



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

Tuesday, June 25, 2019

***Lounge (Lower Level)
55 Standish Court, Mississauga***

The meeting was called to order at 5:00 p.m. Jean Hébert introduced himself and welcomed everyone to the 22nd 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, TICO's new Stakeholder Relations Manager 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 Margaret Campbell, Susan Deer, Susan Janko and Sanja Skrbic as scrutineers for the meeting. Seconded by Scott Stewart.

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 2018

There were no issues raised or questions posed regarding the minutes of the AGM held on June 26, 2018.

4. Update from Assistant Deputy Minister

Michele Sanborn, Assistant Deputy Minister of the Policy, Planning and Oversight Division, Ministry of Government and Consumer Services addressed attendees. Highlights of her remarks are as follows:

- The Ministry welcomes the opportunity to engage with stakeholders during Annual General Meeting Season.
- Minister Walker had accepted the invitation; however, there was a Cabinet Shuffle last week.
- The new Minister sends her regards. She is being briefed on her new portfolio and is looking forward to the role.
- TICO was thanked for its leadership in the field and its contribution to creating good standards that benefit consumers purchasing travel services in the province.
- The government is focused on strengthening consumer protection and burden reduction for businesses.
- The government has two important initiatives currently underway - a digital plan for the province and burden reduction.
- TICO has been very supportive of these initiatives and has responded to the government's challenge to improve service in these areas.
- TICO has a good digital focus and has been proactive in furthering the burden reduction and modernization agenda through its work on the review of the *Travel Industry Act, 2002* and Ontario Regulation 26/05.
- The changes to the Regulation need to be completed prior to proclamation of the legislative changes announced in 2017. The government will keep TICO apprised of its work on the regulations.
- TICO was acknowledged for its collaborative work with the Real Estate Council of Ontario in the area of short-term rentals to find a harmonized solution to regulation where there was regulatory overlap.
- She thanked Richard Smart for his work on the Collaboration Council and for the insights that he has provided during her five months in the position.

5. **Reports**

(a) Report from the Chair

Jean Hébert acknowledged the Ministry staff in attendance and noted the positive collaborative relationship, which supports enhancing consumer protection and reducing burden on business. He provided an update on some of the initiatives that the Board and its committees have been working on over the past year. Some of the highlights are as follows:

- New fully digital Consumer Awareness Campaign
- Move to new education platform administered by Oliver's Publishing
- Regulatory Review
- Focus on Cyber Security
- Governance Review Implementation, including the reduction of TICO's Board from 15 to 11 Directors, which is taking effect today.

He advised that the modernization of the Compensation Fund continues to be a priority for the Board, although no changes are expected in the Regulatory Review currently underway.

Jean Hébert encouraged stakeholders to review the 2019 Annual Report and Business Plan, which outlines TICO's accomplishments and details the planned objectives for the next year.

(b) Report from the CEO

Richard Smart welcomed attendees to TICO's new home at 55 Standish Court. He advised that the meeting is being recorded so that stakeholders across the province will be able to review the information shared today. He noted the challenges of the complex travel marketplace and the importance of TICO's mission to ensure that consumers can be confident with their travel purchases. He thanked the Board, Ministry and TICO staff for their support in advancing the organization's mandate.

Richard Smart reviewed the operational successes of TICO over the past year. Highlights of the report include:

Regulatory Review

TICO has been working closely with the government on the regulatory review to enhance consumer protection, reduce burden on business and improve regulatory efficiency.

Financial Performance

TICO had one of the strongest financial years since inception. Revenues exceeded budget expectations. Total revenues grew by 20% to over \$7 million. Operating expenses came in under budget. Operating expenses were higher than the prior year by approximately 9% reflecting growth in our Consumer Awareness Campaign, communications and investment in technology. Overall, there was a net surplus of approximately \$1.9 million for the year. Over 80% of this surplus was directed towards the Compensation Fund.

Registration

The registrant base has remained static with 2,360 registrants at March 31, 2019.

Service Excellence

TICO enabled online payments for registration renewals and migrated its education platform to an e-portal.

Compensation Fund

The Board approved claims of \$328,000 during the fiscal year. The majority of the claims related to the closure of Sinorama Holidays. TICO was able to recover \$166,000 from frozen trust monies. The Fund balance at March 31, 2019 was \$23.5 million compared to \$21.7 million in 2018, an increase of \$1.75 million for the year.

Consumer Awareness

Kristina Wilson, TICO's new Stakeholder Relations Manager reviewed TICO's digitally focused Consumer Awareness Campaign. The star of the campaign is a life-sized Asterisk, which represents the one missed detail that can take a consumer's travel plans off course. A video of campaign highlights was shown.

Surveys were conducted to measure the impact of the campaign. The results indicated that unaided awareness of TICO increased by 23% following the campaign. Further, the Omnibus Survey found that individuals who saw TICO's videos and digital ads had a higher intent of using a TICO-registered travel agency or website in the future.

Registrants were encouraged to share the TICO logo on their storefronts, website and social media to benefit from the campaign.

Corporate Social Responsibility

We are proud to announce that TICO staff exceeded its employee contribution goal of \$5,000 for Plan International Canada. Moving forward, the organization plans to continue its partnerships with Plan International Canada and the Mississauga Food Bank in addition to other staff-led initiatives to give back to the community.

Annual Report and Business Plan

Richard Smart reviewed TICO's three Strategic Priorities: Consumer Protection, Awareness and Education, and Organizational Effectiveness. He noted that the Regulatory Review will remain a key initiative over the next year. He encouraged stakeholders to review the many other objectives identified in the plan as the organization strives to achieve its mission and work towards its vision for the future.

(c) Financial Statements for the year ended March 31, 2019

Richard Smart reviewed the financial statements with attendees and the three-year financial projections. He noted that the projections do not reflect the anticipated legislative changes or any regulatory changes, which may result from the review that is underway.

(d) 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 2019 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, 2019 and its financial performance and cash flows for the year then ended in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

Jean Hébert 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 Marc Patry.

MOTION CARRIED

There were no questions regarding the Auditor's Report.

6. Appointment of the Auditors

Jean Hébert advised that the TICO Board of Directors is recommending BDO Canada LLP as TICO's Auditors for 2019/2020.

Louise Gardiner moved to retain BDO Canada LLP as Auditors and to authorize the Board of Directors to fix the Auditor's remuneration. Seconded by Brett Walker.

MOTION CARRIED

7. Announcement of Composition of New TICO Board of Directors

Jean Hébert reiterated that at last year's Annual General Meeting, by-law amendments were approved to reduce the size of the TICO Board from fifteen to eleven members. The changes will take effect today.

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 Marc Patry and Robert Townshend.
- 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 Sherry Scott, Ted Goldenberg and Leanna Villella to the Board and welcomed back Scott Stewart who was previously an elected director.

Jean Hébert acknowledged the following directors who departed from the Board over the last year:

- Louise Gardiner
- Lorraine Nowina
- Brett Walker
- Khatera Akbari
- Jim Diebel
- Warren Kanagaratnam
- Richard Vanderlubbe

8. **Plan Canada**

Lauren Adams, Plan Canada's Manager of Corporate Partnerships, was invited to tell attendees about Plan Canada's mission and how TICO's contributions help make a difference.

TICO presented a cheque to Plan Canada in the amount of \$5,182 representing staff fundraising efforts for the year.

9. **Other Business**

Pierre LePage, Executive Director of CATO, congratulated TICO on a successful year and noted that the organization is being well run. He expressed concern that the Compensation Fund is badly in need of reform. CATO and ACTA have been actively lobbying the government on this issue. He noted that registrants are solely responsible for funding TICO and the Compensation Fund. This is viewed as a growing and significant burden on business. He expressed frustration that the government has excluded this important issue from its Regulatory Review. The Ontario Compensation Fund is inadequately financed and there are many gaps in coverage. He noted that Quebec has a consumer pay model, which works well and would serve as a good model for Ontario. Further, he noted the Fund, a payor of last resort, relies extensively on credit card companies to provide compensation to consumers. In an online environment, the regulatory requirements are making it more difficult for Ontario businesses to compete globally.

Wendy Paradis, President of ACTA, noted that the associations have spent considerable time, money and resources over the last three years participating in consultations on the Act and Regulations. ACTA has participated in no less than twenty meetings in the last six months to express frustration about the lack of movement by the government. There have been three different Ministers assigned to the portfolio and the politicians are now on an extended break. While there is talk about burden reduction, ACTA Members feel they are getting more regulation and more burden. While the government may be on break, she advised that ACTA will continue to lobby for Ontario businesses.

Jean Hébert acknowledged the concerns raised by stakeholders and promised to raise the issues with the new Minister. In the short-term, TICO will be focusing on getting new regulations but will be revisiting the Compensation Fund issue with the government.

10. Conclusion of Meeting

Jean Hébert thanked everyone for attending TICO's 22nd Annual General Meeting.

The meeting was adjourned at 6:30 p.m.

Board Chair

Corporate Secretary