back domestic marketing in order to shift focus to international marketing, we want to ensure that the MTMA board is aware of the planned change in direction. Suddaby explained there is no agenda for this meeting. MacKay asked who called the meeting – Suddaby did. Group will discuss duplication of services and how to ensure the RTO is receiving requested plans and documents moving forward. Chambers cannot attend; Suddaby and Dunlop will be present.

Conflict of Interest:

Michael Simonett noted conflict on any discussion related to the District of Muskoka Official Plan.

Approval of Agenda – December 14, 2017

Motion: Hilary Chambers

Seconded: Don MacKay

Discussion: n/a

Carried.

Approval of Minutes - October 17, 2017

Motion: Gail Burrows

Seconded: Don MacKay

Discussion: n/a

Carried.

Financial Presentation – James Murphy

Income Statement & Balance Sheet – December 7, 2017

ED Murphy discussed balance sheet for period ending December 7, 2017; since the last board meeting partnership revenue is now up where it should be. Invoices and wrap reports have gone out, the insurance invoice will be noted in the next financial update, everything else is on par with spending. Noted budget vs. actual line items due for the ministry January 2nd; everything is reflective of changes made to budget at the last meeting.

Discussed line items with impending spends; more winter photos are on the docket for Q4 which will balance out the image bank spend, and media and PR is in the queue for Q4 (waiting on budget required for possible commercial air service announcements in February or March); the company on record will be mobilized when that comes up. Also spoke to workforce development; Simonett will have an update on strategy at this meeting, dollars are allocated but not yet spent. Wages and salaries are on course as well. HST for accounts receivable is at 100k owed by government – paper work has been submitted. MacKay asks about 91.6k actual vs 73.5k budget for administrative and overhead expenses – what has pushed us ahead of budget? ED Murphy explained change in staff travel related to commercial air service; now that there is less staff you will see this even out (fixed costs, static, will rebalance itself). ED Murphy is looking at financials twice a week – will be on budget by year end.

Motion to Accept Financials as Presented

Motion: Don MacKay

Seconded: Hilary Chambers

Discussion: n/a

Carried

Consent Agenda

ED Murphy sent out a package to board for consent agenda, discussed partnership revenue and phase one & two FedNor application. Require a motion to pass the consent agenda; 4 bids for marketing, 3 bids for jackrabbit - RFPs will be circulated. Proposals that came in were rated, decision is operational in nature.

Motion to Approve Partnership Revenue

Motion: Hilary Chambers

Seconded: Scott Doughty

Discussion: n/a

Carried

Motion to Approve Phase 1 FedNor Application

Motion: Hilary Chambers

Seconded: Scott Doughty

Discussion: n/a

Carried

Draft Explorers' Edge 2018-2023 Regional Tourism Strategy

ED Murphy presents first draft, explains questions will come up so let's plan to have questions answered and documents tightened up by next board meeting in January. Documents were provided to each board member. Murphy explained how staff walked away from planning sessions with the board's input, looked at the goals brought forth by the board, and aligned priorities with each pillar; looks at how strategy will pan out over the next 5 years. Will lay out what each year looks like as far as priorities, objectives, and performance indicators.

Workforce Development – Goals

- Establish tourism specific training mechanisms that meet the current workforce challenge facing the industry
- Continue to assess the ongoing workforce needs and needed resources via collaborative partnerships
- Look to international markets to supplement the current workforce base
- Position the region as a training and innovation hub for tourism

Workforce Development – Broad Priorities:

Address the workforce dilemma with in-house programs and strategies with the priority of:

- Exploring the feasibility and development of a tourism training and innovation centre
- Attracting international students; train refugees
- Content marketing and regional job opening promotion
- Continue communication with other agencies to disseminate industry resources and information
- Continue with web-based training seminars/presentations
- Continue to utilize Tourism Excellence North program based on need identification

ED Murphy directed board to draft version of Five Year Pillar Outlook document and discussed points in year one column. Noted that in this document items in red font are new items being added each year, and items in black font are what stay the same. MacKay asked what international staff training would look like. ED Murphy directed attention back to the document; in year two, recommended that the RTO consider incentivising international employees, in year three provide hands on training. ED Murphy noted that partner alignment could open be a major funding partnerships & opportunities (5 year plan that is constantly evolving).

Group discussed how from a plan perspective this is a broad idea that covers many aspects; step 1 will be research, following with step 2 as developing strategy. Suddaby asked about transportation and housing in year one; is this starting the discussions with partners in year one and if so where does that fall in? Murphy said language can be updated so we are always coordinating (not saying we are taking the lead – partners will be needed). Board chatted about past instances where in certain scenarios foreign workers are able to be brought in. Group also discussed research opportunities (looking at Whistler, Banff, etc); what are other areas doing to incentivise qualified staff. Discussed a program that can be adapted for tourism partners; are we looking for year round employment or the bump up of

seasonal workers. Suddaby said both – Simonett mentioned it will be two different strategies to approach.

Product Development – Goals

- Lead with product that differentiates our destination from others
- Explore and align new product that will distinguish our destination
- Continue to communicate product development in the region

Product Development – Broad Priorities: Explorers' Edge will lead in the development of product with priorities that include:

- Enhancement of current product (paddling, cycling, craft beer, Group of Seven, Ride the Edge)
- Fill gaps (hiking, culinary, green tourism, transportation, Indigenous tourism, international tour operators, workforce development, corporate travel, VFR)

Culinary product was discussed, Suddaby noted a possible culinary event happening in Huntsville in June 2019 that will emphasize the history of food production in Muskoka. MacKay mentioned this could be something with a ripple effect that expands to include more of the region than just Huntsville. We have culinary product but how can we align it to present to consumers in a new way – organized product.

MacKay asked for an update on research initiatives. ED Murphy discussed the research undertaken for the commercial air service piece and noted extensive research associated with the product development framework; strategy moving forward will examine what has been completed to date and what still needs to be completed (year one priority). Discussed enhancing and unleashing the suite of self-guided mobile tours – instead of building more tours do a proper push on what we already have (including new content, photography, etc). Year one will also explore ideas on how to get VFR out into the region spending money on product. Year two will see additions to the signature suite of mobile tours, as well as product development and infrastructure.

Group discussed at high level the accommodation tax being proposed in Huntsville. Huntsville formed an accommodations sector working group that presented to council and they would like to move forward with the tax; the town must agree to it. Suddaby noted that it was a very positive meeting – appears that the tax will be 3%, will raise \$600k-\$700k a year which will be used in marketing of the community of Huntsville as a destination. MacKay asked about who will be doing this marketing – Suddaby said that decision is the second step (Chamber of Commerce is most likely).

ED Murphy continued discussing year two points, including continuing with the shuttle service that is currently being undertaken in Parry Sound. Brought up how some of the local operators in Parry Sound have mentioned how the shuttle should be connecting visitors to product and not just shuffling them back and forth to the downtown core. Spoke to Indigenous Tourism Association partnerships as well. MacKay brought up Airbnb and private rental consumers and how we connect with them to sell product – ED Murphy noted that is a broader conversation; our funding is based on heads in beds, so we concentrate on those visitors. MacKay questioned what percentage of travellers to the region are

staying in private rentals; revenue stream that is being taken away from hotels and resorts – but is of benefit to experience providers. Murphy spoke to a balance between making a push to fill accommodation properties while also being cognizant of VFR guests and pushing them to product in the region as well.

Marketing – Goals

- Attract international travellers to the region
- Explore competitive packages and itineraries for international markets
- Identify tipping point and incentive programs for international markets
- Focus on developing the destination as four-seasons through innovative programs
- Enhance photography inventory for regional partners
- Utilize media for broader communication of regional assets

Marketing - Broad Priorities: Over the course of five years, EE will shift from domestic to international markets through strategic collaboration.

- Continue an active social, mobile online content marketing presence with continued tracking, research and referral programs
- Target international markets (priority)
- Continue domestic marketing that aligns with developed product
- Continue with regional transacting program
- Continued involvement in earned media and media relations
- Participation in international FAM tours and trade shows
- Continue to undertake region-wide market research

ED Murphy explained we will see a shift from domestic to international marketing spanning across the 5-year plan. Discussed aligning content with product, MacKay commented that international marketing spends will create ripple effect to the domestic audiences as well; asked about content in different languages. Murphy mentioned it will be shaped by research. Senior Director Monk will know about nuances to speaking to an international audience; she is well versed on the research and will speak to it so he will leave that to her to discuss with marketing committee.

Investment Attraction – Goals

- Continue to develop and strengthen economic development links
- Enhance investment attraction programs with regional partners
- Create tourism related investment attraction opportunities for regional stakeholders

Investment Attraction – Broad Priorities: Explorers' Edge will continue to collaborate with partners, working closely with existing economic development agencies and MTCS with the priorities of:

- Continued support for regional commercial air service and cruise ship development
- Collaboration to optimize use of federal funding programs

- Continued communication to potential investors (working closely with economic development representatives)
- Continued communication with existing economic development agencies and the Ministry

MacKay asked about official plan for development of resorts in Muskoka Lakes, does this concern us. Should this sort of development be encouraged so we have more people coming to the region to push to product? ED Murphy spoke to mixed residential, how we are not at current capacity, 100% occupancy year round with current accommodation that the region has. Chambers mentioned the inventory scan of accommodations and how we could possibly have the government see that these new accommodation investments bring heads in beds and could this possibly boost our funding for roofed accommodation? Chambers would like to know more specific numbers - group discussed how specifics would be impossible but how we can gain a snapshot of what these numbers look like. MacKay mentioned defining the word investment.

Partnership – Goals

- Create a shared vision for tourism growth
- Ensure regional partners understand the regional tourism strategy
- Support regional priorities and programs

Partnership – Broad Priorities

- Enhancement of regional tourism product
- Alignment of international marketing programs and associated projects
- Augmentation of workforce programs
- Continued attraction of private and public partners

Year one priorities in motion related to commercial air service and the cruise ship development, in Parry Sound, sub- regional product development will also be tackled. Year two priorities include product infrastructure projects and workforce development projects, finally in year three, partnership related to a regional innovation centre.

Industry Communication, Liaison and Accountability – Goals

- Engage multiple operators when possible
- Continue to strengthen ties and communication with industry
- Ensure the industry is well informed on all tourism related topics (marketing, research, product development, training, investment, etc)

Industry Communication, Liaison and Accountability – Broad Priorities

- Senior management liaise with the industry more often
- Continue and enhance AMAs
- Continue to increase membership

- Continue dissemination of research materials and update regional partners in current findings via industry newsletters (monthly)

Ed Murphy discussed the recommendation regarding the spring AGM – better for attendance with operators and stakeholders; tourism business awards to be added as a piece to the AGM as well, start to acknowledge operator's staff. There will also be a development of a board package for member to member recruitment, as well as nomination training to ensure we have succession with the board, etc. (more engagement with directors to empower them, including a satisfaction survey every two years).

Needed updates to the RTO12 industry website were discussed; MacKay noted success of the organization over the past 7 years can be highlighted there for operators to see. Suddaby asked if committee structure and recruitment information can be added there as well, in addition to the board recruitment piece. ED Murphy asked for input on how often a governance review is done in other organizations members of the board works with. Simonett mentioned committee structure is maybe not being used to its full potential currently, some changes can be made to better utilize this structure, and every two to three years re-evaluate and see if organization is still on the same track. Chambers mentioned Explorers' Edge is still a relatively new organization so reviewing more often could be a benefit for us. Suddaby agreed every third year there should be a solid review of governance.

Committee Updates

Simonett spoke to the Workforce Development committee – one meeting at Three Guys in August which was a fantastic meeting with a full house. There was lots of interest shown from different stakeholders, chambers, labour groups, etc. Has been working with Senior Director Monk who is putting together some content marketing ideas to concentrate on workforce development and why the Explorers' Edge region is a great place to come and work and start your career. May use the RTO12 website to create a labour job bank where people can click to individual businesses and see what employment opportunities are available at each property. Senior Director Monk is putting together plans; discussed if we'll need to look at translation for international audiences. Idea is to launch what the plan will be in early February running into spring for when operators are looking to hire. Ideas will be flushed out by the group with internal recommendations.

MacKay asked about an RTO booth at the Georgian College job fair for tourism students – mentioned they always ask about on site accommodations for staff first. Simonett mentioned how student co-ops are now being shortened to end for return to class in September instead of returning at Thanksgiving and how that affects employers who want to hire students through to the Thanksgiving holiday weekend. MacKay asked if ED Murphy or Board Chair Suddaby would consider writing a letter to the chairmen of the board for the Ontario colleges offering hospitality and tourism programs about how this affects properties abilities to hire students. Murphy spoke to the budget for next year and discussed the \$33k allotted for workforce development, for the website enhancements and additional research. Simonett mentioned how the needs will differ between sub-regions, and how we can help each area. Group discussed opportunities for open house meetings with committees; would bring in more opinions and ideas from operators outside of committee membership. Group also discussed how it would be of

benefit to have a municipal member of staff on each committee to bring ideas back to their town they represent. Murphy noted that the terms of reference have already been passed for the committee structure and need to be adhered to.

2018-2019 Business and Operational Plan – James Murphy

ED Murphy spoke to budget line items – governance, succession planning (discussed priorities, objectives, key activities and tactics and performance indicators). Document whittles down action items, provides marching orders for the year. Murphy discussed the priorities listed under each pillar and discussed some of the key objectives captured under each piece – discussed items and their specific spend as laid out in the draft budget. Budget reflects regional product, international FAM tours and trade shows, communication out to tour operators. Murphy also mentioned how organization always continues to look for funding opportunities to supplement the budget instead of creating an aspirational budget and falling short.

ED Murphy continued with budget allocation discussion; budget allows for one \$50k transacting program (will be flushed out at marketing committee level), product development budget is \$50k – framework communicating and enhancement. Suddaby brought up the opportunity to have international tour buses who are already coming to Algonquin Park in Fall be kept in the region for an overnight (out of Vancouver and Toronto); how to incentivise them to stay an extra day in the region.

ED Murphy also discussed the launching of the current self-guided mobile tours and continuing to enhance the framework. ED Murphy discussed the possibility of a 4th staff member coming on board – not yet sussed out what that will look like. MacKay would like to see the draft BOP document done up as the RTS document was done – showing 5 year plan objectives under each pillar. Chambers agreed that seeing the priorities in a shorter document would be helpful – makes work look more manageable. ED Murphy happy to oblige.

Suddaby brought up the committees and thinks it would be beneficial if they reflected the pillars – 5 committees for 5 pillars; live document that lives online and makes information easier to locate. Suddaby also suggested a manager that looks after 3 pillars, someone else who looks after other 3 pillars, and ED Murphy oversees all 6 pillars. Murphy spoke to the balance between spending budget on administration and having the adequate staff to complete projects. Report will be filed by January 15th. Next board meeting will be January 10th.

Motion to Adjourn

Motion: Gail Burrows

Seconded: Don MacKay

Discussion: n/a

Carried.