



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

Tuesday, June 29, 2021

The Zoom meeting was called to order at 5:08 p.m. Michael Levinson, the Board Chair, introduced himself and welcomed everyone to the 24th Annual General Meeting (AGM) of the Travel Industry Council of Ontario (TICO).

1. Opening of Meeting

Michael Levinson introduced the other presenters and the current members of the Board of Directors and acknowledged some invited guests. He noted that TICO's office is located on the treaty lands and territory of the Mississaugas of the Credit First Nation. TICO honors all indigenous voices as part of its commitment to a more diverse and inclusive workplace and society.

2. Proof of Notice of Meeting and Determination of Quorum

Michael Levinson confirmed that he had a Certificate of Service of Notice from the Corporate Secretary, indicating that notice of the meeting was properly given in accordance with TICO's by-laws. He confirmed that there were at least twenty members present, which is a quorum, and declared the meeting properly constituted. He reviewed the Rules of Procedure, technical considerations, and instructions for participating in TICO's first fully virtual AGM.

3. Minutes of the AGM held in September 2020

There were no issues raised or questions posed regarding the minutes of the AGM held on September 17, 2020.

4. Update from the Minister

Hon. Ross Ramono, Minister of Government and Consumer Services addressed attendees. Highlights of his remarks are as follows:

- The Minister acknowledged that it has been an extremely challenging time.
- The travel industry has been impacted in a significant way in the past eighteen months.
- Many people have lost vacations due to the pandemic and hope to be able to travel again.
- There is reason to feel a sense of optimism. The province's vaccination efforts have been lauded across the world and will be a tremendous part of the travel recovery.
- The Minister expressed pride in the work of the government and front-line workers.
- The Minister reminded everyone of the small business grants available, which will hopefully be helpful to those eligible. He requested that attendees help get the word out to colleagues in the sector who might benefit.
- Minister Thompson advised that the sector has been outstanding in providing support and information to help inform government policies.
- The Minister wants to continue that collaboration and is optimistic about the opportunities that lie ahead.
- Travel is integral to our communities.
- There are a lot of initiatives to help support you. There is a Tourism and Economic Recovery Task Force. The Ministry of Heritage, Sport, Tourism and Culture Industries has projects underway.
- The Minister advised that he appreciates the opportunity to chat today and looks forward to working together to see industry recovery moving forward.

5. Reports

(a) Report from the Chair

Michael Levinson provided his first report as Chair of the TICO Board of Directors. He joined the TICO Board in February 2021 and was appointed by Minister Thompson as Chair effective May 11, 2021. He reviewed his background in the hotel industry and in software development. Over the past few months, he has been learning about TICO and the challenges facing the travel industry. The Board holds regular COVID-19 Update meetings to discuss issues related to the pandemic and is committed to working with the Minister and helping to ensure that there is a good path to industry recovery.

The Chair advised that the TICO Board reviews its performance annually and develops an Action Plan with areas of focus for the next year. One key objective is to get more input from stakeholders. To that end, a new Consumer and Industry Advisory Committee is being set up. A diverse group of individuals has been assembled with backgrounds in business, education, insurance, marketing, technology, travel, and tourism and a first meeting has been scheduled. The Consumer and Industry Advisory Committee will be reporting directly to the Board of Directors. The Board is excited about this initiative and is looking forward to getting feedback from this group.

The Board is also looking at improving its effectiveness. The following initiatives are underway:

- Committee Terms of Reference are being reviewed to ensure they reflect good governance practices and address issues at the correct level.
- Meeting materials are being streamlined to ensure the Board has the information it needs presented in an optimal way to facilitate decision-making.
- Formal meeting evaluations are being introduced so that opportunities for improvements are identified and acted on throughout the year.

The Board is looking at the future of TICO and the environmental, social, and governance strategy of the organization, with an emphasis on diversity, equity, and inclusion. TICO's overall regulatory framework and its associated funding model continue to be a key priority of the Board of Directors. The pandemic has highlighted the need for a thoughtful and strategic review of TICO's future consumer protection model. The Chair encouraged stakeholders to have a look at TICO's 2021 Annual Report and Business Plan for more information on the accomplishments of the last year and objectives moving forward.

The Chair advised that the Board and TICO Management are optimistic as the province begins to reopen but know there may still be some challenging days ahead. He reminded attendees that TICO remains available to assist consumers and registrants.

(b) Report from the CEO

Richard Smart welcomed attendees to TICO's 2021 Annual General Meeting. He commended the Minister for attending the AGM within days of his new appointment. He thanked the team at the Ministry of Government and Consumer Services for all their support during the pandemic and acknowledged Michael Pepper, TICO's past CEO and current Statutory Director.

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

Pandemic Response

TICO has maintained a focus on its important consumer protection mandate, while also reflecting important attributes like empathy, flexibility and understanding, recognizing the hardships so many have faced. TICO has maintained a balanced approach to ensure consumers remain informed and confident with their travel purchases and to support the future viability of the travel sector.

While TICO staff have been working from home, TICO's systems and infrastructure enabled the organization to respond to consumer needs and continue to monitor and provide service to TICO registrants. TICO's call volumes have been almost five times higher during the pandemic.

Government Assistance

The Ontario government is committed to the health and well-being of Ontarians and businesses throughout the province and is focused on programs and investment in support of a rapid pandemic recovery. Last year, in March, TICO announced a fee waiver. Travel agents and wholesalers, who were already registered with TICO as of March 31, 2020, did not need to pay their annual registration renewal fees or Travel Industry Compensation Fund payments ("Form-1") owed to TICO between April 1, 2020 to March 31, 2021. This relief was only possible because of funding from the government so TICO could cover its operating costs. The fee waiver has been extended for another year until March 31, 2022.

In March, the government also announced the Ontario Tourism & Travel Small Business Support Grant, which provides one-time payments of \$10,000 to \$20,000 to eligible small businesses in the tourism and travel sector.

Regulatory Review

TICO has continued to work closely with the government on regulatory amendments to reduce burden on business and protect consumers. The following regulatory amendments came into force on December 1, 2020:

- A two-year exemption from the requirement to file an annual financial statement accompanied by a review engagement report or audit opinion has been provided for medium and large registrants, subject to a limited exception. Registrants who are exempt will be required to file a verification statement instead of the annual financial statement accompanied by a review engagement report or audit opinion.
- The requirement for a registrant to repay commissions and other remuneration received to the Travel Industry Council of Ontario (TICO), for the purposes of depositing into the Travel Industry Compensation Fund,

where a customer has not received the travel services paid for is eliminated. The customer would still receive a full reimbursement for these amounts.

- Exemptions have been added for real estate brokerages, brokers, and salespersons from having to register under the Act if they are trading in short-term accommodation rental properties through the brokerage and are registered under the *Real Estate and Business Brokers Act, 2002*.
- The time-limited exemption under section 46 implemented on March 30, 2020 is extended for an additional year. This would allow registrants who acquire the rights to travel services for resale to continue to provide a voucher or similar document for future redemption towards travel services until March 31, 2022.
- The temporary provision implemented on March 30, 2020 expanding coverage under the Travel Industry Compensation Fund for unredeemed vouchers is extended for an additional two years. Customers 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 until March 31, 2024.

TICO will continue to explore further opportunities as part of our broader commitment to be a modern, progressive regulator.

Registration

Registrations were 2,095 as of March 31, 2021. This reflects a decline of almost 10% compared to the prior year. By year-end, the impact of COVID-19 was evident as 263 or 11% of registrants surrendered their registrations. More than 300 registrants voluntarily terminated their registrations since the start of the pandemic. On a positive note, there were 52 new registrations approved during the year.

Financial Performance

TICO is committed to cost efficiency and operational effectiveness. For the year ending March 31, 2021, TICO spending was lower by 13%, which included a temporary pay cut for all staff. There was a financial surplus for the fiscal year. The primary contributor to the reported surplus was the performance of TICO's investment portfolio, which represented \$2.1 million or 76% of the overall "bottom line". This investment portfolio and associated market gains reside in a segregated investment account managed by professional third parties. The Ontario government provided approximately \$4.3 million in funding to TICO. This enabled TICO to extend a fee waiver to all registrants, to refund registrants for any fees already paid, and to fund operations through the period.

Compensation Fund

Consumer claims against the Compensation Fund remained low. The Board approved claims of just over \$3,000 during the fiscal year. The low level of claims reflects the strength of the travel industry prior to the start of the pandemic and the level of government support provided during the crisis. As of March 31, 2021, the Compensation Fund balance was just under \$23.5 million.

Diversity

In response to instances of systemic racism, TICO has been exploring how it can improve inclusiveness, equality, and diversity in its work environment and community. The organization is committed to the BlackNorth Initiative Pledge in support of helping to end anti-black systemic racism in the workplace and beyond.

Consumer Awareness

TICO's Consumer and Registrant Awareness Program is a key component of its consumer protection mandate. While being respectful of travel advisories, quarantines, and other government orders, TICO ensured that consumers were provided with trusted, up-to-date information through its website and an active social media campaign. During this time, we achieved over 6.3 million impressions on our social media profiles alone and introduced new digital media to consumers aimed at providing helpful travel information. Our new Registrar and mass market videos, which center on avoiding risk through engaging with Ontario registered travel agents, will be used throughout the travel recovery.

TICO conducted two surveys of Canadian travellers to better understand the impact of COVID-19 on travel consumers. The surveys sought to gain insight into the sentiments and behaviours of consumers, including their risk tolerance and desire for future travel. These insights will enable TICO to tailor its communication strategies to convey the travel information consumers desire and need to know to be confident with their future travel purchases from Ontario retailers. A summary of this data was shared with registrants and trade media.

TICO Value Survey

TICO also conducted a Value Survey. Consumers and registrants were asked to assess various aspects of TICO's overall value proposition. Overall, two in five consumers found TICO's value proposition very valuable, while more than half of registrants valued TICO and its services. Further, four in five registrants were pleased with the level of pandemic support received. The results will be used to assist TICO in enhancing our services.

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 Business Plan includes three-year financial projections. Richard Smart emphasized the difficulty in making financial projections in an uncertain environment. Projected deficits require careful consideration of TICO's funding model moving forward. The projections do not reflect possible future regulatory changes now paused and under assessment by the government.

The CEO expressed gratitude to the TICO Board of Directors and TICO staff for their support. Special thanks were extended to Jean Hébert, the past Chair, who retired from the Board after ten years. A warm welcome was extended to TICO's new Chair, Michael Levinson. It is hoped that TICO's 25th Anniversary can be celebrated in a healthier, safer environment.

(c) Financial Statements for the year ended March 31, 2021 and Auditor's Report

Richard Smart advised that an audit of TICO's financial statements was conducted. The Auditor's Report is included with the financial statements in the 2021 Annual Report & Business Plan. 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.

Members were given an opportunity to ask questions on the financial statements. No questions were received.

Rob Wilkes of BDO Canada LLP briefly reviewed the Auditor's Report. He stated 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, 2021 and its financial performance and cash flows for the year then ended in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

Members were given an opportunity to ask the Auditor questions. There were no questions on 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.

Members were given an opportunity to ask questions about the Auditors. No questions were received.

Richard Edwards from The Travel Corporation in Toronto 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 from Blowes & Stewart Travel Group in Peterborough.

MOTION CARRIED

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

Election Results

Michael Levinson reviewed the composition of the TICO Board. He advised that the election was for one retail, wholesale, or marketing group position. The term of the position is two years. TICO sought nominations for the open position. An election was held earlier this month. The Auditor was retained to count the ballots and report the results. Michael Levinson announced that the successful candidate is Robert Townshend.

Robert is the President of Total Advantage Travel & Tours, a position that he has held for 26 years. He has taught Travel and Tourism at Centennial College as well as Sheridan College. In 2013, he served as an on-air advisor to the TV show "Bad Trips Abroad". He is a member of TravelSavers. Robert was first elected to the TICO Board of Directors in June of 2018. This will be his second term on the board.

On behalf of the Board and TICO staff, Michael Levinson congratulated Robert Townshend.

Michael Levinson advised that the Auditor still has the ballots from the election.

Members were given an opportunity to ask questions regarding the election. No questions were received.

Doug Ellison from Ellison Travel & Tours in Exeter moved to authorize the Auditor to destroy the election ballots. Seconded by Rocky Racco from Dufferin Travel in Toronto.

MOTION CARRIED

Composition of New TICO Board

Michael Levinson 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 Rocky Racco.
- The two directors named by the Canadian Association of Tour Operators (CATO) are Nicole Bursey and Joanne Dhue.
- The director named by the Ontario Motor Coach Association (OMCA) is Ted Goldenberg.
- The two elected directors are Doug Ellison and Robert Townshend.
- The individuals appointed by the Minister of Government and Consumer Services are Michael Levinson, Scott Stewart, and Leanna Villella.

Michael Levinson welcomed Joanne Dhue and welcomed back Robert Townshend to the Board.

Michael Levinson thanked the following directors who retired from the Board over the last year:

- Sherry Scott
- Ian McMillan
- Jean Hébert
- Richard Edwards

8. Other Business

(a) Question and Answer Session

There were four questions posed by stakeholders.

1. The following question was received from Alfiero Cavallo: It seems like the travel industry was left in limbo on getting support from the Provincial Government. Since TICO works for them, why did it take so long to get us financial help and are you working on getting us the \$20,000?

Richard Smart advised that the two grants were administered by the Ministry of Finance and the Ministry of Heritage, Sport, Tourism and Culture Industries. While TICO was active in providing information to those ministries and answering questions through our Ministry, it had no control over the

eligibility criteria, logistics or mechanics of those programs. TICO's role was a background, supportive one for those ministries.

2. Elliot Finkelman submitted the following question for Minister Romano: Why are travel agencies, especially bricks and mortar, not included in two grants that were given to other industries? With no takeout, no patios, no revenue until guests actually travel, we are in a worse position than restaurants that got both.

Richard Smart advised that there was some confusion regarding the eligibility of travel agents for the first grant. The Travel and Tourism Small Business Support Grant is geared to the travel and tourism sector and will hopefully be helpful to registrants. Both grants are being administered by other ministries. TICO does not have control of these programs and is playing a supportive role by answering questions and providing information to those ministries.

3. Pam Ryat submitted the following question: TICO hired an education specialist. Is TICO planning to introduce mandatory educational courses and exams for registrants?

Richard Smart advised that in TICO's mission and vision, education is a key pillar of consumer protection. Currently, there is the initial mandatory exam that must be completed. There are discussions about potentially having additional mandatory courses or refreshers in the future, perhaps tied to individual registration if that is introduced.

4. Brian Held had the following question: If the government does not provide funding beyond 2022, will TICO still maintain its \$5 million annual budget? How many employees does TICO have now?

TICO has 27 employees. The organization is optimistic that the travel recovery will take hold. TICO will need to balance costs with its mandate. While there may be some financial strain on the organization, TICO has a healthy reserve. Through use of the reserve and efficient expense management, it is believed that TICO will be able to maintain much of its operation and ultimately, carry on for years to come.

9. **Conclusion of Meeting**

Michael Levinson thanked everyone for attending TICO's 24th Annual General Meeting.

The meeting was adjourned at 6:07 p.m.

Board Chair

Corporate Secretary