



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

Tuesday, June 28, 2022

The Zoom meeting was called to order at 5:00 p.m. Michael Levinson, the Board Chair, introduced himself and welcomed everyone to the 25th 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 peoples, their voices and culture 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 advised that there were at least twenty members present, which is a quorum, and declared the meeting properly constituted. He reviewed the Rules of Procedure and aspects of the digital platform being used for the meeting. A practice vote was conducted to ensure voting members were comfortable utilizing the technology.

3. Minutes of the AGM held in June 2021

There were no issues raised or questions posed regarding the minutes of the AGM held on June 29, 2021.

4. **Update from the Deputy Minister**

Renu Kulendran, Deputy Minister of Public and Business Service Delivery addressed attendees. Highlights of her remarks are as follows:

- The Deputy Minister extended greetings from the new Minister of Public and Business Service Delivery, Kaleed Rasheed. He is looking forward to connecting with the TICO team.
- She congratulated TICO on its 25th Anniversary.
- The travel services sector and TICO are very different today than twenty-five years ago. The Deputy Ministry is proud to see the evolution of TICO since its inception and to see its continued commitment to advancing consumer protection.
- The *Travel Industry Act, 2002* and its Regulation are intended to help protect consumers when booking vacations or other travel services from travel agents.
- Over the years, TICO has remained dedicated to its mission of a fair, safe, and informed marketplace as it relates to travel services in Ontario.
- The Ministry recognizes that Ontario's travel and tourism industry has undergone serious challenges and financial hardships as a result of the COVID-19 pandemic.
- She expressed appreciation for TICO's timely communication and support to registrants when it was most needed and the integral role of TICO in assisting consumers who experience and continue to face impacts of the pandemic.
- The Deputy Minister thanked TICO for its steady hand during a time of such unprecedented uncertainty. TICO leaders and staff enabled the organization to quickly pivot its operations during the pandemic.
- She understands that the travel industry is slowly seeing signs of recovery noting that the recovery period will be gradual and take some time.
- In response to the impacts that the pandemic had on travel agents and wholesalers and some travellers, some temporary and permanent regulatory changes were made under the *Travel Industry Act* that came into effect both in March and December of 2020. Some of the temporary regulatory changes were extended in February 2022.
- In addition, the province is providing temporary funding to TICO for the 2022/2023 fiscal year for the third year in a row. This temporary financial support allows TICO to continue its operations in support of consumer protection and enables it to waive registrant fees and Compensation Fund payments for a third year.
- Additionally, in late April, TICO and the Ministry executed a new Administrative Agreement that enhances accountability, transparency, and oversight.
- The Ministry would like to thank TICO for the valuable advice that it provided to the Ministry during these important developments. The Deputy Minister is pleased with TICO's ongoing collaboration with the

Ministry to support these initiatives and to communicate changes to the sector.

- It will be a busy year for TICO as the sector continues to face challenges and begins to recover.
- The Ministry will continue to monitor the impacts of the COVID-19 pandemic on the travel industry and on travellers.
- The Deputy Minister is appreciative of the professionalism and collaborative spirit that TICO has continually demonstrated. Its achievements are attributable to the expertise and dedication of the Board and TICO staff.
- She congratulated TICO on reaching such an important milestone and wished everyone all the best.
- She thanked TICO for the invitation today and looks forward to coming back in the future to explain some of the organizational changes at the Ministry and to talk more about issues important to TICO and its constituents.

5. Reports

(a) Report from the Chair

Michael Levinson advised that he recently completed his first full year as Chair of the TICO Board. He acknowledged TICO's 25th anniversary and recapped some of the organization's achievements during that time. He noted the profound impact of COVID-19 on the travel industry. While many travel and public health restrictions have been eased over the past few months, barriers remain that continue to be a challenge for both consumers and the industry. As we begin to recover from this global crisis, we need to consider today's environment of high inflation, rising fuel costs, war, and other uncertainties that impact the industry and society more broadly. The growing prospect of a global recession is an emerging challenge that may have a profound impact on travel.

One of the key roles of TICO's Board of Directors is to provide risk oversight to the organization. This role is important during good times, and critical in a crisis. A crucial consideration has and continues to be the financial well-being of Ontario's travel agencies and wholesalers. TICO appreciates that reopening does not mean recovery. Acknowledging the profound financial strain and hardship on registrants, TICO worked closely with the Ontario government who provided a third year of funding to TICO, which allowed for continued fee waivers for registrants. As we progress through the recovery process, it will be important for TICO to continue to engage with stakeholders to understand the challenges and opportunities ahead.

The Chair advised that TICO's Consumer and Industry Advisory Committee met three times over the past year. This committee plays a key role in helping to

ensure that the Board is informed about consumer and industry issues in order to be effective in its governance role. The Board is committed to improving governance oversight. We continue to evaluate our Board and Committee meetings, implementing recommendations formulated through this continuous feedback mechanism.

The Chair thanked TICO's staff who are exceptionally dedicated to furthering consumer protection, while also being supportive of the registrant community. He thanked his fellow Directors for their guidance, camaraderie, and professionalism. He advised that being a TICO Director is an important responsibility requiring dedication and commitment. Professionally, it is a forward-looking environment where ideas and experience are welcomed, and where we can have some fun along the way. He encouraged everyone to consider the opportunity to serve.

Michael Levinson noted that TICO's first 25 years saw significant growth and innovation within the industry. He expressed hope that the next 25 years will bring renewed confidence and prosperity. While the challenges of the last two years cannot be overstated, we know the future is bright because of the dedication and persistence of everyone who works in this industry. TICO will continue to be a progressive regulator, supporting a trusted marketplace where consumers are confident purchasing travel from registered professionals.

(b) Report from the CEO

Richard Smart welcomed attendees to TICO's 2022 Annual General Meeting. He thanked Deputy Minister Renu Kulendran for attending and her remarks. He thanked the Ministry liaison team for their commitment, dedication, and support.

The CEO acknowledged the challenges of adjusting to the new normal. Industry recovery is underway, but many obstacles remain. The road to recovery is not linear and there is still a long way to go; however, with time and resilience, the industry will rebound and regain its momentum.

Richard Smart reflected on TICO's evolution over 25 years providing consumer protection and acknowledged that there is more work that needs to be done. Technology is changing, business models are changing, and consumer preferences are changing. Therefore, TICO must continue to evolve as well to support consumers and the industry.

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

Pandemic Response

Since the start of the pandemic, TICO received an unprecedented number of calls and emails from consumers who had their travel bookings adversely impacted by the COVID-19 pandemic. Over the past year, TICO has continued to receive elevated levels of consumer enquiries and complaints, though the numbers are beginning to stabilize. The most common reasons that consumers contacted TICO over the last year included issues around vouchers expiring, price increases, customer service, and undisclosed fees.

Registration

On March 31, 2022, there were a total of 2,035 TICO registrants compared to 2,095 the year before, representing a 3% decrease. There were 265 voluntary terminations throughout the year compared to 263 terminations in the year before. On a positive note, there were 70 new registrations approved during the year. Some of these reflect businesses that closed earlier in the pandemic and have decided to reopen. In 2021, TICO made it easier for past registrants to reapply, removing certain requirements and expenses. Other new registrants are entirely new to the industry and have innovative ideas for providing travel services to Ontario consumers.

Education

There were 4,700 TICO exams written over the past year, which is more than double the number from the previous year, and close to pre-pandemic levels. During the year, TICO launched a new digital flipbook Study Manual for the Travel Counsellor and Supervisor/Manager programs. The new Study Manual has updated content to reflect regulatory changes and a more modern appearance to enhance user experience. TICO exams were also updated to reflect the revised content. Over the next year, TICO will be promoting the certification program to help attract talent to the sector, which is facing challenges as a result of labour shortages.

TICO Value Surveys

TICO conducted mini versions of the value surveys conducted in the prior year to gauge how perceptions around value have trended year-over-year.

The consumer survey found that 75% of respondents thought TICO's services were valuable to them as a travel consumer, up from 73% the year before. The survey also found that more than 4-in-5 respondents feel it is important that the travel agency they are booking through is regulated. In addition to the TICO website and TICO's advertising, consumers believe their travel agency should be a source of information for learning about the consumer protection available.

The registrant survey saw a 9% increase in confidence in TICO as a regulator. The score was 73%, up from 62% the year before. Perceived value of TICO increased to 63% this year, up from 54% the year before. Registrants were asked to evaluate TICO on certain attributes, and we saw double-digit growth in the following areas: TICO is interested in the feedback of registrants, TICO understands registrant needs, and TICO is effective at finding solutions for consumers.

The results will be used to assist TICO in enhancing its services.

Consumer Awareness

TICO's Consumer and Registrant Awareness Program is a key component of its consumer protection mandate. As our campaign is largely digital, we have been able to adjust our messaging and approach to reflect the realities of the public health and travel environment at the time. Our aim is to provide travel consumers with credible, up-to-date information through our social media accounts, blog, and website.

In fiscal 2021/2022, TICO's consumer protection message was seen over eleven million times by Ontarians. Our strong engagement numbers indicate that the information we published was timely and of interest to consumers, prompting them to like, share, comment or click for more information.

Two updated mass market videos that speak to not missing any important details when travelling in the new normal were released. The videos ran as ads on YouTube and were seen nearly 65,000 times. Coupled with our ongoing promotion of videos produced in the prior year, TICO's videos were seen a total of 250,000 times.

In addition to our digital campaign, TICO was featured in 42 consumer news articles and broadcasts during the year, with relevant information and tips for Ontario's travellers. Our top key message is always to share the benefits of booking with a TICO-registered travel agency or website.

Compensation Fund

The past year saw an increase in Compensation Fund claims. The total amount paid out from the Fund was nearly \$429,000. This is the highest level we have seen in eight years, but lower than actuarial expectations. The prolonged nature of the pandemic has undoubtedly been the driver behind this increase in consumer claims. In total, the Compensation Fund assisted 376 consumers last year. The Compensation Fund balance remains at just under 23.5 million dollars for future claims.

Financial Performance

TICO is committed to prudent expense management and operated below budget for the year. In total, we generated a net deficit of 1.2 million dollars, ahead of budget but nevertheless an unsustainable deficit.

Last fall, a Fee Review was conducted. TICO proposed a future funding model and heard loud and clear during consultations that it was not the right approach. Instead, a comprehensive, risk-based, funding framework for the future needs to be considered. TICO remains committed to further engaging with industry on this topic while working to address the funding challenge.

The organization needs to be mindful of emerging economic challenges. High inflation, increasing interest rates, labour shortages, and declining consumer confidence have now fueled the prospects of a future recession. This will bear careful monitoring moving forward.

Diversity, Equity, and Inclusion

Over the past couple of years, the challenges around Diversity, Equity, and Inclusion have come to the forefront of society. About a year ago, TICO added openness as a new corporate value. As an organization, we have always endeavored to be respectful and inclusive as we interact with diverse audiences of consumers, registrants, and other stakeholders. Over the past year, we have dedicated additional attention, including staff training, to do our part to end systemic racism of marginalized communities. Last July, TICO signed the Black North Initiative pledge. We committed to making meaningful differences in the way we do business to enhance diversity, equity, and inclusion. This will be an ongoing journey as we continue to hear different perspectives and educate ourselves on the experiences of others.

Looking Ahead

TICO has a new three-year Business Plan, which is available on the Webcast Portal and on the TICO website. As we have seen over the past two and a half years, it is difficult to predict where the pandemic will lead us next or how other global events will shape the trajectory of the recovery process.

TICO is committed to developing a fair funding model that reflects the principles of cost recovery, that delivers value to stakeholders, and that is consistent with the laws of Ontario.

We will continue to work with the Ministry of Public and Business Service Delivery to be a progressive and modern regulator that balances the needs of consumers and industry.

We will continue to enhance consumer and registrant awareness, improve our education platform for new talent entering the industry, and to support consumers in their quest to make fully informed travel purchase decisions.

We will continue to focus on prudent financial stewardship, striving to enhance the value of the services we provide to consumers and registrants.

The resiliency and dedication shown by the industry throughout the pandemic has been nothing short of remarkable. Travel agents supported their clients, showcasing why expert help is so valuable, especially during these challenging times.

The CEO thanked the Board of Directors for their guidance as the organization navigated another challenging year. He thanked the team at the Ministry of Public and Business Service Delivery for their support and expressed gratitude to TICO staff for their dedication and commitment. Finally, he thanked stakeholders for taking the time to attend today.

(c) Financial Statements for the year ended March 31, 2022 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 2022 Annual Report. 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 of March 31, 2022 and its financial performance and cash flows for the year ended in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

There were no questions on the financial statements.

Michael Levinson introduced Rob Clause from BDO Canada LLP. 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.

Elliot Finkelman moved to dispense with the reading of the Auditor's Report. Seconded by Scott Stewart.

MOTION CARRIED

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 recommended BDO Canada LLP as TICO's Auditors for 2022/2023. Members were given an opportunity to ask questions about the Auditors. No questions were received.

Nicole Bursey moved to retain BDO Canada LLP as Auditors and to authorize the Board of Directors to fix the Auditor's remuneration. Seconded by Robert Townshend.

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 this year 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 Ellison is the President of Ellison Travel & Tours. Prior to opening Ellison Travel & Tours in 1980, Doug spent 14 years in education organizing school trips. In its 42nd year of business, Ellison Travel has grown to more than ninety people in seven locations. Customized planning for private groups is Ellison Travel's specialty.

On behalf of the Board and TICO staff, Michael Levinson congratulated Doug Ellison.

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 Monica Johnstone.

- 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 Public and Business Service Delivery are Angella Blanas, Zaid Lama, Michael Levinson, and Scott Stewart.

Michael Levinson welcomed Monica Johnstone and welcomed back Doug Ellison to the Board.

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

- Leanna Villella
- Rocky Racco

8. Other Business

(a) Question and Answer Session

There were three questions posed by stakeholders.

1. Brett Walker posed the following question: In looking at TICO's 2022 Business Plan and its strategic priorities, can you comment who will complete the review of the Compensation Fund? Will the same party also conduct consultations with stakeholders?

TICO Management and the Board will be conducting the review in collaboration with the Ministry. TICO has released a Request for Proposals for a Funding and Compensation Fund Frameworks Review to get some external expertise in looking at these important and complex issues. There will be some stakeholder consultation as part of the review.

2. Edward Collis submitted the following question: What were the fees of the Auditors?

The Audit fees are part of the Professional Fees line in the Statement of Operations. The fees for the most recent audit before taxes were approximately \$25,000.

3. Belinda Strondstan submitted the following question: According to Ontario's Sunshine List, Mr. Smart's salary increased from 2020 to 2021. Is this prudent expense management during a pandemic?

The Chair advised that at the beginning of the pandemic, TICO temporarily reduced salaries for all staff. Then, salaries were reinstated but there were no increases. In 2021, modest salary increases were given to staff, including the CEO. This was deemed prudent as it is important if you want to retain good, qualified people and you have to address that there is an increasing cost of living.

9. Conclusion of Meeting

Michael Levinson thanked everyone for attending TICO's 25th Annual General Meeting.

The meeting was adjourned at 5:00 p.m.

Board Chair

Corporate Secretary