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Explorers' Edge Board of Directors Meeting Minutes
Tuesday, September 15, 2020
Webinar

Present: Michael Simonett, Angela Pollak, Andrew Rusnyk, Christine McRae, Darren Smith, Dave Anderson, Don MacKay, Gail Burrows, Mike Strong, Scott Doughty

Resource: Laura Ross

Regrets: Hilary Chambers

Staff: James Murphy, Kate Monk, Erin Smit

Welcome and Chair Remarks: Chair Michael Simonett called the meeting to order at 9:31am.

Welcomed new members to the Board, discussed the pivoting with the Cottage Country Spirit Program, winter transacting program, and changes in planning as we follow COVID advancements. Looking forward to moving ahead with BOP from previous board that will include input and expertise from new board members.

Conflict of Interest: n/a

Approval of Agenda – September 15, 2020

Motion: Scott Doughty

Seconded: Angela Pollak

Discussion: n/a

Carried.

Approval of Minutes – June 3, 2020

Motion: Scott Doughty

Seconded: Don MacKay

Discussion: n/a

Carried.

Round Table Introductions

MacKay: Great year for golf. Golf course is a safe place for social distancing and his industry is flourishing. Challenge will be making it stick when the world returns to a new normal.

Anderson: mixed reviews; retail spending is up while the operations did not commence until July 17th with Stage 3 reopening, slow start to their season. The positive outcome was that numbers were consistent once opened, and better than they had expected.

Doughty: extremely busy July and August in the resort; staff have been working extremely hard with some retention issues arising in their serving department. Booking well through the fall with a drop off anticipated in November which will hopefully pick up over the winter with the ski hill opening.

Strong: Concert venue has been at a halt with heavy restrictions in the live music space - looking for change in 2021. On the hospitality, the restaurant is working well with the new landscape; slow trickle to begin with and ramped up in July and saw a decent end to their summer season – as a result they are now stretching the season into September opening on the weekends. Staffing was tricky with the CERB offset; saw some entry level positions less motivated to work if they could apply for the benefit instead.

Rusnyk: summer was busy for them with busy waterfront and full docking slips. Looking forward to winter operations at HVHSA, will need to adjust the indoor facilities including rentals, tickets, F&B, etc.). Looking forward to snow on the ground and sell out days on the ski hill.

McRae: business had completely pivoted for the summer season; several business partnerships and outdoor programs were in the queue but none of that was able to happen due to COVID. The pivot to online experiences was chosen to keep herself and her family healthy and safe.

Pollak: SABA met at the beginning of September. Accommodation businesses were having bumper year while food service is down in receipts (spends down per transaction with less guests adding on alcohol, appetizers and desserts); business owners are very busy. A lot of worry for what will happen after Thanksgiving; people seem to be busy until then and then business dries up. Less people preplanning for winter with uncertainty about what the future holds. Feels that the hyper local tourism focus has brought lots of Ontario residents that have never visited South Algonquin before or headed that far East and hopes they can now target those guests in the future (in the past sees a lot of out of province and international guests).

Smith: consumers seem to be continuing to buy beer in cans while wholesale lags. Worked through commercial shutdown with the construction business seeing some delays with opening their new location. Spoke about sectors that cannot continue to function as normal with support measures from the government now phasing out. Encouraging to hear other operators had busy summer seasons and while visitor traffic is down, people will not have as many travel choices/options over the next year so hopefully this will result in more business for our region for the fall, winter and spring seasons.

Burrows: Golf course has been very busy with incredible numbers; accommodations are sold out and record numbers of tee times on the golf course. With 29 days left in their season they hope to see a continued busy season for the remainder of fall.

With an operator survey in draft directors were asked of any troubles retaining staff due to CERB, did operators have to give further incentives to make working with you more appealing? MacKay

mentioned two instances involving staff and the CERB; one was trying to keep a staff member who wanted to have a summer for themselves in August so quit July 31st. Doughty also had issues with staff; when opened on July 3rd needed everyone back as they were at full capacity. Had three night servers who worked 7 days a week all summer as other staff were reluctant to come in to work while they stayed home on CERB; some staffers had to be let go as a result of this.

The Workforce Thrusters Strategy was discussed speaking to housing as an incentive; wanted to know if money (bonuses) were used by business owners as an incentive. EE strategy is to incentivize staff with housing and remove that barrier (cost of living), but should perhaps turn attention to staff engagement to make working here more appealing; can be done with programs but did further incentivizing need to be done to get staff off the CERB. Board members spoke about how this needs to be moved up to the government level (Scott Aitchison, Melanie Joly, MPs) by senior staff. Pollak had no personal experience with staff on CERB, but did mention the housing issue for staff in South Algonquin is quite dire and how the limited housing (some of which is now being turned into Air B&Bs) will affect local business owners. Doughty mentioned incentivizing is difficult in his eyes as it puts them up against the government; who has the better offer? Has in the past offered an end of season bonus to those staff who stay with him throughout the entire season; this can however be difficult to articulate how much budget to hold back for payouts.

Ross: excited to hear results of the EE survey when they come out. Echoes hope for successful fall and winter local travel, and is disheartened to hear about staffing issues as a result of CERB but encouraged to hear about the industries that are thriving, like golf. Local travel continues to be promoted, and keep talking to one another and keep Laura in the loop of messaging that she can help to move concerns and feedback up the chain.

Simonett: spoke to the success of golf this season; almost sold out until Thanksgiving. Resorts were also very busy, setting records for occupancy. ClubLink bought a mobile app so guests can check-in remotely. F&B has been a challenge; phased opening hurt them as well as restrictions on seating, no large events (weddings and conferences), etc. Staffing was also an issue; many staff insisting they have their own rooms with housing which is impossible. Believes there will be demand into October and November so is hopeful for the off season.

Financial Presentation – Pollak & Murphy

Income Statement & Balance Sheet – September 1, 2020

Balance sheet and income statement have been circulated. Showing what we have spent, what we make in revenue, and year end actual spend. A large percentage of the budget has not been spent to date, but will ramp up with programming coming out in fall and winter, as well as when Cottage Country Spirit vouchers are reimbursed. Simonett asked about additional spends on communication and office equipment as well as increased spends on the website redesign. Murphy explained how safety measures in the office were undertaken after reopening in June, and necessary website redesigns happening for RTO12.ca, GCW and EE. There are partnerships in the queue with FedNor moving forward for websites as well which will contribute to those costs. MacKay asked when we start talking about reserves;

Murphy mentioned the reimbursing for the CCSLTP vouchers which will come, as well as some of the dollars set aside with the DO partnership which does not need to be spent until September (though some of that budget will be spent before end of fiscal). Fall transacting was moved to winter as a result of leisure business being up on its own for fall; hoping to use that money to instead help push winter travel. RFP has been completed for catalyst housing and money is being held for the deposit for those services. Darren asked about including an anticipated spend for voucher reimbursement on the income statement; Murphy will speak to the bookkeeper about including that as a line item as current liability. Murphy also touched on the three main sources of revenue; grants and partnership dollars that came in this fiscal. Ministry of Tourism contribution needs to be spent by March 31, 2021, While DO partnership allocation will roll forward into September 2021.

Motion to Accept Financials as Presented

Motion: Darren Smith

Seconded: Gail Burrows

Discussion: n/a

Carried

Business & Operational Plan Status Report –Murphy & Monk

Murphy thanked board members for attending the two onboarding sessions; a very thorough overview of programs and governance was shared. Recapped the virtual AGM which had 88 stakeholders attend online and included discussion and updates on commercial air service development, marketing programs, workforce development, partnership programs, COVID-19 communications and the Explorers' Edge 10 year anniversary. Also during the AGM the new Executive Committee was elected, including Michael Simonett as Board Chair, Hilary Chambers as Vice Chair and Angela Pollak as Secretary/Treasurer.

Murphy mentioned the Environics research that was conducted on the impact of the COVID pandemic on tourism; this also included a desk research component and the primary research findings will be presented on September 30th from 1pm-2:30pm via webinar. Implications for RTO's business and marketing strategy; some great information came out of this research including a heavy push of the Great Canadian Wilderness theme, focusing marketing efforts on the new 'Ontario Actives' and 'Free but Fearful' segments, and advertising opportunities to drive the fall and winter local travel market. Monk mentioned importance of research; occupancy research shows numbers were not down here as they were in many other parts of the province and how outdoor adventure product helped us with a competitive advantage over other regions.

The catalyst housing project is moving forward and begun with a project overview zoom call between senior EE staff and the third party consultants. The project will now move into Phase 2 which includes workforce demand research, community bond research, social enterprise best practices, possible government regulations that the project will have to consider, the application process that will be involved for housing tenants, examples of models that could be considered for this project including types of locations, and estimated revenue projections. EE senior staff are working closely with the

consultants and becoming experts in social housing, continuing education and entrepreneurship for the tourism industry; also mentioned how this applies to other industries in our region as well including construction and the medical field.

The Cottage Country Spirit Local Travel Package hyper local tourism program was a great success with business registrations and consumer registrations. Just under 3,000 packages worth \$50 each were distributed and we are already seeing lots of regional dispersion and support for small businesses as a result of this program. Discussed the Moose FM contest and how important the developed messaging was promoting staycations as a broader initiative. CCSLTP is part of the government program with partnerships Destination Ontario; we will continue with this program throughout the year and you will see the branding morph to suit the winter season. Monk mentioned a test with one operator who wanted to move the spend forward by spending his vouchers he received in his business instead of having them reimbursed; this has become a test for regional currency and how an opportunity like this might be leveraged. Monk then spoke to the Chamber content program and how she worked with COC staff (Muskoka Lakes, Huntsville, Bracebridge, Gravenhurst and Parry Sound) directly to produce content for their websites which promotes the businesses in their communities that are participating in the voucher program; a piece of content will also be developed for SABA this fall.

Fall and winter marketing will include the ongoing Group of Seven 100th Anniversary FB campaign (celebrating the legacy of the G07 by promoting the artists in our region with a social media program that highlights 100 artists located here with one post a day for 100 days), a hyperlocal brewery trivia program, outdoor content development and operator/consumer zoom calls. Winter will see a voucher program (Fuel & Fun) as well as content development that will focus on how the GCW works in winter; where to travel, what you need (gear), the basics of how to travel in Ontario in winter for those who would normally go south. Also discussed the accessibility piece for those who do not want to drive; does this mean bussing, ParkBus (or other transportation options), etc. Will use November to run a series of Zoom programs to have planning sessions with the experts; what opportunities exist here in winter and can we market and target these sessions to build leads for the winter season. Content will continue on as well, while being cognizant of duplication and how we can create differentiation from what is already being highlighted in the marketplace. Scott mentioned that November was historically a corporate tour month which is now a wash so how that could be pivoted to encourage leisure stays in that time of year.

ED Murphy discussed the regional currency testing as well as TICO licence tests coming up later this fall (our insurance will need to be reviewed and updated as a result of this as well when EE begins booking travel packages for consumers), and the website redevelopment process which is currently underway. James and Kate are also continuing to spend time working with Georgian College and Ryerson University under the workforce development umbrella; keeping those communication links open and actively participating in projects with those schools.

ED Murphy gave an update on current partnership projects. FedNor Phase Two will be submitted shortly, which includes the competitive process marketing, website and research. The RFP has closed with three competitive bids for each. An RFP has also been circulated for the Business Development Program. The HMAT voucher program launched yesterday, called the Huntsville, Muskoka Sweater

Weather Travel Package. This program will incentivize midweek stays with a travel package of gas card and cash vouchers; 86 businesses in Huntsville are participating. Venture Muskoka is also partnering with EE on a piece of economic development content which will highlight outdoor product and business development.

ED Murphy has submitted the final report to MHSTCI; an updated business and operational plan has also been prepared, as well as a report on the hyperlocal tourism project. Murphy has been on three RTO council conference calls and has no updates on plans for strategies from them to date; the Minister is out promoting local tourism but no announcements have been made regarding plans or strategy so we will wait on those. Also mentioned the TIAO virtual tourism summit which is taking place October 27-28, 2020.

Discussed the small business outlook; EE senior staff have been fielding calls from business operators and as a result the small business survey will go out shortly. COVID cases have been increasing in the area and we're looking at where tourism businesses stand currently – six month deferral from banks is now complete, were small business owners able to bank enough revenue over the summer months, do operators require further assistance and what is the fall and winter season outlook?

ED Murphy gave a board meeting webinar outlook; asked for director bios and head shots for the revamped RTO12 website, and informed board members of upcoming research webinar on September 30th, as well as board meetings in November (focusing on BOP development) and January (with a BOP draft and presentation).

Governance Board Accountability & Monitoring

Explorers' Edge requires a new governance chair now that Brenda Scott has left the board and ED Murphy hoped a board member would step forward today to take on that role; James will work with them to prepare for onboarding. Angela Pollak volunteered to take on the role of Governance Committee Chair.

Information Items

n/a

Motion to Adjourn

Motion: Don MacKay

Seconded: Scott Doughty

Discussion: n/a

Carried