



Exhibition Place

January 31, 2013

ACTION REQUIRED

To: The Board of Governors of Exhibition Place

From: Dianne Young
Chief Executive Officer

Subject: **Notice to Amend By-Law 2-07 - Financial**

Summary:

The purpose of this report is to provide notice as required of proposed amendments to Financial By-Law 2-07, a by-law "to confer certain authorities and responsibilities with respect to the appropriation and commitment of funds, the payment of accounts, and the procurement of goods and services by the Board of Governors of Exhibition Place", and to authorize the introduction of the appropriate bill for enactment by the Board.

Recommendation:

It is recommended that the Board:

- 1) **Receive this report as notice with respect to proposed amendments to Financial By-Law No. 2-07, attached as Appendix "A";**
- 2) **Authorize staff to forward the By-Law as amended by the Board of Governors to the City Manager for submission to City Council for approval; and**
- 3) **Authorize staff to submit the appropriate By-Law, following City Council approval, to the Board for enactment.**

Financial Implications and Impact Statement:

There are no financial implications resulting from the adoption of this report.

Decision Background:

The Exhibition Place 2009 – 2012 Strategic Plan had an Organizational and Staffing Goal to *Review and revise our corporate systems* and as a Strategy to support this Goal *we will complete an annual review of By-Laws, Policies and Procedures of the Board of Governors and CNEA Board of Directors.*

Issue Background:

At its meeting of January 27, 2012, the Board approved a direction to move the CNEA to full independence from the Board and the City, which report was approved by City Council at its meeting of March 5, 6 and 7, 2012. As a result of the above, the Board's Financial By-Law requires amendments to remove any reference to the CNEA and proposes some modifications.

At its meeting of July 11, 12 and 13, 2012, City Council adopted the report from the City Manager and City Solicitor entitled “Executive Compensation for City Agencies and Corporations”, requiring all City agencies and corporations to:

- a) Report their individual executive compensation and salary ranges to the City Manager in a form and at a time satisfactory to the City Manager, as permitted by law;
- b) Take action to ensure that future employment contracts for executives contain a provision providing employee consent to the disclosure of their individual compensation to the City Manager and in a confidential report to City Council in a form and at a time satisfactory to the City Manager.

As a result of the above, a proposed “Disclosure of Executive Compensation” is included in the by-law.

At its meeting of April 12 and 13, 2011, City Council adopted Report EX4.6 from the City Manager entitled “Managing Through Agencies and Corporations”, recommending that City Council approve the board by-laws of all agencies that regulate the internal conduct of the business and affairs of the agency.

Comments:

Article XIV, Amendments to the By-Law, section 15.2 of By-Law No. 2-07 provides that notice of proposed amendments to the by-law must be given at a previous regular meeting of the Board and a copy of the notice of motion to amend the by-law provided to the Members by the Corporate Secretary by regular mail, fax or electronic mail at least forty-eight (48) hours prior to the meeting at which it is to be considered.

For ease of reference the sections in By-law No. 2-07 proposed to be amended are shown in bold either to be “inserted” (new or revision) or “deleted” (with strikethrough), on the attached Appendix "A".

The Exhibition Place Corporate Secretary worked closely with the City Legal Department and the City Manager’s Office in these proposed revisions to the By-Law.

Contact:

Fatima Scagnol, Corporate Secretary

Tel: 416-263-3620

Fax: 416-263-3690

Email: FScagnol@explace.on.ca

Submitted by:

Dianne Young
Chief Executive Officer

THE BOARD OF GOVERNORS OF EXHIBITION PLACE
FINANCIAL BY-LAW NO. 2-07

To confer certain authorities and responsibilities with respect to the appropriation and commitment of funds, the payment of accounts, and the procurement of goods and services by the Board of Governors of Exhibition Place.

The Board of Governors of Exhibition Place HEREBY ENACTS as follows:

ARTICLE I
INTERPRETATION

(insert) **Definitions**

1. In this By-law:

“Account” means a financial liability of the Board of Governors arising from a commitment and evidenced by any invoice, pay sheet, receipt or other document indicating payment is due for the goods or services specified in the account;

“Act” means the *City of Toronto Act, 2006*, as amended from time to time;

“Appropriation” means the allocation of funds by the Board of Governors for a specified purpose of the Board of Governors and shown as such in the Estimates;

“Authorized Signatories” means an employee of the Board of Governors authorized to execute on behalf of the Board of Governors those instruments pursuant to section 4 of this By-law;

“Award” means the acceptance of a Tender, Proposal or Quotation by the Board of Governors pursuant to the terms of this By-law;

“Bid” means a Quotation, Tender or Proposal;

"Board of Governors" means The Board of Governors of Exhibition Place;

“Budget” means the operating and capital budgets approved by the Board of Governors and Council;

“Call” means a call for Tenders;

"Chair" means the Chair of the Board of Governors;

“CEO” means the Chief Executive Officer of Exhibition Place as appointed by the Board of Governors or his/her Delegate and includes an appointment by the Board of Governors to fill this position on an interim basis;

“CFO” means the Chief Financial Officer of the Board of Governors or his/her Delegate and includes an appointment by the Board of Governors to fill this position on an interim basis;

“City” means the City of Toronto;

(insert) "City Manager" means the City Manager of the City of Toronto;

(insert) “City Purchasing” means the City’s Purchasing and Material Management Division, or successor organization unit;

(delete) “CNEA Board of Directors” means the Board of Directors of the Canadian National Exhibition Association appointed or elected pursuant to Bill Pr32, *An Act Respecting the CNEA*, as amended from time to time;

“Committee” means any committee appointed by the Board of Governors;

(insert) “Consent Form” means a form to be signed by an Executive, consenting to the disclosure of their individual compensation, or other information, to the City Manager;

“Corporate Secretary” means the Corporate Secretary of the Board of Governors or his or her Delegate and includes an appointment by the Board of Governors to fill this position on an interim basis;

(delete) “Council” means the council of the City *(insert)* “Council” means the Council of the City of Toronto;

“Delegate” means any person to whom the Chief Executive Officer, Chief Financial Officer and Corporate Secretary has delegated authority under this By-law;

“Estimates” means the annual operating and capital estimates submitted for adoption by the Board of Governors in accordance with section 3;

(insert) “Executive” means the Chief Executive Officer, Chief Financial Officer, Corporate Secretary, General Manager/Operations and General Manager/Sales & Events, or any direct report to the CEO of a similar level;

“General Manager(s)” means the general managers responsible for *(delete)* ~~the Canadian National Exhibition Program~~, the Soccer Stadium Program and the department heads within the Exhibition Program; *(insert)* and including any future additions or deletions of programs as approved by the Board of Governors;

“Member” means a member of the Board of Governors who is either a member, ex-officio, or a member appointed by the Council as provided in the *Act*;

"Officer" means the CEO, CFO or Corporate Secretary;

“Program Areas” means the Exhibition Place Program *(delete)* ~~the Canadian National Exhibition Association Program~~ and the Soccer Stadium Program; *(insert)* and including any future additions or deletions of programs as approved by the Board;

“Project” means an undertaking, work or improvement of the Board of Governors included in the capital works program;

“Proposal” means a proposal to supply goods or services in response to a Request for Proposals issued by the Board of Governors;

“Quotation” means an offer to supply goods or services at a price fixed as to the total amount or on a unit basis, or both;

“Request” means a request for Quotations or Proposals;

“Tender” means an offer to perform a Project or other work or undertaking or provide a service at a price fixed as to total amount or on a unit basis, or both; and

“Unit” means an organizational unit of the Board of Governors.

ARTICLE II GENERAL

- 2.1 The Board of Governors has the sole authority, subject to the approval of Council, to allocate funds to Appropriations and Projects.
- 2.2 No Officer, General Manager, Committee, Member or employee of the Board of Governors shall authorize any expenditure which shall exceed the Appropriation made by the Board of Governors for any purpose, nor authorize the expenditure of money appropriated to a particular Project or purpose to any other Project, purpose, service or work.
- 2.3 No commitment shall be made, no debt shall be incurred, no expenditure shall be made and no Account shall be paid by an Officer, General Manager, Committee, Member or employee of the Board of Governors on behalf of the Board of Governors except with the approval of the Board of Governors or in accordance with the provisions of this By-law.
- 2.4 ~~(delete) Despite subsection 2.5 below, during the period between the last meeting in July of the Board of Governors and the first regular meeting of the Board of Governors scheduled after the annual fair known as the CNE, the provisions of this By-law may be waived and the authority to do the following may be delegated to such Committee as the Board of Governors may designate:~~
- ~~(a) — Make Awards for the supply of materials and services provided for in the operating and capital Budget last adopted by the Board of Governors.~~
 - ~~(b) — Make Awards for contracts for work included in the Budget but not yet authorized by the Board of Governors.~~
 - ~~(c) — Authorize the acceptance of Quotations, Proposals or Tenders.~~
 - ~~(d) — Authorize settlements of compensation or claims for damages not to exceed \$150,000.00.~~
 - ~~(e) — Appoint nominees to arbitration boards, as required by the provisions of the collective agreements of the Board of Governors.~~
- ~~2.5 — Any action taken by a Committee under the authority contained above shall be reported to the Board of Governors for information only at the first regular meeting of the Board of Governors following the annual CNE.~~

ARTICLE III APPROPRIATIONS

- 3.1 The Board of Governors, in adopting the Estimates of all sums required during the year for the purposes of the Board of Governors in accordance with the *Act*, shall determine the sums required for every purpose and the sums required for the various categories or purposes, as approved by Council, shall be an Appropriation.
- 3.2 Once the Estimates have been approved by the Board of Governors and Council, all spending by the Board of Governors shall be in accordance with the Budget. Any transfer of sums between Program Areas must be approved by the Board of Governors; and any transfer between Projects must be approved by the Board of Governors and Council.

ARTICLE IV ADMINISTRATION

- 4.1 The CFO shall maintain a current delegation schedule specifying the Officers, General Managers and employees of the Board of Governors having financial signing authority on behalf of the Board of Governors for those spending matters listed on the delegation schedule within the monetary limits as set out in this By-law, and specify such restrictions and approval limits that apply.
- 4.2 Any delegation schedule prepared by the CFO pursuant to subsection 4.1 shall be signed by the CEO and a copy, with specimen signatures of the designated Officers, General Managers and employees of the Board of Governors referred to in subsection 4.1, shall be filed with the CFO and submitted to the Board of Governors for review at the last meeting of the calendar year or more frequently as required or as requested by the Board of Governors.
- 4.3 The banking business of the Board of Governors shall be transacted with such bank or trust company carrying on a banking business as the Board of Governors may designate, appoint or authorize from time to time by resolution, and all such banking business shall be transacted on behalf of the Board of Governors by such one or more Authorized Signatories as the Board of Governors may designate, direct or authorize from time to time by resolution.
- 4.4 All withdrawals from such bank or trust company shall be made by cheque drawn on the bank or trust company and signed by any two Authorized Signatories.
- 4.5 If two Authorized Signatories are not available to sign as required under subsection 4.1, cheques may be signed by the Chair of the Board of Governors and one Authorized Signatory.
- 4.6 The CFO shall carry out whatever tests and inquiries are appropriate to ensure that satisfactory internal control practices are followed and that the terms of this By-law are duly carried out and the CFO is authorized to issue administrative directives for this purpose to be followed by Officers, General Managers and employees of the Board of Governors.
- 4.7 The auditor of the Board of Governors shall be the auditor appointed by the City of Toronto as required by the *Act*.

- 4.8 The fiscal year for the Board of Governors shall correspond to the calendar year, being the period from the 1st day of January to the 31st day of December.

ARTICLE V
AUTHORITY OF THE CHIEF EXECUTIVE OFFICER

- 5.1 The CEO may make a commitment having such terms which are less than one year and which provide for payments not exceeding \$150,000.00 in any one instance provided that the approval of the Board of Governors has been given either by way of an Appropriation in the Budget for that purpose or by way of approval of the Project and the funding is provided therefor. For the purposes of this By-law, a commitment includes a purchase order and an agreement.
- 5.2 The CEO may enter into licence agreements satisfactory to the City Solicitor for less than one year for the rental of the buildings or the grounds on terms consistent with rental policies adopted by the Board of Governors;
- 5.3 ***(insert)* The CEO may enter into lease agreements satisfactory to the City Solicitor for less than one year for the lease of the buildings or portions of the grounds.**
- 5.4 ***(insert)* The CEO may enter into sponsorship agreements satisfactory to the City Solicitor for less than one year where the value of such agreements is less than \$50,000.00, on terms consistent with sponsorship policies adopted by the Board that are consistent with City policies.**
- 5.5 The CEO has the following authority with respect to the employees of the Board of Governors:
- (a) Hire employees for positions in the establishment of strength of the Board of Governors or as required by the CEO, provided that funds are available in the Appropriation for that purpose;
 - (b) In the absence of any written agreement to the contrary, the CEO may remove any employee of the Board of Governors, other than an Officer of the Board of Governors;
 - (c) Recommend to the Board of Governors increases in salary grades for all employees in the establishment of strength of the Board of Governors, following finalization of the economic increases for the year by the Council for the City; and
 - (d) The CEO shall report to the Board of Governors with respect to the approval of all additions and deletions to the establishment of strength of the Board of Governors.
- 5.6 The Officers are hereby authorized to sign documents and affix the corporate seal on behalf of the Board of Governors.

ARTICLE VI
AUTHORITY OF THE CHIEF FINANCIAL OFFICER

6. Despite any other provision in this By-law, the CFO is authorized to pay the following Accounts provided that funds are available in the Appropriation or Project for the purpose of:

- (a) All salaries, wages, and benefits due to any person in the employ of the Board of Governors;
- (b) All retiring allowances and mandatory sick pay grants due to any person previously in the employ of the Board of Governors;
- (c) All accounts for telephones, postage and utilities supplied to the Board of Governors;
- (d) All accounts for fees and levies payable to the federal, provincial or other municipal government, or to any agency, board or commission thereof;
- (e) All accounts for payment of principal or interest on loans or overdrafts, including foreign exchange; and
- (f) All accounts relating to employee pension deductions and employer pension contributions in respect of the salaries and wages to those persons who are paid by or employed by the Board of Governors, and which are payable in respect of any duly authorized registered pension plan on behalf of the respective employees.

~~(delete) ARTICLE VII~~

~~AUTHORITY OF THE GENERAL MANAGER/CNEA~~

- ~~7. The General Manager for the CNE may enter into licence agreements satisfactory to the solicitor of the CNEA Board for the period of the annual CNE for the rental of the buildings or the grounds on terms consistent with rental policies adopted by the CNEA Board of Directors.~~

ARTICLE VIII

FORMS OF COMMITMENTS

8.1 Purchase Orders

- (a) Purchase orders for all goods and services costing in excess of \$50,000.00, excluding all taxes in any one instance shall be procured through City *(insert)* **Purchasing**. ~~(delete) of Toronto's Purchasing and Materials Management Division.~~
- (b) Goods and services costing less than \$50,000.00 in any one instance may be procured through an Exhibition Place purchase order.
- (c) Exhibition Place Purchase Orders shall be issued in accordance with the Board's "Procurement Policy".

8.2 Petty Cash

- (a) There may be established in a Unit a petty cash fund in an amount approved by the CFO having regard to the operational requirement of the Unit.
- (b) The CEO may authorize petty cash expenditures not exceeding \$500.00 in any one instance or such amount as amended by the Board of Governors and City of Toronto from time to time.
- (c) The CEO is authorized to reimburse a petty cash fund upon the submission of receipts and such other documentations as may be required.

8.3 Professional Services Agreements

The CEO may authorize a competitive process to result in the entering into of a written agreement for the provision of professional services at a cost not exceeding \$50,000.00.

8.4 Convention, Business and Travel Expenses

The CEO shall authorize the reimbursement of expenses, including travel, meal and entertainment expenses, incurred by the Officers, General Managers, Members and employees of the Board of Governors in carrying out the business of the Board of Governors, provided that such expenses were incurred in accordance with such City and/or Board of Governors policies as may be adopted from time to time by the Board of Governors.

8.5 Meterage

Employees of the Board of Governors who are authorized to use their own vehicles for the purposes of the Board of Governors shall be entitled to claim meterage at a rate equivalent to the rate specified in the applicable collective agreement or, for non-union staff, in accordance with such City and/or Board of Governors policies as may be adopted from time to time by the Board of Governors.

ARTICLE IX CAPITAL WORKS PROGRAM

- 9.1 The Board of Governors in adopting the annual Estimates shall determine the sums required for every Project.
- 9.2 Notwithstanding the inclusion of a Project within the annual Estimates adopted by the Board of Governors, the funding for each individual Project must have the approval of the Board of Governors.
- 9.3 No Project shall be authorized by the Board of Governors without having either an estimate of the probable cost of each specific element of such Project or, in the absence of an estimate, a limit on the amount to be expended for each element.
- 9.4 No contracts shall be entered into for any Project or specific element of a Project at a larger sum or involving a larger expenditure than the amount so estimated or limited, unless approved by the Board of Governors.

ARTICLE X AWARDS

- 10.1 All Tenders shall be issued through City (*insert*) **Purchasing.** (*delete*) ~~of Toronto's Purchasing and Materials Management Division.~~
- 10.2 Tenders received by an Officer, General Manager, employee or agent of the Board of Governors specified in the Call and dated before the time for the close of Tenders stipulated in such Call shall be opened at a public meeting and the prices offered by each, or a summary thereof, shall be read aloud and recorded.
- 10.3 Subject to subsection 5.1 the CEO is authorized to make an Award of a Quotation or an Award of Tender if all the following conditions are met:

- (a) The Appropriation for that purpose is in the Budget and funding is provided therefore;
 - (b) The award is less than \$150,000.00 in any one instance and having such term which is less than one year, except where the award includes optional second year pricing and is structured to establish an agreement for goods and services to be provided on an “as and when required basis” with no encumbrance of funds and where the upset limit is less than \$150,000.00, in total, for both years;
 - (c) The Award is to the lowest bidder whose Bid meets the specifications and requirements set out in the Request for Quotation or Request for Tender; and
 - (d) There is no written objection to the Award filed with the CEO, or agent of the Board of Governors before the Award is made.
- 10.4. All recommendations for Awards based on Proposals received in response to a Request for Proposals, in excess of a total value of \$50,000.00, shall be reported to and must be approved by the Board of Governors.
- 10.5 The contents of any Bid shall be made available to the public, on request, to the extent required and permitted by the *Municipal Freedom of Information and Protection of Privacy Act*.

ARTICLE XI EMERGENCIES

11. Notwithstanding any other provision of this By-law, where in the opinion of the CEO an emergency exists, the CEO is authorized to take such immediate steps as may be considered necessary, acting reasonably, to deal with the emergency and the CEO shall:
- (a) If the funds to be committed exceed \$150,000.00, immediately notify the Chair of the Board of Governors of the proposed course of action; and,
 - (b) Report the action taken and request concurrence of the Board of Governors at its next meeting following such action.

ARTICLE XII DISPOSAL OF SURPLUS PROPERTY

12. Any materials or equipment owned by the Board of Governors, which is declared by the CEO to be surplus to Board of Governors requirements, shall be disposed of:
- (a) First, by arranging for the materials or equipment to be transferred to another department of the City of Toronto which can utilize them;
 - (b) Second, by having the materials and equipment disposed of through City (*insert*) **Purchasing** (*delete*) ~~of Toronto's Purchasing and Material Management Division~~ by public auction or by call for competitive bids; or;
 - (c) As the Board of Governors may otherwise direct.

ARTICLE XIII
FINANCIAL REPORTS

- 13.1 The CEO shall report to the Board of Governors on a regular basis on such matters as requested by the Board of Governors and as provided in policies and/procedures adopted by the Board of Governors.
- 13.2 Every report recommending the expenditure of money shall state the grounds on which the recommendation is made with sufficient fullness to enable the Board of Governors to judge the propriety of the proposed expenditure.

~~(delete) ARTICLE XIV
AUTHORITY OF THE CNEA BOARD OF DIRECTORS~~

- ~~14. Despite any provision in this By-law, the CNEA Board of Directors may make any commitment or accept any Tender Proposal or Quotation having such term which is less than one year provided that the approval of the Board has been given by way of an Appropriation in the Budget for that purpose, and that all general policies and procedures of the City are followed including but not limited to those set out in Article VII Article VIII of this By-Law.~~

(insert) ARTICLE XV
DISCLOSURE OF EXECUTIVE COMPENSATION

- 15.1 The Board shall disclose individual executive compensation to the City Manager in a form and at a time satisfactory to the City Manager and as permitted by law for inclusion in a confidential report to City Council.
- 15.2 Signed Consent Forms to be signed by the Executives shall be filed and retained by the Corporate Secretary.
- 15.3 Employment contracts for Executives engaged by the Board as of July 11, 2012 shall include a provision providing employee consent to disclosure of their individual compensation, or other information, to the City Manager and in a form and at a time satisfactory to the City Manager.

ARTICLE XVI
AMENDMENTS TO BY-LAW

- 16.1 This By-Law shall not be amended or repealed except by a two-thirds vote of the Members present, *(insert)* and subject to the approval of City Council.
- 16.2 No amendments or repeal of this By-law shall be considered at any meeting of the Board of Governors unless notice of the proposed amendment or repeal was given at a previous regular meeting of the Board of Governors and a copy of the notice of motion to amend or repeal is provided to the Members by the Corporate Secretary by regular mail, fax or electronic mail at least forty-eight (48) hours prior to the meeting at which it is to be considered.