

Draft minutes as of August 7, 2015

Subject to any corrections, to be presented and received by Board on August 11 2015

To be approved at 2016 AGM

TOURISM SUN PEAKS

Annual General Meeting

Hearthstone Lodge

June 20, 2015

Meeting Minutes

Board of Directors in attendance:

Reiner Brecht	Non-Hotel Lodging Director, Chair
John Douglas	Hotel Lodging Director
Silvia Erler	Non-Hotel Lodging Director
Joanne Foster-Stoner	SPRC Director, Treasurer
Peter Ernst	Commercial/ Tenant/Independent Operator Director
Darcy Alexander	SPRC Director
Vivek Sharma	Single Owner Large Hotel Director
Aidan Kelly	SPRC Director

Regrets

Petr Duda	Residential Director, Secretary
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TSP Personnel in attendance:

Christopher Nicolson	President
Stephanie Avery	Manager, Finance
Lynne Pike	Accounting/Administrative Assistant
Colin Brost	Director of Market Development
Christina Antoniak	Manager, Destination Marketing
Theresa St. Louis	Manager, Central Reservations
Megan Nelson	Market Development Specialist
Carissa Hayes	Manager, Events & Adventure Centre
Sam Loxton	Digital Media Coordinator

1. Call Meeting to Order

Reiner Brecht called the meeting to order at 10:02 am.

2. Chairperson's Welcome Report

Welcoming remarks were provided by Reiner Brecht, Chair of the Sun Peaks Mountain Resort Association Board of Directors.

Reiner Brecht, introduced the volunteer Tourism Sun Peaks Board of Directors and welcomed the Mayor of Sun Peaks Al Raine and the councilors present at the meeting.

3. 2014 AGM minutes

The Chair, asked if there were any corrections or omissions from the minutes of the previous AGM meeting and there were none.

Motion: It was moved and seconded (Christine Hollstedt/Liz Forster) to approve the Minutes of the June 21, 2014 Annual General Meeting.

All in Favor, none opposed

Motion carried

4. Staff Reports

A video prepared by the Tourism Sun Peaks Staff was presented reviewing the key association initiatives over the past year. Christopher noted that the video will be posted on the website.

Christopher Nicolson introduced Jackie Frederick from Hotkey Marketing. Hotkey Marketing has been contracted to assist with TSP's meeting and convention strategy.

Christopher Nicolson thanked Meghan Kolodka and Brandi Schier for their services with Tourism Sun Peaks. Meghan Kolodka has left TSP for an opportunity within the village and Brandi Schier is the new Owner/Editor of the SPIN News Magazine.

Christopher thanked the TSP Team and Volunteers.

5. Financial Report & Audit Committee

TSP Board Treasurer, Joanne Foster-Stoner introduced Brent Ashby from KPMG to report on the audited financial statements.

Brent referred to the official written report and audit and confirmed that the accountants' review did not reveal any material errors and that the statements have been produced correctly and without fraud. Brent reviewed the Statement of Operations.

Q: Why were Concert Revenues less than anticipated?

Christopher Nicolson explained that TSP was unable to lock in a Sponsor that was valued at \$20,000. Secondly the 2014-15 consumer demand for Front Stage Access tickets was not as high as previous years.

Q: With the Sport Centre Facilities not open for the winter why did the operational cost go up?

The majority of revenue is generated in the winter (not the summer). Winter revenue was therefore lost, and even with the centre being closed in the winter there was a continued cost to winterize the facility.

Motion: It was moved and seconded (Pat Miller/Jim Alix) accept the Auditor's report as presented.

All in Favor, none opposed

Motion carried

Reiner Brecht thanked Joanne Foster-Stoner for her dedication and hard work that she has done through the years for TSP.

6. Board of Directors Elections

The first election was for **Hotel Lodging Director**.

The position was held by John Douglas and he chose to seek re-election. Joanne Foster-Stoner advised a nomination was received for John Douglas. Joanne called three times for any additional nominations from the floor. Hearing none, Joanne declared **John Douglas** elected **Hotel Lodging Director by acclamation**.

The next election was for **Non-Hotel Lodging Director**

The position was held by Silvia Erler and she chose to seek re-election. Joanne advised a nomination was received for Silvia Erler. Joanne called three times for any additional nominations from the floor. Hearing none, Joanne declared **Silvia Erler** elected **Non-Hotel Lodging Director by acclamation**.

The final election was for **Commercial Tenant/Independent Director**.

The position was held by Peter Ernst and he chose to seek re-election. Joanne advised a nomination was received for Peter Ernst. Joanne called three times for any additional nominations from the floor and hearing none, Joanne declared **Peter Ernst** elected **Commercial Tenant/ Independent Director by acclamation**.

7. New Business

a. Sport Centre

Christopher Nicolson reviewed the history of the Sport Centre. Tourism Sun Peaks had agreed to subsidize the operational cost of the Sport Centre until Sun Peaks established a Municipality. At the time of the agreement the estimated operational loss was \$60,000.

In the last few years this cost has increased. The Board of Directors has tried different ideas to cover the additional cost, including additional investment from several hotels. Unfortunately the initiatives were not sustainable and there was not enough guest usage of the facility. Operational costs continued to rise, and there are some pending large capital investments, repairs, and maintenance, that are necessary.

Tourism Sun Peaks conducted a survey this past winter asking the membership “ Are you, as a Tourism Sun Peaks member, willing to pay increased membership fees to continue the operation of the Sport Centre? “ The results were 30% **yes** and 70% **no**

Tourism Sun Peaks mandate is to drive visitors to Sun Peaks and results from past guest surveys indicate that the Sport Centre does not rate as a motivating factor for bringing guests to the resort.

Questions from the floor

Q. Is the municipality willing to take it on?

The municipality would put it back to the community/members to see if they are willing to cover the fees through taxes.

Q. Are you stopping the \$60, 000 Sports Centre subsidy?

Yes. TSP will contribute \$37,000 toward the operation of the facility in summer 2015, and will cease its contribution past this point. TSP has notified and updated the owner (Sun Peaks Resort LLP) of TSP throughout this process.

Q. Has a decision been made on the future of the Sport Centre?

TSP can't make a decision on its future because it doesn't own the land or building. The future of the facility is up to the owner.

Q. What is the Resort going to do with the facility?

Darcy Alexander replied that this is not a new issue as it has been discussed since 1993. SPR LLP is not willing to cover the operational loss on the Sport Centre. The pool will run until Labour Day weekend. If no other solutions are found the Sport Centre will shut down permanently.

Q. Are Alternate revenue option being considered like Improvement fee (Airport Improvement Fee)?

User feedback suggests the current user fee is high. An additional fee would likely outprice the market.

Reiner Brecht added that the accommodator sector subsidized a portion of the cost last year in exchange for free access for their guests. Even with the facility being free of charge, the guest usage did not increase. The Sport Centre is not rated high with our guest.

Q. Are there statistics that show the ratio of guest versus residence usage?

A survey was conducted several years ago, but the question was not tested recently. Amenities like the Sports Centre are tracked through resort-wide guest surveys which indicated the Sports Centre was of low importance to the overall guest experience. The condition of the pool was noted as a negative.

Q. Are there detailed figures of the usage?

Analysis has been done and cost per usage is high and not very favorable, particularly outside of high occupancy periods.

Q. Can we have ongoing discussions on alternative solutions as we continue to promote resort as a family friendly destination?

There are continued community discussions on how to operate the facility.

Q. If we are going to close the facility how will it look? Last winter's closure wasn't well presented.

This is unknown and yet to be determined

Q. Because the pool is privately owned there are significant taxes. Can we integrate with Municipality and are we willing to pay more in taxes to cover it?

Municipal involvement was referenced earlier and may involve a question for tax payers.

Darcy Alexander clarified that there are numerous hard operating costs above and beyond the taxes of under \$20,000. If the facility is taken over by the Municipality as a municipal pool, it would become a public facility which immediately results in much higher operational costs. Many financial models have been explored and the numbers remain challenging.

Q. Will this affect the Tennis courts as well?

No, tennis courts won't be effected by the closure of the Sport Centre.

Q. What is the status of the land?

It is owned by the SPR LLP.

Reiner Brecht thanked all of the Tourism Sun Peaks team for their work.

Christopher Nicolson thanked Reiner Brecht for his time as Chair of the TSP Board of Directors. Christopher presented Joanne Foster-Stoner with a gift for her exceptional contribution to the Board. Joanne served on the Board for 17 years and will be missed. He wished her the best of luck with her future endeavors.

8. Questions and Answer Period

Chair, Reiner Brecht opened the floor for questions.

Claudia: Owners Committee at the Cahilty Lodge would like and thank Christopher Nicolson for the time that he spent with the committee. Claudia also mentioned that Tourism Sun Peaks has a high rate of returning staff which speaks highly to Board governance, management and employee satisfaction.

Q. Are there strategies for Nordic skiing and XC Mountain Biking?

Nordic and mountain biking don't have equal profile or investment to alpine skiing because of the lower return on investment for members. Alpine skiing has a higher yield per guest. However,

Nordic and xc mountain biking receive marketing investment from TSP and are part of the marketing plan. For example, TSP invests as one of 8 members in BC Nordic (Marketing group).

Jim Alix Q: What is the marketing allocations summer versus winter?

Excluding the RMI funds it is approximately 2 to 1 investment.

Jim Alix Q: Is it harder to market this year because we had a challenging snow year?

There is a core element of skier that will continue to ski as demonstrated by global and economic events of the past decade. Snow and reliability of snow will continue to be a key message for Sun Peaks. Seattle and Vancouver are more cautious markets. Joanne Foster noted that the early purchasing trends for this winter are positive.

Q: What are we trying to do to bring Cross Country Mountain bikers to the Resort?

Joanne Foster-Stoner replied that the Cross Country Mountain Bike Market is recognized in the resort. There has been implementation of new products and trail development that will increase this market.

Colin Brost noted that biking and other summer activities are promoted through shows such as the Evergreen Bike Show, Outdoor shows and Home Shows.

Reiner Brecht thanked the meeting participants for attending the AGM and encouraged all members to bring any questions they have to a director or staff.

Reiner noted that the video presentation and the AGM minutes will be made available to all members on the website.

9. Conclusion of Meeting

Motion: It was moved and seconded (Joanne Foster-Stoner/Gemma Harris) that the meeting be concluded at 11:45pm

All in Favor, none opposed

Motion carried

Mayor, Al Raine presented the vision of the Sun Peaks Centre and reviewed some of the Sun Peaks Mountain Resort Municipality initiatives.