

Chair of the Board Report. 2023. David McQuinn.

As I reflected on the past 12 months, wow, a lot happened.....

After an entire year of watching the goings on in the BCHA office from the chair's seat, one thing is clear. We have an amazing CEO! Thank you, Ingrid. Thank you for all you do. Your service to our industry over the past two plus decades has been unparalleled. Thank you for always stepping up, no matter when you're asked. You have a ridiculously busy schedule and yet you never say no. The amazing impact you continue to have on our industry, our businesses, and our communities. I am grateful and proud of the work you and your team have done and will continue to do; while the past year did have some challenges, you faced each one head on and I've enjoyed seeing it happen. Our goal was to be the voice for the hotel industry and for us to be on government speed dial. When we set this goal, we knew it would be hard work, but I am pleased to say, Ingrid is now on speed dial for all issues impacting our industry; this journey has been awesome. Well done.

We also want to take an opportunity to thank Bryan Pilbeam. Bryan was the Chair that took us through the pandemic (3 years), As our members know, the pandemic devastated our industry. It was no different for our association. The work he did with Ingrid to pull us to the other side was incredible. He was also the chair who led us through the 50-30 challenge and now as the past chair, he's been the one who has recruited the many new board members at the table in 2023-24. Thank you, Bryan, what you do matters, you make a difference.

To our board, Thank you! Tanya Stroinig (vice chair), David MacKenzie (treasurer) and all our directors, Thank you and Thank you again, your willingness to step up and volunteer your time to better support and take a leadership role for our industry, is worthy of celebration.

To fill our board vacancies, we are pleased to announce that the following people will join our board:

Kelley Williams - North (appointed)
General Manager, Fort Nelson Hotel

Haris Bokhari - Lower Mainland (appointed)
Executive General Manager, Sandman Signature Vancouver Airport Hotel & Resort
Sandman Hotel Vancouver Airport

Gary Yu Central (election)
General Manager, DoubleTree by Hilton Kamloops

Pablo Contreras Whistler (election)
General Manager, Blackcomb Springs Suites - Whistler

What challenged us?

The forest fires. Looking back, the challenge that stood out the most was the forest fires. It is hard to imagine the devastation the events would have on our province. As an industry, we stepped up under Ingrid's guidance, and while not everything went perfectly, our ability to flex and assist where needed was inspirational and noticed by all.

Highway 4 was impacted by the forest fires, and from the worry of landslides. As the main road to Port Alberni, Tofino and Ucluelet; the closure devastated the market. I cannot imagine what this market endured. The height of their busiest season and they were not allowed to invite guests to their community.

For those on all our many islands, the ferry challenged us. There is no question that the communications around ferries being full had a negative impact on island communities.

Continued Staffing challenges, ever with some herculean efforts in recruitment, staffing challenges remain; it is our new reality. The BCHA team is front and center working to find solutions.

While the last few months of inflationary pressures have slowed, Interest rates remain high. These impacts borrowing costs on debt built up during the pandemic.

If we ever needed a consistent communication strategy with the government, 2023 was the year. The work that has been done by Ingrid and her team is worth celebrating. Thank you!

In the face of these and other challenges we continue to work to ensure the BCHA board is a true reflection of our industry. As we embraced the 50- 30 challenge, our board is achieving our diversity goals. As Bryan said last year, we are the old boys club no more. The people at the table resemble our industry and our regions are well represented. .

While business volumes have remained strong, run-away inflation has continued to squeeze the bottom line. And as we look back at 2022 many of the same challenges remain true in 2023.

Business volumes have continued to improve, the cruise ship season in 2023 was very positive. Without question, people from around the world have missed us and are coming back. And this is all positive, yet we have a lot of ground to make up from the losses incurred during the pandemic. . In many markets around the province, we saw demand that not only exceeded 2019 levels, but many records (some in multiple consecutive months) were achieved for ADR and RevPAR. While this was welcomed by all, I am reminded daily by the long road to recovery that we face.

Aquila

The formation of Aquila Hospitality, a “for profit” entity will see the BCHA team continue to grow, offer, and coordinate new services, training and close gaps in our industry that many of our members are missing, and where the mandate of BCHA prevented us from doing so, this new company will give us the ability to rethink the financial model of the BCHA.

Government Relations

The continual changing landscape of our local, provincial, and federal political scene continues to change. Some for the good, and some – not so much. However, with each step, the BCHA is consistently at the table and in the inner circle of discussion and influence. Of course, very little of this would have been possible without the vision, dedication, and expertise of our CEO – Ingrid Jarrett.

As Bryan said last year, hiring Ingrid was a great example of the “right person” at the “right time”.

The tireless efforts of the team and our board of directors to affect positive change through leadership and innovation continues to yield positive results.

Our strong partnership with the Hotel Association of Canada has seen much needed relief measures continue to help the small business owners, it will take a long time to make up for the pandemic losses and having a strong national association is wildly important. Make no mistake, these small business owners make up the large majority of our properties around the province.

Slowly through advocacy and education, our provincial government is realizing our industry is rarely big corporate; but rather independents and franchise operators who pay a lot of tax dollars in BC, to support the citizens of this province through employment and government programs. Without these businesses, there are no jobs and no government dollars to spend. The time remains for all in the province to realize that business is and can be good for society and our community challenges. It does not and should be one or the other. We must work together and this cannot be on the backs of the businesses that have been absolutely devastated through the pandemic. This challenge remains and BCHA will work tireless to get the reality check to Victoria and in front of our MLAs and local governments so that we will be able to work together to reduce these challenges.

Financial

As a member driven organization reliant on association dues, our financial challenges have mirrored those of the members we serve in the past. With that, our Accounts Receivable remained a challenge, although will improve in 2023. The BCHA team has done a wonderful job of sourcing new partners, finding grants and other ways of support to keep our association’s contributions to our industry continuing. My thanks to Ingrid and David MacKenzie, our finance chair for keep a focus on our financial situation.

Sustainability and Resilience

The BCHA team has made enormous progress in the world of sustainability, energy efficiency, cost savings, grant programs and has developed an

extraordinary tool for hotels to use of all sizes. The Playbook. What a feat! With the training, education and partnership development, the hotel industry is poised to be one of the leading sectors to support provincial and federal climate actions goals, while at the same time, assisting hotel companies of all sizes to reduce the expense burden to support growing the bottom line. It is a difficult financial climate we operate in 2023, increasing costs of doing business in our province is untenable, yet, the BCHA has been making significant strides to support business profitability, and this is one example of that work.

Member Engagement and Public Relations

The BCHA has done a commendable job engaging long standing members with support as the post pandemic world. We will continue to get out and speak to our members, taxpayers, and community leaders wherever possible. Through the regional sessions, through Summit, through SPARK and our AGM, our team is out there engaging with our members.

My thanks to the BCHA team for the continual engagement around the province.

Be safe