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# EXHIBITION PLACE

August 25, 1999

To: The Board of Governors of Exhibition Place

From: Fatima Scagnol  
Corporate Secretary

Subject: Memo of Understanding – Compliance Update

**Recommendation:**

**This is submitted for the information of the Executive Committee and Board of Governors.**

**Background:**

The attached report with respect to the Memo of Understanding – Compliance Update was reviewed and received for information by the Board of Directors of the CNEA at its July 12, 1999 meeting.

**Discussion:**

The foregoing report is now being presented to the Board of Governors for information.

Submitted by:

Reviewed by:

Corporate Secretary

Interim General Manager

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The foregoing report was reviewed by the Joint Executive Committee and Business Development Committee meeting on September 8, 1999, an "MOU Negotiating Group" was struck composed of Joe Pantalone, Carole Kerbel, and Mario Giansante, and is referred to the Board of Governors for **INFORMATION.**



June 28, 1999

To: The Executive and Board of Directors  
Canadian National Exhibition Association

The Executive and Board of Governors  
Exhibition Place

From: David Bednar                      Dianne Young  
General Manager                      Interim General Manager  
CNEA    Exhibition Place

Subject: Memo of Understanding - Compliance Update

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**Recommendation:**

**This report is submitted for the information of the members of the Executive Committees and Boards of the CNEA and Exhibition Place.**

**Background:**

In November of 1997, the Board of Directors of the CNEA and the Board of Governors of Exhibition Place signed a Memo of Understanding (MOU) regarding the disentanglement of the two organizations. In January of 1999, a timetable was prepared listing accomplishments as of that date and setting forth further actions required to fulfill the terms of the MOU. Attached as Appendix "A" is the January timetable updated to reflect the actions that have been completed to the end of June, 1999, which actions have been the subject of separate reports to both Boards.

One outstanding provision of the timetable that is the subject of this report reads as follows:

*May/June/July, 1999*

*Joint analysis by staff for CNEA and Exhibition Place of services supplied by Exhibition Place and efficiencies/effectiveness of those services and necessary reporting out to respective Boards of any changes*

## Discussion:

Staff has analyzed several service areas over the last few months. Although many of the following categories overlap or may be affected by each other, they are discussed separately in this report for the purposes of clarity.

## Program Implementation

Exhibition Place provides a wide range of services to the CNEA in order to execute and implement various programs on site during the CNE. Through its Operations Division, Exhibition Place provides signage, general labour, technical services (audio-visual, sound, theatrical lighting, etc.), and trade services (plumbing, carpentry, electrical, etc.). The following changes have been made to these service areas:

- The work order system has been computerized to reduce paper use and improve efficiency.
- All CNE work orders now flow through the Operations/Concessions Department of the CNEA to ensure that work is coordinated between CNEA departments.
- CNEA programmers are attending regular meetings to be able to communicate directly with the Exhibition Place staff who are carrying out the work orders, which allows for better direction with regard to each individual CNE program.

## Electrical Services

One of the trades which deserves special mention is the provision of electrical services to the CNE, as the CNE is by far the largest user of electrical service on the grounds. The decision to move electrical services in-house rather than delivery through a third party contractor, Black & MacDonald, raised initial concerns that sufficient expertise, labour and equipment would be available to ensure the provision of all services required by the CNEA. These concerns have been addressed as follows:

- A Request for Proposals was issued by Exhibition Place for third party delivery of some parts of electrical services for CNEA, however, responses were very poor and would be very costly for the CNEA.
- A team of staff from Exhibition Place, NTC and CNEA was formed to analyze the delivery of all electrical in-house; a cost-benefit analysis of such delivery including the purchase or rental of necessary equipment.
- The Board of Governors approved the purchase or rental of the necessary electrical equipment at its meeting in April, 1999, and the staff team has been working on a regular basis to ensure the smooth delivery of electrical services in-house.
- Delivery of electrical services in-house has the potential of not only meeting budget expectations but exceeded them, especially in future years with the purchase of equipment in the first year.

## Cleaning Services

Staff of the CNEA Operations/Concession Division and the Exhibition Place Operations Division have analyzed the CNEA cleaning operations. This analysis has allowed all staff to have a better understanding of how the service is delivered and also the total cost of the entire cleaning services supplied both on the grounds and in the buildings. While a decision was made not to significantly alter the way this service is delivered, there will be some minor changes that are aimed at maximizing the supervisory role during the exhibition. First, the human resource element of delivery that was previously handled by the coordinators in cleaning services is now being handled by the Summer Staffing office which will free up the time of the supervisors to supervise. Secondly, the rotation for supervisory staff is being reviewed. Finally, Exhibition Place staff are working more closely with CNEA Operations to ensure necessary coverage on the grounds to meet cleaning standards as dictated by anticipated level of attendance.

## CNE Gate Operations

There are two basic aspects to the CNE Gate operations: **booths** selling admissions (ticket sellers) and **gates** allowing people onto the grounds (ticket collection and pass verification). These two functions are traditionally separated to ensure accountability and deter fraud. Historically, both activities have been managed by the Finance Division at Exhibition Place and supervised by the addition of seasonal staff.

Requests for Proposals were sent out for both aspects of our operation. After careful consideration of the proposals received, it was decided to retain the **booth** supervision and staffing in-house and to award a contract for the **gate** supervision and staffing to Eastlea Security. Overall management of both areas has been retained by Exhibition Place staff.

## Casino

Historically, staff from the Finance Division of Exhibition Place has managed the annual Casino. This has placed considerable strain on the staff's ability to keep up with the increased workload imposed by the sharp rise in financial transactions caused by the exhibition. Therefore, after consultation with the Alcohol and Gaming Commission, it was decided to hire a Casino Manager on contract. This will allow the concentration of effort where it belongs: the seasonal manager to concentrate on the Casino and the finance staff to stay current with the input, reporting, and financial control demands of the CNE. Another benefit of hiring the Casino manager is that the Alcohol and Gaming Commission has agreed to grant the CNEA an operator's license, whereas in previous years we had to pay an independent party who held a valid operator's license.

## Parking

Two capital projects will affect parking revenues this year and their cumulative effect is difficult to predict accurately at this point. The demolition of the stadium has dramatically increased the area available for on-site parking during the exhibition. CNEA and Exhibition Place staff are working together with Eastlea Security to take advantage of this opportunity.

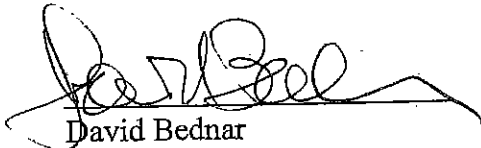
The main challenge to filling the new lots is the fact that, due to the layout of the midway and our connection to Ontario Place, virtually all of vehicles must enter from Lakeshore Blvd. via Ontario Drive. On the other hand, construction of the Western Beaches tunnel in Marilyn Bell Park has reduced available parking space in this lot.

Another parking initiative, which has already received Board approval, is the flexibility to reduce parking rates in the evenings of the CNE to compete with neighbouring lots.

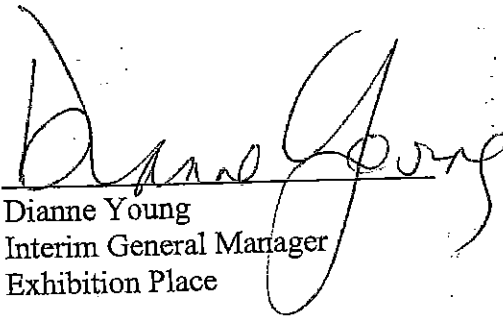
Conclusion:

This report informs the Board of Governors of Exhibition and the Board of Directors of the CNEA of changes resulting from ongoing analysis of services provided by Exhibition Place to the CNEA.

Respectfully submitted



David Bednar  
General Manager  
CNEA



Dianne Young  
Interim General Manager  
Exhibition Place

# Appendix A

## Schedule A

### IMPLEMENTATION OF MOU – TARGET DATES

#### Accomplished

<u>October, 1997</u>	CNEA engaged Caldwell Partners to assist with recruiting of General Manager, CNE
December, 1997	MOU approved by CNEA Board of Directors, Board of Governors, Metro Council
January, 1998	Press Building renovations complete and consolidation of all CNEA staff
January, 1998	Graeam Page Consultants Inc. presented draft of report on the Facilitation of the CNE Business Plan
February, 1998	Board of Directors, CNEA approved hiring of David Bednar, GM, CNEA
May, 1998	David Bednar started in position of GM, CNEA
May, 1998	Adoption by Board of Directors, CNEA of formation and mandate of Executive Committee
June/July/August 1998	Planning/Production of 1998 CNE
October, 1998	Board of Directors, CNEA and Board of Governors approved of a joint sponsorship/marketing strategy for the grounds
October/November 1998	Board of Directors, CNEA and Board of Governors approved of new downsized organizational structure for CNEA Program
November/December 1998	Collecting of all Board/CNEA equipment/inventory data and assessment of storage needs commenced
November, 1998	Board of Directors, CNEA established a Business and Long-Range Planning Task Force to develop business objectives and plan for 1999 CNEA
November, 1998	Adoption by CNEA Board of committee structure for CNEA

December, 1998	Board of Governors approved 1999 Operating Budget including budget for 1999 CNE
December, 1998/ January, 1999	1999 CNE Draft Business Plan before Board of Directors, CNEA
January, 1999	Continuing collection of Exhibition Place/CNEA records inventory data
January/February, 1999	Analysis and recommendation on 1999 Admission rates before CNEA Executive Committee
February, 1999	Establishment of move-in, move-out and exhibit days for all sites and buildings for 1999 CNE
February, 1999	Reallocation of Overhead Expenses to specific direct cost accounts within 1999 Operating Budget of CNEA and Exhibition Place programs and site location cost for 1999 and subsequent report to City of Toronto Council through 1999 Operating Budget approval process
February/March, 1999	Analysis of equipment/records inventory data and users and present day value of inventory to determine ownership and/or transfer of ownership vis-à-vis Board and CNEA. Analysis will also include storage location needs and rental rate for equipment
March/April 1999	Presentation of a Business Plan to the Board of Directors, CNEA and Board of Governors
May/June/July, 1999	Joint analysis by staff for CNEA and Exhibition Place of services supplied by Exhibition Place and efficiencies/effectiveness of those services and necessary reporting out to respective Boards of any changes
<u>To be accomplished</u>	
September/October, 1999	Assessment of financial success of 1999 CNE and necessity of establishing line of credit for future years and level of such line of credit
September/October/ November, 1999	Analysis and report to respective Boards on issues related to transition of Board staff; legislative changes required CNEA Act and City of Toronto Act; terms and conditions of future agreement between CNEA and Board of Governors/City of Toronto