

# ATTACHMENT A



Tourism Nanaimo Society  
December, 2021

## GOVERNANCE & SERVICE MODEL

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### OVERVIEW

In late 2020, Tourism Vancouver Island (TVI) ended its agreement with the City of Nanaimo to deliver Tourism Nanaimo, the City's tourism service. TVI's decision created both a need and opportunity for the City, in collaboration with tourism stakeholders, to create a new Tourism Nanaimo governance and service model. To that end, the City established in early 2021 a Tourism Working Group to work with and advise City staff on the development of a proposed model to present to City Council for consideration.

This document presents the proposed governance and service model developed using input provided by the Working Group. The model envisions a non-profit destination marketing and management organization (DMO) established by the City to manage the delivery of Tourism Nanaimo. The DMO would be incorporated as the Tourism Nanaimo Society, would have two classes of Members, and would be governed by its own Board of Directors comprised of representatives of tourism stakeholders. The Society would hire an Executive Director who would manage the operations of, and initiatives undertaken by, the Society. The work required under each initiative would be contracted to firms and others with the necessary expertise.

As an incorporated entity under the *Societies Act*, the Tourism Nanaimo Society would operate with a high degree of autonomy from the City. Two members of City Council, however, would sit as voting Directors on the Society's Board of Directors; a senior member of City staff would serve on the Board in an *ex-officio* non-voting capacity. The bulk of the Society's funding, including funding for core activities, would be provided by the City in the form of an annual contribution from local taxpayers. Municipal and Regional District Tax (MRDT) revenues would be used, under agreement with the Nanaimo Hospitality Association, to fund specific initiatives. The Society would leverage funding through Destination BC and other entities to support destination initiatives and programs.

Funding agreements between the Society and the City of Nanaimo, and between the Society and the Nanaimo Hospitality Association, would be developed to identify the specific initiatives, programs and products that contributions from the funding bodies would be used to support. Interagency agreements involving the Society, the Nanaimo Hospitality Association, the City of Nanaimo, Vancouver Island Conference Centre and others would be developed to guide the activities of signatory parties in Sport Tourism, and Business and Meetings Tourism.

## COMPONENTS OF THE MODEL

The remainder of the document identifies and provides detail on each of the components of the proposed Tourism Nanaimo Society model.

- Name:** Tourism Nanaimo Society.
- Purpose:** The Tourism Nanaimo Society is a non-profit, destination marketing and management organization that works with tourism industry stakeholders, governments and others to develop and market Nanaimo as a destination for visitors.
- Mandate:** The Society has a six-part mandate:<sup>1</sup>
- > to develop and guide the implementation of a multi-year *Tourism Nanaimo Destination Strategy*, as well as a *Business & Meetings Tourism Strategy* and a *Sport Tourism Strategy*
  - > to create a destination brand that celebrates Nanaimo's uniqueness and appeals to targeted groups of visitors
  - > to support, through investment and research the development of a vibrant and sustainable tourism industry
  - > to grow, through strategic marketing, collaboration with partners and careful brand management, the number of overnight visitors to Nanaimo
  - > to strategically invest in destination development initiatives aimed at increasing the number of visitors to Nanaimo
  - > to operate the Visitor Information Centre and provide visitor-related services<sup>2</sup>
- Legal Structure:** The Tourism Nanaimo Society is a non-profit society, established by the City of Nanaimo pursuant to section 8 of the *Community Charter*. The Society is incorporated under the British Columbia *Societies Act*.
- Members (Classes):** Members of the Tourism Nanaimo Society are divided into two classes:
- > City of Nanaimo
  - > Tourism Stakeholders
- Tourism Stakeholder Members may include:
- > Snuneymuxw First Nation
  - > Nanaimo Hospitality Association

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<sup>1</sup> Core services pursuant to this mandate are listed in Attachment I.

<sup>2</sup> The City wishes to review the existing visitor services delivery model, including the operation of the Visitor Information Centre.

- > Nanaimo Chamber of Commerce
- > Vancouver Island University
- > Nanaimo Airport Authority

**Members  
(Decisions):**

Both classes of Members are Voting Members. As per the *Societies Act*, Voting Members receive one (1) vote and are responsible for making decisions on the following matters:

- > amendments to the purpose and mandate of the Society as set out in the Society's constitution
- > amendments to the Society's bylaws, including provisions related to the size, composition and manner of appointment to the Board of Directors
- > dissolution of the Society
- > the admission of additional Society Members and creation of additional classes of membership

Members have the right to authorize borrowing by the Society, but only with the express approval of the City of Nanaimo, as set out in the Society's bylaws.

**Board of  
Directors  
(Composition):**

The Tourism Nanaimo Society is governed by a Board of Directors comprised of fifteen (15) Voting Directors. The six (6) agencies that follow designate one (1) representative each for appointment to the Board by the Society's membership as a Voting Director:

- > Snuneymuxw First Nation
- > Nanaimo Port Authority
- > Nanaimo Chamber of Commerce
- > Vancouver Island University
- > Vancouver Island Conference Centre
- > Nanaimo Airport Authority

Two (2) members of City Council are designated for appointment to the Board as Voting Directors. Three (3) representatives of the Nanaimo Hospitality Association are designated for appointment to the Board as Voting Members. Together, these eleven (11) Directors designate four (4) operators, managers and/or decision-makers as Voting Directors to represent the following sectors:

- > Transportation (Land, Marine, Air)
- > Tours & Attractions
- > Arts & Culture
- > Food & Beverage

For the inaugural Board of Directors, the Voting Directors from the Transportation, Tours & Attractions, Arts & Culture and Food & Beverage sectors are to be chosen from among the representatives of these sectors who serve on the City's Tourism Nanaimo Working Group.

In designating individuals to serve as Voting Directors in future years, consideration is given to the skill sets that should, to the extent possible, inform the decisions of the Board. A skills matrix is provided to each agency that is responsible for designating individuals to serve as Voting Directors. The matrix is available, as well, to guide the Board in designating the at-large and sector representatives for Voting Director positions.

All designates are appointed as Voting Directors of the Society by the Society's Members. One senior manager from the City of Nanaimo is appointed as a Non-Voting Director.

**Board of  
Directors  
(Term):**

Each Voting Director is appointed for a term of two (2) years, and may be re-designated (and re-appointed) for two (2) consecutive additional terms, for a maximum period of six (6) years. Additional rules on term of office intended to promote continuity in the Society's governance are as follows:

- > Eight (8) of the fifteen (15) Voting Directors of the Society's inaugural Board of Directors are appointed for a three (3) year term; these Directors may be re-appointed for an additional two (2) consecutive terms, each of which is two (2) years in duration.
- > Directors are appointed (or reappointed, as the case may be) on a staggered basis beginning at the end of year two when seven (7) voting Director positions become open.

**Board of  
Directors  
(Chair/Vice):**

Once every two years, at the first Board meeting of the season, the Board Directors elect a Board Chair and Vice Chair. The duties of the Chair include:

- > presiding at all meetings of the Board
- > providing leadership to the Board, including by recommending resolutions
- > providing, on behalf of the Board, general direction to the Society's Executive Director
- > acting as the Board's chief liaison and spokesperson with City Council, the media and external agencies
- > carrying out other duties assigned by the Board

The Vice Chair acts in place of the Chair when the Chair is absent. The Chair and Vice Chair are elected from among the Board Directors for a two (2) year term.

**Board of  
Directors  
(Remuneration):**

All Board members serve without remuneration. Expenses incurred to conduct Society business may be claimed in accordance with Board policies.

**Board of  
Directors  
(Decisions):**

The Board of Directors is an autonomous decision-making body, appointed to direct and oversee the activities of the Tourism Nanaimo Society. The Board is empowered to make a broad range of decisions, including those related to:

- > adoption of Tourism Nanaimo's annual Tactical Plan that outlines the receipt and intended use of annual funding from the City of Nanaimo, Nanaimo Hospitality Association, Destination BC and other partners; and that is developed in collaboration with the Nanaimo Hospitality Association pursuant to the terms of the MRDT program
- > approval of the Society's annual Financial Plan (i.e., budget) that identifies anticipated revenues and planned expenses on operations, programs and initiatives<sup>3</sup>
- > approval of funding agreements between the Society and the City of Nanaimo, and the Society and the Nanaimo Hospitality Association
- > approval of the multi-year *Tourism Nanaimo Destination Strategy*
- > approval of the sport tourism and business and meeting tourism inter-agency agreements
- > the hiring of an Executive Director for the Society
- > policies setting out the authority and responsibilities of the Executive Director
- > monitoring and measuring the performance of the Executive Director in implementing the Board's policies and fulfilling the other responsibilities assigned to the position
- > the development of policies to govern Society business
- > entering into agreements and contracts, and terminating such agreements and contracts where necessary
- > initiating projects and programs to implement the *Destination Strategy*
- > appointing an independent auditor to prepare the Society's Annual Financial Statements
- > the creation and appointment of members to Board Committees

All Voting Directors vote on all decisions of the Board; each Director including the Chair holds one vote. Decisions in favour of a resolution require a straight majority of Directors present. A quorum of eight (8) voting members is required for meetings to be held and voting to occur.

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<sup>3</sup> The financial plan is informed by the annual Tactical Plan.

**Board of Directors (Committees):**

The Board of Directors creates Committees to assist in implementing the *Destination Strategy*, to provide advice on new and ongoing initiatives, and to attend to the business of the Board and Society. Committees may include individuals from the tourism industry who are not Voting Directors of the Society; each Committee, however, is chaired by a Voting Director. The Board's choice of Committees is informed by the *Strategy*, opportunities or issues that arise, and the Board's own needs.

All Committee members are appointed by the Board as a whole. The Board also appoints a Chair and Vice Chair for each Committee from among Voting Directors who serve on the Committee. Minutes for all Committee meetings are presented to the Board in Committee reports.

**Board of Directors (Reporting):**

The Board is accountable to the Members — that is, the City of Nanaimo and the Tourism Stakeholders — for the operation and performance of the Tourism Nanaimo Society. Accountability is achieved through:

- > the presentation to the Members at the Annual General Meeting of Annual Financial Statements prepared by an independent auditor
- > the presentation to the Members of an Annual Report that:
  - provides information on the Society's initiatives and efforts, including grant- and other fund development-related efforts, over the previous year
  - assesses the Society's past-year performance in implementing the initiatives of the *Destination Strategy*
  - sets out important initiatives and events that are planned for the upcoming year, as per the *Tourism Nanaimo Destination Strategy*
  - reports on the funding agreement and tactical plans between the Society and the Nanaimo Hospitality Association for the past year and upcoming year
- > quarterly briefings to the City of Nanaimo Council in its capacity as the primary funding agency of the Society (see below)
- > other means, formal and informal, that the shareholders may request

**Funding Model (Core Funding):**

Core funding for the Society provides the support required by the Society to exist and operate. Core funding covers the following types of costs:

- > labour costs for the Executive Director and any support staff hired by the Society
- > the operation of the Board
- > office expenses including rent/lease

- > office support contract expenses (e.g., for bookkeeping)
- > social media and website development and management
- > legal, accounting and other professional costs

A portion of the City of Nanaimo's annual contribution is directed to cover the Society's core costs.

**Funding Model (Visitor Services):**

Funding required to operate the Visitor Information Centre and to provide related visitor services is taken from the City of Nanaimo's annual contribution.<sup>4</sup>

**Funding Model (Marketing & Development):**

Destination marketing, destination management and product development initiatives are identified in the *Destination Strategy* and the Society's annual approved Financial Plan. Funds to support these initiatives come from the:

- > City of Nanaimo (local tax revenue contribution) in accordance with the funding agreement between the Society and the City
- > Nanaimo Hotel Association (MRDT revenue contribution) in accordance with the funding agreement between the Society and the NHA
- > Destination BC and other funders (public, private and not-for-profit sectors) in accordance with any terms of agreement related to the receipt of grants and other funds

**Executive Director:**

The Tourism Nanaimo Society hires and employs an Executive Director. This position, which is accountable to the Board of Directors, has the authority and responsibility for:

- > directing and overseeing the work of contractors, consultants and any support staff who are retained to assist with initiatives and core operations based on approved plans and budgets
- > managing, supervising and administering the day-to-day operations of the Society
- > developing administrative procedures, policies and guidelines to guide the implementation of the Board's policies and goals
- > advising the Board on the implementation and updating of the *Tourism Nanaimo Destination Strategy*
- > appraises the Board of, and advises the Board on, tourism issues, trends and research
- > liaises with staff at the City of Nanaimo, and with staff at the Tourism Stakeholder agencies

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<sup>4</sup> The City of Nanaimo intends to review the current visitor services delivery model, including the operation of the Visitor Information Centre.

- > engages tourism operators on a range of tourism industry and development matters, and on the development of proposals for new initiatives and research
- > liaises with Destination BC, Destination Canada and other funding agencies
- > represents the Society and serves as a spokesperson for the Society at various events inside and outside of Nanaimo

The Executive Director provides reports and updates to the Board of Directors, as required by Board policy, on finances, progress on objectives, marketing efforts pursuant to plans and strategies, and other matters.

**Contractors:** The Tourism Nanaimo Society service model is designed to rely on contractors and other third-party agencies to design and deliver key initiatives and programs for the Society. The model envisions a lean in-house staffing complement focused on the Executive Director. To the extent possible, any supporting staff resources are to be cost-shared with other agencies.

**Operations:** The Tourism Nanaimo Society leases its own office space in Nanaimo. As an autonomous legal entity, the Society attends to its own operational needs, including those related to financial management and accounting, legal matters, human resources, purchasing, information technology and others. Wherever possible and cost-effective, the Society is expected to contract with the City of Nanaimo or another agency to purchase services required.



## ATTACHMENT I

### Tourism Nanaimo Society Core Services

The Society provides a set of core services pursuant to the Society's mandate. These services include:

- > provision of information to tourism operators and other industry stakeholders in Nanaimo
- > provision of access to marketing opportunities
- > provision of funding (including leveraging funding) to create effective marketing strategies and initiatives
- > provision of funding (including leveraging funding) aimed at the development of tourism products and services (e.g., sport venues, special event areas, mountain biking infrastructure, etc.)
- > planning and provision of familiarization tours to Canadian and international tourism agents, media and special interest groups
- > creation of networking and communication opportunities
- > efforts to promote Nanaimo as a tourism destination, driving overnight visitation and economic opportunities for stakeholders
- > efforts to promote Business & Meetings Tourism, and to position Nanaimo as a destination for conferences, conventions and related events
- > efforts to promote Sport Tourism and to position Nanaimo as a destination for organized sporting events that draw overnight visitors to the community
- > collection, organization and distribution of information and research
- > creation of marketing tools, including promotional pieces, and tourism marketing initiatives
- > distribution of promotional materials and information in various formats
- > efforts to encourage and enhance involvement in tourism
- > planning and facilitation of tourism educational opportunities
- > maintaining effective liaison and communications with other tourism marketing providers and with contractors
- > setting and maintaining requirements for fee-for-service agreements
- > delivery of visitor services