

Item No. 1(a)

MINUTES

THE BOARD OF GOVERNORS OF EXHIBITION PLACE
Fountainblu Side Room – Queen Elizabeth Building - Exhibition Place
Friday, May 24, 2013 – 8:30 a.m.

The Board of Governors of Exhibition Place met in the Fountainblu Side Room – Queen Elizabeth Building - Exhibition Place on Friday, May 24, 2013 at 8:30 a.m.

PRESENT: Mark Grimes/Chair, Sean Webster/Vice-Chair
Wayne Copeland, Connie Dejak, Michael Layton, Giorgio Mammoliti,
Hugh Mansfield, Gord Perks

APOLOGIES: Gloria Lindsay Luby

STAFF: Dianne Young, Chief Executive Officer
Fatima Scagnol, Corporate Secretary
Alison Fowles/Solicitor, City Legal
Hardat Persaud, Chief Financial Officer
Arlene Campbell, General Manager/Sales & Events Management
Mark Goss, General Manager/Operations
Jeff Gay, Director/Event Services
Frank Martindale, Director/Operations
Gabe Mullan, Director/Parking & Security Services
Laura Purdy, Director/Sales & Marketing
Danny Chui, Manager/Capital Works
Peter Church, General Manager/BMO Field
Ryan Gillis, Manager/Accounting – BMO Field
Audrey Borges, Records Analyst/Exhibition Place

Mark Grimes presided, and Fatima Scagnol acted as Secretary to the meeting. The meeting was called to order at 8:30 a.m.

The Chair advised that Report No. 17 entitled “Extension of Food & Beverage Agreement with Servomation” was withdrawn from the agenda.

Before proceeding with the regular business of the meeting, the Chair requested members to indicate the report on the public agenda wherein they have an interest, together with the nature of the interest. No conflicts were declared.

1. **MINUTES OF PREVIOUS MEETING**

On motion duly made by Sean Webster, seconded and **CARRIED**, it was **RESOLVED** that the Minutes of the Meeting of the Board of Governors held on Friday, April 12, 2013, be **VERIFIED** in the form distributed to the members.

CONSIDERATION OF REPORTS

The Chair proposed that the Board proceed through the reports on the agenda with members indicating those reports, by number, on which they wish to speak; that the Board then proceed with the adoption of the remaining reports; and then give consideration to those reports held for discussion at the request of the members, not necessarily in the order that they appear on the agenda. The Board concurred with the following.

2. **2013 CAPITAL WORKS PROGRAM – APRIL PROGRESS REPORT**

Upon the question of the adoption of Report No. 2 dated May 13, 2013 from the Chief Executive Officer with respect to the 2013 Capital Works Program – April Progress Report, it was received for **INFORMATION**.

3. **PUBLICATION OF SENIOR STAFF EXPENSES - 2013**

Upon the question of the adoption of Report No. 7 dated May 7, 2013 from the Chief Executive Officer with respect to the Publication of Senior Expenses for the period of January 1st to April 30th, 2013, it was received for **INFORMATION**.

4. **2012 CONSOLIDATED FINANCIAL STATEMENTS FOR THE BOARD**

Upon the question of the adoption of Report No. 10 dated May 6, 2013 from the Finance & Audit Committee with respect to the 2012 Consolidated Financial Statements for the Board, it was received for **INFORMATION**.

5. **2013 CAPITAL WORKS PROGRAM–TENDER FOR FESTIVAL PLAZA-PHASE IA**

Upon the question of the adoption of Report No. 11 dated May 6, 2013 from the Chief Executive Officer respect to the 2013 Capital Works Program – Tender for Festival Plaza – Phase 1A, it was **APPROVED**.

6. **2013 CAPITAL WORKS PROGRAM-TENDER FOR DEC WASHROOMS-PHASE II**

Upon the question of the adoption of Report No. 12 dated May 13, 2013 from the Chief Executive Officer with respect to 2013 Capital Works Program – Tender for Direct Energy Washrooms – Phase II, it was **APPROVED**.

7. **AGREEMENT FOR INSPECTING, TESTING, MAINTENANCE & REPAIRS TO FIRE PROTECTION SPRINKLER SYSTEMS AND KITCHEN HOODS**

Upon the question of the adoption of Report No. 14 dated May 13, 2013 from the Chief Executive Officer with respect to an Agreement for Inspecting, Testing, Maintenance and Repairs to Fire Protection Sprinkler Systems and Kitchen Hoods, it was **APPROVED**.

8. **AGREEMENT FOR VARIOUS LOCKSMITH SUPPLIES & DOOR HARDWARE**

Upon the question of the adoption of Report No. 15 dated May 1, 2013 from the Chief Executive Officer with respect to an Agreement for Various Locksmith Supplies and Door Hardware, it was **APPROVED**.

9. **INCREASE IN SCOPE TO EXISTING AGREEMENT FOR CONSULTING SERVICES FOR LEED EXISTING BUILDING – OPERATIONS & MAINTENANCE CERTIFICATION FOR DIRECT ENERGY CENTRE**

Upon the question of the adoption of Report No. 16 dated May 1, 2013 from the Chief Executive Officer with respect to the Increase in Scope to Existing Agreement for Consulting Services for LEED Existing Building – Operations & Maintenance Certification for Direct Energy Centre, it was **APPROVED**.

10. **2014 RENTAL AND SERVICE PRICE LIST**

Upon the question of the adoption of Report No. 19 dated May 9, 2013 from the Chief Executive Officer with respect to the 2014 Rental and Service Price List, it was **APPROVED**.

11. **LICENCE AGREEMENT FOR DIRECT ENERGY CENTRE**

Upon the question of the adoption of Report No. 20 dated May 13, 2013 from the Chief Executive Officer with respect to a Licence Agreement for Direct Energy Centre, it was **APPROVED**.

The Chair proposed that the Board give consideration to those reports held for discussion at the request of the members.

12. **BMO FIELD MANAGEMENT REPORT – MARCH 2013**

On a question from Sean Webster with respect to the unfavourable suite revenues noted on page 3 of subject report, Ryan Gillis responded that there are three suites that have not been rented and that revenue of same was included in the 2013 Operating Budget. Sean Webster further questioned if the three suites would be rented in the near future, Peter Church responded that it is his hope to do so.

On a question from Sean Webster with respect to the unfavourable food and beverage and third party commissions noted on page 3, Ryan Gillis responded that the March 9th TFC game needed to be moved to the Rogers Center because of the time of the game (early March) when BMO Field had not been open given weather conditions and non-winterization of BMO Field; and the timing of collections related to suite holders.

On motion duly made by Sean Webster, seconded and **CARRIED**, it was **RESOLVED** that Report No. 3 dated March 2013 from the General Manager/BMO Field with respect to the BMO Field Manager Report for March 2013, it was received for **INFORMATION**.

13. **EXHIBITION PLACE MANAGEMENT REPORT – APRIL 2013**

On motion duly made by Sean Webster, seconded and **CARRIED**, it was **RESOLVED** that Report No. 4 dated April 30, 2013 from the Chief Executive Officer and the General Manager/Sales & Events Manager with respect to the Exhibition Place Management Report for April 30, 2013, be received for **INFORMATION**; and **FURTHER** that staff be acknowledged and applauded for the ingenuity with respect to the realignment of parking spaces as a result of the Hotel construction.

14. **OCCUPATIONAL HEALTH & SAFETY REPORT – 1ST QUARTER 2013**

On motion duly made by Connie Dejak, seconded and **CARRIED**, it was **RESOLVED** that Report No. 5 dated May 7, 2013 from the Chief Executive Officer with respect to the Occupational Health & Safety Report – 1st Quarter 2013, be received for **INFORMATION**; and **FURTHER** that Dianne Young and her staff be acknowledged and applauded for their due diligence in keeping the staff of Exhibition Place safe.

**15. CONTROLS MONITORING PROGRAM
-OVERTIME, LIEU TIME & MILEAGE EXPENSES**

On motion duly made by Mark Grimes, seconded and **CARRIED**, it was **RESOLVED** that Report No. 6 dated May 13, 2013 from the Chief Executive Officer with respect to the Controls Monitoring Program for Overtime, Lieu Time and Mileage Expenses, be received for **INFORMATION**; and **FURTHER** that Dianne Young and her staff be acknowledged and applauded for the savings related to Overtime/Lieu time payments in 2012 versus 2011.

16. MUZIK CLUBS INC. LEASE AMENDMENT – DISPOSAL OF CITY PROPERTY

Dianne Young advised that the report is presented to the Board first for information; she would then meet with the Tenant, who has not seen the report, to explain the issues and possible resolutions; and then submit a further report to the Board with possible actions.

On a question from Hugh Mansfield with respect to the project moving forward and the next step, Alison Fowles responded that approval of City Council would be required to amend the City's Official Plan before this matter could move forward.

Gord Perks noted that staff should not make a request to amend the City's Official Plan.

Connie Dejak noted that this item is a time sensitive matter and that the Board should empower the Chief Executive Officer to meet and discuss the City Solicitor's report with the Tenant.

On a question from Michael Layton with respect to the Board being in breach of its Relationship Framework with the City, wherein the extension is beyond four years, Dianne Young responded that the initial Muzik Lease, and all existing long term leases have all been approved by City Council, and that the following steps are always undertaken with respect to any development – Exhibition Place staff do all the research; a request for proposals is developed by Exhibition Place staff and issued through the City of Toronto; proposals are reviewed and evaluated by City Purchasing and Exhibition Place staff; final report is considered by the Business Development Committee of the Board; committee makes its recommendations to the Board; the Board makes its recommendations to City Executive; City Executive makes its recommendations to City Council; and City Council have the final decision. All proponents to any RFP understand that no decision can happen until Council approval, and Council has the right to not approve of any agreement in excess of 4 years.

On a question from Michael Layton as to the rationale behind this lease amendment when the Board has not considered its next Strategic Plan, Dianne Young responded that the scheduling of a Strategic Planning Session has been on hold given the decision of the Proposed Casino.

Connie Dejak noted that regardless of a new Strategic Plan, the Board needs to carry on with its regular business.

Hugh Mansfield reiterated his comments and motion made/lost at the December 19, 2012 meeting of the Board wherein he recommended the lease amendment be deferred to the February 15, 2013 meeting of the Board, pending the outcome of the Board's Strategic Planning Session, which was scheduled for January 24, 2013.

On a question from Giorgio Mammoliti on the history of this lease, Dianne Young responded that the Board approved the 20-year lease (2004 to 2024) in April 2003 which was subsequently approved by City Council in November 2003; \$1.45M was to be invested by tenant in capital and leasehold improvements and fixturing in the building over the 20 years; at the time of possession the building had no heat or air-conditioning and was only previously used for the 18-day CNE.

Mark Grimes noted that the previous Chair, Deputy Mayor Joe Pantalone, was very keen on long term leases of underutilized buildings given the investment in a building that was only used for the CNE period; would relieve City/Board of capital costs; and would provide a good return to the Board in rent. He further added that the Board support the Chief Executive Officer in meeting with the Tenant to discuss the current issues with the lease amendment.

It was duly moved by Michael Layton that prior to amending any existing lease agreements that consideration of the future of the Horticultural Building and the Exhibition Place lands be considered as part of the Board's Strategic Planning Session.

Mark Grimes suggested that the motion moved by Michael Layton be included in the "notice of motion" with respect to the Expansion of the Direct Energy Centre. The Board agreed.

On motion duly made by Sean Webster, seconded and **CARRIED**, it was **RESOLVED** that Report No. 8 dated April 2, 2013 from the City Solicitor with respect to the Muzik Clubs Inc. Lease Amendment – Disposal of City Property, be received for **INFORMATION**; and **FURTHER** that the Chief Executive Officer meet with the Tenant - Muzik Clubs Inc. to discuss the concerns regarding the lease amendment, and report back to the Board.

17. AUDIT RESULTS & YEAR END REPORT FOR THE CONSOLIDATED FINANCIAL STATEMENTS FOR EXHIBITION PLACE - DECEMBER 31, 2012

On a question from Connie Dejak with respect to the payroll issues noted on page 8 and that staff should ensure that controls are in place, Dianne Young provided a brief overview and noted that the recommendations outlined in the report will be in place for the 2013 Audit.

On motion duly made by Connie Dejak, seconded and **CARRIED**, it was **RESOLVED** that Report No. 9 dated May 6, 2013 from the Finance & Audit Committee with respect to the Audit Results & Year End Report for the Consolidated Finance Statements for Exhibition Place for the Year Ended December 31, 2012, be received for **INFORMATION**.

18. AGREEMENT FOR INSPECT AND CLEAN KITCHEN HOOD SYSTEMS

On a question from Sean Webster with respect to only one bidder, Dianne Young responded that it's probably because of our small volume of business and that this item was tendered through the City of Toronto.

On motion duly made by Sean Webster, seconded and **CARRIED**, it was **RESOLVED** that Report No. 13 dated May 13, 2013 from the Chief Executive Officer, be **APPROVED**, thereby authorizing an agreement with Pressure Kleen Services Company Inc. for a period of one year, with the option to extend for an additional three separate one year periods, based on the terms and conditions outlined in subject report.

19. **ACCOUNTS RECEIVABLES – DIRECT ENERGY CENTRE,
ALLSTREAM CENTRE & EXHIBITION PLACE AS AT APRIL 30, 2013**

On a question from Hugh Mansfield with respect to overdue accounts and charging interest, Hardat Persaud responded that the accounts are dealt with on a case by case basis and are not necessarily charged interest.

Hugh Mansfield recommended that overdue accounts should be charged interest and that the Board move to a standard set policy.

Dianne Young advised that some of the accounts relate to shows which have service accounts in dispute; some relate to services provided to tenants; and there may be some business reasons for not charging interest. She suggested that she meet with Mr. Mansfield to discuss these accounts in more detail.

On motion duly made by Hugh Mansfield, seconded and **CARRIED**, it was **RESOLVED** that Report No 18 and the Confidential Attachment 1 to subject report, dated May 13, 2013 from the Chief Executive Officer with respect to the Accounts Receivables for the Direct Energy Centre, Allstream Centre and Exhibition Place as at April 30, 2013, be received for **INFORMATION**.

20. **NOTICE OF MOTION – EXPANSION OF THE DIRECT ENERGY CENTRE**

On motion duly made by Mark Grimes, seconded and **CARRIED**, it was **RESOLVED** that the Notice of Motion with respect to the Expansion of the Direct Energy Centre, be **APPROVED**, which was unanimous, thereby authorizing the recommendations outlined in subject notice; and **FURTHER** that, prior to amending any existing lease agreements, that consideration of the future of the Horticultural Building and the Exhibition Place lands be considered as part of the Board’s Strategic Planning Session.

21. **2012 LAS VEGAS EXPENSES OF THE CHAIR OF THE BOARD**

On motion duly made by Gord Perks, seconded and **CARRIED** it was **RESOLVED** that the Board add to the agenda of this meeting a discussion with respect to the 2012 Las Vegas Expenses of the Chair of the Board.

The Chair, Mark Grimes, declared a conflict of interest with respect to this item and excused himself from the meeting at 9:30 a.m. The Vice-Chair, Sean Webster, presided.

Connie Dejak expressed concern with “walk-on” items to the Board’s agenda and noted that Gloria Lindsay Luby contacted her the evening before this meeting to advise that this item would be discussed. She further added that from a process of governance, this type of issue is not appropriate and also questioned why the Vice-Chair was not contacting the Board members with respect to this item.

In response to Ms. Dejak’s concern and question, Sean Webster advised that he did not know about this issue; that Gloria Lindsay Luby also left him a voice message; and that the motion moved by Gord Perks to bring this item on the agenda could have been objected to.

Wayne Copeland echoed Connie Dejak’s concerns and questioned why this item was not on the agenda when circulated, as it was related to a report to the City Executive Committee that was public on April 23, 2013, and that members could have been consulted. On a question to

the Solicitor with respect to “walk-on” items, Alison Fowles responded that the Board’s by-laws do not address this type of matter and that it has been dealt with and agreed upon when Gord Perks moved his motion to introduce the item.

On a question from Gord Perks with respect to the purpose of the travel to Las Vegas, Dianne Young responded that the Chair had an opportunity to meet with City Officials to tour the “walkway of lights” in downtown Las Vegas to gain a better understanding of including the same type of walkway in the Festival Plaza area on the grounds from the GO Station to BMO Field.

On a question from Gord Perks with respect to the Chair providing a report related to the Las Vegas visit, Dianne Young responded that this has not been a usual practice related to the travel for any member of the Board.

On a question from Gord Perks with respect to the City report and Toronto Star noting that the travel was related to “MGM/Caesar” visit, Dianne Young responded that this was a staff error in reporting to City Finance.

On a question from Gord Perks with respect to the date change in return flight to Toronto and the reasoning behind it, Dianne Young responded that flight changes were made to accommodate some other business matters that prevented the Chair from leaving and this would have been done in the past for any Chair of the Board. She further added that Las Vegas is the third largest convention center in North America which one can learn from and obtain ideas.

On a question from Gord Perks with respect to a receipt for pizzas and alcoholic beverages in the MGM Hotel and if the receipt notes the attendees and was this explained to staff, Dianne Young responded that our practice is not to question receipts such as these.

On a question from Giorgio Mammoliti as to previous Chairs changing a return airfare, Dianne Young responded that this has been done for previous Chairs as business issues arise. On a further question with respect to explanations as to why return airfares are changed, Dianne Young responded that reason for changes are not questioned.

On a question from Giorgio Mammoliti with respect to the 2009 travel expenses incurred by Deputy Mayor Joe Pantalone regarding the International Fairs and Expositions in Las Vegas and if receipts are noted as to who the attendees were, Dianne Young responded that meeting attendees related to out-of-town travel are not noted as a policy, although they are generally noted for meetings within the GTA (i.e. meetings, cabs, etc.).

Giorgio Mammoliti expressed his concern with the questions being asked about travel expenses related to the current Chair and Past Chair, both of whom acted on behalf of Exhibition Place, and that he does not recall any reporter questioning travel expenses incurred by Deputy Mayor Joe Pantalone with respect to his Italy travel.

On a question from Michael Layton with respect to the meaning of “sundry expenses” noted on the Board’s travel policy, Dianne Young explained that the per diem would cover items such as a breakfast, a coffee, a lunch, and a dinner for the member, and that “entertainment” would include meetings with third parties.

On a question from Michael Layton with respect to the airfare to Las Vegas not being included in the original submission to City Finance, Dianne Young responded that this was a

staff miscalculation and that the correction has been made wherein City Finance, who have received a letter, will report the airfare for information when the 2013 expenses are reported to City Executive.

Gord Perks noted that he is confused with all the issues/responses related to this travel and believes it is not a legitimate use of public funds.

Hugh Mansfield noted that the existing travel policy for the Board needs to be amended to reflect the City's policy.

Sean Webster expressed his concerns with the issue and suggested if the Board's policies require to be the same as the City's, the City should be circulating its policies to all its local boards for implementation.

Giorgio Mammoliti noted that the current Chair or any previous Chair, have done nothing dishonest while travelling on Board business and suggested that City Councillors not take their personal disputes at this meeting which has caused an imposition on the citizen members.

It was duly moved by Giorgio Mammoliti that the matter of the Chair's travel to Las Vegas be received for information and that staff review the Board's Travel Policy with that of the City's, and report back to the Board at its July meeting.

It was duly moved by Gord Perks that the Chair of the Board repay all the expenses related to the Las Vegas travel to Exhibition Place.

It was duly moved by Michael Layton that the Las Vegas travel expenses be referred back to staff and report back to the Board on the purpose of the expenses that includes the itemized receipts and an itinerary of the meetings held.

Members were advised by the City Solicitor that a motion to receive takes precedence over any other motions.

On motion duly made by Giorgio Mammoliti, seconded and **CARRIED**, it was **RESOLVED** that the matter of the Chair's travel to Las Vegas be received for **INFORMATION**; and **FURTHER** that, staff review the Board's Travel Policy with that of the City's, and report back to the Board at its July meeting.

Given the motion with respect to the Chair's travel to Las Vegas was received, the motions moved by Gord Perks and Michael Layton were redundant.

Giorgio Mammoliti excused himself from the meeting at 10:35 a.m., and Mark Grimes joined the meeting and presided.

22. 2 STRACHAN AVENUE SIGN – AGREEMENT WITH CLARITY

RESOLUTION RE CLOSED SESSION

On motion duly made by Sean Webster, seconded and **CARRIED**, it was **RESOLVED** that the Board go into Closed Session for the purposes of dealing with items of a proprietary, personnel and of a contractual nature.

The Board members Mark Grimes/Chair, Wayne Copeland, Connie Dejak, Michael Layton, Gord Perks and Sean Webster reconvened in public session at 11:00 a.m. and concurred with the following proposal. Hugh Mansfield had excused himself from the meeting at 10:50 a.m.

On motion duly made by Michael Layton, seconded and **CARRIED**, it was **RESOLVED** that Report No. 21 and the Confidential Attachment 1 to subject report dated May 14, 2013 from the Chief Executive Officer, be **APPROVED**, thereby authorizing the recommendations outlined in subject report with respect to the 2 Strachan Avenue Sign – Agreement with Clarity Outdoor Media Inc.; and **FURTHER** that, subject report be recommended to the City’s Planning and Growth Management Committee.

23. DATE OF NEXT MEETING

The next regular meeting of the Board is scheduled to be held on **Friday, July 5, 2013 at 8:30 a.m.**

24. RESOLUTION RE ABSENTEEISM

On motion duly made by Sean Webster, seconded and **CARRIED**, it was **RESOLVED** that Gloria Lindsay Luby having notified the Corporate Secretary of their unavailability to attend this meeting of the Board, be **EXCUSED**.

ADJOURNMENT

There being no further business, the Chair adjourned the meeting at 11:05 a.m.

(Copies of the communications, reports and other documents referred to in the minutes of this meeting have been distributed to the members and copies thereof inserted as schedules to the official minutes of the proceedings of this meeting of the Board.)

Corporate Secretary

Chair

VERIFIED at a meeting of the Board of Governors of Exhibition Place held on the ____ day of _____, 2013.

Chair