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EXHIBITION PLACE

June 10, 1999

TO: The Board of Governors of Exhibition Place

FROM: Dianne Young
Interim General Manager

SUBJECT: Management Report – Exhibition Place Program

Recommendation:

It is recommended that the Board receive this report for its information.

Background:

As in 1998, I believe it is very important to keep the Board informed of activities being undertaken by staff of the Exhibition Place Program. This report highlights the major activities and accomplishments during the first half of 1999.

Financial Services Division

During 1998 a number of financial enhancements and management reporting practices were initiated to provide better control and more timely feedback to staff for their respective areas and corresponding budgetary allocations. A review of these processes during the latter part of 1998 and early 1999 revealed opportunities to further enhance financial services provided through this Division.

To that end, the financial management team agreed that a comprehensive functional review was required to ascertain the most effective service delivery model. The objectives of the review were established as follows:

- clarify position requirements;
- establish clearer lines of responsibility/accountability;
- create an enhanced focus on major work elements;
- provide more timely/accurate generation of financial and analytical data;
- streamline administrative processes;
- establish more comprehensive financial reporting/analysis; and
- integrate management positions into a functional work team

The restructured model for the Finance Division was implemented in early May and shall be monitored on an ongoing basis to ensure that the objectives are achieved. Some of the positive results which have materialized from this exercise during 1999 are a revised accounts receivable process; implementation of a consolidated insurance claims management process; more timely analysis and reconciliation of financial data; and the creation of fully automated/integrated variance information within the QNX system and related management reports.

Other major activities that have been completed, and are more routine in nature, relate to the 1999-2003 Capital Works program; the 1999 operating budget; and the 1998 financial statements. It is important to note that the financial statements for 1998 were reviewed for the first time by an external accounting firm (Ernst and Young) under contract to the City of Toronto and that all of the statements were unqualified. Further, the accompanying management letter identified only three areas of concern and all have been addressed either through policy introduction or procedural enhancements.

Operational efficiencies have also been realized within the purchasing function through the elimination of purchase sub-orders which were neither required nor provided any tangible benefit to management staff in the way of cost tracking. In addition, the introduction of the exclusive supplier contract for janitorial products has significantly reduced stores activity and related commodity costs. The relocation of the purchasing function to the Queen Elizabeth Building in early June will facilitate a more effective utilization of global divisional resources and provide an opportunity for additional staff cross-training.

One of the most critical revenue generating activities for Exhibition Place is the parking function. Staff of the Finance and Operations Divisions has been meeting with staff of the City of Toronto Parking Authority to review the appropriateness of current practices and opportunities to enhance physical/financial management and customer service. It is our understanding that the Parking Authority will be providing a report outlining procedural/physical enhancements for our operations and we anticipate submission of a report to the Board during the third quarter of 1999.

The one major task which was initiated during 1998, and remains ongoing, relates to the introduction of the computerized time clock system which is intended to substantially reduce payroll processing time and provide electronic data integration for labour billing and distribution. Staff training and system implementation (in a parallel environment) was initiated during May for Cleaning Services. Staff of the Finance and Operations Divisions, with the assistance of the Systems Area, are currently monitoring performance with the expectation that the roll-out will be expanded to other operational units during the third and fourth quarters of 1999.

Operations Division

One of the major activities that has been undertaken by the Maintenance Service Area is the delivery of all electrical services on the grounds including the Molson Indy and the CNE. In order to ensure effective provision of this service, a work team of staff from Exhibition Place, NTC and CNE Programs has been formed to collectively manage the provision of these services. As part of the reorganization of the Operations Division, a Work Order/Fleet Administrator position was created within the Maintenance Services Area. This has resulted in the

implementation of a new, fully computerized Work Order System. This system processes over a thousand work orders a year with an approximate value of \$3.0 million. The new system will allow instant access to information on the progress of each individual order and will dramatically reduce the amount of paperwork by Divisions and clients.

The Board approved eighteen Capital projects for 1999 which included three Stadium projects from 1998. Of the 18 capital projects approved by the Board, one project is substantially complete; two (Coliseum seats and Washroom) projects are on hold; five tenders have been awarded for construction; four are in the tendering stage; three in-house projects are in progress; consultants are being sought for two projects; and the pre-engineering program is ongoing. The 1998 Stadium Demolition Project has been successfully completed in a timely manner. Landscaping of the Stadium site and lighting for parking is on schedule for the opening of the Molson Indy in July and the 1999 CNE. The last phase of landscaping and site improvement of Manitoba Drive began in June and is on target. The Capital Works Manager has also worked closely with Medieval Times with respect to the reconstruction of the North Tower which will be happening this summer.

As a result of the demolition of the Stadium a space study was initiated by the Division. The first step of this process was the cataloguing of all inventory/equipment on the grounds. This step has been completed along with an assessment by staff of the level of inventory needed and subsequent reduction of 25% of inventory/equipment. The next step will be the establishment of permanent storage areas within the existing facilities. Finally, a final inventory list will be created and updated on an ongoing basis and a rental equipment list will be established. The intent is to have this inventory management system completely computerized by the end of 1999.

Operations staff continues to work with the Business Development Division and the film industry in order to bring more productions to Exhibition Place. In the last six months segments of two movies have been shot on site "Detroit Rock City" and "Baby Oh Baby". Commercial shoots continue to be successfully coordinated with Operations staff and the Canadian Stage Company utilized the Fire Hall and CNE vehicle for their summer series. Staff were also able to successfully accommodate the last-minute relocation of the annual "Women In Film & Television" Crystal Awards, which was broadcast on both City TV and Rogers Cable 10.

Over the past few months the Operations Division, with the assistance of the City of Toronto Labour Relations, have successfully brought to a conclusion negotiations with all unions. These negotiations have all resulted in signed collective agreements with settlement of wages at 1.9% or less, all of this being accomplished within the Board mandate and with no labour disruption of any of the services provided to the trade and consumer shows. In 1998, management had to deal with several grievances of a jurisdictional nature. Accordingly, the Division in conjunction with Toronto Labour Relations and the NTC have been working with the trade unions to establish a procedure to resolve potential grievances at the first stage. Initiating this review has already resulted in a significant reduction in grievances. Finalization of this project is scheduled for the end of June 1999.

Finally, the Grounds Control area of the Division has been very involved in transportation issues across the grounds. Staff have been part of a team with TTC, Police, Ontario Place and City of

Toronto Transportation Department to address transportation issues related to major events such as the fireworks, Caribana and CHIN. Any plan that is developed with this team will help inform a transportation strategy for the 1999 CNE which will include consultation with the General Manager, CNE. In additions, the Grounds Control Manager has been working with the Police and City Transportation with respect to serious traffic issues on Dufferin Street and Princess Boulevard.

Business Development Division

This Division's level of activity in the areas of both long-term proposals and short-term licence rentals has been very high in the last six months and the interest in the grounds for both types of opportunities appears to be growing. Many hours were spent by the Director of Business Development in negotiations for the Paradise proposal in the OGB and the Steamwhistle proposal in the Horticulture Building. Both proposals provided substantial benefits to the Board in the nature of renovations to historic buildings; payment of market value rent; and the assumption by a third party tenant of all the operating costs for these buildings. While only one of these proposals has gone forward, the exercise allowed a further assessment of the market value of these buildings and has put staff in a position to rapidly respond to future proposals. Discussions also continue with the International Sports Mall about a revision of their proposal. Other leases that presently have been executed or will be negotiated in the next few months include the expansion of the Mounted Police Unit in the Horse Palace; a one-year lease with the Riding Academy in the Horse Palace; and a lease for the Bandshell Café.

With respect to short-term licence bookings, the Division has confirmed bookings of 29 events in buildings or on the grounds and has exceeded gross revenue projections to the end of May, 1999 by \$130,000. As indicated above, there appears to be a renewed interest from third parties to locate their events on the grounds and much of the time of the Director has been spent exploring with potential clients, such as the Portuguese Festival, Jump Up T.O. and Universal Concerts, the location of their events at Exhibition Place.

The Director of Business Development has also been very active directing a diverse range of special projects which include the implementation of the Concept Plan; the Wayfinding Signage Program; the Gallop billboard sign relocation; and development of corporate sponsorship package for Exhibition Place seeking banking sponsorship. She is also participating in the Olympic 2008 Sport & Venue Committee; City of Toronto Sponsorship Program group; and Caribana Organizing Committee - all of which could have a direct or indirect impact on the grounds.

Corporate Secretary's Division

One of the major activities of the Corporate Secretary's Division is the assessment of the telephone needs for the Exhibition Place and CNEA Programs and coordinating the conversion of the telephones to the PBX system. Initial assessment of telephone needs resulted in a reduction in lines and a savings of \$1,000 per month. Conversion to the PBX system will be completed in the Queen Elizabeth Building in June, 1999 resulting in a monthly savings of

\$2,000. These savings will continue to increase as conversion moves to the General Services and Press Buildings.

This Division, in consultation with the City Solicitor, has also been reviewing the Board's by-laws and will be bringing forward a consolidated revised by-law for consideration by the Board at its next meeting.

The Archives and Records Area has now completed an active-record survey across the entire grounds as the first step in the implementation of a record classification system. To date, most records for the Finance and Administrative Divisions have also been classified and converted to the new filing system. The development and implementation of the new file system is being done in close consultation with the City of Toronto and in accordance with the City's plan. One of the end-products of this activity will be the development of a retention by-law which will require approval of City Council.

As with all divisions within the Exhibition Place Program, the Corporate Secretary Division has brought together several services under the management of the Corporate Secretary. Therefore, during the past six months, a review of the objectives of the Division was undertaken which resulted with the clarification of job responsibilities; staff training; development of procedure manuals; and implementation of a control/ordering processes for office supplies and telephones.

Administrative Division

The intensity of activity in the Systems Area has significantly expanded in 1999. After finalizing the implementation of the conversion of computer system to Ethernet across the grounds, the three staff members (two assigned to the Exhibition Place Program and one assigned to the NTC Program) have been working as a team to ensure Y2K readiness. This project has required the development and submission to the City of Toronto of a comprehensive computer, building system and supplier/vendor inventories; the roll-out of Y2K compliant desktop applications to all staff at Exhibition Place (188 units supplied and currently 50% completed); replacement of servers; development of a risk assessment/contingency plan; and the establishment of an emergency parallel network system to support operations if there is a degraded operational mode in the year 2000. In addition to the Y2K project, Systems staff have provided ongoing daily computer support, staff training, and systems management to all staff for Exhibition Place and CNEA Programs.

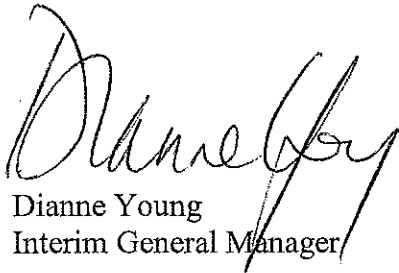
The major activity undertaken by the Human Resource Administrator has been the finalization of the organization structure and the development of job descriptions for each position. The next activity will be the development of an interim compensation plan. The development of this plan will be done in consultation with the City and will bring the Board employees in line with the City interim policies and practices. This will allow easier job evaluation once the City has adopted its new job evaluation criteria. In addition, the Human Resource Administrator is managing the summer staffing for the CNE.

The Occupational Health and Safety Coordinator has been very active implementing training programs for all staff. These programs include CPR courses; competent supervisor training; high

reach equipment training; and WHIMIS training. One hundred and seventy-five staff will or have benefited from these training programs. Two objectives for the remainder of 1999 include the development of an Employee Health and Safety manual and the computerization of a training needs assessment program to allow the development and budgeting of annual staff training programs.

Conclusion:

This report outlines the activities undertaken by staff in the first half of 1999 and future objectives for the remainder of the year. As is evident by the report, Exhibition Place staff, in a very downsized environment, has been working extremely hard to initiate and implement programs that have improved the level of service delivery and will ultimately have a positive budgetary impact for Exhibition Place.



Dianne Young
Interim General Manager

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The foregoing report was reviewed by the Executive Committee at its meeting held on June 18, 1999 and is referred to the Board of Governors for INFORMATION; and FURTHER that, Dianne Young and the staff be commended for their excellent achievements during the reporting period.