

Explorers' Edge Board of Directors Meeting Minutes
Tuesday, December 8, 2015
Grand Tappattoo Resort, Seguin

Present: Curt Dunlop, Nicole Saulnier, Jackie Leung, Jerry Feltis, Jeff Suddaby, Dympna Hayes, Anthony Rizzo, Gary McMullen

Regrets: John Miller, Esa Paltanen, Drew Racher, Kim Loader

Via Conference Call: Andy Vitch, Hilary Chambers

Staff: James Murphy, Erin Smit

Welcome and Introductions: Jackie Leung called the meeting to order at 9:36am

Approval of Agenda –December 8, 2015

Motion: Curt Dunlop

Seconded: Jeff Suddaby

Discussion: n/a

Carried.

Approval of Minutes – October 21, 2015 ; Operational Planning Session

Motion: Anthony Rizzo

Seconded: Dympna Hayes

Discussion: n/a

Carried.

Financial Presentation – Andy Vitch
for period ending November 30, 2015

Discussion:

Discussed income statement; interest revenue actual \$2,500. Notified by Ministry Tourism Culture and Sport staff that interest made has to be given back to the government. Expenses under the transacting budget are low due to outstanding Fuel & Fun vouchers to come in. As it relates to the marketing spend all allocated but marketing invoices have yet to be paid. The director's queried research, the treasurer has asked that the research committee return to the board of directors at the next meeting with an update as the budget line is under budget. Dunlop asked why partnership revenue is half; ED Murphy replied that not all projects have been put out yet in addition to all monies are bit yet allocated. However, we are on target to have full spend put out. Feltis asked if we can look into opportunity to chase HST numbers; research stats only as good as number of operators who submit; wants to encourage operators to put in HST numbers to give us a better result.

ED Murphy discussed use of the dashboard in addition to Statistics Canada research not being ready until mid-2016, hence, nothing to go on to make decisions. ED Murphy will work with the research committee to flush out a plan for next board meeting.

Suddaby asked about partnership spend, \$322k; ED Murphy replied \$166k from ministry, \$166k match from operators who partner; \$366k total spend. Balance sheet at end of year will total \$322k expenses. Suddaby asked about potential to lose that revenue, ED Murphy replied we have projects to fall back on if current projects do not materialize; does not predict that will be the case. ED Murphy mentioned balance sheet; HST remittance twice a year, \$14k, remittance for \$50k currently, holding accounts payable and recoverable at comfortable number.

Approval of Financials

for period ending November 30, 2015

Motion: Jackie Leung

Seconded: Curt Dunlop

Discussion: n/a

Carried.

Executive Director Update – James Murphy

TPA, Reporting, Community Relations & Regional Update

ED Murphy discussed between last meeting and November 21st there was at least one major out of town tourism commitment per week that included industry outreach; Northern Tourism Summit, TIAO Tourism Summit, Muskoka Tourism, Arrowhead Provincial Park, Town of Huntsville Economic Development, Northern Ontario Committee Meeting. Has also attended RTO committee meetings; Tourism Operator Relations, Transacting, Community Relations, Workforce Development. Discussed community relations committee meeting; met with district representatives to discuss events within the region being created and marketed. Discussed possibilities for pan regional events and how these regional events can be branded including a possible mechanism being put into place to organize events, streamlining how they are pushed out to potential visitors. Rizzo asked if this is specific to advertising, or expanding events to be region wide. ED Murphy replied both, communication of events, sharing of assets, solution is not known at this point.

Suddaby spoke to GGW, how will the event be organized moving forward, who does what in supporting our regional chambers role in their organizing of events. Ontario Trillium Foundation has grants available; what is the RTO role as applicants need to have audited financial statements - limits who can apply for these grants. Leung asked if Research Committee could look into models for this in other regions. Saulnier mentioned this would be of benefit for Parry Sound as well, sharing of regional assets.

ED Murphy discussed Workforce Development Committee and the meeting that involved South Muskoka and Georgian College representatives. Feltis spoke to Simcoe Muskoka workforce development board and labour market group, outcome was not as thorough as he would have expected, some information lacking. Working to extract information on how we can better ourselves with workforce development; ie. What Fairmont is doing to entice workers to come to their properties,

throws events to encourage staff to come; perhaps a workforce FAM tour, bus tour to the region to show possible hires some properties and what working in the region entails.

ED Murphy discussed program development and the partnership programs moving forward; Parry Sound R&R, MTMA Winter and Beyond, TEN Sudbury, Parry Sound FAM Tour and Golf Muskoka. Keeping in contact with current projects; time over the past few weeks has been heavily involved with partnership program.

ED Murphy spoke to current Investment Attraction project, specifically regional air service. The RTO has had several conversations in an attempt to better understand regional air service. Conversations included FedNor, OMTPC, MTCS and Porter Airlines. ED Murphy also spoke to discussion that took place with Mount Tremblant International Airport. ED Murphy discussed the airport and facilities, and how the next immediate step includes having the airport designated by the Canadian Air Transport Security Authority (CATSA). In order for the designation to be considered, the airport would need to be designated therefore a plan including an economic impact statement must be prepared. Leung is excited about the regional air service project, but realizes if the project does happen this is not a quick process and the earliest would be spring 2017, if planes were to land in Muskoka. Feltis mentioned if regional air service is up and running in 2017, the RTO would consider a 10 – 12 week schedule. Should be noted Mount Tremblant started with two 10 week, twice a week flights and the service has grown exponentially over the 10 years of service. Board discussed how our objective is not to bring cottagers to their cottage, but to increase tourism by bringing in new markets from the Northern States to come and experience tourism businesses in the region. Our goal is utilize an asset/opportunity to bring net new travellers to the region, Americans, new markets coming in; make the region attractive to new operators, continue to be thinking big picture. McMullan asked about speaking to cottage associations to draw that critical mass for initial implementation of the program, ED responded and noted this will be considered. Chambers asked if Explorers' Edge is on the hook to fill planes, ED Murphy mentioned that a conversation with an air carrier servicing our area will not happen until the RTO has a better understanding of the CATSA requirements.

ED Murphy spoke to current work with MTCS; discussed the reporting template, heavily involved with the ministry and piloted new format for all the RTOs. Discussed with Ministry the deferring of expenses and revenue, we can now defer the partners' funds past fiscal year end of March 31st, some leeway now exists there for our partners. Winter projects can now be stretched over a longer period of time instead of crammed into a smaller window of time at end of fiscal year. Again, mentioned interest generated from account will be remitted to the province.

Tourism Operator Relations Committee Update, Partnership Program – Jeff Suddaby

The committee met last week, there were initial concerns that monies are left over in the budget. ED Murphy put it out that we are looking to partner, projects are coming in for partnership funds. The International Marketing program is making headway as it relates to funding, staff has completed work of the two RFP's.

Discussed Tourism Excellence North, Workforce Development; MOU has not been signed with RTO13 yet, waiting for RTO13, process is moving forward, will be completed. GM has been hired for the project, will come to a board meeting in 2016.

Muskoka Tourism is interested in a winter experience campaign, leaning towards winter activities in the region (skiing, ice trail, dogsledding, skating, etc). Explorers' Edge will partner with Muskoka Tourism, Board approved the project, MOU needs to be signed. In speaking to content the board was brought up to speed as it relates to our own in house content marketing is being updated with current weather conditions; Explorers' Edge working to push out different experiences as a result of there being no snow yet, and therefore no winter outdoor opportunities yet available (culinary, music, arts, etc).

Regional Air Service with District of Muskoka, the committee recommended that the RTO take the lead as it relates to working with the District of Muskoka in developing the necessary components as it relates to having the Muskoka Airport designated as one of the airports with the Canadian Air Transport Security Authority. The committee was quick to approve this spend, discussing what an economic impact study would look like. Furthermore partnering with the district ensures tourism industry is the focus for the regional air service project. Suddaby has spoken with many district reps about the project, all on board and feel very positive about this push for a new partnership project, keen to being new markets to the region. ED Murphy spoke to how tourism can be the catalyst for more to come with the Muskoka Airport.

Committee discussed the Kearney Dog Sled Race event; was supported last year and organization of the event was very good, as it's a fairly unique winter opportunity for the region, we will support with partnered marketing dollars to help continue to grow this event. Feltis notes discussion around committee is that we need to see a business evolving, grow into something else, agreed that this event is evolving in the right direction and we are not just becoming a funding mechanism for these events; attracting new visitors, going after different markets, we are not just continuing to fund the same project with no results.

Board brings attention to partner amount vs RTO spend amount. With MOU's still not signed the budget is still, slightly, a moving target notes Murphy. Dollars from the partner need to be guaranteed before any work is done on the projects.

Motion to Approve Current List of Partnership Projects that included Muskoka Tourism Marketing Agency, Regional Air Service, Kearney Dog Sled Races.

Motion: Curt Dunlop

Seconded: Gary McMullen

Discussion: n/a

Carried.

ED Murphy spoke to product development; in planning the final four months of the fiscal year the recommendation is that the RTO proceed with three of the five original projects. The three projects include development of paddling, craft beer and wine, and cycling.

- identify the paddling product that currently exists in the region and assess market readiness, develop and inventory: \$15-\$20k RFP pending
- assess the market readiness of craft beer and wine product in the region and inventory: \$\$16k RFP closed, in market
- develop market ready stakeholders as it relates to the niche cycling market: \$16k RFP closed, in market

Motion to Accept 2015/2016 Product Development projects that include paddling, craft beer and wine and cycling.

Motion: Curt Dunlop

Seconded: Nicole Saulnier

Discussion: n/a

Carried.

Transacting Committee Update – Jerry Feltis

ED Murphy met with committee last week and reviewed the JackRabbit program, benchmarked one full year, as a result the committee is happy with the project. Discussed Fuel & Fun program, Spring vs. Fall. Fall 2014 (with less packages available) saw a plateau in the bookings, consumer feedback is showing that first visit to the region and preplanned trip to the region stats are dropping in percentages. After budget reconciliation from Fuel & Fun program, approximately \$13k will be left in the budget, the committee recommended using the funds for the International Auto Show. Working with our PR agency, the RTO was offered an opportunity to put in a booth at the international auto show in Toronto which sees 400k visitors. The objective is to test the tradeshow tactic in setting up a booth to incentivise new visitors at the show via a gas card and voucher mechanism. An updated version of the current Fuel & Fun tipping point program. Murphy noted that a secondary objective will be to provide customers with tipping point using product, and to increase/net new visitors to the region. Hayes asked about print materials from Explorers' Edge that could be provided for operators who attend trade shows on their own to help with promotion. McMullen mentioned Muskoka Brewery does the Cottage Life Show and Boat Show and they would be willing to lend support via Daniel Patterson, their events coordinator, to help.

Feltis spoke to the brand recognition of Fuel & Fun, but how stats are dropping in regards to first time visitors and did the program incentivise you to travel, encourages committee to want to trial new options. Committee discussed evolution of the program; will operators be willing to share in the cost of the program; are operators willing to put some skin in the game. Feltis wonders how many of the accommodators would be willing to put a percentage of the cost towards to program. When visitors travel the region, we have a better chance of hooking them to come back and experience more opportunities the region has to offer. First step is exploring the willingness to support the program financially.

Suddaby enquired about a levy or DMF type program to support a transacting program, Murphy responded that the industry would need to see a plan or opportunity before they could consider a room levy.

Motion to Reallocate Remaining Transacting Budget to support attendance and facilitation of the Toronto International Auto Show.

Motion: Curt Dunlop

Seconded: Jackie Leung

Discussion: n/a

Carried.

Draft Business & Operational Plan Discussion and Feedback

ED Murphy discussed the outcomes from the Operational Planning Session in October. Discussed Explorers' Edge strategy; the past year represents a continuation in the strategic shift established in the 2014-17 DDP. Explorers' Edge continues to position itself as an organization focused on the consumer, where collaboration and leveraging resources through partnerships are at the forefront of activities.

Murphy spoke to the Explorers' Edge Vision, Mission, Mandate and Overarching goals.

ED Murphy discussed the 5 pillars in the budget:

Governance – draft recommendation 53k:

Increase from 2014, past DDP planning; importance of third party planning with DDP. Discussed additional expenses (RTO12.ca), memberships with other organizations (TIAO, TIAC, sector & regional organizations), and increase in research spending due to consumer insight. Also discussed the Northern Ontario Tourism Summit in Sudbury, November 2016; supporting operator training sessions. Any underspent funding would be moved to marketing spend.

Marketing – 751k:

Spend has decreased from previous years, Murphy noted that part of this year's investment was made into HubSpot, an initial start-up cost. Current budget lines include; marketing and social media \$561k, media/PR \$20k, image bank \$20k, and transacting \$150k. Moving forward, it is recommended that content marketing be done in house, hiring of new communications staff member. Leung asked about increase to media/PR spend, is there an ROI on this that warrants this? ED Murphy replied EE spent \$15k with a million dollar value in return investment. Board discussed JackRabbit moving into third and final year of contract, is this something that is of value moving forward. Spoke to referrals, properties that are performing well and those that are not, are those that are performing well the ones that post their rates. Brainstorm ways to improve the conversion rate. MTMA currently gets a high conversion rate. MTMA and Golf Muskoka picked up the widget through the partnership program; \$5k per year to have the widget on your site, free for operators to include their business on the Explorer' Edge booking widget. Concerns from Saulnier about JackRabbit widget on mobile; only accommodations tab is showing on her phone; Tyler Francis to look into it.

Investment Attraction – 5k:

Spend to increase from 2014; regional air service, Porter and WestJet, also travel, meetings and guest speakers. Capacity undertaking also includes meetings and communications, and relationship building with airlines and District of Muskoka and stakeholders. Suddaby noted that the board should be prepared to spend more as it relates to developing and attracting investment into the airport.

Product Development – 40k:

Spend to decrease from 2014 (\$50k); Murphy noted that due to the RTO overall budget size that the board should commit to one program and do it well, it is recommended that the RTO should push out paddling development in 2016, rather than do three or four things, focus on one and do it really well (crafts beer self-guided tour, cycling self-guided tour, and paddling strategy). Again, any underspent funding would be moved to marketing. Feltis asked should money not be allocated in product development for regional air service initiative, wondered where else would those funds would be pulled from if we needed to spend money on that. ED Murphy spoke to regional air service and money that would draw on partnership funds, would not come out of core funding or investment attraction.

As it relates to product development the board will look to regional partners and their operational plans which are yet to be published to see if collaboration can be worked out on cohesive projects. Leung mentioned the winter non-motorized budget, and if paddling is the single push, can there not be something done to create a more full season plan, not just paddling that's only done half the year. McMullan asked about inter-regional collaboration with RTOs for the craft beer and wine tour; ED Murphy discussed following up in the new year with breweries interested in putting skin in the game. Again, any underspent funding would be moved to the marketing budget.

Workforce Development – 30k:

Spend will increase from 2014, committed to \$10k spend on Tourism Excellence North project, 3 year commitment to TEN; \$20k from core funding and \$20k from partnership funds. ED Murphy discussed changing workforce perceptions, how can we incentivise workers to start their hospitality career in our region. Spoke to communication plan development, increased college interaction, and a social media blitz; \$10k.

Administration – 413k:

Staff structure to increase from 4 to 5 staff members; a communications position to be added to the roster to complete in house content marketing, percentage of total budget to increase from 22% to 24%. Feltis asked about getting rid of guest blogging if the new staff is hired. ED Murphy discussed that some monies will be spent towards guest authors, but most will now be held in house.

Dunlop asked about ROI on past projects, ie. Ride the Edge. ED Murphy spoke to keeping that information updated year after year, motorcycle writer came up to ride the roads and make updates year after year to conditions. Programs are not just developed and left. Dunlop asked about pulling money from marketing to develop more projects that can continue then to grow; ED Murphy spoke to

how that would pull away from communication with our target audience, however if the board would like to take money away from marketing and push product development that can be done. Leung thinks the current plan is doing what we said we are going to do, could be a discussion to be had a year from now. Suddaby asked about \$40k spend for paddling, concerned about regional air service spend, could that paddling budget be cut to make room for regional air service spend. Suddaby is concerned about costs that will develop with regional air service, why are we dumping all money into paddling; should some money be put towards smaller projects instead of putting all eggs in paddling basket; can it be \$20k to paddling and \$20k to regional air service instead of \$40k to paddling. McMullen discussed a collaborative model used by craft breweries where partners buy into a program; would be invited to committee meeting to discuss. Saulnier mentioned how paddling can span and benefit the entire region, where regional air service spend can be seen to only benefit the Muskoka region. Let's focus on projects that benefit the region as a whole. DDP and research are necessary big budget spends this year that are putting hits on the rest of the budget. Feltis asked about distribution model, when will we know about how money will be distributed? Murphy shared with the board the MTCS plans to re-group in the New Year as it relates to the finding model.

Rizzo ask ED Murphy about the staff structure.

Leung moved the meeting in-camera.

Feltis moved the meeting out of in-camera.

Motion to Adjourn

Motion: Nicole Saulnier

Seconded: Jeff Suddaby

Discussion: n/a

Carried.