

Explorers' Edge Board of Directors Meeting Minutes
Wednesday, September 9, 2015
Nipissing University, Bracebridge

Present: Jackie Leung, Jerry Feltis, Anthony Rizzo, Dympna Hayes, Hilary Chambers, Andy Vitch, Gary McMullen, Jeff Suddaby, Drew Rachar, John Miller

Regrets: Curt Dunlop, Esa Paltanen, Kim Loader, Nicole Saulnier

Staff: James Murphy, Erin Smit

Resource: Laura Hernando - MTCS

Welcome and Introductions: Jackie Leung called the meeting to order at 9:27am.

Approval of Agenda –September 9, 2015

Motion: Hilary Chambers

Seconded: Anthony Rizzo

Discussion: n/a

Carried.

Approval of Minutes – May 4, 2015

Motion: Jerry Feltis

Seconded: Anthony Rizzo

Discussion: n/a

Carried.

Financial Presentation – Andy Vitch
for period ending August 31, 2015

Discussion:

Vitch began by discussing the balance sheet; 45k in the savings account (upfront funds), 54k split between 16 vendors, liability is 46k split among 9 vendors, further commented on the strength of the Balance Sheet. Income statement updated to September 4, provided directors an overview of the statement and noted that most of the stated revenue came in transfer payment from MTCS. Administrative and overhead 7% of income, payroll is 15%; as much money as possible goes into market moving tourism forward as possible and further noted that the organization operates very efficiently.

ED Murphy spoke to fiduciary responsibility of the Board, as well as discussed the income statement and ongoing contracts for marketing with Kuration (Peter Coish) and Tony Palermo. Spoke to partnerships with outside companies to execute partnership programs; Kuration, Oncor Solutions, Tourism Parry Sound, Delang Communications and Creative One.

Leung encouraged the group to read the Destination Development Plan and Operational Plan for further information on spending. Partnership programs are forecasted spends, inputted to Simply Accounting

with contract, funds are dispersed as per contracts. Feltis asked about looking into a GIC; Vitch responded that they looked into what was available and this was the safest and most reliable route, also that this (early dispensing of funds) would probably not happen again in future. Hernando commented that this was done this year to help the RTOs ensure existing projects moved forward. Rizzo asked if all RTOs operate financially in the same way; Hernando responded in terms of TPA scheduling yes, funds cannot be transferred without a specific purpose that has been laid out in the report.

Approval of Financials

for period ending August 31, 2015

Motion: Gary McMullen

Seconded: Hilary Chambers

Discussion: n/a

Carried.

Round Table – Business Update

Jerry Feltis: Rocky Crest is up in both rate and occupancy, will be a good year. Attributes to increase in marketing spend, a good return on investment; new website is more mobile friendly. Property is still waiting on approval for renovations. American business went from 2% to 5%; is a good target for them. Mill on Main is having best year ever for fifth year in a row.

Anthony Rizzo: Great year for them, weather has been amazing. Recreational vehicles are experiencing growth curve (boating, ATVs, snowmobiles) as well as travel trailers; experiencing issue with supply and demand. Could double campground in size and have it filled before construction is completed. Resort just has their 10 year anniversary, increased seasonal cost by 500% for waterfront sites to new residents in his park and has had no issue getting his price. In VP of Almaguin Highlands Chamber of Commerce hat; COC rolled out business expansion study, looking at identifying with participating municipalities (13 of them), understanding needs for retention and possible expansion to the region.

Dympna Hayes: Owns Ontario Sea Kayak Centre; biggest sea kayak school in all of Canada, celebrating their 7th year in business. OSKC teaches courses around Ontario, at their home base in Parry Sound, and also hosts international guided trips. The business moved to Parry Sound 3 years ago and has since opened the Harmony Outdoor Inn on the Seguin River as well. Business has grown organically, does no advertising for the inn, is looking to tap in to local community and become more heavily involved in promotion for the area.

Hilary Chambers: PanAm Games were great for them, got on the promotion early on social media. Has been turning people away this summer due to no vacancies, those people are booking for fall instead. Walleye fishing is good this year, is good for her property. Cornfest was attended by 650 people, all proceeds support snowmobiling in the region (Argyle Riders). Had success with gallery at the farmers markets, B&B is opening in the fall. Hilary was just elected to Local Services Board (town council for small communities). Northern Ontario Tourism Summit is in Sault Ste. Marie this year; Hilary is VP of NOTO.

Andy Vitch: Sunny Point had best summer ever, and is looking to best September ever. Their lake is considered “at capacity” and nothing else can be built. Township has offered severances to change their zoning to become residential from commercial. Has discussed selling shares of his business with the municipality, interesting concept although is not necessarily beneficial for tourism. Discussed the more resorts there are in Seguin, the more they are collectively advertising the area.

Gary McMullen: Muskoka Brewery celebrated 19th birthday in June, business has grown steadily at 35% a year over past 5 years. Working on managing culture of the company, onboarding new staff, expanding across Canada, pilot project in the US. Price increase on retail goods was necessary to meet the increase in spend of products purchased in the US (hops, bottles, cans, etc). In idle mode negotiating with Gravenhurst Plastics to expand location, needs more space. McMullen also discussed the licensing of grocery stores to sell beer, what effect this may have on business.

Jeff Suddaby: discussed the benefit of location, noticed huge presence of visitors passing through to Algonquin Park this summer and had tons of campers and canoers come into the restaurant. Discussed the concept of Muskoka in its entirety and it being a unified “theme” in the mind of travellers, not as Huntsville, Bracebridge or Gravenhurst (etc.) as individual locations. Monday and Tuesday after Ironman was busy for them, heard concerns from athletes about the course (took two hours longer to complete than other courses, took a toll on athletes). Questions what it is specifically that is creating more traffic to Huntsville. Saw lots of busses pass through to AP, had 100 bus loads coming in for lunch and dinner.

Drew Rachar: good season overall, up over last year. Retirees come out in September, lots of groups. Came out of winter with damage to the fairways, was honest and upfront with customers on course updates, offered incentives for guests to come back if they played in spring to come back again in summer, and this was very well received. Issues this year were with labour, couldn't find the candidates they wanted for full time so needed more students, struggles a bit in the fall with staffing as a result. GTA amateur championship at the end of the month, wedding bookings are up, weather has helped them this year over the summer.

John Miller: Steamships are having a great year, up considerably. Next 5 weeks are very crucial, 45% of their business comes in the fall through to Thanksgiving. Weather has been a huge factor, seeing more diversity in guests coming out to attractions. Museum launched family theme this year and has been very successful, up 35% over last year. Working with Science North in developing expansion project for the MBHC, expand the museum into something more exciting that will attract more people to the region. Ships navigation company turns 150 years old next year, will be promoted heavily.

Jackie Leung: great summer, up 20% over second best summer. International visitors are down, domestic visitors are up. International visitors are generally longer stays, would love to have more.

Executive Director Update – James Murphy

TPA, Reporting & Regional Update

ED Murphy spoke to the TPA, working with the province right now to refine reporting structure. In the past has been three documents (one for committees, board, and to the ministry); working to streamline

this process into one document. Spoke to 5 pillars; marketing, workforce development, investment attraction, product development and governance. Discussed the funding model and what the formula looks like moving forward; base funding, proportional funding, and partnership funding.

ED Murphy discussed marketing numbers; in August we were 22% over goal for total visits to the site (21% YTD), and 64% over goal for referrals to third party sites (58% YTD). Based on content strategy we are getting visitors to the site and sending them to the sites of our area operators; referrals as percent of traffic continues to increase, up another 1% this August to 28% (an all-time high). Top 10 blog posts on the site accounted for 50% of the total site traffic. These visitors had an average time spent on site that was 80% higher than the overall average. Content ensures every stretch of the region gets a piece of the pie.

Facebook post engagement rate was 2.8% in August up slightly from July, and down from 4.5% in fiscal 2014. Page likes grew at 4.5% in August; added 3,596 new fans for a total of 83,769. Google AdWords cost per click was up slightly over July, but time on site generated by this source was up this month meaning cost per minute on site was down. Additional marketing is being done with HubSpot (lead nurturing), developing personas and segmenting visitors to engage them with packages and information suited to their interests. Content development is being utilized by guest authors; good opportunity to offer experienced voice to certain topics. Discussed the OTMPC photography session; done throughout Parry Sound at 4 operator properties, will provide regionally representative images; as well discussed the email distribution with OTMPC in winter of 2016 and their social mention of the Fall 2015 Fuel & Fun program.

Discussed the spring 2015 Fuel & Fun program; 404 packages were distributed vs. 278 in Spring 2014, program is building momentum each year. Voucher redemption as well as operator participation are up; survey found that 32% were first time visitors to the region, and 86% of visitors had pre-planned their stay. Group discussed their successes with the program. ED Murphy encouraged the board with further interest in these types of programs to join the marketing or transacting committee.

Discussed the JackRabbit referral system; September 2014 to August 2015 is benchmark year. Booking widget saw 30,000 referrals, 47% search ratio, 90 operator reservation systems, and 357 listings. Program evens the playing field for a number of operators. Leung asked about ensuring rates are included in the listing, creates a more cohesive consumer experience.

Murphy spoke to current strategist programs; international travel program competitive analysis, foundation for the FedNor and RTO phase one application, worked with HubSpot on research and implementation as well as training, did an RTO competitive analysis which included a review and research of 12 RTO plans and programs (found that RTOs are all over the map, lacking in consistency or a unified strategy), and also performed a tactic reconciliation, review and assessment of SEO, Ride the Edge and Programmatic Native advertising.

ED Murphy spoke to workforce development locally and regionally, as well as in a broader context. Spoke to Tourism Excellence North; TEN is a suite of 10 training solutions that over time will strengthen the ability of tourism businesses to respond to changes in the marketplace. TEN encompasses three

types of solutions; self-assessment, group learning, and personalized coaching. Challenge right now is with FedNor and the election; working on work back schedule and budget fine tuning. Murphy discussed the small business accreditation program, 2014 partnership with Muskoka Community Futures and the Muskoka Community Network to create a pilot project for 5 tourism operators based on project outcomes. Group discussed the language of the program, does calling it accreditation not imply what the program is really about?, will be a placeholder name for the time being.

ED Murphy discussed Porter Airlines; Muskoka Regional Airport Development for American travellers, beginning the discussion to see what it would take to have them bring Porter Airlines to Muskoka. A October delegation with RTO executive committee, District of Muskoka as well as the airport manager (will be a preliminary conversation to see what is involved and where the topic stands currently).

Discussed product development and suite of mobile tours; GOSOG has been done, RFP went out and had three responses; will be working with VIUU Visual Intelligence to develop the remaining 3 tours (cycling developed in fall, Amazing Places developed in winter, and craft beer and wine developed in the spring). ViUU offered the most detailed response, included mapping of trails and elevations, and will include social media integration). Budget for the 2015 product development was proposed as 15k for Georgian Bay AP, 5k for Winter Non-Motorized, 10k for Paddling, 10k for Craft Beer & Wine, and 10k for Cycling; was amended to 17k for Georgian Bay, 17k for Cycling, and Craft Beer & Wine budget moved to 2016-2017 plan (for mobile self-guided tours), 6k for Winter Non-Motorized and 10k for Paddling. Discussed packages as a key performance indicator; guidelines and criteria have been developed for seasonal packages, will be loaded to the booking widget, aligning the criteria with OTMPC packaging criteria (including two activities or services per package with accommodations).

ED Murphy spoke to ongoing provincial outreach; discussed OTMPC and lack of referrals from their site, provincial web traffic to Ontario Travel vs. Explorers' Edge website, as well as comparison on budget spends (3% of the budget getting 40% of the traffic). Group discussed Ontario Travel website and their mainly negative experience with it. Spoke to the Northern Ontario Tourism Marketing Partnership and the new committee for strategy development; 2 RTO12 representatives will be present. Murphy discussed the RTOs mobilizing; including TIAO and the next phase of 'Mapping Ontario's Tourism Future'. Spoke to the MTCS regional performance indicators and feedback on the funding formula; how this can be redeveloped to be in the best interest of the RTO; accommodation performance cannot be the only measure of funding.

ED Murphy spoke to his regional outreach with Muskoka Tourism, Economic Developers, and Chamber Managers; discussing where we can work together, how we can leverage what plans they have for programming. Some were open to working together, others were more apprehensive. The stakeholder newsletter has been sent, currently 950 stakeholders on the list. Look for upcoming committee meetings in September and October (Marketing, Transacting, Research, Governance, and Community Relations), as well as tourism town halls in November.

Tourism Operator Relations Committee Update, Partnership Program – Jeff Suddaby

ED Murphy discussed the partnership program; offers 166k a year to partner with another entity to match funds 50/50 for projects that align with our operational plan. Does not have to be for marketing, can be used to develop or deliver strategies to support any of the 5 pillars (Governance, Product Development, Investment Attraction, Workforce Development or Marketing). Projects are discussed by the committee to determine what meets the criteria to move forward, what requires tweaking, etc. This year, an initiative has been developed where a memorandum of understanding needs to be signed, this mitigates the risk for the organization.

Discussed the 12 projects that have come to the table:

1. Resorts of Ontario

- FSI in LCBO & Travel Centre
- Online Marketing & Banner Ads

2. MTMA – Entertainment

- Content Development (weekly update, operator specific, regional piece included)
- Marketing – promoted posts on Facebook

3. MTMA – Corporate Travel

- project approved; waiting on MTMA to sign MOU

4. Seguin Valley Golf Club

- Posted EOI, received 4 inquiries, third party onboarding
- FAM Tour was held first week of September

5. Santa's Village – Beyond

- working with Gravenhurst COC and Bracebridge COC to get the portal live
- third party has been on-boarded and contracts have been signed
- social tactics in market

6. Loring Restoule Business Association

- LRBA Print Publication – updated, printed and delivered (while EE does not generally support print projects, with no cell service in Loring Restoule, this project best suited that specific region's needs)
- creative on signage is in process
- social marketing to begin mid-August

7. Rural Economic Development Advisory Committee (REDAC)

- project will commence in September

8. Muskoka Beer Festival

- three pieces of content produced
- social marketing took place leading up to the event

9. Arrowhead Nordic Ski Club

- reviewed and approved signage; ski club invoiced
- printer set to complete the project for Fall 2015

10. Ironman Huntsville

- guide creative development
- website updates
- content creation

11. Muskoka Boat & Heritage Centre

- Part 1: marketing content development
- Part 2: brand revitalization – family product focused

12. Town of Bracebridge – What’s Cooking Event

- content development
- social marketing
- RFP distributed

Three other partnership programs in the que with FedNor and RTO12; first is International Travel Development Program (December 2015-March 31, 2016 - Canada 150 package development; ongoing throughout 2016), second is Business Development (December 2015 – itinerary and package development; contest development for Canada 150), third is Marketing Plan (January 2016-March 31, 2016 – branded content marketing, Facebook and Google AdWords).

ED Murphy also discussed the Tourism Excellence North partnership project with FedNor, RTO13, MNDM and RTO12. TEN is suite of 10 training solutions designed to strengthen the ability of tourism operations to respond to changes in the marketplace. FedNor will fund 150k, RTO13 will fund 120K, MNDM will fund 150k, RTO12 will fund 40k; will cover hiring of a GM, communications, website, program launch, case studies, orientation sessions, and training solution development.

Suddaby spoke to programs coming down the tube, specifically Girlfriends Getaway Weekend. In 2016 they have discussed taking GGW Muskoka wide and are attempting to develop a larger event with Chambers spearheading the initiative.

Jeff Suddaby then presented three motions to the Board of Directors.

Motion to accept the presented reconciliation of partnership projects to date that include Town of Bracebridge – What’s Cooking Bracebridge, Ironman Huntsville, Muskoka Boat and Heritage Centre, Resorts of Ontario, MTMA – Entertainment, MTMA – Corporate Travel Program, More Rugged More Refined – Parry Sound FAM Tour, Evolution of Beyond – Family Niche Marketing, Loring Restoule Destination Evolution and Alignment, Arrowhead Provincial Park Way Finding Signage, Parry Sound Tourism Strategy (REDAC), and the Muskoka Beer Festival (minus on hold programs):

Motion: Jerry Feltis

Seconded: Andy Vitch

Discussion: n/a

Carried.

Motion to proceed with the International Travel Trade Development Project which includes a FedNor, Northern Ontario Development Program application for \$49,000 as it relates to the RTO Partnership Program investment of \$49,000.

Motion: Jeff Suddaby

Seconded: Jackie Leung

Discussion: n/a

Carried.

Motion to proceed with the Tourism Excellence North project partnership with FedNor, RTO13, and the Ministry of Northern Development and Mines as it relates to core funding of \$10,000, workforce development, and \$30,000 partnership funding.

Motion: Hilary Chambers

Seconded: Anthony Rizzo

Discussion: n/a

Carried.

MTCS Update w/ Q&A – Laura Hernando

Laura Hernando discussed some internal changes taking place at MTCS; ADM Richard McKinnell of Tourism Policy and Development is now also Acting ADM for the Tourism Agencies Branch which includes OTMPC, Ontario Place revitalization, etc. Tourism Policy and Development Division Director Neil Coburn is on a 1 year secondment at Tourism Agencies Branch and Jodi Melnychuk is the Division's new Director replacing Neil. Hernando mentioned the RTO guide and directed board to the document for an overview of MTCS processes, funding information, purpose of RTOs, TPA information, etc. Moving into next phase of strategic framework for Ontario, Ministry is leading this and more information will follow. Celebrate Ontario (supporting tourism festivals and events) is one of the largest programs outside of the RTO model being managed by the ministry; can now apply for program enhancement support or marketing support or both in one application as the Tourism Event Marketing Program recently merged with Celebrate Ontario. Anticipating a greater number than ever before applying for marketing support. Huge focus for Laura moving forward is support for those applying for Celebrate Ontario grants.

In Camera – Chair Jackie Leung

Meeting went in camera at 1:03pm.

Motion to Adjourn

Motion: Jeff Suddaby

Seconded: Anthony Rizzo

Discussion: n/a
Carried.

DRAFT