

**BMA**  
Management Consulting Inc.

**Operational Review  
Tourism**



**City of Timmins**

**Table of Contents**

Executive Summary	
Summary of Recommendations	
Review Process	1
Consultation With Staff	1
Staffing and Organization	2
Tourism and Leisure	3
Alignment With Clerks	3
Analysis	4
Budget	4
External Tourism Marketing Efforts	5
Internal Tourism Welcome and Coordination	7
Tourist Strategy	7
Tourism Monitoring	8
Shania Twain Center/Underground Gold Mine Tour	8
Benchmarking	11
Findings/Key Observations	13
Tourism Strategy and Coordination	16
External Tourism Promotion	19
Shania Twain Centre and Underground Gold Mine Tour	22
Operation of STC/GMT	22
Marketing The STC/GMT	24
Budgeting	25
Encouraging Ontario Government Support	27
Defining The City's Policy on Supporting The STC/GMT	28
Accumulated Deficit	29
Business Plan	30
Performance Measures	31

## **Executive Summary**

Tourism Timmins is a section of the City Clerk's Department, consisting of a manager and two full-time permanent staff. The primary responsibility of Tourism Timmins, both in terms of staff time, budget, and visibility is the management and operation of the Shania Twain Centre and Gold Mine Tour. The budget for all City tourism related activities is approximately \$500,000 annually, including overhead costs that have typically not been allocated. City Council should develop a policy and benchmark on the basis for the operating subsidy for the Centre.

The Shania Twain Centre and Gold Mine Tour operate under a non-profit corporation, the "Timmins Underground Gold Mine Tour Corporation". The Board contains two members of Council, as well as 10 other Directors. The Board makes an effort to get members nominated by the Chamber of Commerce and the BIA, as well as people from the mining and educational sectors. In practice, the Board has difficulty maintaining a full complement of members and currently has 9. The Board's role is to a large extent advisory, and the Board does not have a regular practice of reporting its plans and results to Council.

The Shania Twain Centre and Gold Mine Tour should continue to be operated by the Underground Gold Mine Corporation, and subsidized by the City until at least 2008. The attraction should be operated as much as possible like a separate business. Because of its permanence in the community and because of the heavy capital contribution made by Timmins taxpayers, the asset must continue to be owned by the City. Its operations and finances, however, must be clearly seen as a separate entity.

There is an opportunity for the City tourism staff to participate actively in the proposed Tourism Sector Sub-committee during the upcoming Community Economic Development Strategy 5-year review. The City's objective should be to encourage all parties to retain the Tourism sector sub-committee on an ongoing basis as the vehicle for local Tourism coordination, monitoring, and partnership-building.

A detailed 2005-2007 Business Plan must be prepared for the Centre and approved by the Board and Council. The thrust of these recommendations is that the attraction should be managed as if it were an independent business. With its 2005 budget, the staff should prepare, and the Board and Council should review, a 3-year business plan for the attractions. A business plan brief was presented to Council in June 2003. This document was very detailed and presented information about the operation of the Centre which has apparently not been presented to Council before or since, as well as projections for attendance and revenue and for community economic impact. That plan is now obsolete. An up-to-date and realistic business plan must be prepared, on the basis of which Council will have a realistic understanding of the costs, revenues and economic benefits of the STC/GMT.

Furthermore, a realistic plan will allow for realistic future expectations, and monitoring whether those expectations are being met over the next 3 years. Performance measures need to be developed and monitored on an ongoing basis.

The City should “write off” the Accumulated Deficit that is shown on the financial statement of the attraction. The STC/GMT budget shows a total deficit carried forward to 2004 of almost \$280,000, \$20,000 of which was operating deficit carried over from the 2003 operations. The majority of the deficit was created when the attraction funded a portion of the Shania Twain Centre’s furnishings and fitments from its operating budget. There is no apparent likelihood that the deficit will be repaid. Nor is it carried on the City’s books as a receivable. There is no purpose in continuing to carry it on the books.

Less centralization of different functions in the Clerk’s office is recommended. The City Clerk position, both statutorily and logically, incorporates critical responsibilities for public information, communication and meetings. However, these are internally oriented corporate functions, often subject to statutory parameters, rather than externally oriented marketing. Municipal tourism is entirely discretionary; Clerk’s duties are not.

The City Clerk’s office is not normally considered a “business centre” responsible for generating revenue and self-funding a significant proportion of its responsibilities, whereas this is certainly true both for tourism and for leisure services. There were no other examples of where a municipality of Timmins size has operated Tourism and Leisure services through the Clerks Department. Typically, a separate department has been established that focuses on all culture, leisure and recreation services. For the most part, feedback from members of Council supported the need to increase the focus and profile of tourism, recreation and cultural services.

As will be discussed in the Clerks Report, there are synergies between Leisure services and Tourism. As discussed in the Clerks Report, a recommendation has been made to immediately establish a separate parks and recreation department. This will require a focussed approach, particularly in the first few years to develop business and strategic plans before the movement of tourism is considered. It is anticipated that this will take several years at which time the merger of tourism with parks and recreation should be undertaken.

It is recommended that a separate Board be established to oversee Tourism related activities across the City. This would provide a more comprehensive and consolidated approach to Tourism. It is critical to have good representation from all sectors impacted by tourism in the City.

## **Recommendations**

***That all overhead costs be allocated to the Shania Twain Centre and Gold Mine Tour.***

***That a new business and marketing plan be developed for STC/GMT.***

***That the City tourism staff participate actively in the proposed Tourism Sector Sub-committee during the upcoming Community Economic Development Strategy 5-year review.***

***That staff prepare an annual business plan and report semi-annually to Council on the success of marketing efforts and the health of the local tourism sector.***

***That the City establish a separate Tourism Board with representation from various stakeholders. Representation should include members of Council, the business sector (e.g. tourism, BIA, the Chamber of Commerce), hospitality, transportation, education and local attractions. A separate consolidated budget, with appropriate resources should be established.***

***That the City should continue to direct some of its promotional funding on a regional basis.***

***That the City should develop a firm policy of calibrating its external tourism promotion funding to the level of private sector financial participation in the external tourism marketing campaigns.***

***That the City of Timmins should continue its participation in the Ontario's North campaign.***

***That the Board of the STC/GMT should play an active governance role, setting business direction, approving business plans, reporting to Council on financial performance and tourism impact.***

***That the Shania Twain Centre and Gold Mine Tour should continue to be operated by the Underground Gold Mine Corporation, and subsidized by the City until at least 2008.***

***That the present arrangement for staffing the STC/GMT via the Timmins tourism staff works well and should be continued at least until 2008, subject to the following conditions:***

- ◆ ***More business-like Accounting protocols***
- ◆ ***Expecting and receiving effective policy and financial direction from the STC/GMT Board in respect to the operation of the Centre***
- ◆ ***Measures of tourism results and meaningful direction from Council with respect to subsidy***
- ◆ ***An annually-updated Business Plan presented to and adopted by the Board, and presented by the Board to Council***
- ◆ ***A 3-year “sunset” clause, which makes it clear that Council intends to review the existing arrangement based on results achieved during the 2005-2007 period***

***That the STC/GMT continue to have an independent marketing budget and develop its own marketing policy. The Board should consider taking a regional approach to its marketing expenditures***

***That the STC/GMT accounts and budget should be stated on an enterprise basis, including full-cost accounting.***

***That the City should continue to bring to the attention of the Ontario Government that, unlike most northern centres, its most significant man-made tourist attraction receives little Provincial support***

***That City Council develop a policy and benchmark on the basis for the operating subsidy for the STC/GMT***

***That the City should “write off” the Accumulated Deficit that is shown on the financial statement of the attraction as there is very limited likelihood that it will be repaid .***

***That a detailed 2005-2007 Business Plan be prepared for the Centre and approved by the Board and Council.***

***That performance measures be developed and monitored on an ongoing basis for the STC/GMT.***

**Review Process****Consultation With Staff**

Discussions were held with the Clerk and the Manager of Tourism and Leisure and the Manager of Tourism to review:

- ◆ Policies, procedures and practices
- ◆ Management of the department
- ◆ Staffing needs, roles and responsibilities
- ◆ Organizational structure
- ◆ Performance management
- ◆ Major projects and priorities
- ◆ Current and Capital Budgets



*The Shania Twain Centre and Gold Mine Tour operate under the aegis of a non-profit corporation*

### **Staffing and Organization**

Tourism Timmins is a section of the City Clerk's Department, consisting of a manager and two full-time permanent staff. The Manager's time is attributed 60% to Tourism and 40% to Leisure Services. The manager is responsible for the programming, policy, promotion, and coordination of leisure services and sport activity in the City (this does not include the maintenance and management of arenas, community centres and parks, which fall within the department of Public Works).

The primary responsibility of Tourism Timmins, both in terms of staff time, budget, and visibility is the management and operation of the Shania Twain Centre and Gold Mine Tour. The staff including numerous part-time and contract persons help to operate the facility. The Shania Twain Centre and Gold Mine Tour operate under the aegis of a non-profit corporation, the Timmins Underground Gold Mine Tour Corporation.

That Board contains two members of Council, as well as 10 other Directors. The Board makes an effort to get members nominated by the Chamber of Commerce and the BIA, as well as people from the mining and educational sectors. In practice, the Board has difficulty maintaining a full complement of members and currently has 9. The Board's role is to a large extent advisory, and the Board does not have a regular practice of reporting its plans and results to Council.

The tourism staff are also responsible for the City's tourism marketing efforts, coordination with other local tourism businesses and agencies; working with Regional tourism agencies and other municipalities; and supporting local tourist-related events, conferences, and tournaments.



*Tourism and Leisure Services is a natural fit and*

### **Tourism and Leisure**

The combination of tourism functions and leisure services programming and coordination in Timmins is a natural fit for the following reasons:

- ◆ Both functions depend on a flair for promotion
- ◆ Both functions depend on a skill to promote partnerships and mutual interests with local business and community groups
- ◆ Both functions depend on coordinated access and support in City facilities
- ◆ There are economies of scale between the two functions
- ◆ Directories of tourism and leisure services businesses and community facilities in the City would show a good deal of overlap
- ◆ Both functions are expected to generate revenue and offset to a significant degree their operating cost. Therefore both require similar business planning skills
- ◆ The Shania Twain Centre, while primarily intended as a tourist draw, should also be seen and marketed as a community facility

### **Alignment With Clerks**

At the same time, it is not clear that the tourism services function is a natural fit in the City Clerk's Department. At one time possibly, the number of experienced and articulate managers at the City, capable of innovation and effective project management, may have been limited. Individuals in senior positions who did have such capabilities were relied upon to take on additional portfolios, regardless of whether there was a natural fit or skills to support such activities. The City Clerk is one individual whose commitment and innovation have been enormous and who did whatever was needed. As discussed in the Clerks report, a recommendation has been made to immediately establish a separate parks and recreation department. This will require a focussed approach, particularly in the first few years to develop business and strategic plans before the movement of tourism is considered. It is anticipated that this will take several years at which time the merger of tourism with parks and recreation should be undertaken.

*The City's support  
for tourism in 2004  
exceeds \$500,000*

### **Budget**

The Timmins Tourism budget totals \$246,100 in 2004. The Shania Twain Centre and Gold Mine Tour operate under a separate budget, although it is also in effect managed by the Tourism staff. The 2004 Budget for the City's contribution to the Shania Twain Centre and Gold Mine Tour (STC/GMT) is \$180,000. Therefore the budgeted tourism taxpayer contribution is approximately \$420,000, however, there is a projected deficit associated with the operations of the STC/GMT in the amount of approximately \$6,700 in 2004. In addition, there are a number of costs that have not been allocated to the support of the Tourism operations such as the Manager's and Clerks time as well as Corporate overhead. With the inclusion of these costs, it is estimated that the City's support for tourism related activities in 2004 exceeds \$500,000. The following table summarizes the financials associated with general tourism activities as well as the STC/GMT.

### ***Recommendations***

***That all overhead costs be allocated to the Shania Twain Centre and Gold Mine Tour.***

Budget Report By Function					
Account	2002 Values	2003 Budget Values	2003 Actuals	2004 Budget Values	% change 2003 - 2004 budget
<b>Tourism Revenue</b>					
Marketing Grant	\$ -	\$ (25,000)	\$ (57,248)	\$ (30,000)	20%
Partners Contribution	\$ -	\$ -	\$ (2,605)	\$ -	
<b>Total Revenue</b>	\$ -	\$ (25,000)	\$ (59,853)	\$ (30,000)	20%
<b>Tourism Expenditures</b>					
Salaries & Benefits	\$ 105,466	\$ 123,600	\$ 110,857	\$ 146,300	18%
Material & Supplies	\$ 6,580	\$ 44,500	\$ 34,808	\$ 32,500	-27%
Advertising	\$ 76,897	\$ 32,000	\$ 72,024	\$ 50,000	56%
Capital Expenditure	\$ 17,490	\$ 1,000	\$ -	\$ -	-100%
Trade Shows	\$ 49,634	\$ 28,500	\$ 37,421	\$ 30,000	5%
Travel & Training	\$ 11,269	\$ 18,800	\$ 19,191	\$ 17,300	-8%
<b>Total Expenditures</b>	\$ 267,336	\$ 248,400	\$ 274,301	\$ 276,100	11%
<b>Net Expenditures</b>	\$ 267,336	\$ 223,400	\$ 214,448	\$ 246,100	10%
<b>Gold Mine/Shania Twain Centre</b>	\$ 165,000	\$ 165,000	\$ 165,000	\$ 180,000	9%
<b>Gold Mine/Shania Twain Centre Deficit</b>	\$ 241,400	\$ -	\$ 17,800	\$ 20,200	
<b>Total Tourism Budget/Actuals</b>	\$ 673,736	\$ 388,400	\$ 397,248	\$ 446,300	15%
<b>Estimated Additional Unaccounted Expenditures</b>	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	0%
<b>Total Estimated Cost of Tourism Related Activities</b>	\$ 748,736	\$ 463,400	\$ 472,248	\$ 521,300	12%

The tourism marketing budget for Timmins is \$100,000

### External Tourism Marketing Efforts

The Tourism staff are pursuing a number of effective directions regarding external Tourism marketing. The marketing budget is approximately \$100,000 which includes \$20,000 for partnerships and memberships in the James Bay Travel Association (JBTA), the Northeastern Ontario Regional Tourism Network and \$30,000 toward the innovative Ontario's North marketing campaign. This campaign is a partnership among the 5 largest Northern cities (each of which contributes \$30,000 annually) the major attraction in each city (each attraction contributes \$2000), and the Ontario Government.

The Ontario government contributes the majority of the \$850,000 budget. Funds are available for direct tourism marketing of the north in “long-haul markets” (Golden horseshoe and the USA). Within that \$850,000 overall Northern Ontario marketing effort, the campaign includes \$35,000 which is available directly to each city for the purpose of individual print advertising in long-haul markets. In recent years, Timmins, Sudbury and North Bay have chosen to join forces in a \$105,000 joint print advertising campaign in the US market.

A second recent initiative is the Northeastern Ontario Regional Tourism Network (NORTON). This is a partnership of the tourism body of each municipality in the Cochrane and Timiskaming Districts (as well as a few others like Gogama and Chapleau). NORTON has become the Marketing sub-committee of the longstanding James Bay Frontier Travel Association, which acts as the corporate entity. NORTON consists primarily of the relevant tourism staff person representing each municipality. In 2004, Timmins contributed approximately \$10,000 toward NORTON marketing campaigns (there is no membership fee separate from the JBFTA). Half of the NORTON advertising is directed to winter snowmobile tourism; half is directed to summer outdoors and family tourism. The primary market is southern Ontario.

The JBFTA/NORTON now does all the snowmobile tourism marketing for the whole area, including attendance at shows and promotional materials. It submits an annual report to each participating municipality

While Tourism Timmins produces a Directory of Tourism businesses and attractions, this is contracted to a private producer, who obtains advertising in order to defray the cost. With the exception of the advertising in the Tourism directory, and the relatively small-scale participation of local tourist businesses in the James Bay Frontier Travel association, it is noteworthy that there is no contribution from the private sector for the Timmins external marketing effort.

*The City should prepare a marketing strategy and pursue partnering opportunities with the private sector*

One recent success, however, has been a golf package promotion, in which several hotels and golf courses have participated and offered discounts to golfers, with the City matching the private promotional funding. The City staff are working to expand the participation of local hotels in joint promotions in coming years.

### **Internal Tourist Welcome and Coordination**

Since 2002 the primary responsibility for operating tourist information centres within the City has belonged to the Chamber of Commerce. Although the City is a member of the Chamber, and the Manager of Tourism sits on the Chamber's tourism committee, there is no direct contribution from the City. Similarly, the Chamber organizes or coordinates City tours and special events in the City (many of which of course have only a partial orientation to external visitors). As is the case in several other municipalities, there is a division of labour between internal tourism responsibilities (Chamber) and external promotion (City). The Chamber's efforts are by definition private sector-led.

The City staff also play an important role locally, by supporting the events of the Chamber and the BIA and by promoting/coordinating tournaments and convention business.

### **Tourism Strategy**

Tourism initiatives naturally figure prominently among the economic development ideas that were produced via the Timmins Community Economic Development Strategy process and published in 2000. The advantage of a community-wide economic development strategy is that no single agency is responsible for either its development or successful implementation. Rather each community organization implements those concepts that it is best able to implement and new organizations arise where necessary.

At the planning and community involvement level, the upcoming 5-year review of the Community Economic Development strategy in 2005 will inevitably incorporate the community's ideas and the input of Timmins' leading tourism agencies such as the City, the Chamber and the Gold Mine Tour Corporation.

### **Tourism Monitoring**

The monitoring of tourism trends and spending falls in practice to the City staff through a consistent program of visitor information collection at the Shania Twain Centre/Gold Mine Tour. Its visitor information (where they are going to, coming from and staying, for example) gives the City information with which to design tourism marketing and monitor tourism results. Several years ago, a local accommodations committee, led by six of the larger hotels and the City staff, undertook this visitor information survey, but this joint effort has been dropped by the private participants. Because of healthy activity in the local mining industry, hotel occupancy rates have been very good in the past couple of years. This and a measure of staff turnover among the hotels may account for their relative lack of interest in joint tourism monitoring and marketing with the City. Visitor information gained through the Shania Twain Centre/ Gold Mine Tour (STC/GMT), however, is consistent with the information gained from the broader survey of earlier years, so that the City has useful information about its visitor base.

### **Shania Twain Centre/Underground Gold Mine Tour**

The permanent staffing of the Tourism section of the Clerk's Department being 2.6 person-years (40% of the manager's time being charged to leisure services), over half is dedicated to the operation and development of the STC/GMT. While the City's contribution in 2004 to the STC/GMT was \$180,000, its real contribution including tourism staff-time and services from other departments exceeds \$250,000. The City contributed \$1.5 million toward the construction of the attraction as well as over \$300,000 in additional funds for furnishings and fitments.

This attraction is one of the few (and certainly the largest), that sets Timmins apart from other Northern municipalities.

The Shania Twain Centre opened in 2002. In 2002, approximately 14,000 people visited the combined attraction, up from about 12,275 in 2001. In 2003, despite SARS and a very difficult year throughout Ontario in tourism, approximately 14,000 visited the combined attraction. The 2004 budget for the attraction is predicated on a 4% increase in paying visitors, to about 14,500.

In mid-2003, City staff presented the first Business Plan for the new combined attraction. The attendance projections from this report to Council are presented in the three italicized columns in the table below. Unfortunately, these projections now appear very unrealistic.

<b>Shania Twain Centre/Gold Mine Tour Paying visitors</b>	<b>2002 actual</b>	<b>2003 actual</b>	<b>2004 budget</b>	<b>2004 projection in 2003</b>	<b>2005 projection in 2003</b>	<b>2006 projection in 2003</b>
Total tickets sold	13,972	13,950	<i>14,550</i>	<i>19,000</i>	<i>21,500</i>	<i>23,300</i>
Factors	First full year of operation : Up from 12,275 in '01	SARS Iraq	Realistic 4% projected increase in revenue	<i>Heavily depends on 40% increase in group tours and marketing success</i>		

The STC/GMT has a separate marketing budget of about \$30,000. One of its innovative marketing efforts is a billboard partnership with Woodgreen Advertising. The City contributes the billboard printing, at an approximate annual cost of \$2,000, while the company provides installation and 20 billboard locations, most of them very well placed.



In addition, the STC/GMT embarked on a new joint marketing venture in 2004 with the Polar Bear Express Train, Station Inn, and the new Polar Bear Orphanage in Cochrane. The Ontario Northland, which operates the Inn and the Polar Bear Express Train, was the contact agency for the joint promotion. While the delayed construction of the Polar Bear Orphanage and other factors restricted the impact of this package venture, it will be repeated in 2005. The STC/GMT participation in this package promotion was \$15,000 in 2004, with a similar contribution expected in 2005. A Provincial contribution was also received. It is interesting to note that this new promotion was funded primarily by a reduction in local advertising expenditure by the STC/GMT. The visitor information indicated to staff that the market for new visits is primarily out-of-town visitors.

Included within the STC/GMT attraction are a cafeteria and a space for receptions, both of which generate additional revenue. A business plan was developed in 2003 which anticipated that the City's contribution in 2004 would be approximately \$130,000, declining to \$100,000 by 2006 due to significant increases projected in the revenues. Based on changes in the tourism market, these appear to overstate the likely revenues for the STC/GMT. In addition, as stated, previously, the full costs of operations have not traditionally been included in the budget for these tourism activities. Adding the full costs of the operations would provide a much truer picture of the cost of operation.

***Recommendation***

***That a new business and marketing plan be developed for STC/GMT.***

## **Benchmarking**

For this Review, the following municipalities were contacted for information and ideas:

- ◆ City of Greater Sudbury...Senior Tourism officer
- ◆ City of Sault Ste Marie (EDC)... Manager of tourism
- ◆ City of Cornwall... Director of Economic Development and Recreation
- ◆ City of Owen Sound... Director of Community Services

The telephone interviews solicited information about:

### **1. Relationship to City:**

What is the City's agency for tourism (corporation, commission, committee)?

- ◆ What is the relationship with the economic Development organization?
- ◆ Have these arrangements been so for a long time?
- ◆ Pros and Cons?
- ◆ How does Council get its tourism ideas and priorities implemented?

### **2. Relationship to City – Staffing**

- ◆ Is the tourism staff paid through City payroll?
- ◆ City pay scales?
- ◆ Part of a City department?

### **3. Relationship to City - Financial**

- ◆ How does City fund tourism?
- ◆ Promotion?
- ◆ Sector studies and initiatives?
- ◆ Attractions?
- ◆ How does the City attract private sector funding for tourism?

**4. Reporting Requirements –**

- ◆ How does the tourism organization report progress to City Council?
- ◆ Are there established outcome result measures to identify the success of the tourism organization? ( could be room-nights, visitors per promotional dollar spent, tourism jobs created in the City, attractions visits, etc. )
- ◆ How does the City/ tourism organization track the success measures?
- ◆ Does Council have a current tourism Development strategy? Is it aligned with budget? Is funding tied to any performance measures?

**5. What is the relationship/division of responsibilities between the tourism organization(s) with other agencies:** Museum? Chamber? BIA? Heritage? Other?**6. Best Practices in tourism**

In your opinion, is the tourism organization carrying out any best practices that might be useful in Timmins?

**Trends**

- ◆ What trends in visitation to northern Ontario are you building into your planning and budgeting for the next few years?
- ◆ What sectors of the market are you proposing to have the most potential over the next few years?

**Financial**

- ◆ What is the level of City funding for tourism? Is it explicitly tied to any benchmark (per-capita, for example)?
- ◆ Is any benchmark used to compare tourism support and attraction funding to comparable municipalities?
- ◆ Is there a policy about the ratio of City funding to operating revenue and/or private sector support?
- ◆ Is there an incentive policy which rewards visitation (or other measures of success) with money for new initiatives?

*Many municipalities  
have taken a  
regional approach*

### **Findings/Key Observations**

The following summarizes some of the interesting practices in other municipalities.

#### **Marketing**

Many municipalities have taken a regional approach to tourism marketing, including Sault Ste Marie (SSM), Cornwall, Owen Sound. The main reason identified for regional marketing is the need to create sufficient interest to lure visitors long distances to the region as opposed to the more limited interest if the focus were restricted to municipal boundaries. This is consistent with the approach undertaken in the City of Timmins.

Even in successful marketing campaigns such as SSM or high-budget attractions such as Sudbury, 2003 saw a decline in tourism. This is not expected to turn around significantly in 2004. This is particularly true of long-haul tourism.

#### **Service Delivery Models**

There are several models identified across the survey in terms of how tourism services are provided. Strategically, tourism is inextricably linked to economic development. By the same token, on the day-to-day level of tourism promotion, information, and events, as well as new tourism initiatives, tourism responsibilities are linked with economic development (all cases), Recreation (Cornwall, Owen Sound), and/or Planning (Sudbury, Owen Sound). In virtually every case, tourism has a separate Committee of Council or sub-Committee of the EDC or specific external agency (such as Cornwall) to guide and coordinate tourism efforts.

#### **Staffing**

Tourism staff are City staff in most cases, or staff of a separate Economic Development Corporation supported by the City (SSM). Cornwall's tourism is backed by a separate regional agency. Indeed, several practitioners noted that one critical element in obtaining significant private investment in tourism marketing efforts was the fact that business dollars are going directly into marketing and not into staff or office expenses.

*In a number of municipalities private sector partners provide the majority of funding for joint marketing and promotions*

### **Partnerships**

Significant private tourism business partnership in marketing efforts is a critical element of success. It multiplies the available dollars, provides feedback on the success of promotional packages, provides effective guidance for marketing targets, and lends credibility to the request for public tourism funding. Indeed, private sector involvement is itself a good barometer of marketing success, which, if not forthcoming, calls into question the value of either the marketing efforts or the tourist attractions, or both. In SSM, effective tour packages have proven their worth to the private sector and built a solid foundation of private funding and leadership for future marketing efforts. In Sudbury, Sault Ste Marie, and Owen Sound/Grey-Bruce, the tourism industry players provide the vast majority of the funding for joint marketing and promotions.

### **Operation of Attractions**

There is no clear pattern to the operation of attractions, other than the fact that cities typically operate museums and heritage attractions. Provincial agencies operate key attractions in Sudbury and SSM. The County is active in Owen Sound and the City of Cornwall focuses on the operation of a large convention centre. A variety of private businesses and public agencies operate natural attractions. Whether operated by the City or not, information from the major attractions is essential for monitoring visitor trends and marketing programs.

### **Information Centres**

The tourist welcome and information function is not directly operated by the City in the majority of cases, but rather by the Chamber or by a regional tourism agency. A reporting link to City Council however, as well as a coordinating committee within the community allows all parties to monitor visitor trends and coordinate effective marketing strategies. It is typical for the municipal tourism agency to play a significant role in promoting and supporting festivals, events, tournaments, and conventions, particularly insofar as these depend on City facilities. Sudbury has developed an effective policy of subsidizing the use of City facilities for such events based on tourism impact.

**Performance Measurement**

Meaningful measures of the results of tourism expenditure are in their infancy everywhere. The leadership of the hotels and major attractions in Sault Ste. Marie, and a close-knit tourism committee, make the best monitoring and feedback information (room-nights occupied, discount vouchers redeemed, package tours sold, paid visitors to attractions) available in that City. Effective performance measurement is an issue in all cases.

**Funding**

The level of public funding effort is essentially a product of historical evolution in every case, reinforced in successful cases by strong business support. Funding is not based on a stated measure of what the taxpayer expects to get for his money

*Tourism staff should be intensely involved in the Tourism Sector of the Economic Development Strategy and Steering Committee*

### **Tourism Strategy and Coordination**

The TEDC is in the process of inviting relevant agencies to reconstitute the Community Economic Development Strategy Steering Committee which oversaw the production of the existing Community Economic Development Strategy 5 years ago. This Steering Committee will undertake a 5-year review of the strategy and obtain further public and stakeholder input. The City Council and staff, as well as the TEDC, the Chamber, and several other economically-oriented organizations will again be significantly involved, and the Mayor is expected to chair the Steering Committee.

Reporting to the Steering Committee, tourism and other sectors will have sub-committees drawn from the public, private and non-profit sectors in the community and the surrounding area. The subcommittee will organize focus groups and public meetings regarding tourism strategy and potential initiatives, prioritize the input received and report back to the Steering Committee, and encourage pertinent local organizations to spearhead the recommended courses of action during the next 5 years. In effect, through this process, the relevant players will be creating a Timmins community tourism strategy. Each participant in the process then picks up on those of the community tourism priorities that are most relevant to it.

The City tourism staff should be intensely involved in the Tourism sector subcommittee process and should use this involvement to build tight working relationships on an ongoing basis. City staff should not “go it alone” by initiating a separate process toward a tourism strategy.

Following the community economic development strategy process City tourism staff should prepare one or more business plans for City Council approval, in order to pursue initiatives which emerge from the community economic development strategy and for which the City is the best-suited agency to follow up. Partnership is the key-word.



The only internal Timmins coordinating organization at the moment is the Chamber of Commerce's Tourism committee. The City staff are represented on that Committee and supportive of events and reports that emerge from it. However, it appears that the Committee is not necessarily representative of all tourism sectors, nor that the working relationship with the City is close.

At one time in the 1990's, a "Timmins accommodations group" also existed, containing major hotel property reps and City staff. This group was able to share occupancy and visitor information among themselves and with the City, and to provide good ground-level guidance for both the City's and their mutual marketing efforts. As such it was a fledgling version of the private/city cooperative tourism organizations that exist in Sudbury and the Sault. The City matched private funding toward group promotions.

This group is no longer active. Furthermore, while the City staff have worked to create effective one-off packages such as the golf package, it is a matter of reinventing the wheel each time, since no standing organization has the mandate or representation to provide ongoing coordination, monitoring and partnership projects in tourism in Timmins.

The City Council should expect the Board to play an active governance role in the STC/GMT, setting business direction, approving business plans, reporting to Council on financial performance and tourism impact.

It should assume a mandate for:

- ◆ Participation of the hotels in sharing room-nights occupancy information and producing an annual report containing this important information
- ◆ Development of an effective consensus on community tourism priorities and strategy over the next year
- ◆ Participation in the production of the local tourism resources directory
- ◆ Expansion of available tour packages and discount programs combining attractions, accommodations, and restaurants

*City staff should use the Tourism Board as a vehicle to report to Council on tourism trends, success of marketing efforts and the health of the local tourism sector*

The role of City staff would be primarily to represent and share information from the STC/GMT attraction. The value of the City staff participation is enhanced by its recent responsibility for leisure services, bringing information to the table which is relevant to tournaments and events. At the same time, City staff must be able to use this vehicle to report to Council and prepare their own business plans on tourism trends, on the success of marketing efforts, and on the health of the local tourism sector.

The group should be seen as a partnership and a building block for future partnerships. Its role would not be to tell the City staff how to spend their budget, any more than the City would tell hotels how to do so. At the same time, the City must be prepared to participate with a “partnership attitude” rather than a “go-it-alone” attitude.

#### ***Recommendations***

***That the City tourism staff participate actively in the proposed Tourism Sector Sub-committee during the upcoming Community Economic Development Strategy 5-year review.***

***That staff prepare an annual business plan and report semi-annually to Council on the success of marketing efforts and the health of the local tourism sector.***

***That the City establish a separate Tourism Board with representation from various stakeholders. Representation should include members of Council, the business sector (e.g. tourism, BIA, the Chamber of Commerce), hospitality, transportation, education and local attractions. A separate consolidated budget, with appropriate resources should be established.***

### **External Tourism Promotion**

The City is to be congratulated for its role in creating the Northeastern Ontario Regional Tourism Network (NORTON), for its support of the James Bay Frontier Travel Association, for its participation in the Ontario's North campaign, and for the joint promotion with Cochrane's attractions. As in so many things, the City is on the right track. Primarily through the efforts of the City Clerk and the years invested by the Manager of Tourism at the helm of the James Bay Frontier Travel Association, an effective marketing framework for the Northeast has emerged.

Already this organization has a common snowmobile package and snowmobile marketing program. Timmins tourism staff take turns with people from other municipalities going to snowmobile shows (each does 2 shows out of 6 at which the JBFTA is represented). This reflects the simple fact that because of the distance to the primary markets, attracting tourists is a challenge for each participating municipality and each benefits from attracting visitors to the vicinity. The same can be said of hotels and attractions. Visitors already headed for the Polar Bear Express in Cochrane are more likely to find time the next day for the Shania Twain Centre and/or Gold Mine Underground tour. Therefore, the Polar Bear Express/ Polar Bear Orphanage/ Shania Twain Centre/ Gold Mine Tour package promotion should be continued and enhanced to include more hotel properties.

Only as a group of municipalities does the northeast have a sufficient density of attractions to attract the long-haul tourist and bus tours. This is particularly true for Timmins since its attractions are less well-known than those in Cochrane for example. Timmins' external tourism marketing budget should continue to be dedicated to regional marketing campaigns.

Rather than reinvent the wheel, an existing regional entity has been used (NORTON). Rather than create more bureaucracy, the tourism agencies throughout the area invest their already-paid-for staff time to design and implement the joint marketing program.

While much of the efforts have been positive, the City should now develop a firm policy of calibrating its external tourism promotion funding to the level of private sector financial participation in the external tourism marketing campaigns.

*External tourism marketing budget should continue to be dedicated to regional marketing campaigns*

*Marketing and promotion of Timmins is supported with relatively little private sector investment compared with other municipalities surveyed*

At present, the City is following one of the best practices identified in other municipalities by providing staff and office space for tourism promotion and partnerships. However, unlike other best-practice municipalities, Timmins' external promotion spending is not matched or exceeded by private participation.

This is not to say that City/private promotional partnerships are absent. The golf tour package was one such, as has been the snowmobile material developed by the City and distributed via the JBFTA. The Tourism Directory is supported by private advertising. However, for the most part, promoting either Timmins or the northeast as a tourism destination is funded by the City with relatively little private sector investment, compared to some other municipalities in our survey.

It is tempting to conclude that, if the private sector is not contributing to the marketing of Timmins, those who stand to benefit directly from tourist spending do not believe that tourist spending will result. While clearly there may be other explanations (the hotels may feel they are spending enough via their individual advertising campaigns, for instance), private buy-in is an effective barometer of the success and credibility of the marketing campaign. While tourist spending has a community benefit both economic (gas tanks filled, summer jobs created, etc.) and social (putting Timmins "on the map" for out-of-town family, members and potential investors, more recreational opportunities for local residents), the direct benefit is to the restaurants, hotels, and attractions.

City Council should reduce its external tourism marketing spending to whatever level is being matched by the private sector. If the private sector does not believe that marketing Timmins and the northeast as a tourism destination has a payback for them, the City might as well save its money. Conversely, if the level of Timmins private sector participation in marketing expands beyond what the City is currently providing, the City should be prepared to invest in order to match the private investment. The current total tourism marketing budget should remain as a place-holder in the City's annual budget document, in order for the City to have the funds available to match and stimulate private funding.

Inspiring private sector involvement implies the following steps:

- ◆ In addition to City staff, the previously-discussed Timmins Tourism Sector Sub-committee should be a partner with the City on NORTON when marketing campaigns are being designed and implemented
- ◆ A non-parochial marketing strategy with private-sector buy-in must be one of the outcomes of the Community Economic Development Strategy
- ◆ The City Council must have a firm position that it will match private contributions to any external tourism marketing programs in which it is involved, no more, no less
- ◆ Effective processes and measures for monitoring the results of the marketing campaigns must be in place via visitor surveys, redemption of discount vouchers, package tour sales, etc. These will verify the value of the marketing both for City Council and for private participants

Timmins should continue its participation in the Ontario's North campaign. This new initiative not only makes sense (selling the north as a distinctive tourist environment and working together to overcome its distinctive tourism challenges), but it is a good deal for the City. It gets more marketing money back for US print advertising than it puts in, and it wisely partners with North Bay and Sudbury in its advertising.

It is recommended that a separate Board be established to oversee Tourism related activities across the City. This would provide a more comprehensive and consolidated approach to Tourism. It is critical to have good representation from all sectors impacted by tourism in the City.

#### ***Recommendations***

***That the City should continue to direct some of its promotional funding on a regional basis.***

***That the City should develop a firm policy of calibrating its external tourism promotion funding to the level of private sector financial participation in the external tourism marketing campaigns.***

***That the City of Timmins should continue its participation in the Ontario's North campaign.***

## **Shania Twain Centre and Underground Gold Mine Tour**

### **Operation of STC/GMT**

The Shania Twain Centre and Gold Mine Tour should continue to be operated by the Underground Gold Mine Corporation, and subsidized by the City until at least 2008.

The attraction should be operated as much as possible like a separate business. Because of its permanence in the community and because of the heavy capital contribution made by Timmins taxpayers, the asset must continue to be owned by the City. Its operations and finances, however, must be clearly seen as a separate entity.

Conceptually, the City should be seen to have contracted the operations to the Board, subject to certain terms and conditions. That "contract" should have a limited term, so that the success of the arrangement can be re-evaluated at regular intervals and new arrangements made if necessary. Tourism in Ontario has not had a "normal year" since the Shania Twain Centre opened. Therefore, a 3-year period is needed to plan for the operation of the attractions in the "new normal" tourist environment.

*The Board of the Underground Gold Mine Tour Corporation should set business direction, approve business plans and report to Council on the performance*

*The recurring deficit of the STC/GMT demands attention*

The present arrangement for staffing the STC/GMT via the Timmins tourism staff works well and should be continued at least until 2008. There is considerable efficiency in the fact that City's tourism staff are housed in the Centre and are able to "multi-task", both in the operation of the facility and in more general tourism duties for the City. However, this arrangement has its challenges:

- ◆ While the staff work for the City, the facility is the responsibility of the Board. While it is difficult to "work for two masters", the staff have to deal with the fact that they are subject to direction from the Board in matters related to the attraction and subject to Council's direction in matters related to other tourism duties
- ◆ It is clear that the current staff take very seriously the responsibility to operate efficiently, to maximize revenue and to live within the level of Council subsidy. However, unlike a "real business", there is an underlying knowledge that the City will not "go broke".
- ◆ The attraction and its recurring deficit demand attention, whereas the 'softer' responsibilities of tourism promotion and coordination may sometimes feel less immediate. To the credit of the current manager, the softer duties, including regional forums, have continued to receive attention, but the current situation could create the appearance that the attraction is the City's only significant tourism role.

Therefore, the current arrangement whereby City staff operate the facility should also be subject to certain conditions. These should include such items as:

- ◆ More business-like Accounting protocols
- ◆ Expecting and receiving effective policy and financial direction from the STC/GMT Board in respect to the operation of the Centre
- ◆ Measures of tourism results and meaningful direction from Council with respect to subsidy
- ◆ An annually-updated Business Plan presented to and adopted by the Board, and presented by the Board to Council
- ◆ A 3-year "sunset" clause, which makes it clear that Council intends to review the existing arrangement based on results achieved during the 2005-2007 period



**Recommendations:**

***That the Board of the STC/GMT should play an active governance role, setting business direction, approving business plans, reporting to Council on financial performance and tourism impact.***

***That the Shania Twain Centre and Gold Mine Tour should continue to be operated by the Underground Gold Mine Corporation, and subsidized by the City until at least 2008.***

***That the present arrangement for staffing the STC/GMT via the Timmins tourism staff works well and should be continued at least until 2008, subject to the following conditions:***

- ◆ ***More business-like Accounting protocols***
- ◆ ***Expecting and receiving effective policy and financial direction from the STC/GMT Board in respect to the operation of the Centre***
- ◆ ***Measures of tourism results and meaningful direction from Council with respect to subsidy***
- ◆ ***An annually-updated Business Plan presented to and adopted by the Board, and presented by the Board to Council***
- ◆ ***A 3-year “sunset” clause, which makes it clear that Council intends to review the existing arrangement based on results achieved during the 2005-2007 period***

**Marketing The STC/GMT**

The Attraction should continue to have an independent Marketing Budget and develop its own marketing policy. The STC/GMT budget contains a budget of approximately \$20,000 for marketing the attraction itself, in the way that the staff and the Board feel is best suited to their business needs. This is and should continue to be totally separate from the City's tourism marketing budget discussed above. The marketing budget within the Centre is subject to the direction of the Board, not Council. Conceptually, the Centre is in the same position as a hotel or wildlife attraction, deciding how and how much it will invest on marketing. Like a private attraction, the Board should strongly consider taking a regional approach to its marketing expenditures.

*The STC/GMT should continue to have its own marketing budget*

*Accounting and budgeting for the STC/GMT should be on an enterprise basis*

## **Budgeting**

### **Recommendation**

***That the STC/GMT continue to have an independent marketing budget and develop its own marketing policy. The Board should consider taking a regional approach to its marketing expenditures***

- ◆ If at some point after 2007, the City chooses to call for proposals to operate the attraction, it must be able to choose on an apples-to-apples basis. Since private proponents must include all their costs (i.e., presumably, they will not have the option of receiving free staff-time and other services from the City, and must provide for the replacement of vehicles and computers), the City will only know if they are offering a better deal if the City knows the full cost of operating the Centre.
  
- ◆ There is no reason for the City to expect that the attraction can be operated, either by the Board or by another operator, without a significant level of subsidy. The current level of subsidy (\$180,000) significantly understates the actual amount by which expenditures exceed revenues, because the services received from the City are not charged to the expenditure side of the Centre's ledger. Similarly, annualized depreciation (or, in municipal terms, the annual amount that should be contributed to reserve for the purpose of repair/replacement of computers, vehicles, and structures) is not being charged. Therefore, the City is understating its commitment to tourism in Timmins. Similarly, if the City were ever to negotiate a subsidy to a private contractor, it could not use historical precedent as a guideline.

The accounts must be stated in a way which, allows the City to determine what costs would “go away”, or be available for use elsewhere in the City’s operation, if the attraction did not exist.

Therefore, the accounts must include the following:

- ◆ An accurate estimate of the full value (including benefits, pension, supervision, etc.) of the City tourism staff-time, charged against expenditures (a preliminary estimate would be about \$60,000-\$70,000)
- ◆ An accurate estimate of the full value (including staff-time and pro-rated overhead costs) of the services received from the City in areas such as information technology, purchasing, accounting, payroll, legal services, and liability insurance, charged against expenditures (a preliminary estimate would be about \$45,000)
- ◆ A reasonable estimate of the annual lease value of the office space and equipment in the Centre which is used by City staff for purposes other than the operation of the attraction, credited to revenues (A preliminary estimate is about \$10,000-15,000 per year)
- ◆ A reasonable annual contribution to reserves for repair/ replacement of the vehicles used by the staff of the Centre and of the structures and exhibits themselves, charged against expenditures (note: since such a real contribution to reserve may not be feasible insofar as it would represent an increased tax contribution from the City, it may be necessary simply to show a liability for depreciation in the annual business plan of the attraction.) A preliminary estimate is \$30,000 per year.

*Timmins is rare because unlike many other municipalities its major tourist attraction is not subsidized by the Province*

***Recommendation***

***That the STC/GMT accounts and budget should be stated on an enterprise basis, including full-cost accounting.***

**Encouraging Ontario Government Support**

The City should continue to bring to the attention of the Ontario Government that, unlike most northern centres, its most significant man-made tourist attraction receives little Provincial support

There is nothing wrong or unusual with the public choosing to subsidize tourist attractions. From the Canadian National Exhibition to Science North to the Polar Bear Express, many of the best-known attractions are substantially subsidized. Taxpayers do so for the benefit of economic impacts and other community advantages. Indeed, among major centres in the north, Timmins is rare because its major attraction is not subsidized by the Province (unlike Science North, the Sault's Casino, or Fort William).

The Gold Mine Tour, for example, is well-attended by school trips and is a valuable educational resource. The presence of the STC/GMT makes the Provincially-subsidized Polar Bear Express more attractive. The City should take every opportunity to press upon the Ontario Government its need and justifiable claim for sustainable tourism funding.

***Recommendation***

***That the City should continue to bring to the attention of the Ontario Government that, unlike most northern centres, its most significant man-made tourist attraction receives little Provincial support***

### **Defining The City's Policy on Supporting the STC/GMT**

City Council should develop a policy and benchmark on the basis for the operating subsidy for the Centre. City Council decides on behalf of the taxpayers what the subsidy will be. Given Timmins' distance from major tourist markets, the City can close down the attraction immediately unless it is prepared to continue some level of subsidy.

In 2004, Council has decided on \$180,000 (plus the cost of the various services and depreciation outlined above), plus the assumption of a \$20,000 operating deficit from the previous year.

- ◆ What it doesn't have, however, is any policy basis.
- ◆ Why the number of \$180,000? What benchmark is it tied to?
- ◆ What is Council trying to achieve with the subsidy?
- ◆ What happens if the operation is running deficits (which it is and which are being carried by the City) above the desired level of subsidy?

Based on the 2004 projection of 14,500 paying visitors to both attractions, the subsidy is about \$14.00 per customer including the 2003 deficit. Assuming that an additional \$100,000 of City staff services and depreciation would be added to a full-cost account of the operations, the subsidy is about \$20 per customer. The benefits of this expenditure received by the City have not been quantified.

### ***Recommendations***

***That City Council develop a policy and benchmark on the basis for the operating subsidy for the STC/GMT***

*The City should develop a policy and benchmark to determine the amount of subsidy it is willing to provide to STC/GMT*

*The accumulated deficit of the STC/GMT of almost \$280,000 should be written off, since there is limited likelihood that it will be repaid*

### **Accumulated Deficit**

The City should “write off” the Accumulated Deficit that is shown on the financial statement of the attraction. The STC/GMT budget shows a total deficit carried forward to 2004 of almost \$280,000, \$20,000 of which was operating deficit carried over from the 2003 operations. The majority of the deficit was created when the attraction funded a portion of the Shania Twain Centre’s furnishings and fitments from its operating budget. There is no apparent likelihood that the deficit will be repaid. Nor is it carried on the City’s books as a receivable. There is no purpose in continuing to carry it on the books.

The bigger issue is to prevent annual operating deficits from continuing. In this regard, the following measures have been recommended in this report:

- ◆ A multi-year (2005-2007 inclusive) business plan should be prepared
- ◆ The revenue projections should be prepared in light of the SARS setback and projections being made elsewhere in the north. Most properties are not projecting a significant comeback for tourism in the near future.
- ◆ A 3-year review should be conducted in early 2008 (based on 2005, 2006, and 2007 performance) to review the economic success and financial performance of the attractions, and to re-evaluate its current governance and operating structure

### **Recommendations**

***That the City should “write off” the Accumulated Deficit that is shown on the financial statement of the attraction as there is very limited likelihood that it will be repaid .***

*A multi-year (2005-2007) business plan should be developed and approved by the Board and Council*

### **Business Plan**

A detailed 2005-2007 Business Plan must be prepared for the Centre and approved by the Board and Council. The thrust of these recommendations is that the attraction should be managed as if it were an independent business. With its 2005 budget, the staff should prepare, and the Board and Council should review, a 3-year business plan for the attractions.

A business plan brief was presented to Council in June 2003. This document was very detailed and presented information about the operation of the Centre which has apparently not been presented to Council before or since, as well as projections for attendance and revenue and for community economic impact.

That plan is now obsolete. An up-to-date and realistic business plan must be prepared, on the basis of which Council will have a realistic understanding of the costs, revenues and economic benefits of the STC/GMT. Furthermore, a realistic plan will allow for realistic future expectations, and monitoring whether those expectations are being met over the next 3 years.

### ***Recommendation***

***That a detailed 2005-2007 Business Plan be prepared for the Centre and approved by the Board and Council.***



### Performance Measures

Council's only measure of the performance of the attraction to date is that it operates with a tax subsidy of \$180,000 plus City staff services. It has not met that benchmark, and has continued to run a small deficit. On the other hand, the STC/GMT attracted as many visitors in 2003 as in 2002, despite Ontario's worst tourism year in recent memory. It appears to be attracting more visitors in 2004. The STC/GMT therefore maintained its contribution to tourist spending in Timmins, at a time when even well-organized tourist venues like SS Marie were suffering. By this measure, it was an unqualified success.

*Without clear measures, reasonable targets and consistent reporting leads to unfavourable perceptions*

Without clear measures, reasonable targets, and consistent reporting, a non-mandatory activity such as the STC/GMT, in any municipality, is likely to attract unanswerable questions and unfavourable perceptions. Reasonable and consistent measures of how the Centre is doing will be essential to a business plan for the Centre and setting realistic targets for performance.

Timmins is not alone; the review from other municipalities shows that meaningful measures and benchmarks in the tourism field are as yet underdeveloped. Yet, without meaningful measures, neither staff, Board or Council are easily able to tell the taxpayers what they should expect or what they are getting for their money.

The attraction is in a good position to monitor important measures. First, it collects information about its own visitors...how many, where from, where headed to, and where staying. Second, it has information about the uptake on the tour packages of which it is a part (with the Polar Bear express and some hotels). Third, Timmins has a tailor-made economic impact model of tourism spending, which relates long-haul visits to local spending and job-creation impact.

*The business plan should determine which measures will be monitored and what benchmarks will be considered criteria for success*

The Business Plan should determine which measures will be monitored and, using those measures, what benchmarks will be considered criteria for success. The following should be considered, among others:

- ◆ **Number of paying visitors:** current status is 14,000; 2004 projection is 14,500. The benchmark for future operations should be the 2004 figure of 14,500. In projecting growth potential over the 2005-2007 period, staff should consult with counterparts in other northern cities, regional attractions, and provincial agencies, and exercise reasonable caution.
- ◆ **Effective taxpayer subsidy:** This should be based on full-cost accounting as previously discussed. Current status is about \$250,000-\$300,000. The criteria for success for future operations should be that this subsidy not increase during the 2005-2007 period and that no further annual operating deficits be incurred.
- ◆ **Taxpayer subsidy per paying visitor:** The current status as mentioned above is approximately \$20 per visitor, with all costs included. This should be used as a benchmark for future operations (i.e., it should not be allowed to increase). The business plan should estimate what this measure is for attractions in other northern communities, such as Polar Bear Express, Chief Commanda, and Science North.
- ◆ **Taxpayer subsidy per dollar of community economic impact** from attraction visitors: A very conservative estimate of the current status is that almost \$6 of tourist spending in the community results from every \$1 of subsidy to the attraction. However, this probably understates the economic impact and should be revisited in the Business Plan.
- ◆ **# of visitors resulting from the Ontario's North marketing campaign** (if possible, for example by means of separate phone numbers to be called by readers of those promotions)
- ◆ **# of visitors resulting from joint attraction packages** with Polar Bear Express, Polar Bear Orphanage, and any other local attractions
- ◆ **Visitors associated with package sales** including local hotels/motels
- ◆ **Number of bus tour visitors**
- ◆ **Direct person-years of employment at the attraction**

***Recommendation***

***That performance measures be developed and monitored on an ongoing basis for the STC/GMT.***