



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

Tuesday, September 24, 2024

The virtual meeting was called to order at 5:00 p.m. Michael Levinson, the Board Chair, introduced himself and welcomed everyone to the 2024 Annual Meeting of the Travel Industry Council of Ontario (TICO).

1. Welcome and Call to Order

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.

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.

Michael Levinson 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.

2. Minutes of the Annual Meeting held on September 26, 2023

There were no issues raised, or questions posed regarding the minutes of the Annual Meeting held on September 26, 2023.

3. **Update from the Ministry of Public and Business Service Delivery and Procurement**

The Honourable Minister Todd McCarthy, Minister of Business and Public Service Delivery and Procurement, provided a message to attendees. Highlights of his remarks are as follows:

- The Minister thanked the Board, TICO employees, registered travel agents and wholesalers who contributed over the busy and transformative year for the travel industry and for TICO.
- He commended attendees for their perseverance over the last few years. The government understands the impact that COVID had on the travel industry and is pleased to hear that the sector is recovering very well to pre-pandemic levels. This would not have been possible without the unwavering commitment of the travel and tourism industry.
- He thanked industry members for their dedication to ensuring that travellers can safely explore Ontario and the world.
- TICO marks one year under a new governance structure and new Board. The Minister acknowledged the leadership of Mr. Levinson and Mr. Smart. The government values the collaborative effort to improve governance practices at TICO and to protect travel consumers in Ontario.
- For nearly three decades, TICO has worked to enhance professionalism and consumer protection in the travel industry.
- TICO-registered travel agents provide travellers with peace of mind to ensure their trips will be safe and enjoyable.
- The recent governance changes implemented by the Board further reflect the importance of adapting to today's evolving marketplace with greater balance, efficiency, and effectiveness.
- The Ministry has worked closely with TICO to ensure that it has plans in place to address the recommendations of the Auditor General's 2023 Value-for-Money Audit.
- The government recognizes the progress that TICO has made as well as its openness and transparency in reporting on its ongoing work.
- The recent implementation of a new fee model will enable TICO's operations to be adequately funded so that it may continue its important work safeguarding Ontario's travel industry.
- The Ministry is carefully considering the Auditor General's observations and recommendations to undertake a comprehensive review of the Travel Industry Act and TICO and to assess the value of the Travel Industry Compensation Fund.
- The government remains committed to working with TICO to protect consumers and to support a safe, fair and informed travel services industry in the province. Together, we are building a smarter, safer and stronger travel sector.

4. Annual Report from the Chair

Michael Levinson highlighted a few important initiatives that TICO's Board has been focused on over the past year:

Auditor General Audit

In December 2023, the Office of the Auditor General of Ontario released its value-for-money audit report of TICO. The report presented TICO with opportunities to enhance the way it operates. It also highlighted the transformational changes within the sector since the organization was first created. The report has been a catalyst for enhancements across the organization, and the Board has been actively engaged in monitoring TICO's approach. The Chair reported that significant progress has already been made.

Governance

One of the key highlights of this past year has been the transition of TICO's Board to be more representative of its stakeholders. Last August, in response to the Minister's Orders received, TICO restructured the Board to more accurately represent the voices of consumers, industry and government, with three Directors from each area. TICO has since welcomed new Directors who have brought diverse perspectives and invaluable expertise. TICO continues its focus towards a skills-based Board where ongoing governance development will remain a priority. These fresh viewpoints have enriched Board discussions and strengthened TICO's overall governance and oversight processes.

Advisory Councils

Earlier this year, TICO launched a Consumer Advisor Council and an Industry Advisory Council. These two new councils play a crucial role in advising both the Board and management on matters related to consumer protection, challenges and opportunities affecting Ontario's travel industry, and overall emerging trends. The individuals who were appointed to these councils reflect diverse areas of leadership, expertise, broad consumer perspectives and industry knowledge. The changes to TICO's Board structure, coupled with the creation of the new councils, position the Board to better understand the diverse viewpoints of TICO's different stakeholder groups and the communities it serves.

Risk Oversight

In the rapidly changing travel landscape, risk oversight remains one of the Board's top priorities. As TICO looks ahead to the many changes on the horizon, both within the organization and in the broader environment, it is focused on identifying and addressing risks that could impact TICO's ability to deliver on its consumer protection mandate. At the same time, it is ready to

seize new opportunities that align with the organization's mandate, vision and mission. The Board is actively engaged in discussions about the long-term implications of the Auditor General's recommendations, the rise of emerging technologies and artificial intelligence, and the evolving economic and political climates, both locally and globally. The Board is closely monitoring how consumers' sentiments and expectations are shifting and what that means for TICO. TICO's continuous focus on risk oversight will ensure it is well-prepared to meet any new challenges and continue protecting consumers.

The Chair expressed his gratitude for ongoing collaboration with key stakeholders as TICO continues to foster a trusted travel marketplace in Ontario.

5. Annual Report from the CEO

Richard Smart welcomed attendees to TICO's 2024 Annual Meeting. The CEO advised that TICO has found that conducting the annual meeting virtually is both effective and efficient and attracts higher attendance. A virtual meeting allows registrants and other stakeholders from every corner of the province to have the same opportunity to connect and engage with TICO.

Richard Smart thanked the Minister for his remarks and the entire Ministry team for their commitment, dedication, and support.

The CEO provided an update on the activities of TICO over the past year. Highlights are as follows:

Travel Industry Recovery

The fiscal year, ending March 2024, reflected Ontario Gross Sales of \$18.1 billion, well ahead of the prior fiscal year and on par with the pre-pandemic period. Despite this return to normalcy, for some registrants, the burden of additional debt and the competitive landscape continues to add to an already competitive environment. TICO's compliance team remains vigilant but reasonable as it monitors Ontario registrants for overall compliance.

Value-for-Money Audit

In December 2023, TICO welcomed the Auditor General of Ontario value-for-money audit report, and the recommendations aimed at enhancing TICO's operations. So far, TICO has issued two public reports to stakeholders. To date, TICO has completed 21% of the 29 action items targeted at TICO. TICO's progress is tracking to the implementation plan approved by the Board of Directors.

Funding Framework and Fees

Following a comprehensive review, and public consultation, TICO introduced a new funding framework and fee model effective April 1, 2024. TICO kept the aggregate fee increase equal to approximately inflation, around 3% overall. The new fee model addresses past issues raised by registrants and the Auditor General.

Financial Update

TICO's overall fiscal results were solid, better than the Board approved Budget, and there was an improvement over the prior year when the industry was still recovering. TICO's bottom line reflected an operating surplus for the fiscal year, the first in 3 years.

At \$7.3 million, total revenues were bolstered by strong top-line registrant sales, which translated into higher assessments. Along with strong sales, and fewer registrant closures than anticipated, renewal revenues exceeded expectations. TICO also experienced steady new registrant applications contributing to above-budget revenues.

TICO's investment income, and portfolio, managed by TICO's financial advisors performed exceedingly well, generating more than \$1.6 million during the year.

At \$5.2 million, TICO's expenses were higher than the prior year by \$805,000 or 18.5%. Approximately half of this increase was due to increases in overall staff headcount as TICO lifted its hiring freeze to address its operational needs, many of which were reflected in the Auditor General's report.

Also, as TICO moved away from government funding received in prior years, the Ministry oversight fees contributed \$358,000 or 44% of the annual increase. In total, however, TICO's operating expenses were under budget.

Consumer claims against the Compensation Fund remained low at \$109,000, reflecting a strengthening travel marketplace and a strong regulatory environment.

In total, TICO generated a net surplus of \$1.9 million compared to a \$2.3 million dollar deficit the year prior, well ahead of budget expectations. As a result, the Compensation Fund balance increased during the year by \$1 million and now has a balance of approximately \$24 million. The balance of this surplus was used to build reserves consistent with best practices.

Looking Ahead

The updated three-year Business Plan is available on the TICO website.

Since its March year-end, TICO has continued to see momentum in the Ontario marketplace. With inflation now returning closer to historical norms and decreasing interest rates, TICO remains optimistic for the year ahead. Consumer affordability remains a significant concern and TICO is carefully monitoring changes in consumer confidence related to future travel spending decisions.

Both registrants and TICO must continue to work together to deliver services, exceed customer expectations and ensure a trusted marketplace. TICO registrants continue to support their clients, showcasing why travel professionals are so valuable, especially following challenging times.

The CEO thanked the Board of Directors, the Ministry of Public and Business Service Delivery, and the TICO team for their ongoing support. He expressed appreciation to attendees for taking time from their busy schedules to attend the meeting.

6. Annual Report from the Registrar

The CEO delivered a report on behalf of the Registrar. Highlights are as follows:

Registration

The registrant base has remained steady over the past year, signaling resilience despite the challenges the industry faced during the pandemic. On March 31, 2024, there were 1,921 registrations, which is one more than the prior year. There were 135 voluntary terminations throughout the year, which is nearly 60% lower than the 328 terminations the year before.

This remains a difficult operating environment for many registrants, with debt assumed during the pandemic, high interest rates, consumer expectations and general affordability. TICO focuses on working closely with registrants to achieve compliance.

Over the past year, there were 76 new registrations processed. This is down from the spike of 140 new registrations as the industry exited the pandemic. It's exciting to welcome new companies to the industry, expanding the range of choices available to consumers.

Education

In the past fiscal year, there were more than 10,000 exams written, an increase of 41% compared to the previous year. This is the highest number of exams written in a single year. The future of the travel advisor profession is looking bright.

To enhance the certification curriculum, TICO is developing a new online interactive e-learning program, which is expected to begin rolling out next year. This new online program reflects the very best in online instructional design, includes adult learning principles, and will be on a more user-friendly platform. More details will be shared as the launch approaches.

TICO has been building its relationships with community colleges that have travel and hospitality programs to increase awareness and enrollment in the certification process and ensure a continued pipeline of individuals choosing a career in travel.

Industry Training

Education and compliance are fundamental to TICO's consumer protection mandate. TICO has conducted dozens of free webinar sessions for registrants on various topics, such as advertising, disclosures and invoicing, trust accounting, and the preparation of verification statements. The goal is to help the industry understand and better comply with Ontario's consumer protection regulations. TICO's virtual orientation sessions for new registrants have been successful in familiarizing new entrants to the industry with TICO's role and their compliance obligations.

Support for Consumers

Over the past year, TICO has resolved 281 written consumer complaints, which is an increase of 38% from the prior year and more than double the number of complaints resolved two years ago. Additionally, TICO handled nearly 1,100 telephone complaint enquiries and more than 1,200 email complaint enquiries. The team assisted consumers in obtaining nearly \$355,000 in restitution.

TICO has seen a significant increase in airline-related complaints. The team has worked tirelessly to ensure that consumers know where to turn even when a complaint is outside of TICO's jurisdiction. This includes referrals to the Canadian Transportation Agency and clarification on when the Air Passenger Protection Regulations may apply.

The consumer complaints team is committed to service excellence. The team achieved a 90% satisfaction rate from post-complaint survey responses.

Travel Marketplace

The TICO team is committed to balancing enforcement with education and communication. A strong focus on awareness is key to protecting the public and maintaining a trusted travel marketplace in Ontario, while also ensuring enforcement tools are ready when needed.

7 **Articles of Amendment and By-law Amendments**

John Wilkinson, Partner at WeirFoulds LLP, reviewed the Articles of Amendment and By-law Amendments necessary for TICO to transition to the Ontario *Not-for-Profit Corporations Act*.

The Articles of Amendment and Amended By-law have been available to members on the website since August 23, 2024.

A webinar was also held on September 11, 2024, to allow all registrants to ask questions about the Articles of Amendment and By-law changes. A video of that webinar was posted on the website.

Approval of Articles of Amendment

The following motion was moved by Sean Fleming and seconded by Angie Miniaci:

WHEREAS the Corporation was governed by the Ontario *Corporations Act* and is now governed by the Ontario *Not-for-Profit Corporations Act, 2010* (ONCA);

AND WHEREAS ONCA defines the word “articles” in part as follows “articles” means any instrument that incorporates a corporation including ... letters patent.

AND WHEREAS it is considered desirable to amend the articles of the Corporation by way of Articles of Amendment as presented to the Members.

NOW THEREFORE BE IT RESOLVED THAT the submission of Articles of Amendment to the Ontario Ministry of Public and Business Service Delivery and Procurement in the form presented to the Members is hereby approved.

There was no discussion. The motion was carried.

Approval of By-law Amendments

The following motion was moved by Sean Fleming and seconded by Angie Miniaci:

WHEREAS it is considered desirable to amend the current By-law No. One of the Corporation such that the By-law reflects such amendments as have been passed by the Directors for presentation to the Members.

NOW THEREFORE BE IT RESOLVED THAT the amendment of the current By-law such that the By-law reflects such amendments as have been presented to the Members is hereby approved.

There was no discussion. The motion was carried.

8. Election of Directors

(a) Industry Elected Director

The Governance and Nominations Committee solicited applications for one industry position available on the Board of Directors. Information about the candidates was included with the materials for the meeting and posted on TICO's website.

Registrant members were asked to vote for one of the following industry candidates:

- Sean Fleming, Director of Operations, SVR Inc.
- Humaira Khan, President, ExplorEast Tours n Treks
- Gregory Luciani, CEO, TravelOnly Inc.
- Angie Miniaci, President, Lanair Int'l Travel Ltd.
- Kala Narayanan, President, Eurojets Canada Inc.
- Mandi Nelson, Risk & Legal Manager, Flight Centre Travel Group

The candidate with the highest number of votes will serve for a three-year term.

The vote was conducted.

The Chair advised that the winner of the three-year elected position was Gregory Luciani. The Chair congratulated Gregory Luciani.

(b) Public Elected Director

The Governance and Nominations Committee also solicited applications from experienced leaders beyond the travel industry for the one elected public position available on the Board. Twenty-four applications were received and reviewed by the Committee.

The Board has a Matrix that sets out the competencies that are required on the Board so that it can effectively execute its responsibilities to oversee the travel industry and protect consumers. Assessments and gap analyses are regularly conducted to determine if there are any gaps. When reviewing the applications, the Committee is looking to find the candidate that best meets the needs of the Board.

This year, the Board had a gap in the Legal Experience competency that it was looking to address. The Governance and Nominations Committee recommended Jeffrey Steiner for the public board position as he has the required skillset and a wealth of board and governance experience that would benefit the organization. The Board confirmed the recommendation of Jeffrey Steiner for the public position. Mr. Steiner's biography was included in the meeting materials on TICO's website.

The following motion was moved by Andrew Dawson and seconded by Angie Miniaci:

BE IT RESOLVED THAT Jeffrey Steiner is elected as a Public Director of the Corporation for a three-year term.

The motion was carried.

Michael Levinson congratulated Jeffrey Steiner. The Chair thanked all the candidates who put their names forward for the election.

(c) Outgoing Directors

The Chair thanked Doug Ellison and Archana Gupta-Harit for their service on the Board.

9. Financial Report

(a) Financial Statements for the year ended March 31, 2024

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 2024 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, 2024 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 or comments regarding the financial statements:

(b) Auditor's Report

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.

Robert Townshend moved to dispense with the reading of the Auditor's Report. Seconded by Andrew Dawson.

MOTION CARRIED

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

10. Appointment of the Auditors

The TICO Board of Directors recommended BDO Canada LLP as TICO's Auditors for 2024/2025. BDO has been TICO's Auditors since the 2016/2017 fiscal year. TICO issued a Request for Proposals in 2022 and BDO was again the successful firm.

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

Angie Miniaci moved to retain BDO Canada LLP as Auditors and to authorize the Board of Directors to fix the Auditor's remuneration. Seconded by Zemri Sallai.

MOTION CARRIED

11. Other Business

(a) Question and Answer Session

There was one question posed at the meeting:

1. The Auditor General concluded that TICO illegally moved millions of dollars from its trust account to its general account. Does TICO acknowledge that it broke the law with its trust account and what message does this send?

The CEO advised that TICO did move funds from the Compensation Fund trust account to general operations. This practice has been in place since TICO's inception. TICO has always been transparent with stakeholders, the government, and the Board about its activities. There have been many discussions about it over the years. There was nothing illegal or underhanded. Any money that was used to fund operations was consistent with TICO's overall consumer protection mandate. The Auditor General found that the practice was not consistent with the spirit of the Regulation. TICO is taking these comments seriously. It is a practice that TICO wishes to discontinue in the future. Actions are being taken, and TICO is on track to make changes in the coming fiscal year.

The Chair reminded stakeholders that TICO staff are available to answer questions throughout the year. Stakeholders are welcome to send comments and queries to TICO, and they will be directed to the appropriate person for response.

12. Conclusion of Meeting

Michael Levinson thanked everyone for attending TICO's 2024 Annual Meeting.

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

Board Chair

Corporate Secretary