

**Transition Team Approved Structure and Framework  
For RTO 7 Permanent Board of Directors (10/29/10)**

**I. Overview:**

Key elements of the RTO 7 permanent Board Structure and Framework, approved on October 29, 2010 by the RTO 7 Transition team, are outlined below under the following headings:

**i) Board Structure and Framework:**

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Nature and Powers of Role  
General qualities/attributes  
Total Number of Members: Voting and/or non-voting  
Board Composition: Geographic/Private/Non-Private/Sector/Skills/Experience  
Term of Office: Initial, ongoing and total  
Number of Annual Meetings/Required Attendance  
Quorum Requirements/Handling of Proxies  
Provision for Committees  
Remuneration  
Membership Related Considerations  
Conflict of Interest Management  
Executive  
Indemnities  
Establishment of FY (April 1 – March 31)  
Annual General Meeting and notification  
Provision for electronic means of meeting  
Provisions for Execution of contracts/legal documents/agreements (instruments)  
Provision or not for Tie-Breaking by Chair

**Note: Ongoing governance items not covered by Transition Team; deferred for handling by permanent Board upon instalment in year one:**

- Ongoing method of replacing/filling Board positions (nomination vs. election/terms)
- Inclusion or not of Officers beyond Executive
- Set up of Banking, Auditing, Minute-keeping, Legal Counsel
- Various membership related items: categories, inclusion of annual dues or not, voting decisions; provision for co-op marketing funding, etc.

## II. Details:

### **i) Board Structure and Framework:**

#### **a) Nature and Powers of Role:**

This is an active, strategic Board leading the long term development, handling and evaluation of all key strategic priorities for RTO 7 including but not limited to, the mandate of:

- Tourism Development and Training
  - Attraction of Tourism Investment
  - Tourism Product Development
  - Tourism Strategy Planning and Marketing
  - Tourism-related advocacy and communication

and guided by the RTO 7 vision “to work collaboratively with its tourism partners and stakeholders to enrich the region’s diverse tourism experiences, to sustain and grow visitation, investment and tourism receipts.”

As a not-for-profit Board of Directors, the powers of its members include:

- Power to accumulate funds and income
- Power to invest funds
- Power to solicit for donations and grants
- Power to receive, hold and dispose of personal and/or real property
- Power to hire
- Power to co-operate with other organizations and government
- Power to pay costs and expenses
- Power to sue and settle claims
- Power to negotiate and issue instruments (contracts, agreements, etc.)
- Power to do other actions needed to fulfil the objectives of RTO 7
- Power to handle all membership related items

#### **b) General Qualities/Attributes:**

- **Fiduciary Qualities:** Honesty, good faith, transparency, respect, integrity, accountability, responsibility and the characteristics of a fiduciary relationship, which involves utmost trust and confidence to manage and protect property or money when placed in a role of being obligated to act for another's benefit and only established when the confidence given by one person is accepted by the other person. Mere respect for another individual's judgment or general trust in his or her character is ordinarily insufficient for the creation of a fiduciary relationship. Fiduciary duties include loyalty and reasonable care of the assets within custody, with all actions performed for the advantage of the beneficiary.
- Knowledge of the tourism industry generally and in Zone 7
- Willingness to commit attention/time required ( $\leq$  5-6 hours/week during start-up)
- Commitment to the RTO 7 vision

**c) Total Number of Members (all voting):**

Fifteen voting members comprise the RTO 7 Board of Directors.

**d) Board Composition: Geographic/Private/Non-Private/Sector/Skills/Experience**

**Geographic:**

3 members each, representing each of Bruce, Grey and Simcoe counties and 6 members at-large representing a cross-section of RTO 7 skills, sectors & geography.

**Private/Non-Private:**

9-11 private sector members; 4-6 non-private (NFP and/or government based, non-elected representative) members.

**Sectors:**

The Board of Directors represents a balance of cross-region sectors that are both drivers for tourism visits and beneficiaries of tourism visits, with mandatory representation in the following core “driver” sectors: Accommodation (4+ rooms/roofed); Recreation (Indoor/Outdoor)\*; Festivals and Events; Skiing.

**Desired Skills across RTO 7 Board Roster:**

Management	Legal	Accounting/Finance
Government Relations	Communications	Marketing/PR
Research	Education/Academic	Economic Dvlp.
HR/Labour/Workforce Dvlp.	Media Relations	

**Mandatory Experience:**

Board or Board-like previous involvement, and management experience (responsible for overall annual results, operating budget, staff leadership).

**e) Term of Office: Initial, Ongoing and Total:**

**Initial:**

One-third of members – 1 year term; one-third of members – 2 year term; one-third of members – 3 year term.

**Ongoing (post initial):**

Three year term.

**Total:**

Seven year maximum by any one board member.

**f) Number of Annual Meetings/Required Attendance:**

Twelve monthly meetings in the first year. Required attendance is 80% of meetings unless absence is for reasons accepted by the Board.

**g) Quorum Requirements/Handling of Proxies:**

(Meeting related) Two-thirds of 15 voting members present; (Voting Related) Two-thirds of attending members, with no proxies used under any conditions.

**h) Provision for Committees:**

- Development (including Product, Economic, Investment)
- Marketing
- Industry Outreach
- Membership

**i) Remuneration:**

Volunteer position with reasonable expenses paid for performance of duties, agreed in advance of submission.

**j) Membership Related Considerations:**

In year one, membership includes any persons with an interest in tourism within RTO 7 (as defined by either a personal residence or business location within RTO 7) on a de-facto basis, within one category of general membership with no dues or co-operative payments and no voting rights.

Note: Board will decide on further development of membership-related items during year one.

**k) Conflict of Interest Management:**

Board members will carry out their duties in a manner such that no person associated with the Board in any capacity will have a potential or actual conflict of interest. For these purposes a conflict of interest includes a situation in which a person associated with the Board or any member of his/her family or employees, is able to benefit in any way, including financially, from his or her involvement in the Board. Board members will disclose to the Board without delay any situation that may be reasonably interpreted as either an actual or potential conflict of interest, so the Board can vote on it.

**l) Executive Committee:**

An executive committee comprised of a Chair, Vice Chair and Secretary/Treasurer will be in place.

**m) Indemnities:**

Appropriate Director and Officer Liability Insurance will be in place ongoing.

**n) Establishment of FY:**

Fiscal Year is April 1 – March 31.

**o) Annual General Meeting and Notification:**

The first general meeting will occur within 15 months of incorporation and then every 12 months thereafter. For the first year, notification will be via public methods (e.g. website, ads, stakeholder and RTO outreach).

**p) Provision for electronic means of meeting:**

Meetings may be held by electronic (vs. in-person) means provided that all Board members have reasonable access to those means.

**q) Provisions for Execution of contracts/legal documents/agreements (instruments):**

Board will set up appropriate banking accounts and processes including provisions for authority in execution of instruments (e.g. whole Board approval required unless approval amounts delegated to lead staff and/or executive or sub-committees).

**r) Provision (or not) for Vote Tie-Breaking by Chair:**

In the event of a tie vote the motion will be withdrawn, revised and resubmitted for voting. If deadlock persists the presiding Chair will cast the deciding vote. Or, in the event that less than 100% of Board members are present and accounted for, at the presiding Chair's discretion the matter will be deferred for voting at a later date.

Notes:

\* Recreation is defined as “relaxation of the body or mind; a sport, pastime or amusement” (*Webster's Dictionary*). As such recreational activities include but are not limited to golfing, arts, culture, heritage, camping, Food & Beverage, retail, waterways (including fishing and marinas), attractions (gated).