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Explorers' Edge Board of Directors Meeting Minutes
Monday, April 30, 2018
Deerhurst Resort, Huntsville

Present: Michael Simonett, Scott Doughty, Brenda Scott, Kim Loader, Jeff Suddaby, Don MacKay, Anthony Rizzo, Hilary Chambers, Gail Burrows

Regrets: Eric Miglin, Karina White, Dympna Hayes, Curt Dunlop, John Langford

Resource: Laura Ross (MTCS)

Guests: Sandi Humphrey (CAE Board Know How), Leah Leslie (Chair, Muskoka Tourism)

Staff: James Murphy, Erin Smit

Welcome and Chair Remarks: Chair Jeff Suddaby called the meeting to order at 9:38am

Suddaby introduced Leah Leslie, Chair of Muskoka Tourism, as a guest to this meeting. Spoke to the last few months work undertaken by the RTO and result with airport piece (moving commercial air service in for 2019), workforce development and international marketing initiatives. Also thanked Don MacKay for his work on the airport BOD and noted that the District of Muskoka Airport chair Bud Purvis reached out to RTO and Muskoka Tourism for feedback regarding the development of the airport strategic plan. Suddaby thanked James Murphy as well and brought to the attention of the board the hard work of the entire EE team in building business relationships with partners; the entire team has really stepped up with industry contacts in creating opportunities for stakeholders to do well in our region.

Conflict of Interest: n/a

Approval of Agenda – April 30, 2018

Motion: Don MacKay

Seconded: Brenda Scott

Discussion: To include an update from Leah Leslie as it pertains to MTMA after the financial presentation.

Carried.

Approval of Minutes – March 28, 2018

Motion: Michael Simonett

Seconded: Don MacKay

Discussion: n/a
Carried.

Financial Presentation – James Murphy

Income Statement & Balance Sheet – March 30, 2018

ED Murphy noted that the statements are for the period ending March 31, 2018; shows overspend of \$2k at year end, the amount should be reconciled once the audit is complete. In speaking to the balance sheet showing the organization in the red due to final year end payments. TPA has been received from the Ministry and a transfer payment from FedNor was also received, back in the black. HST return and Federal and Provincial recoverable still waiting to come in, but other than that ED will go ahead and start the process with the auditor. Suddaby asked about the auditor. ED Murphy – Brandy Harris. Suddaby asked about the HST return; was almost \$45k this year. Anthony Rizzo asked about membership; will we be looking at this for alternative sources of revenue in the future? ED Murphy said this can be made a line item for discussion at the operational planning sessions in the fall. Further explained that we have not been down the road of revenue generation yet, we have been leaning on partnership for this; can be looked at and discussed when the BOD meets in the fall. MacKay mentioned a membership fee ask would be a great test of whether or not operators value what is being done at the organization; are we providing value and a service that is an integral part of the tourism industry for the region? MacKay also elaborated mentioning that is the cost is too high we would be creating a choice for operators between DMOs and the RTO which is of course not something we want to do.

Motion to Accept Financials as Presented

Motion: Brenda Scott

Seconded: Anthony Rizzo

Discussion: n/a

Carried

MTMA Update – Leah Leslie

Leah Leslie thanked the group for being included in this meeting. Spoke to future collaboration between the RTO and MTMA; Suddaby has attended MTMA meetings. Starting back in the late fall, Suddaby brought forward the notion of collaboration and ensuring MTMA and RTO12 are building a collaborative relationship; there was an obvious need but required someone to get behind it and push that agenda – discussed how great progress has been made thus far. Leslie continued by discussing upcoming projects and how there is nothing upcoming that cannot be collaborated on in some way; while MTMA focuses on drive market and RTO 12 focuses on international market, we can still work together and contribute to each other's marketing through storytelling, videos, image sharing, etc.

Nothing new to announce since AGM; but reported that on May 23rd there will be change in the executive at MTMA, a new chair in particular will be named. Website and outbound links have been their biggest success, but has some successful niche products going on as well. Spoke about MTMA working on a new set of key performance indicators; accountable to the District as their funding comes

from them. The KPIs established a few years ago are being refined; new KPIs have been submitted. Discussed their marketing effectiveness and market engagement; MTMA has not dabbled until recently with workforce development, but is now initiating new projects for members with workforce needs in mind (a new element to their marketing initiatives). Meetings Muskoka, drives visitor traffic to Muskoka beyond just for the event itself; also a Live Entertainment focus, working on bringing an awareness to what is available to visitors beyond sitting on the dock. New Muskoka Tourism website which was launched last year has an itinerary builder, Savour Muskoka element, mapping functionality, etc. Applauds the team at Muskoka Tourism for their wonderful work; looks forward to the focus being on collaboration between the two organizations and with the new executive teaming up moving forward.

Executive Director Update – James Murphy

ED Murphy gave a brief mention of the Commercial Air Service delay; until Bill C49 passes we are at a standstill, but everything is ready to go when the bill goes through. Spoke about the successes thus far by our Director of Communication and Strategy in moving along the District of Muskoka, potential air carriers and our federal partner, Transport Canada. As a result of the press release media inquiries have been made and responded to. Scott Doughty asked about the air carrier opinion of the airport outcome; ED Murphy responded that they aviation industry is not new to government legislation delaying programs.

ED Murphy noted that the team has been busy with industry outreach that has included speaking opportunities, responding to media inquiries, and attended related funding announcements. EE has also had a presence at industry events associated with Resorts of Ontario, Golf Muskoka, Venture Muskoka, Lake of Bays Focus Group, MTMA AGM, Cogeco Television interview, Georgian College's Georgian Den judge, Rotary presentation and met with the Muskoka Home Builders Association.

ED Murphy shared with the board an update of staff attendance at HubSpot training in Toronto. Great insights gained into utilizing the workflows and automated lead nurturing with specific content to reach the US and other international markets based on their interests and activity on the website. ED Murphy also shared with the board, based on feedback from the Senior Director of Strategy and Communication the possible uses of the program for B2B nurturing; membership, research, industry communications, etc. With more understanding of the CRM aspects of the system we could move toward merging some other programs currently in use, i.e. MailChimp and Highrise. This CRM automation could be very useful to automate reminders, understand next steps, and create more areas for member communication; build stronger connections.

Internally, ED Murphy informed the board that the final report will be submitted to the Ministry by May 30 or as soon as it is ready. Also discussed the FedNor interm report, the TPA (has been received from both MTCS and FedNor) and the Product Coordinator position has been posted.

ED Murphy shared with the board images associated with the International Marketing microsite and noted that the site is currently being populated with content. Ed Murphy then shared with the board Upcoming Work by briefing the board on some high level committee updates (including Marketing, Workforce and Governance), as well as discussed the Partnership Program reconciliation and update

with an adhoc committee being utilized for that. Will also be looking at the Tourism Indicator Framework, marketing program updates, getting the final reports posted, while continuing with ongoing industry outreach.

On a workforce development front ED Murphy discussed the document he circulated, *Humans Wanted*; great read when thinking about how we will approach the workforce development pillar. Workforce is changing in a disruptive world and we need to change too. A lot of work is ahead in this area.

Doughty asked about Chris Hughes - Accommodations Best Practices Mission Marketing Consultant; wondering whether James would be present at the meeting with him (Chris works a lot with RTO13 and MTCS). ED Murphy discussed an upcoming update on the TEN program next steps.

As a aside MacKay asked about Muskoka Futures and the line of credit ask; ED Murphy noted that it never ended up being needed so wasn't accessed.

Governance Presentation / Workshop – Sandi Humphrey

Anthony Rizzo gave a brief overview of the tender that went out for a consultant to help update and refine the governance of the organization and update policy. Sandi Humphrey was selected, has worked with not for profits for 25 years (under the police service umbrella); Rizzo read the board her bio. Sandi was the co-author of Guide to Good Governance for the RTOs since their inception in 2010.

Humphrey began by providing an overview of what will be discussed at the session today; will review the roles and responsibilities of the board and the Executive Director, role of the Chair, remind everyone of legal obligations imposed on them as a member of the board, and what board members need to know.

Humphrey discussed role confusion; the board's job is to lead, not to do. Spoke about how governing by instinct or assumption continues to deliver poor results. Spoke to ways to think about governance; about effective delegation and accountability. What do we need to accomplish to reach our goals, and how do we get there; delegate, monitor, hold members accountable for fairness.

Using the WRAP acronym (What, Rules, Accountability, Performance), the group learned about the role of the Board.

What: what is our vision, what will our impact be, what the organization will look like and what needs to happen in order to do that. Must have a constant focus on internal and external trends; establish and prioritize strategies to achieve the vision. Prioritizing is critical; can only do what staff and resources allow. Message being delivered is clear and understandable – asked how well this is being done. Rizzo mentioned annual strategic planning session being undertaken, ED Murphy has always been realistic about what is achievable. MacKay said there is a good balance with ED Murphy, open and honest exchange of ideas and information, input from all parties is always encouraged. Ross said she doesn't think ED Murphy says no enough; it is always difficult to say no when everyone is working so hard and you want to make good ideas come to fruition. Doughty said saying no isn't what happens; it's that Murphy and the team is good at prioritizing the line items and moving things down the list.

Humphrey asked what our vision statement is; reiterated that each board member needs to know exactly what the vision is and if it is working to achieve the mission. Humphrey made an example of being a new business owner in our region who attends the AGM for the first time; what is our 30 second elevator speech, how to do get this person excited about the RTO and explain to them in bullet form what the organization is about.

Rules: rules are policies that are set out - clearly defined roles and responsibilities for each staff member, board executive, board member, and committee member. Humphrey discussed the critical importance of having documents available that clearly define the organizations policies. MacKay mentioned he is on many boards and thinks this one operates extremely well; Humphrey emphasized that if members leave and these policies are just in heads and not on paper that is a big issue. ED mentioned being proactive not reactive; importance of succession planning. Documented policies are critically important; this is governance. There is no power as individuals, only power as a group and your authority comes from the established and documented policies.

Rizzo discussed his initial feelings when he joined the board; how the importance of a good board chair helps to stimulate good input and move the board along, but that in that same point if this documentation was well established that the style of each chair wouldn't be as critical.

Accountability: includes monitoring compliance with board policies as well as monitoring the EDs pursuit of the organizations strategic goals; the policy is in place monitoring the pursuit of those strategic goals is ongoing. Humphrey discussed the succession of instruction; ED is in charge of his/her staff, not the board.

- Members/stakeholders approve by-laws and elect Board members to serve as trustee of their interest
- Board hires an ED and delegates authority by establishing policy (the rules) and goals (strategic plan)
- ED complies with policy and pursues goals (operational plan)
- Staff get direction from the ED

Performance: monitor and evaluate the performance of the ED, of the Board as a whole, and of individual Board members; focus on Board effectiveness, orientation and training needs, succession planning and competency. Humphrey discussed an annual evaluation of the board as a whole, and in addition to that peer to peer evaluations based on agreed upon expectations. Discussed how the ED should not be involved in the development of the board; understands if the board is not doing it the EDs step up, but if you cross that line and get involved there is conflict of interest. Each board member should be thinking of succession planning and who will come down the line to fill their spot if necessary.

Agreement on the WHAT - the ED uses the Board's strategic plan to establish an annual operational or business plan that is fair and objective. The Board and the ED then reach an agreement on the annual operational plan and budget. Humphrey noted that it is impossible for the ED to demonstrate to the Board how great he or she is if there is no agreement with the Board on what success will look like.

Humphrey went on to define the difference between the Board's job and the ED's job. It is the Board's job to determine the vision and strategies, establish high level rules (governing policy), monitor progress

and compliance, and to monitor the Board performance. It is the ED's job to establish and pursue operational plan and budget based on Board priorities, to comply with the rules, and to report to the board. Humphrey noted the Board only has one employee, the ED.

Role of the Board Chair – role of the Board Chair is to manage the Board, not the organization; includes orienting new board members, communicating with members who are not actively engaging, developing the agenda, etc.. Chambers commented on the importance of engaging new board members and how the terms of reference can be better explained, and also how the concept of wearing your regional hat can be better enforced.

Legal Obligations of Board Members – fiduciary duty; leave your personal and self-interest at the door, you are here only in the interest of all constituents of the organization. ED Murphy commented that our programs enforce this concept; always looking at the region as a whole and looking to include each sub-region in any and all programs. Humphrey discussed meeting fiduciary obligation by connecting with members; spoke about asking your membership what keeps them up at night and work to solve those issues - group had a discussion about this concept. Humphrey then discussed how individual points of view are nowhere near as important as the points of view of the entire membership; consider connecting with membership in person (spread yourselves out at the AGM, etc) and through surveys, feedback, and tracking their use of programs and services.

Duty of Care - be mindful of your obligation with duty of care; act as any reasonably prudent person would in a similar situation. Humphrey also emphasized the importance of due diligence. Don't make decisions unless you are sure; if you are not sure on something do not vote, ask for more information. Understand what you need to know to perform your role effectively; legislation, bylaws, board policies, strategic plan, budget, etc.

Parting Advice - ask questions (don't assume everyone else knows the answer), participate actively, arrive prepared (read board package before attending the meeting), encourage active debate and discussion, ask for more information if you think you need it before making a decision, attend all meetings and have some fun!

Board Committees and Accountability - used growing membership as an example. Operational plan states how membership will grow and to what number, committee is then organized, but what is the role of the Board committee? Board establishes committees to help the board do what they need to do, but the roles of committees are only necessary if the ED deems them necessary. Group then discussed how this does not necessarily have to be a committee structure as it currently exists, but input could be included by having a one day learning and input session annually. Humphrey emphasized that the board tells the ED what to accomplish, but not how to accomplish it.

Trends in Board Size - magic number is somewhere between 7 and 9. Rizzo asked about quorum with lower numbers on the board; responded that terms of reference should then require 55% of Board be present to make votes, etc. Rizzo asked about and group discussed in camera sessions with executive committees; why should there be in camera sessions with just the executive if all Board members are still liable for outcomes?

Humphrey spoke to the policies she will bring to the table; will say members of the executive committee are responsible for a) delivering the Board's annual performance evaluations and b) any other duties that the Board may assign to the executive, that's it. Executive committee is a committee of the board, board decides if it exists or not. Humphrey notes a reaction from board requested before moving forward with policy development.

Humphrey discussed EEs bylaws and policies as they currently exist merged together into one document; end product will be separate documents for bylaws and policies and they will be clearly defined. Governance is about rules and accountability; this will change over time but established documents will keep items top of mind and allow for changes due to external trends, etc. Humphrey spoke about what competencies each member should possess collectively; nobody brings them all, but important that as a collective each competency is achieved. This will help with recruiting as you then recruit to fill a void; willingness to learn, future thinkers, strategic thinkers, etc.

Next Steps - includes policy development day (date TBA), bylaw revisions, and development of Board member recruitment package and orientation material. Discussed having a folder of candidates that meet your required competencies waiting in the wings at all times; going about recruitment in an organized and strategic fashion. Group discussed regional representation if competencies are the main factors, how do we ensure regional representation at the table. Reminded that job at the board table is governance, it is not everything James does as the Executive Director. Critical governance competencies need to be in place at the table, not necessarily where they reside; if those individuals are meeting the required competencies they will see beyond the geography - this will be something that needs to be addressed for this specific board (hot topic).

ED mentioned that if this is to be presented at the AGM, the policy development day needs to happen in May or June, but realizes this is a very busy time for business owners. All members present agreed the momentum of today's session does not want to be lost and that they would like to move ahead with the policy planning day ASAP. ED Murphy to put together an agree-a-date for early June.

Motion to move in camera with ED Murphy.

Motion: Jeff Suddaby

Seconded: Hillary Chambers

Discussion: n/a Carried.

Motion to move in camera with board of directors

Motion: Anthony Rizzo

Seconded: Michael Simonett

Discussion: n/a

Carried.

Motion to Adjourn

Motion: Don MacKay

Seconded: Scott Doughty

Discussion: n/a
Carried

DRAFT