

KDCA SPRING MEETING

Wednesday, October 5, 2005

IN ATTENDANCE (38)

HARALD LOHN
ANN LOHN
STEVE HARTLE
GARY BEARDSLEY
DAN DENZLER
BOB PALUCH
GORD BASTABLE
JACQUI HAUKENESS
JERRY FISHER
JOHN FAHLGREN
PAT TYGESSON
MAL TYGESSON
KARLA CLARK
JIM BUHLMAN
PAT HRON
ROB BRODHAGEN
CHANTAL WISNESKI
JOHN CHRISTISON
RUTH PRICE
KELSEY SPENCE
SILVER C. HUNT
JUDY HENRICKSON
WAYNE ALBERT
CHRIS LAVOIE
PETER BURNS
BONNIE SKENE
DAN DEDO
DOUG REYNOLDS
SHEILA LARMER
MARGOT BOOTH
MARK SOBCHUK
DOUG PRICE
TREVOR PARK
IAN METTAM
JIM GRAYSTON
KEVIN BEGINE
LINDA ALMERS
JUDY ALEXANDER

KABELLO LODGE
KABELLO LODGE
BIG HOOK WILDERNESS CAMPS
LAC SEUL EVERGREEN LODGE
FISHERMAN'S COVE
TEMPLE BAY LODGE
VERMILION BAY LODGE
RUGBY LAKE LODGE
MORSON OUTFITTERS
SIDNEY LAKE LODGE
EVERGREEN LODGE
EVERGREEN LODGE
CLARK'S RESORTS
EAGLE LAKE SPORTSMEN'S LODGE
CEDAR POINT LODGE
NORTH CARIBOU CAMP/BEAR CREEK
STANLEY'S RESORT
BIG EAGLE LODGE
DEER TRAIL LODGE
WILDERNESS AIR
WALDHOF BAY LODGE
UCHI LAKE LODGE
TIMBER POINT CAMP
PINE ACRES
McAULEY & PARTNERS
WEYERHAEUSER
WEYERHAEUSER
NOTO
MTR
TIAC
MNR-DRYDEN
MNR-DRYDEN
MNR-RED LAKE
MNR-THUNDER BAY
OIMP
CANADA BORDER SERVICES
CANADA BORDER SERVICES
NORTHWEST DESIGN + COMMUNICATIONS

1. CALL TO ORDER The meeting was called to order at 9:30 a.m. by Harald Lohn as President.

2. INTRODUCTIONS Self introductions were made around the room.

3. MINUTES OF SPRING MEETING Minutes from the 2005 SPRING KDCA meeting were previously sent to all members in the October Newsletter as well as copies circulated at the meeting Harald Lohn moved to accept the minutes as presented. Steve Hartle seconded. Carried.

4. TREASURER'S REPORT Karla Clark as Treasurer circulated copies of the KDCA Financial Statement. The bank balance presented was as of August 30,2005. Membership Report indicated that allied memberships were the same as 2004 and that regular membership was slightly down because there were still some outstanding membership renewals.Harald Lohn moved to accept the report. Dan Denzler seconded. Carried.

5. AGENDA ADDITIONS/CORRECTIONS Roger Valley MP was invited to attend this meeting but could not as he is in Ottawa. Canadian Border Services Agency are on the agenda and had confirmed their attendance however, they have not shown up yet due to bad weather. Harald Lohn encouraged KDCA members to attend the upcoming Lac Seul FMP meeting as well as the NOTO Covention in Sault Ste. Marie November 2-5. Harald will be attending the meeting on behalf of KDCA.

6. OLD BUSINESS Mike Bilsbarrow, Patricia Regional Tourist Council was scheduled to report on the TV Show on Border Crossings in which KDCA was a partner (\$1,000 contribution). he could not attend the meeting so Steve Hartle reported in his place. Steve reported that their was excellent cooperation between the all parties involved and the film contains some great footage which includes tips on crossing the border in to Canada, how to properly pack fish for transporting across the border. The short film (approx. 7 minutes) will air in the U.S. (television) in January, February and March of 2006 during prime booking season. It is expected to reach 48 million households. Copies will be available-please contact Mike or Ruth at the Patricia Region Tourist Council. The total project cost was approx. \$4,500 US. PRTC is also coordinating a new information web site (infnorth.net) which will be a resource for visitors to Canada. It will have links to the PRTC freemap website, Sunset Country website and NOSTA website as well as the new KDCA/NWOTA canadawelcomesyou.net website which launched in September also as a resource for visitors crossing the border into Canada. The website is still in the development stage.

7. PRESENTATIONS: MINISTRY OF NATURAL RESOURCES

a) FOLLOW UP OF IGNACE LUP'S/BED CAPACITY MEETING (JULY,2005)

MNR indicated that this was a tough meeting for them...they took a lot of heat. MNR agrees that there has to be better communication and flexibility between the MNR and resorts.It was expressed that Charlie Lauer, Regional Director, MNR Northwest Region felt that good progress was made at the meeting in Ignace and that the MNR has sent out an information package (Commercial Outpost Camps on Crown Land Options for Authorization) to all operators. A copy was also included in KDCA September Newsletter mailing. This package contained an outline of the current tenure options available and outlines the similarities, differences, requirements, costs, benefits, etc. of each MNR is taking into consideration the differences and conditions in the district as they review all of the conditions on tenure documents. Direction was provided to District Managers on August 17, 2005 regarding the use of "additional' conditions to tenure documents. MNR realizes that they need to build and strengthen their relationship with the tourism industry and it is hoped that immediate actions taken should clearly demonstrate MNR's continued commitment to a strong and healthy resource based tourism industry in the Northwest Region.

b) COMMERCIAL OUTPOST CAMPS ON CROWN LAND: Doug Price, MNR Dryden. He outlined available options for the authorization of outpost camps on Crown Land, comparison of Land Use Permits vs Lease (standard terms and conditions) as well as additional terms and conditions.

AVAILABLE OPTIONS:

- Land Use Permit authorizes a land use. It is not a form of “tenure” and does not convey any right or interest in the land or resources therein.
- Lease grants a limited interest in the land and is registered (i.e. leasehold interest).
- Both are “legal agreements” between the Crown and occupier.

LAND USE PERMIT OR LEASE?

TOURIST OPERATOR - A business decision based on requirements for security, financing, predictability and level of investment.

MNR - based on need to control use, requirements of operator, and assessment of potential risk to the Crown.

KEY DIFFERENCES- LUP VS. LEASE

TERMS & CONDITION	LAND USE PERMIT	LEASE
Rent/fee and payment requirements	Yes-minimum fee *under review	Yes-market value based *under review
Rent dispute resolution	No	Option to go to Arbitration
Transferable	No	Yes, with MNR consent
Automatic termination upon death,dissolution or bankruptcy	Yes	No
Right to or guarantee of renewal	No	Maybe if renewal options in lease
Mortgage	No	Yes (consent may be required)

If lease is your preferred option you must:

- Apply in writing to district office who will review and approve or deny application
 - Joint site inspection may be required to confirm compliance and to identify boundaries of land to be leased.
 - If approved- review draft lease with district to ensure an understanding of/agreement with terms and conditions, both standard and optional.
 - Survey instructions issued by district
 - Survey undertaken at operator’s expense.
 - Lease is created upon registration of survey and payment of initial fee and first year’s rent.
- There are numerous additional terms and conditions and additional conditions required by policy.

c) Fisheries Related Work Subsequent To Ignace Meeting

Mark said there is a task team in place that will explore some ideas from the Ignace meeting. He said the MNR is prepared to think outside the box and let business manage fisheries, however, the MNR still has final say as to whether they are being properly managed. He invited a couple of KDCA members to sit on the task team along with MNR reps and other tourist industry reps. There is no preset limit as to the number of tourist reps but they would like geographical representation. MNR reps include science reps, fishery biologist, area supervisor, land specialist and an area biologist. He said names should be sent to Ian at the MNR. The next step will be to take it to the provincial level.

d) Bear Issue

Gary Beardsley commented that the MNR has been inconsistent in their approach to bear management. In the past districts just did what they saw fit. Sioux Lookout and Dryden are trying to manage bears- no conditions on license anymore. flexibility was created this year but the MNR is working towards consistency in the region. The MNR will talk to operators to address their concerns about sustainability. The MNR said they would like to come back to the spring meeting.

8. PRESENTATION; CANADIAN BORDER SERVICES AGENCY Kevin Begine, Support Traffic Operation, Fort Frances and Linda Almers-Immigration Officer

Kevin said that their new mandate is to protect the safety of Canadians. Border Crossing numbers at Fort Frances port of entry haven't changed in the last two years. Tourist traffic is down less than 2% in Pigeon River. He said that the number of crossing issues/complaints have been inflated by the media and do not support the actual complaints received from camp operators. He said that the onus is on the traveler to make sure they have proper documents for admissibility. 99% do enter Canada without incidence and there is one complaint for every 180,000 travelers. It takes two minutes at the border to assess people crossing into Canada. If there is a problem, they are asked to come inside where other databases will be searched for background information. The MNR stats report more sportsmen travelers coming into the area to fish and hunt. Steve Hartle questioned their report that complaints were down. He said that there are no problems at other crossings compared to Northwestern Ontario. Steve commented that hundreds of thousands of dollars have been lost by the industry due to tourists being turned back. Doug Reynolds said that 90% of those turned back are from NWO and NWO has 10% of the traffic volume. Doug also mentioned the notorious potato fiasco- it only happened in Ontario as a result of a Canadian Border Services personnel mistake. Jerry said that in one situation the person had to dispose of the potatoes on the U.S. side and then get back into line. Kevin said that the Mop top Potato virus was the reason for the decision to ban potatoes- easier to ban all potatoes. Doug said that USDA inspected Grade 1 potatoes are the same ones you can't bring across the border into Canada but anyone can purchase across the border in a supermarket. Karla said that there is a problem with how people are handled at the border and said that 90% of their business is from repeats and referrals. She questioned why border crossing personnel can't be properly trained. Sheila Larmer said that there is a new training module for NWO CBSA. Bob said that his camp brings in busloads of guests and that they their escorts have encountered problems with immigration. Harald commented that there are a lot of emotional feelings about this issue. He said that NWOTA and KDCA have just launched a new website www.canadawelcomesyou.net- a Canadian Border Crossing Resource web site that addresses a lot of questions in regards to border crossings -what you can bring, what is prohibited, firearms info, border wait times, what you should know, impact of criminal record on admissibility, FAQ's and much more. The site content has been approved by Canada Border Services Agency.

9. PRESENTATION: WEYERHAEUSER Bonnie Skene and Dan Deedo

Market Realities:

-Fine paper such as that produced in Dryden is being impacted by technology, offshore competition and less demand.

-Newsprint is no longer cyclical

-Pulp demand is slowing.

-Lumber demand is at a record level due to housing starts and remodeling.

Ontario as a whole employs 275,000 people in the forest industry and generates 19 billion dollars in sales. It contributes 8 billion in trade balance, pays 3.2 billion dollars in taxes (federal, provincial and municipal). Weyerhaeuser purchases over \$600 million dollars of Ontario goods and services from 3,000 suppliers annually.

The Dryden mill is facing high wood costs, higher electricity costs, declining capital investment and higher exchange rates. Dryden has closed its Dryden sawmill to expand the Ear Falls sawmill.

There are 260 fewer mill workers than 2 years ago. They are selling surplus properties. Mal said that Weyerhaeuser is a good supporter of the tourism industry. Questions were asked about the future of the Dryden Mill-things under review. Higher fuel costs are significantly impacting operations and co-generation is not feasible because there is not enough waste material in the area.

10. PRESENTATION: MINISTRY OF TOURISM Sheila Larmer

Sheila congratulated NWOTA and KDCA on the Canada Welcomes You web site-it's incredible and many organizations and operators should be linking to it.

HISTORICAL STATISTICS-KENORA DISTRICT

-Between 1998 and 2003 person visits in Kenora District grew by 9% from 970,751 to 1,055,033.

-Between 1998 and 2003 person visits in Kenora District by Canadians grew by 7% from 675,830 to 723,719.

Between 1998 and 2003 person visits by U.S. Residents in Kenora District grew by 13% from 2888,275 to 326,043.

-Person visits by residents of other countries to the Kenora District grew by -21% between 1998 and 2003, from 6,646 to 5,270.

-Hotel occupancy rates in the Kenora District grew by (-8%) or from 67% to 61% between 1998 and 2003.

-In 2003, 1,055,033 visitors went to the Kenora District. Of these visitors 813,349 or 77% stayed in the area for one plus nights and the balance 241,683 or 23% made a same day visit.

-12% of all overnight visitors to Kenora District came from Minnesota.

-64% of overnight trips were pleasure trips, 20% were traveling to visit friends and relatives, 6.1% were on business trips and 9.7% were traveling for other reasons.

-43% of overnight visitors in the Kenora District spent in roofed commercial lodgings such as hotels, motels, resorts, bed and breakfast and commercial cottages. 8.3% were spent in local campgrounds or trailer facilities and 36% were spent in private homes or private cottages.

-Overnight visitors engaged in the following activities in the Kenora District: 73% any outdoor/sport activity; 50% fishing; 44% visiting friends/relatives; 37% shopping; 33% boating; 25% sightseeing; 14% Provincial Nature Parks.

-The average age of overnight visitors to Kenora District is approx. 41 years.

-Same day and overnight visitors spent \$293,529,299 in Kenora District on tourism-related expenditures/categories including lodging, food and beverages, transportation, entertainment, and retail during 2003.

-Overnight visitors spent \$287,012,905 in Kenora District on all expenditures categories in 2003.

ECONOMIC IMPACT OF VISITOR SPENDING IN KENORA DISTRICT

The \$293,529,299 in spending by all visitors generated \$2154,920,000 in direct, indirect and induced contributions to gross domestic product (GDP), \$117,234,000 of labour income and salaries and 4,137 part-time, full-time and seasonal jobs. The District's tourism receipts reached \$301,303,298 in 2003. The tourism receipts generated \$2220,091,000 of GDP in Kenora District, \$119,625,000 in labour income and 4,189 jobs. A total of \$110,723,000 of taxes were generated for all levels of government.

TRIP PLANNING BEHAVIOUR OF AMERICAN TRAVELERS

AMERICAN TRAVELERS ARE NOW MORE CAUTIOUS:

-31% take fewer overnight trips than they used to

-44% take overnight trips closer to home

-37% take shorter (in duration) overnight trips

-47% make travel plans closer to departure date

-53% check travel advisories and news about destinations more often than they used to.

The internet and an uncertain, health-wise, world are the main culprits responsible for last minute bookings.

website for research- www.research.tourism.gov.on.ca.-Tourism Facts and Figures, tourism Impact Model (TIM)

OUTPOST ISSUES are being looked at, at the Provincial level. MOT met with ADM of MNR and MND&M Deputy Minister to develop terms of reference on the group. they would like this to be operational by the fall NOTO conference.

LIQUOR LICENSE ACT

Will go under review this fall and there will be consultations on this, i.e. off premises sales, all-inclusive packages, extended hours etc.

ACCESSIBILITY FOR PERSONS WITH DISABILITIES

Want all facilities to be accessible. Very complex process to develop standards. Will have an impact on the tourism industry.

TOURISM LICENSING

In the process of changing. The bill is in the house right (1st reading) now to eliminate the tourism license. May be passed by next year.

11. PRESENTATION: TIAC-TOURISM INDUSTRY ASSOCIATION CANADA Margot Booth

Western Hemisphere Travel Initiative Passport Requirement on Canada's Tourism Industry:

POTENTIAL IMPACT

Beginning **Dec. 21, 2006**, the rules will apply to all individuals traveling to the United States by air and sea and as of **Dec. 31, 2007**, the rules will apply to all individuals entering the United States via its land borders.

By 2008, the cumulative effect of WHTI will be 7,733,000 less people crossing into Canada from the US.

By 2008 there will be a drop of \$1,756,000,000 in travel receipts from US travel to Canada.

TIAC would like to work with KDCA on other border challenges such as DWI.

TIAC could work with KDCA/NWOTA on collecting information for the www.canadawelcomesyou.net web site

12. PRESENTATION: NOTO Doug Reynolds

Doug spoke further on border issues as well as LUP's. He said that the Ignace meeting resulted in major policy issues with the MNR. NOTO is working towards a better relationship with the MNR. He mentioned a research survey-Thunder Bay Study which will assist in measuring the industry's economic impact.

He said that the MTO cuts left an imbalance for the Northwest as there is now only one rep in NWO. The Northern Ontario Heritage Fund is now eligible to individual businesses and could be accessed for conversion to alternative energy sources. He agreed that NOTO communications with NWOTA and KDCA need to be improved and complimented both organizations on their viability and effectiveness.

13. OTHER DISCUSSIONS FROM THE FLOOR

Jim and Mal met previously with City of Dryden Economic Office Patricia Region Tourist Council and Patricia Area Community Endeavours where discussions on border issues, OTMP program, ecotourism and the lack of infrastructure in this area took place. jim said that OTMP have 4 staff in the north and are responsible for developing a provincial angling and snow machine program.

Work with Ontario North and invested \$3.3 million promoting angling in different markets such as Angling T.V.-90 shows/week. They have regional marketing programs in the midwest as well as a gofish website. They also support NOTO, OFAH MASTER ANGLER ANGLER

PROGRAM, NTAP PROGRAMS, PRTC PROGRAM (VIDEOS-PARTNER WITH \$43,000 DONATION), SUNSET COUNTRY AND MORE.

14. KDCA AND NWOTA LAUNCH WWW.CANADAWELCOMESYOU.NET WEB

SITE Jerry Fisher

NWOTA and KDCA Memorandum of Understanding was voted upon and accepted at the last meeting. Each organization contributed \$2,000 each with an additional \$4,000 from RRFDC. KDCA and NWOTA with the assistance of the Rainy River Future Development Corporation have collaborated in the launch of a new website to provide our American friends and guests as well as the general public with convenient access to general information regarding crossing the International Border into Canada. Since 911 border crossing rules have become more strictly enforced. We want the traveler to have access to as much information as possible. The site has been reviewed and approved by the Canada Border Services Agency. The website was designed and developed by northwest design + communications. We recommend that you all put links on your own web sites as well as on any printed material.

Harald and Jerry developed the Q&A on the website as well as having 100,000 copies printed. These will be handed out at Sport Shows by PRTC and Sunset Country as well as available for members to send out with their own correspondence.

KDCA and NWOTA will be holding a strategic planning meeting in the near future and will meet with NODN,NW CHAMBERS AND NW MUNICIPAL ASSOCIATIONS.

15. OFFICE SERVICES CONTRACT

northwest design + communications submitted office service proposal which contained no changes or increases over last year. Gary Beardsley motioned to accept the contract. Seconded by John Fahlgren. Passed.

16. OTHER BUSINESS

CRITERIA FOR DONATIONS- Donations committee proposed that all donations must have a tourism component and must help tourism as well as it's image and be a regional event/cause. Four weeks notice will be required in order for the executive to discuss and vote. The group/person seeking funds would be responsible for promotion/advertising KDCA's donation. Motion to accept by Jerry Fahlgren. Seconded by Gord Bastable. Carried.

APPROVE THE ACTIONS OF KDCA PRESIDENT,BOARD OF DIRECTORS FOR 2004-2005 YEAR-Motion to accept by Mal Tygesson. Seconded by Dan Denzler. Carried.

Motion by Mal to pay for President's expenses to NOTO Convention. Seconded by Dan. carried.

17. ELECTIONS Conducted by Dan Denzler, Past President

EXECUTIVE BOARD

Harald Lohn, President- name stands, acclamation

Gary Beardsley, Vice President-name stands,acclamation

Steve Hartle, Treasurer-name stands,acclamation

DIRECTORS-3 new positions

Gord Bastable- acclamation

Chris Lavoie-acclamation

Pat Hron- acclamation

Dan thanked Karla Clark for her contribution as treasurer.

Turned back floor to Harald.

21. ADJOURNMENT: Motion to adjourn by Mal. Seconded by Steve. Carried.