

**Explorers' Edge Board of Directors Meeting Minutes
Wednesday, October 26, 2016
Deerhurst Resort, Huntsville**

Present: Anthony Rizzo, Curt Dunlop, Dympna Hayes, Jackie Leung, Karina White, Hilary Chambers, Michael Simonett, Jeff Suddaby, Rob Wallace

Regrets: Nicole Saulnier, John Miller, Andrew Vitch, Drew Rachar, Gary McMullen, Kim Loader

Via Conference Call: N/A

Resource: N/A

Guests: N/A

Staff: James Murphy, Cindy Kaupp

Welcome and Introductions: Chair Leung called the meeting to order at 11:00am. It was noted that new and old board members are encouraged to stop a discussion if they want more information and are welcome to do so at any point.

Approval of Agenda – October 25, 2016

Motion: Curt Dunlop

Seconded: Anthony Rizzo

Discussion: n/a

Carried.

Approval of Consent Agenda – October 25, 2016

Motion: Anthony Rizzo

Seconded: Michael Simonett

Discussion: n/a

Carried.

Approval of Minutes –September 13, 2016

Motion: Hilary Chambers

Seconded: Karina White

Discussion: n/a

Carried.

Financial Presentation – September 30, 2016 Income Statement & Balance Sheet – ED Murphy for Andy Vitch

ED Murphy states that the budget is being spent according to plan. There was a discussion with Ministry of Tourism about amendments because of the mid-term report coming up - they had feedback relating to the drastic change in some budget lines as a result of FedNor funding.

Motion to Approve Financials

Motion: Hilary Chambers

Seconded: Dympna Hayes

Discussion: n/a

Carried.

Executive Director Update – James Murphy

ED Murphy discussed happenings since the last meeting; the Marketing Committee met, and Tourism Operator Relations Committees met. We did a presentation with workforce development stakeholders at Georgian College, and also spent time on the application for a Board of Directors position with the Canadian Tourism Commission; there is an opening for a board position and it would be great to have our region represented.

ED Murphy discussed the fall forum; met with regional stakeholders. Everyone here mentioned that outreach, communication and partnership is important, so we got everyone together and discussed what the RTO is doing, and what they are doing. ED Murphy also traveled to Haliburton to discuss what we are doing as an RTO, and the impacts of international marketing and the airport.

In regards to the TEN program; ED Murphy mentioned that the outreach presentation happened in Parry Sound. As part of the fall forum, we had 3 more economic developers wanting to get involved in the TEN program as brokers. We are getting a good pool of chambers and economic developers adopting this program, as well as the airport. It is gathering momentum and people are taking ownership of it; realizing it's not just the RTO's program.

Dympna Hayes stated that the TEN program was really worthwhile, and she will be attending the workshop in Killarney in November. ED Murphy mentioned that he will follow-up on this and noted that the operator training workshop is currently free, and that there is a subsidy of \$400 in travel expenses to go to it. Chair Leung discussed how Karen from TEN came out and talked about the TEN programs/tools that are available; 4 of them are free and after that there are costs involved. However, there are some subsidies now during the pilot. It's a great time to get in with this now – inform other operators who would benefit from this, make sure they are aware of it as it is a great opportunity.

ED Murphy spoke to the Package and Itinerary report; we have 10 of them fleshed out. One of Tyler's job action items is to start to develop the packages that go along with each itinerary.

The Draft U.S. / U.K. Strategy was discussed; it has launched – we have a request to OMTPC for partnership to the tune of 25k. After discussion with FedNor, the application is still on table. ED Murphy mentioned that the market spend will commence in January because media is very expensive at Christmas time, also the message may get lost with all the holiday consumer communication - start in January and spend through till March.

2017 – 2018 Operational Planning – James Murphy

ED Murphy discussed Operational Planning; this is the first year it was done internally. There were two surveys sent out to board members, and we are going to discuss them and get some feedback today. This is an exciting time; we are maturing as an organization. The process here is to go through the open-ended questions; the high, medium and low and try to get a sense of everyone being on the same page. Then a budget will be developed and discussions will follow - sometimes things will move around, sometimes not. Finally, a formal document is submitted to government January 15th.

Chair Leung noted that previously, we had a facilitator walk us through the process – similar to what we did this year, but with a facilitator. Today, we aren't talking dollars – we're sharing which aspects of what we do are important, so that ED Murphy gets a sense of what is really important to us (which has been done with these surveys). ED Murphy then gets some time to digest our priorities and the costs within the budget. The budget will then be further discussed at the December board meeting.

ED Murphy also noted that there will be an RTO Satisfaction Survey coming out. There will be opportunities for stakeholders to sit with the ED and talk about high priorities of our board while also completing the Satisfaction Survey. We do have a process working back, and there is another Community Economic Development DMO meeting scheduled for December to sit down with them and layout our plans for next year. We want to continue that role of being out there and working with everybody.

Anthony Rizzo asked about the decision to go in house for operational planning. ED Murphy responded, stating that it was a cost-cutting measure - comfortable cutting that because we are going to establish a updated 3-5 year strategy in 2017. Anthony Rizzo mentioned that having a facilitator is helpful in fleshing things out - Example: thinking an item is high priority, others don't. It allows for a discussion around it. Chair Leung noted that next year we will use a facilitator. One reason not to do the new Destination Development Plan this year is that this year has many developments that need to be hashed out, and we've started down the road of international markets and commercial air service. It's not the year to change this focus. A year from now, we will have a lot more information and a better sense of what we can do moving forward.

Hilary Chambers discussed that the facilitator had them go through a very strategic process - this will be the same, just without her. ED Murphy agreed with the recommendation of using a facilitator in the future. Curt Dunlop mentioned that the discussion with the 3rd party was great, but the voting resulted in many high-priorities– he assumed that data that was gathered from the online survey was far more cut/dry and one-word; if there is some form of combination of the two it would be ideal. ED Murphy stated that the surveys were helpful because everyone is engaged.

Anthony Rizzo mentioned that with discussion about the feasibility of the airport - the entire project is could come to fruition next year, he pressed the directors about a backup plan. It was mentioned that the RTO will have a better outlook by January 2017. Chair Leung responded stating that ideally, the goal with the airport is to have planes landing by summer 2017. If everything marches forward according to that plan, then we would know by the time we do a DDP and an Operational Plan next year, we will

know if we hit that target, or not. ED Murphy stated that itineraries have been developed and adjusted based on flights to Toronto or CYQA. There is still something to be said for bringing international marketing to bring to this region, with or without an airport. Chair Leung stated that international marketing and the airport are two separate projects that blend nicely together if they happened, but they are not co-dependent.

Discussion Items – James Murphy

ED Murphy discussed the seven questions from the survey:

1: If the RTO and the District of Muskoka are successful in introducing commercial air service (international flights) to the Muskoka Airport in 2017, and given that ongoing success may only be achieved by RTO12 continuing to be involved in the project long-term, do you agree that RTO12 should continue to play a leadership role in attracting international visitors via commercial flights to Muskoka in 2017-2018?

- 90% of Directors said yes.

2: What concerns do you have about RTO12 continuing to play a leadership role for commercial air service in 2017-2018 – if any?

- That the time spent on this project will dominate our attention and efforts, taking away from other projects and priorities.
- Weakening our ability to reach the domestic market in southern Ontario.
- "Leadership role" could be viewed a few different ways. Would be cautious of players (major and minor) sitting on the sidelines watching RTO do the work and not taking ownership. RTO should be the instigator/motivator/visionary vs the operator. RTO has limited resources.
- None.
- I would hope that we also develop a plan to move visitors into other areas of the region once they have landed at the airport.

3: Do you think that RTO12 should continue to play a leadership role in attracting international visitors to the Muskoka Airport beyond the next fiscal year?

- 100% of Directors said yes.

4: International vs. Domestic

- 34% said International, 65% said Domestic
- ED Murphy stated that if it was a finite budget, 1/3 would be spent on international and 2/3 on domestic. Challenge is that the team would now manage two separate projects, the opportunity lies in the fact that the RTO has a well-oiled content marketing program. Once the program is off the ground, we will be able to do content marketing into U.S. and build on our lead nurturing program.

- Jeff Suddaby stated that it is interesting that all the board said yes to commercial air service, but in reality it's almost backwards to what we are saying regarding marketing dollars. ED Murphy stated that everybody rated high for commercial air-service, the RTO is currently putting considerable resources into domestic air service. We haven't been international yet so we can't say 'this is what it's going to look like' but based on our teams track record and attention to detail it will be more than likely a success. Chair Leung noted referring to the RTO impending US UK Canada 150 campaign, ED Murphy stated the Canada 150 campaign will be a good benchmark to have.

5: What other areas do you feel should be priorities for RTO12 when developing a new Business & Operational Plan – and a new DDP as well? List three and indicate why you think so.

Product:

- Supporting tourism through the creation of self-guided tours (Ride the Edge etc.).
- Product development, particularly expanding and promoting the digital mobile tours.
- Coordinated, supportive efforts will create the potential for keeping visitors in the RTO longer and for providing for a better experience.
- Product Development & Innovation- essential to grow opportunities for visitor enjoyment of this region, Lots of work to get trail to market, but minimal work to upkeep.
- Continue to introduce and enhance new products.

Marketing:

- Maintain audience through social media & exciting blog posts.
- Find one new area of potential marketing that has not been explored in the past 3 years for diversification reasons.
- Continue to build shoulder seasons -- knowing that any commercial airline service will be limited to summer/fall, we can't let winter/spring become forgotten/ignored.
- Keep social media going strong and encourage local businesses to participate
- Marketing & Promotion - what we do best.
- Content & Photos that we create are amazing, stay focused here.
- Expanding the reach to various ethnic groups - an untapped, growing demographic.
- Content: keep pushing what is working.

Research Workforce:

Labour recruitment, making our jobs sexy.

Get a better understanding from present visitors about what they would like to see to make their stay better.

Let's find out what will make them come back and so that they can tell their friends why they should visit.

Embrace non-hotel overnights. Work to get campgrounds, trailer parks, AirBnB, and other non-standard accommodations tracked so we truly get an idea of heads in beds...

Governance:

- Partnerships for marketing fund, support qualified local initiatives/groups/organizations with match funding.
- Revenue generation/augmentation -- must be in a way that does not leave the little guy out.
- Build stronger synergies between RTO communities. CofC's, local businesses
- Government need be promoting the region's "shared" assets with a tone and message which is consistent.
- Facilitate the pooling of efforts/monies to reduce duplication and maintain a regular frequency of information getting posted.
- Too many businesses/communities are too small or have to rely on volunteers to keep this ball rolling as individuals....results in burnout, lack of funds complacency.
- Lets keep moving forward Partnerships- Making this process stronger and more streamlined so that we can grow the region and marketing reach through partnerships with individual stakeholders as well as the districts etc.
- Alternate/incremental funding models for the RTO.
- Build awareness of the region Work with operators to ensure they are aware of opportunities available to them from EE.

6: A product development strategy is going to be integral to the success of attracting international and domestic travellers in the upcoming year (and is long overdue). What three products do you believe should be developed for this purpose to distinguish the region in the marketplace?

The degree, variety and breadth of responses and products that would distinguish the region varied. Some points that were discussed included:

- Nature Open space, a place to call your own.
- Strengthen the Self-guided tours to include more hiking trails, cultural tourism etc.
- Continue with Fuel and Fun (only if recent numbers say it continues to attract new visitors).
- Packages that include airfare to Gravenhurst airport with Accommodations.
- More digital mobile tours (such as Kate's idea for heritage/historical spots, winter non-motorized, hiking trails, studios/galleries, paddling).
- Fall colours...mix in art tours, hiking, harvest time. Extend the season out from after Labour Day and beyond Thanksgiving. Need to balance out traffic issues from being concentrated over a few weekends to mid-week days and other weeks.
- Drive itineraries....identify the top attractions in each community of RTO12 and develop seasonal themed itineraries. Tie efforts into #3 below.

7: Do you have any other comments or concerns you'd like to be taken into consideration?

Transportation has always been a factor for guests visiting the vast landscape of RTO 12. Not sure if there is a realistic expectation but perhaps the development of a shuttle service from Gravenhurst airport to town centers or other areas.

As we grow and mature as an organization, and as we set higher and farther-reaching goals, it's important we stay true to our core tenets of level playing field, region-wide success, inclusivity and working for the benefit of all tourism operators across the region.

ED Murphy spoke to Operational Activities 2017-2018; Board members were able to rate items as high, medium or low – in the Governance Pillar, Operator Engagement and Stakeholder Liaise were ranked the highest so that is reflected in the budget. Governance and Future Funding – those were also up there as high priorities.

Anthony Rizzo commented on our current membership funding model: We have always had the \$1.00 ideology for membership, will this funding model change? ED Murphy commented on whether or not people will participate if it is a \$1, \$10 or \$100 membership – do we test the waters? Chair Leung stated that the \$1.00 model is beneficial because if no one participates, they have no leg to stand on as for why...we are able to represent everyone in the region; other organizations who have \$100 memberships do not. The bulk of our money is still always going to come from taxpayers – we have to represent them.

Rob Wallace commented that it would be dangerous to change the membership fee, unless something else has changed. Hilary Chambers agreed, stating that when you increase it, most time is spent chasing numbers and there isn't enough revenue being brought in to survive as an organization. Anthony Rizzo mentioned that he agrees, but disagrees - we only have 120 members and we should be sitting at 10,000 members. Everyone who owns a business should be a member because the cost is so low. A cost structure establishes a value and credibility to the organization – even in the \$20-50 range. It establishes a funding model for some things that are going on. One day the government may say they do not have the finances to sustain us - what are we doing today to plan for 5-10 years down the road?

Chair Leung stated that when the price gets higher, it would have to be scaled for size of business. They will debate whether to join Muskoka Tourism, Chamber of Commerce or Explorers' Edge – they will look at the sales final, which may not account for the traffic Explorers' Edge sends to other entities. The challenge is that people will not see the value in what we are doing when looking at the sales final. People will be looking elsewhere to get a better bang for their buck – it needs to be thought through, membership alone will not ever meet our funding needs.

Michael Simonett stated that we say we represent the region, and we do. However, we can't base it on the number of members. What's the value of being a member? – People aren't paying the dollar anyway. ED Murphy stated that the value of the dollar is you're voting to shape the organization and having an opportunity to provide input via a vote. We need to start coming up with some dollars that aren't from the government or membership funds; we should consider the Pay to Play with the marketing committee, stating Dunlop. ED Murphy spoke the evolution of the partnership allocation; starting to show some good results that could be an evolution of the component of the marketing.

ED Murphy spoke to the Marketing Pillar; high priority items were the EE Brand, Content, Marketing, and Online Presence. Chair Leung spoke to JackRabbit being a low/medium priority on the chart; if we are going after international market they need to be able to book online. Online booking is a higher priority than what is represented here. JackRabbit can be used as a booking engine, but the main system is to be aggregator of rates and availability for a number of different booking engines. ED Murphy commented in regards to JackRabbit, there may be two more communities considering the widget – Huntsville and Bracebridge.

Product & Investment Pillar; high priority items were Commercial Air Service, and Product Development. Eco Designation will probably come off the Operational Plan next year. Implications of Commercial Air Service and International Marketing, although separate - impact each other. We cannot do it all ourselves – if International Marketing goes forward we need a partner. Commercial Air Service is dependent on International Marketing efforts.

ED Murphy discussed the potential scenario for International Marketing and the opportunity when the time comes to approach other funders. ED Murphy commented that partnership conversations are well underway.

Jeff Suddaby spoke to the creation of more dollars; partnership should not be limited to a budget allocation from the province – if the RTO has an opportunity to partner to further our investment then we should think along these lines. The whole process would be to partner so that we can market - that's our approach to this. Let's take all marketing dollars and partner and create 1.2 million dollars budget line – that is where we could end up. Hilary Chambers noted concern with the number of players and a lack of staffing on our end.

ED Murphy spoke to the Priority Pillar – HR Resources; do not be shocked if another fulltime staff member is needed in the year to come. Chair Leung stated that we are setting higher goals, and we are going to need more resources.

ED Murphy mentioned that we are going to keep true to our core tenants –let's maximize as much as we can for partnering without losing that. In regards to a potential scenario, Hilary Chambers stated that it is essential that some of the larger tourism funders partner with the RTO. Anthony Rizzo commented that there could be more partnership investment. Anthony Rizzo agreed with Jeff's comments, but stated partnerships will be much more of a case by case basis - it's about stretching the dollar.

Karina White stated that tourism funders like the District of Muskoka would need to get involved and more numbers need to be crunched. Dympna Hayes noted that partnerships such as a potential air service partnership feels skewed to Muskoka. She does preface her comment understanding that there will be spill over into Parry Sound, but it will not directly affect her. ED Murphy mentioned that he spent two days in Parry Sound recently - the opportunity is there with the cruise ship, and airport in Muskoka, but it's been difficult to gain interest in Parry Sound – not for lack of trying. Chair Leung stated that those are valid points that have to be considered – the budget for product development will include mobile tours or itinerary's to go other areas in the region. It has to be noted that we are looking for partners to promote Explorers' Edge region - all areas. ED Murphy mentioned that when in discussion

with partners to find out their objectives, it is stated that we are responsible for the entire region and this is part of a greater project. This discussion is to make sure we are all on the same page – so when we get emails about being in the audience at a deputation, you aren't hearing about it for the first time.

ED Murphy spoke in regards to the Workforce Partnership Pillar; high priority items across the board. This is going to be a budget item – what we do best is content marketing and we need to develop the stories of why its sexy to work here. Chair Leung spoke in regards to the TEN program and its importance; it may be higher priority because when we do get people to arrive here, they need to have a good experience/service – the TEN program might be one way to help people up their game. It could be a good selling feature to airlines to ensure we have a good customer experience established once people get here.

Agreed Recommendations:

- Vigilant Communication and Outreach
- 3-5 Year Organizational Strategy
- Continued Research; decisions based on stats.

- Content Marketing Domestic
- International Marketing; supporting air service (Leveraging Partnership Allocation)
- Image Bank, Fuel & Fun, JackRabbit; second tier, but still on radar.

- Product Development Strategy
- Tweak and update Self-Guided Mobile Tours
- Commercial Air Service; continue to liaise with District and Stakeholders.

Develop Community Relations (workforce deliverable).

Communication Plan; positioning the region as a career choice.

Continue to develop Partnership opportunities.

Chair wrapped up the meeting stating that this board doesn't want to be complacent - keep pushing the envelope. We are maturing as an organization, and we're taking risks.

In Camera with Executive Director

In Camera with Chair Leung

Motion to Adjourn

Motion: Michael

Seconded: Dympna Hayes

Discussion: n/a

Carried.