

Explorers' Edge Board of Directors Meeting Minutes
Tuesday, September 13, 2016
Log Cabin Inn, Parry Sound

Present: Curt Dunlop, Laura Ross (Hernando), Nicole Saulnier, Kim Loader, Michael Simonett, Jackie Leung, Karina White, Rob Wallace, Hilary Chambers, James Murphy, Drew Rachar, John Miller.

Regrets: Dympna Hayes, Gary McMullen, Andy Vitch, Anthony Rizzo

Resource: Laura Hernando - MTCS

Staff: James Murphy, Cindy Kaupp

Welcome and Introductions – Chair Leung

Jackie Leung called the meeting to order at 9:30am. Introductions: Curt Dunlop, Laura Ross (Hernando), Nicole Saulnier, Kim Loader, Michael Simonett, Jackie Leung, Karina White, Rob Wallace, Hilary Chambers, James Murphy, Drew Rachar.

Approval of Agenda – September 13, 2016

Motion: Hilary Chambers

Seconded: Drew Rachar

Discussion: n/a

Carried.

Approval of Minutes – May 17, 2016

Motion: Curt Dunlop

Seconded: Drew Rachar

Discussion: n/a

Carried.

Round Table - Chair Leung

Curt Dunlop discussed Muskoka Natural Food Market's first summer in new location; 45 staff this summer and sales have been great and they are adjusting. One challenge they are facing is hiring, as there has not been one application for a baker posting that has been listed for a few months. Curt also discussed The Griffin Gastropub's summer; as far as the pub and events, everything was great - they almost hit their 2012 numbers. All of the people who used to come out did again this year.

Nicole Saulnier of Georgian Bay Airways mentioned that they had a busy year– if the fall season goes well it will be their best year in 14 years. She mentioned that one of their challenges in the past has been rain days, but there was not many of them so that helped, along with the strength of the American dollar, and the ice cream shop has also done well. In regards to the Pearl Mist cruise ship, they have not received a lot of people off of the ship, but it has helped the area overall.

Kim Loader of Port Cunnington Lodge said that they had a fabulous year. Leisure travellers were solid, corporate groups were fantastic, and they had a lot in the spring and again in the fall– mostly in tie with BigWin golf. She mentioned that last fall was insane, so it might be hard to top that but overall, they are going to have best year on record. The number one challenge they have been facing is staffing. To resolve this, they have spoken with a man from a staffing agency, and came close to working with him (he takes millennials and places them for a year so you get them for a portion of a year and they travel around to different areas). She expressed interest in using this company next year. A second challenge they need to address is staff housing. Jackie Leung addressed these challenges and stated that workforce staffing has been coming up on the radar across the province.

Michael Simonett stated that Rocky Crest and Sherwood Inn have had a great year, but weddings were down at both locations. Regardless, they are ahead on pace for weddings for next year at Rocky Crest, in addition to being sold out for this August-October, and Sherwood is on pace with what's normal. Michael stated that golf is struggling as an industry a little bit- private golf with resort guest access is challenging. Another challenge for us is staffing as well. They have been using 'Mobilize' employees (17 at Rocky Crest alone) – however, this staffing company is selling a dream and servicing a nightmare. They are sending lots of people, however they are still not experienced/reliable staffing; for the most part they've been good, but they charge a 25% premium

Chair Jackie Leung of Fern Glen Inn stated that they have had a great summer. Usually, when it's hot and muggy it is difficult not being on the water – but they've had their best summer this year. So far September is looking good - they could have sold more Fuel and Fun packages if there were more weekends open. In discussion with other business owners: downtown Huntsville had quiet days with the heat – interested in patterns of places on the water.

Karina White of Muskoka Shores Cottages discussed their summer; the rental of the four seasonal bunkies on the property has increased. They have gone from one cottage in August to fully booked in August and July – the best year ever. For the off-season, they have put a hot tub on the deck to create romance and a nice atmosphere for couples. In regards to staff; they have hired some cleaners, 3 staff, 2 now total. The challenge is that they do not have commitment to working so now, if they stay for the whole summer they get a bonus. Also, they can use the resort in off-times if they are good workers – this also helps them develop a sense of pride in the resort. A second issue is internet: guest usage is becoming very costly.

Drew Rachar of The Ridge at Manitou discussed that they are on par with last year, and that some months were a little slow: May is always hit or miss. June was on par with last year, July was the best July ever, and August was a little down. Drew mentioned that they have had the same issues: it had been their worst year for labour staffing- struggling to find qualified labourers. As a result,

there were more students hired to get us through till September, but then they all leave. Despite these challenges, the staff that was hired was probably the best group of employees to date. Another challenge for us is hydro.

Rob Wallace of Foxwood Resort stated that they have had a good year. They are experiencing staffing issues as well; do not have a large staff but they have returning staff with a very good wage. They did not get job subsidies that were in place, and applied again to a job subsidy through the federal government, but did not get anything. In regards to internet, they are also facing the same issues- high costs.

Hilary Chambers of Pine Grove Resort/Sun Dog Gallery mentioned that fortunately, all of their staff is contract and they have not dealt with millennials or students. They have hired retired individuals who are very loyal employees – no issues in regards to staffing as of now. Being featured in Canadian Dogs magazine is helpful, they also had a big vow renewal with all of the couple's family and children there. In October, the whole resort is booked with a corporate fishing group.

Vice Chair Jeff Suddaby of 3 Guys and a Stove, mentioned that they had fantastic year, mainly because of the weather. Retailers in Huntsville are all down a bit, as people weren't travelling in the daytime because of the heat. They have had staffing issues as well; they want professional staff, and students. People are having lifestyle change of not wanting to get into this business because they want weekends, stat holidays, etc. In order to address the problem, the image of our industry (to work weekends and holidays) need to change. As for wedding: they thought it was going to be a quiet wedding season, but was it was just a late season for people booking. They ended up being booked almost every Saturday this year. For next year, weddings have exploded – looking into 2018 already.

John Miller of Muskoka Steamship & Historical Society mentioned that they are having a wonderful year. The next 4 weeks make up a 3rd of their revenue – full out into thanksgiving Monday. Cruises have been up over last year, and last year was good for us. Muskoka Discovery Centre does better when the weather is poor, so that was a little challenge for them, but it was still a good year. John also notes that retail locations have been down, along with group sales (bus tours, etc.).

Executive Director Update – James Murphy

ED Murphy discussed that Chair Jackie Leung has had conversations with FedNor, and that there is still no yes or no answer in regards to funding from them as of yet. Being at the 6 month mark into the year, it is time to go back to the budget and touch on programs and what we are doing.

ED Murphy discussed Product Development; doing more with less. The majority of the budget has been spent on marketing. One project in the works has been creating a suite of self-guided mobile tours. ED Murphy mentioned that the Group of Seven project is complete, that Bike Cottage

Country has launched, as well as Cottage Country Brew Trail. ED Murphy made a recommendation to cut the paddling self-guided mobile tour and modify the paddling product development program.

The hiring of Twenty31 to do itinerary projects to go to U.S./U.K. markets was discussed; the goal was to develop unique selling compositions to align with Destination Canada to get more bang for our buck. The result: 20 proposed itineraries, 10 still have to be approved. The RTO found that with this consultant was very high-level, and required significant oversight. With deadlines being missed, things were not completed as efficiently as needed. Product development has changed as a result of the itinerary project being shifted from partnership.

ED Murphy also discussed marketing; as per TPA with the ministry. For yet another year site visits are up; Year to Date Web Traffic: 571,000 site visits, 131,000 referrals, and 2,400 Hubspot leads. In regards to lead nurturing; the program is averaging a 35% average open rate, and 18% click-through rate. JackRabbit; 24,000 searches, and 78% are referrals – falling flat year after year, one thing that is up is the referral rate.

The fall Fuel and Fun program was discussed; a record breaking year for it – 190 Operator registrations, and 505 traveler packages. 40% said it was their first time visiting the region, and for 18% the program influenced their decision to visit region. In addition, there was above average occupancy rates for Fall 2016.

ED Murphy mentioned that marketing photography and PR is recommended to be reduced as a result of the FedNor Partnership not falling through. ED Murphy also discussed Marketing for U.S./U.K. branded content; \$104,000 has been included in the budget and recommended amendments to Google ad words project in addition to our spend with Facebook. Kate Monk and ED Murphy are meeting with Enterprise tomorrow – they think it is going to promote great results.

Chair Leung mentioned that we've laid the foundation - building up our audience with the primary market for the region. RTO12 is one of the lowest funded RTO's in the province and we have figured out how to maximize a small budget, with eyes on larger markets.

Investment Attraction was also discussed. Expression of interest process; 4 submissions, Enterprise Canada (recommendation) – to recommend a communication strategy that will engage international travellers at all points of the trip planning and visitation process, from researching a visit to Canada and the Explorers' Edge region. As well as developing a business case for choosing which airlines to approach about potentially landing at CYQA, with corresponding strategy for approaching and negotiating with the selected airlines in order to secure the introduction of commercial air service in CYQA. In order to get airlines launching in 2017 and RFP was circulated, continue to move forward was the decision.

ED Murphy also discussed partnership activities; including: Kee to Bala 75th, Muskoka and Toronto

Beer Festival, Santa Fest, What's Cooking Bracebridge, Muskoka Autumn Studio Tour, Loring Restoule Trail Development, Craft Beer Positioning, Signage –GBBR & Loring Restoule, and Tourism Excellence North. Huntsville Chamber of Commerce has approached the RTO with marketing collaboration proposal and it will be reviewed with the committee. ED Murphy discussed the minimum 5k buy in from business and/or conglomerates for fall, winter, and spring content development - Kuration traffics social spend, RTO interviews business/conglomerate and RTO makes content recommendations and produces content, or partner/third party develops content.

Vice Chair Suddaby mentioned that the \$5,000 minimum seemed to be positive. For marketing U.S. and U.K., budget of \$107,000 –questioned if it's all related to the airport are there any other partners we can play with? ED Murphy explained that for additional partnership the RTO could extend and build a stronger partnership with the District of Muskoka, this would unlock other funding opportunities. Chair Leung noted that MTMA declined the opportunity to partner with us on the corporate travel piece. Resource Laura Ross mentioned that the Ministry has encouraged RTO's to bring partners in. They are interested in supporting tourism, just a matter of how – at the district level there is a huge opportunity for discussion here taking into account work being completed at the airport.

Motion to support a broader approach to partnership including but not limited to the Districts and Municipalities within our regions as it relates to our partnership allocation.

Motion: Jeff Suddaby

Seconded: Michael Simonett

Discussion: n/a

Carried.

Tourism Excellence North was discussed; Karina White explained her experience with the program – it got her to look at her business plan and provided some perspective on what others and competitors were doing. Slowed her down and allowed her to reevaluate. In addition, Laura Ross discussed the fall launch that will be taking place.

ED Murphy spoke in regards of the Research Committee Meeting- Tourism Indicator Framework, 2013 Ministry of Tourism Statistics, and Consumer Research Deck.

Ministry of Tourism Update – Laura Ross

Laura Ross mentioned that the Tourism Action Plan is the first step and that they took in a lot of feedback from industry partners and got a report. There are 12 action items in the plan - outlining marketing alignment, looking at all ministry programs, and what changes need to be made. Laura Ross also noted that Celebrate Ontario launched last week and that they still have \$20 million in it - the funding formula hasn't changed as marketing is an eligible expense. Workshops may be done

earlier in Bracebridge in Huntsville for those considering applying; outreach is going to happen along with webinars. In regards to the funding formula: it is being looked at along with other options, and a decision will be made, which may result in revisions for this region - a new funding formula finished date is not set yet. Reporting; there is an RTO guy with new tools - makes clear of the expectations that the ministry has with the RTOs. ED Murphy mentioned that Marilyn Delang (Delang Communications) has been hired to help take reports and fill it in, and is on board.

ED Murphy commented on workflow; consumer marketing, U.S./U.K. marketing, airline negotiation/commercial air service, partnership content development, operational planning, stakeholder outreach, committee meetings, MTCS Mid-Term report.

BREAK

Financial Presentation, James Murphy in for Treasurer Vitich

- Administration & Overhead: at 22%, will need to be reviewed in conjunction with deliverables for 2017 - 2018. It's constant. This portion of the budget was slightly revised to take into account the FedNor challenge.
- Building operational plan in house has elevated some expenses in governance.
- Website: reason why the money is already spent is that a web developer is on retainer, annual constant expense.
- Committee meetings expenses remain constant as well as general expenses
- Communication plans for airport makes up that budget line for Investment Attraction
- Images budget line made up of multiple photographers
- Research: money spent on Consumer Research Report and for occupancy rates from PKF.
- Payroll has been adjusted to take into account a HR review

Motion to Accept Financials

Motion: Nicole Saulnier

Seconded: Hilary Chambers

Discussion: n/a

Carried.

Motion to Accept Revised Budget

Motion: Hilary Chambers

Seconded: Curt Dunlop

Discussion: n/a

Carried.

Governance Update, James Murphy for Chair Rizzo

ED Murphy discussed that over the past four years there have been terms that ensure new directors come on and how long they are on, but no terms on size of committees. Last year, 2 committees were swelling – problematic when committees get to be 30 members in size. In the winter, recommendations were made for new committee terms; recommendations coming forward: transacting and marketing – stop transacting them. There are now 6 committees; community relations were discussed at length. The new committee structure moving forward includes:

- Executive
- Governance
- Marketing
- Community Relations
- Research
- Tourism Operator Relations

Jackie Leung commented that committees are used to add voices to the decisions we make and the work we do; gives others in the community an access point - now every director has a committee to serve.

Motion to Accept Committee Structure

Motion: Curt Dunlop

Seconded: Jeff Suddaby

Discussion: n/a

Carried.

In Camera, Chair Leung

Motion to Accept Adjourn

Motion: Hilary Chambers

Carried.