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## EXHIBITION PLACE

February 28, 2008

**ACTION REQUIRED**

To: The Board of Governors of Exhibition Place

From: Dianne Young  
Chief Executive Officer

Subject: **Amendment to Electrical Service Price List**

### Summary:

On February 19, 2008 the Board was advised by the Electrical Contractors Association of Ontario (ECAO) of a post negotiation wage package increase of \$2.15 per hour for the ICI IBEW electrical workers. This increase was in addition to the previously negotiated increase of \$1.25 and will result in a total hourly wage increase of \$3.40 (\$1.25 as originally agreed plus \$2.15 post negotiated wage adjustment) which will become effective on May 1, 2008. This means that the wage package for ICI electricians will increase by approximately 6.0% for 2008.

IBEW electricians at Exhibition Place receive the provincially-negotiated ICI wage rate when performing any construction work which mostly occurs during the move-in and dismantling of a shows and events. Each year Exhibition Place staff review the Rental & Services Price List which has the per unit prices charged to third parties. When this Price List was approved by the Board in July 2007, staff were only aware of the \$1.25 per hour increase but not the additional arbitration award which will significantly impact the costs of delivering electrical services to third parties and the budgeted profitability of this service. Therefore, Exhibition Place staff are recommending that the Board adopt the Price List increases proposed directly associated with the supply of the electrical services to third parties.

### Recommendations:

**It is recommended that the Board approve of:**

- 1. An amendment to the 2008 Electrical Service Price list for third party rentals and services; and**
- 2. Direct that the confidential information contained in Attachment 1 of this report not be released publicly in order to protect the competitive position of Exhibition Place and the City of Toronto.**

### Financial Impact:

If this recommendation is not approved, there will be significant negative financial implications to the Board's operating budget as the 2008 budget only provided for the initial agreed wage

THE BOARD OF GOVERNORS OF EXHIBITION PLACE



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settlement for the ICI IBEW electricians of \$1.25 but did not provide for the post negotiated wage settlement portion of \$2.15 per hour. Additionally, within the maintenance budget this arbitration increase is expected to cost the Board an additional \$25,000 which costs can be absorbed within the 2008 operating budget.

#### Decision History:

At its meeting of June 15, 2007, the Board approved of the new Price List for third party rentals and services for 2008

#### Issue Background:

A comprehensive review and update of the master price list is done by staff on an annual basis in conjunction with the commencement of the Operating Budget process and the prices recommended are compared to other service providers in the industry. Prices are usually reviewed to factor in the increase in labour costs and to assure a competitive return to the Board on the various services offered. This in-year arbitration award increasing the hourly ICI rates for IBEW electricians was not known when staff reviewed the Rentals and Price List in the Spring of 2007.

#### Comments:

On an ongoing basis the services and cost of services are monitored to evaluate their profitability and competitiveness in the marketplace. Generally the increases that are being recommended either reflect directly the increase in labour rates associated with the supply of the service or increases that are in keeping with the marketplace surveys that are undertaken.

IBEW electricians at Exhibition Place receive the provincially-negotiated ICI wage rate when performing any construction work which mostly occurs during the move-in and dismantling of a trade or consumer show. When the 2008 Price List was approved by the Board in July 2007, staff were only aware of the \$1.25 per hour increase for electricians. However, on February 19, 2008 the Board was advised by the Electrical Contractors Association of Ontario (ECAO) of a post negotiation wage package increase for the ICI IBEW workers of \$2.15 per hour. This increase was in addition to the previously negotiated increase of \$1.25 and results in a total hourly wage increase of \$3.40 (\$1.25 as originally agreed plus \$2.15 post negotiated wage adjustment) that will become effective on May 1, 2008. This means that the wage package for ICI electricians will increase by approximately 6.0% for 2008 and not the 3.0% estimated in the Rental and Services Price List.

Because of this substantial in-year wage increase, Exhibition Place staff are recommending that the Board amend the Price List to increase costs for electrical services effective May 1, 2008. Failing to do so would significantly reduce the Board's profitability of the electrical services area.

Contact

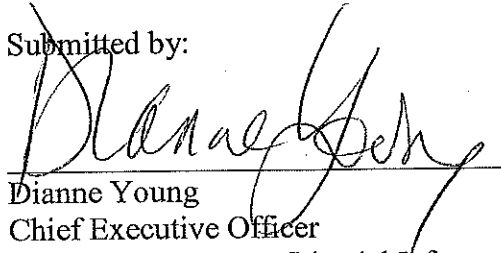
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Submitted by:

A handwritten signature in black ink, appearing to read "Dianne Young", is written over a horizontal line. The signature is cursive and somewhat stylized.

Dianne Young

Chief Executive Officer

Attachments 1 – Confidential Information – Amendment to Electrical Service Price List

