



**MINUTES OF THE
ANNUAL GENERAL MEETING
OF THE MEMBERS OF THE
TRAVEL INDUSTRY COUNCIL OF ONTARIO**

Thursday, September 17, 2020

Corporate Event Centre

The meeting was called to order at 5:00 p.m. Jean Hébert introduced himself and welcomed everyone to the 23rd Annual General Meeting (AGM) of the Travel Industry Council of Ontario (TICO).

1. Introductions

Jean Hébert introduced the current members of the Board of Directors, TICO's Leadership Team, and some invited guests.

2. Proof of Notice of Meeting

Jean Hébert confirmed that he had a Certificate of Service of Notice from the Corporate Secretary, indicating that notice of the meeting was properly given 30 days prior to the meeting in accordance with TICO's by-law.

Appointment of Scrutineers

Ian McMillan moved to appoint Susan Janko and Sanja Skrbic as scrutineers for the meeting. Seconded by Sherry Scott.

MOTION CARRIED

Determination of Quorum

Jean Hébert confirmed that there were at least twenty members present, which is a quorum in accordance with TICO's by-laws. He declared the meeting properly constituted.

Rules of Procedure

Jean Hébert reviewed the Rules of Procedure with the attendees.

3. Minutes of the AGM held in June 2019

There were no issues raised or questions posed regarding the minutes of the AGM held on June 25, 2019.

4. Update from the Minister

Hon. Lisa Thompson, Minister of Government and Consumer Services, addressed attendees. Highlights of her remarks are as follows:

- The Minister thanked TICO for the leadership shown during the pandemic.
- The Government is working hard to protect the well-being of Ontarians and making efforts to help Ontario businesses weather this challenging time.
- The Minister recognized the financial hardships being experienced by the industry.
- She acknowledged that industry recovery will take time and require support.
- An amendment to the General Regulation under the *Travel Industry Act, 2002* was put into effect on March 30, 2020. This change was designed to reduce burden on travel agents and wholesalers, and to help travellers impacted by the pandemic outbreak.
- On September 1, 2020, the government announced funding to TICO for the 2020/2021 fiscal year. This financial support allows TICO to implement a number of waivers for all of its registrants across the province, while also allowing TICO to maintain a focus on its important consumer protection mandate.
- The Government will continue to monitor the situation as it evolves.
- The Government values the travel industry and is committed to its recovery and ensuring safe travel for everyone.
- Working together, we can look forward to brighter days ahead.

5. Reports

(a) Report from the Chair

As his term will be expiring prior to the next AGM, Jean Hébert reflected on his tenure as Chair of the TICO Board of Directors. He reviewed the severe impacts of the coronavirus pandemic on the travel industry. He recapped the ways the

Ontario government, in collaboration with TICO, looked to assist the industry during this time. This included regulatory amendments to reduce burden on travel agents and wholesalers and to help travellers impacted by the COVID-19 outbreak. He reviewed the temporary registration renewal fee waiver and Travel Industry Compensation Fund payment waivers for registrants in the 2020 – 2021 fiscal year.

Over the past five years, TICO has been focused on modernization. Highlights of those efforts include:

- Enhancements to governance practices
- Digital Consumer Awareness Campaign
- Leveraging of cloud-based technology to increase flexibility, enhance collaboration and productivity, and improve data security
- Comprehensive review of the Act and Regulation, which focused on reducing financial and administrative burden on business while ensuring protection for the consumer.

The Chair acknowledged his colleagues on the Board for their guidance and unwavering support. He thanked TICO staff for their hard work and commitment to consumer protection. He expressed gratitude to members of the industry who shared their knowledge and expertise.

Jean Hébert encouraged attendees to stay safe, healthy, and optimistic, and wished everyone the best for the future.

(b) Report from the CEO

Richard Smart welcomed attendees to TICO's 2020 Annual General Meeting, including those attending virtually. He thanked the team at the Ministry of Government and Consumer Services for all their support during the pandemic and acknowledged travel agents for their tireless efforts to assist consumers during these extraordinary times.

The CEO reviewed the activities of the past year. Highlights of his report include:

Pandemic Response

In response to the pandemic, TICO has been very busy responding to calls from consumers whose travel plans were disrupted and providing guidance to registrants regarding their consumer protection responsibilities.

Regulatory Review

TICO has been working closely with the government on regulatory amendments to reduce burden on business and protect consumers. The regulatory amendments, which came into force on March 30, 2020, include:

- Eliminating review engagement reports for small registrants with annual sales less than \$2 million and requiring a verification statement instead.
- Eliminating audit reports for large registrants with annual sales of \$10 million or more and requiring a review engagement report instead.
- Removing prescriptive working capital thresholds for all registrants and requiring them to maintain positive working capital instead.
- Giving TICO discretion to grant extensions on financial reporting deadlines.
- Providing a time-limited exemption under section 46, which would allow registrants to elect to only provide a voucher or similar document for future redemption towards travel services where a supplier fails to provide the travel services after these changes come into effect and that failure is related to the COVID-19 outbreak. If the exemption is applicable, the voucher or similar document issued must meet specified requirements.
- Expanding the coverage under the Travel Industry Compensation Fund for consumer claims involving vouchers or similar documents that may be eligible for reimbursement. This will help ensure that any voucher or similar document that a customer redeems for travel services (e.g., flight, cruise, or hotel) but for which travel services are not provided may be eligible for a reimbursement claim.
- Temporarily expanding coverage under the Travel Industry Compensation Fund so that consumers with unredeemed vouchers or similar documents issued by a registrant that cannot be redeemed due to the failure of a registrant associated with COVID-19 may be eligible for a claim for reimbursement.

Recognizing the severity and prolonged impact that the pandemic is expected to have on the entire travel sector, and the broader business community, the Ministry of Government and Consumer Services is reassessing the other regulatory proposals that were under consideration before the outbreak.

Diversity

In response to instances of systemic racism, TICO has begun a review of how it can improve inclusiveness, equality, and diversity in its work environment and community.

Financial Performance

TICO remains committed to its fiduciary responsibilities. We have strong governance and oversight, a robust planning and budgeting process, a system of internal controls and solid monitoring, all to ensure that we manage monies provided by registrants in the most cost-effective manner. We achieved our bottom-line budget, despite the impacts of COVID-19 late in the fiscal year.

While revenues fell short of budget expectation and were lower than the prior year by \$1.9 million, we largely offset this shortfall with another relatively low year of consumer claims against the Compensation Fund and much lower operational expenses. While lower than the prior year, TICO's excess of revenues over expenses was \$532,000, achieving our budget commitment.

TICO implemented a cost reduction program over the last year. TICO froze headcount and management salaries at prior year levels. All staff took salary reductions. Consumer awareness spending was reduced by 36% and all discretionary spending was cut by a minimum of 10%. TICO was able to reduce its operational expenses of \$4.6 million by \$276,000 or 6% on a year-over-year basis. Compared to Budget, the organization reduced its operating expenses by over \$700,000 or 13%.

Registration

Registrations were 2,096 as of March 31, 2020. This reflects a decline of 11% compared to the prior year. The impact of COVID-19 was evident as many registrants were challenged to renew their registrations on time. TICO's registration department worked with registrants to address renewal issues. The impact to the registrant base is of concern.

Service Excellence

This year, TICO introduced a new portal for travel agencies and wholesalers to use for annual registration renewals. Focus on infrastructure security remains strong to ensure that your data remains safe.

Compensation Fund

The Board approved claims of \$259,000 during the fiscal year. As of March 31, 2020, the Compensation Fund balance was just under \$23.5 million.

Consumer Awareness

TICO's Consumer and Registrant Awareness Program remains a key component of its consumer protection mandate. Employing a cost-effective digital strategy, the organization was able to generate positive results with consumers and registrants. Our goal is to raise unaided awareness of the benefits of purchasing travel services from Ontario registered travel agencies.

Corporate Social Responsibility

TICO staff remain committed to corporate social responsibility, including partnerships with Plan International Canada and the Mississauga Food Bank.

Annual Report and Business Plan

Richard Smart reviewed TICO's three Strategic Priorities: Consumer Protection, Awareness and Education, and Organizational Effectiveness. During the pandemic, TICO has an important leadership role to reassure consumers of the resiliency of Ontario's travel industry, to amplify the Ontario government's focus on safety and appropriate pandemic protocols, and to remind consumers of the protections available to them when they deal with a TICO registered travel agency.

The CEO encouraged stakeholders to review the other objectives identified in the Business Plan as the organization strives to achieve its mission and work towards its vision for the future.

Richard Smart reviewed the three-year financial projections. He noted the difficulty in making financial projections in this uncertain environment. Projected deficits require review of TICO's funding model as well as tight cost controls moving forward. The projections do not reflect possible future regulatory changes now paused and under assessment by the government.

The CEO advised that TICO remains committed to ensuring a strong system of consumer protection as well as a viable, prosperous travel sector.

(c) Financial Statements for the year ended March 31, 2020 and Auditor's Report

Richard Smart advised that an audit of TICO's financial statements was conducted. He referred the Members to the Auditor's Report, which is included with the financial statements in the 2020 Annual Report & Business Plan. He advised that Management is responsible for the preparation and fair presentation

of the financial statements in accordance with Canadian Accounting Standards for Not-for-Profit Organizations. The Auditor's responsibility is to express an opinion on the financial statements based on their audit.

Richard Smart reported that it was the Auditor's opinion that the financial statements present fairly, in all material respects, the financial position of TICO as at March 31, 2020 and its financial performance and cash flows for the year then ended in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

There were no questions on the financial statements.

Richard Smart advised that Rob Wilkes from BDO Canada LLP was present. He asked whether anyone wanted the Auditor to read his report. In the alternative, he requested a motion to dispense with the reading of the Auditor's Report.

Richard Edwards moved to dispense with the reading of the Auditor's Report. Seconded by Ted Goldenberg.

MOTION CARRIED

There were no questions regarding the Auditor's Report.

6. Appointment of the Auditors

The TICO Board of Directors is recommending BDO Canada LLP as TICO's Auditors for 2020/2021.

Mike Foster moved to retain BDO Canada LLP as Auditors and to authorize the Board of Directors to fix the Auditor's remuneration. Seconded by Scott Stewart.

MOTION CARRIED

7. Announcement of Results of Election and Composition of New TICO Board of Directors

Election Results

Jean Hébert reviewed the composition of the TICO Board. He advised that the election was for one retail or wholesale position. The term of the position is two years. TICO sought nominations for the open position. Only one eligible nomination was received. As a result, the successful candidate by acclamation is Doug Ellison.

Doug founded Ellison Travel and Tours in 1980. The company is celebrating 40 years in business this year. Prior to opening his travel and tour business, Doug

spent 14 years in education at the high school level where he organized school tours sparking his interest in travel. Ellison Travel and Tours focuses on group, corporate and vacation travel with an emphasis on customized group travel. Doug recognizes the importance of the travel industry to the economy and in fostering tolerance and understanding of cultures.

On behalf of the Board and TICO staff, Jean Hébert congratulated Doug Ellison.

Announcement of New TICO Board

Jean Hébert advised that the new TICO Board of Directors will be as follows:

- The two directors named by the Association of Canadian Travel Agencies (ACTA) are Mike Foster and Sherry Scott.
- The two directors named by the Canadian Association of Tour Operators (CATO) are Nicole Bursey and Richard Edwards.
- The director named by the Ontario Motor Coach Association (OMCA) is Ted Goldenberg.
- The two elected directors are Robert Townshend and Doug Ellison.
- The four individuals appointed by the Minister of Government and Consumer Services are Jean Hébert, Ian McMillan, Scott Stewart, and Leanna Villella.

Jean Hébert welcomed Doug Ellison to the Board.

Jean Hébert thanked retiring board member, Marc Patry, for his insight, dedication, and commitment to advancing TICO's consumer protection mandate.

8. Other Business

(a) Question and Answer Session

There were two questions posed by stakeholders.

One member noted the financial hardship being faced by the industry and the threat of bankruptcies. The individual asked whether the Ontario government would waive TICO fees until the end of 2021. The current fee waiver applies to renewal fees and Compensation Fund payments owing between April 1, 2020 and March 31, 2021. TICO is in regular contact with Ministry staff and the

Minister's office regarding the state of the industry. However, it is premature now to make a commitment beyond this fiscal year.

Considering the pandemic and risk of business failures, one member questioned whether the Compensation Fund is sufficient and if TICO had considered a consumer pay model like in Quebec. TICO is concerned that the Compensation Fund may not be adequate. The current legislative and regulatory framework does not provide for a consumer pay model and TICO must work within the existing framework. However, TICO is open to exploring all options going forward.

9. **Conclusion of Meeting**

Jean Hébert thanked everyone for attending TICO's 23rd Annual General Meeting.

The meeting was adjourned at 6:00 p.m.

Signed "Jean Hébert"

Board Chair

Signed "Tracey McKiernan"

Corporate Secretary