

EXHIBITION PLACE

November 19, 1999

TO: The Board of Governors of Exhibition Place

FROM: Dianne Young
Interim General Manager

SUBJECT: End-of-Year Management Report – Exhibition Place Program

Recommendation:

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

Background:

This report is a follow-up to my report of June 1999, highlighting the major activities and accomplishments of staff of the Exhibition Place Program during 1999.

Discussion:

While this particular report focuses on the specific activities undertaken within the Exhibition Place Program area, it is appropriate to note the impact that the staff's effort and commitment across the grounds have made to the financial picture at Exhibition Place. As indicated in the 2000 Operating Budget Report before the Board, it is projected that the consolidated Net Income from all three Program Areas will be approximately \$640,000. This represents an improvement from 1998 to 1999 of \$2,630,660. The forecast 1999 net income was obtained although the CNE Program is projecting a loss of \$490,500. Even the CNEA Program, while not achieving its target, improved from 1998 to 1999 by \$1,688,900. Certainly, these achievements could not be made without the dedicated effort of all staff in the Exhibition Place, CNEA and NTC Programs.

Financial Services Division

As outlined in the June report, the Financial Services Division implemented a restructured model for the unit with one of the objectives being an ongoing evaluation to ensure that the workload reallocation would achieve divisional objectives while at the same time enhancing service to customers. This restructured model clarified position requirements; established clear lines of responsibility/accountability; created an enhanced focus on major work elements; streamlined administrative processes; and integrated management positions into a functional work team.

One of the most noticeable accomplishments arising from this exercise was the ability of the Division to recover from the huge workload increase associated with the CNE in a far shorter period than in previous years. In addition, the retention of staff to focus on financial matters

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during the CNE significantly assisted in the development of the projected financial position for the CNE within four weeks of completion of the event. Staff is confident that the current status of most work activities within the Division will contribute significantly to a very timely and orderly conclusion for year-end activities and generation of the 1999 consolidated financial statements with the goal again of receiving unqualified audited statements.

In addition to the above restructuring, the Division, in conjunction with NTC Finance staff, has now established a joint finance and information technology work team to ensure that issues of joint significance are dealt with in an efficient manner.

Specific budget activities which have recently been completed are the 2000-2004 Capital Works program which was approved by the Board on September 17, 1999, and submitted to the City of Toronto for finalization in early February 2000 and completion of the proposed 2000 Operating budget, which will be considered by the Board at its meeting of November 26, 1999.

Another major task being managed through the office of the Director of Finance is the Y2K project which has and shall continue to consume a great deal of IT staff time for the remainder of the year. Staff from the City of Toronto Corporate Services Department continue to recognize the work plans developed by the three IT staff (two assigned to the Exhibition Place Program and one assigned to the NTC Program) as being one of the most comprehensive within the City. Staff is confident that all the major issues have or will be addressed and Exhibition Place will not be adversely impacted in the new year. To recap, the Y2K activities involved 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); 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.

The review of parking activities which was conducted in conjunction with staff from Exhibition Place Operations Division and the City of Toronto Parking Authority was concluded in October and correspondence from the Authority is imminent with respect to financial management issues. In anticipation of the pending recommendations, funding has been provided within the 2000 capital budget for the procurement of equipment, similar to the indoor parking equipment, to provide better cash management procedures on surface lots and security of Board assets.

Operations Division

One of the major activities undertaken by the Maintenance Service Area was the delivery of all electrical services for Exhibition Place events including the Molson Indy and the CNE. The results of delivering these services in-house as opposed to provision by a third party contractor (Black & MacDonald) has increased the profit margins back to the Board/CNEA from 35% to 61% and 58% for the Molson Indy and CNE, respectively.

As noted in the report to the Board at its meeting of May 1999, in order to provide this service, electrical materials had to be purchased and in 1999 this substantially reduced the overall net profits from this service. However, this impact will lessen in future years as electrical inventories increase and also given that funding has been included in the 2000 Capital Budget for major equipment such as the provision of power point locations throughout the grounds. In

addition, the improvement in the efficiencies for delivery of service and customer satisfaction will be a focus in 2000. Staff will, in consultation with the CNEA and the Director of Business Development, be putting together administrative and staffing procedures to meet client needs.

Profits earned from the 1999 Molson Indy and third party CNE electrical services amounted to \$35,238.00 and \$71,500.00 respectively. In addition, total cost of electrical services provided to the CNE resulted in savings from 1998 experience of a further \$189,700.00. The provision of in-house electrical services for these two events resulted in a combined profit and savings to the Board and CNE of \$296,400.

As part of the reorganization of the Operations Division, a Work Order/Fleet Administrator position was created within the Maintenance Services Area that implemented a computerized Work Order System. This system was fully operational during the CNE and processed over 300 work orders for this event alone valued at approximately \$2.1 million. The system allowed instant access to information on the progress of each work order. This system will be further refined in 2000 especially as it relates to ensuring the timely input of entries; monitoring of incomplete work orders; and improving turnaround time for billing clients through the Finance Division.

Another major project that has been completed and will be implemented in 2000 is a computerized Preventative Maintenance Program for all buildings outside the NTC Complex and funding for this project is included in the 2000 Operating Budget. This project involved the tagging of all major electrical and mechanical systems; an assessment of maintenance schedules; and a computerization of these schedules on an Angus based system. This system will ensure completion and recording of regular maintenance and allow a cost analysis of maintenance by building. While implementation of the program will increase costs initially, introduction of this program should have the result of reducing capital costs by extending the life cycle of these systems. The next phase of the program will be to computerize building envelope maintenance schedules for painting, carpentry etc. which will happen in 2000.

Staff of the Operations Division has also developed a building and grounds audit program which includes an Audit Checklist. Starting in January, 2000, a staff team will begin a systematic annual audit of all buildings and areas at Exhibition Place.

In the Grounds Control area of the Division staff, in conjunction with the TTC, Police, Ontario Place and City of Toronto Transportation Department, have successfully implemented a transportation plan to address transportation issues related to major events such as the fireworks, Caribana and CHIN. This plan was subsequently modified to meet the needs of the 1999 CNE. This was a very successful initiative. For example, with respect to the Fireworks events, transit return trip times of the Bathurst streetcar was reduced from 2 hours to 45 minutes; average dispersal times for vehicles from parking lots was reduced from 3 to 1.5 hours; public feedback was positive; and a more systematic approach to transportation/parking allowed Exhibition Place to park approximately 500 more cars which translated into increase revenues of \$10,000.

In addition to this transportation initiative, the Grounds Control area worked with the Capital Works area and the City of Toronto Transportation Department to improve serious safety issues on Dufferin Street south. At its meeting in October, 1999, the Board approved of an additional

capital project to improve this roadway and hopefully, this will have a positive impact in reducing traffic accidents occurring in this location. More recently, the Operations Division has been working with City of Toronto Security and Life Safety Services to review the operations of the Security/Communications area at Exhibition Place including security procedures, reporting mechanism, record keeping and staff training. This review is due to be completed early in the new year.

In the area of Capital Works, the Board approved 17 Capital projects for 1999 which included four projects for the Stadium site. Of the 17 capital projects approved by the Board, 3 are substantially complete; one (Coliseum seats) project is on hold; and the Food Building project is at the quotation stage. All remaining projects have been awarded for construction and are scheduled for completion by December 31, 1999. The 1998 Stadium Demolition Project has been successfully completed in a timely manner and the first phase of the landscaping and lighting is substantially completed. The second phase of landscaping along Lakeshore Boulevard and pathway between Nanavut and the Ontario Place bridge is in progress. Capital Works is also overseeing the reconstruction of the North Tower of the Medieval Times Building which started in September and which has involved consultation with Heritage Toronto.

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. One object of this study was to assess the storage needs at Exhibition Place. The initial consultant study concluded that additional storage facilities of 30,000 square feet costing \$980,000 was needed. Recognizing this was an unacceptable direction, staff undertook an assessment of the inventory/equipment on the site with a goal to reduce it by 25% . The next step was the establishment of permanent storage areas within the existing facilities including a locked area dedicated to CNEA inventory. Following the CNE, inventory/equipment were reallocated to the designated areas. A final inventory list and data base has been created and will be updated on an ongoing basis by the Manager for Purchasing. The next step in this review process is the development of a computerized rental equipment list which will list the available equipment and prices and will allow all staff to book equipment on line to avoid duplicate bookings of scarce equipment. Staff will also be reporting to the Board early in 2000 on some outstanding inventory storage issues such as storage of A/V technical equipment and a computerized tagging system for valuable assets/inventory.

The Facilities and Event Services area is working with the Business Development Division to review current practices and pricing for supplying rentals and services to clients to determine new efficiencies in order to become more competitive with other local venues for special events, film shoots etc. Also the Operations Division is leading the staff team in assessing the proposals received in reply to the Technical Services RFP issued by Exhibition Place. Finally, as winter approaches, staff are finalizing a snowplowing procedure for the grounds which will follow general policies adopted by the City of Toronto but also set priorities to meet the needs of the trade and consumer show.

Finally, Operations, in conjunction with the Finance Division, managed the installation of a computerized time recording system which is intended to substantially reduce payroll processing time and provide electronic data integration for labour billing and distribution. As of the end of

the RAWF, Cleaning Services will be on the system and other areas will follow early in the new year.

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 throughout the year and interest in the grounds for both types of opportunities appears to be growing. Negotiations for the Paradise proposal in the OGB concluded and the Director of Business Development is managing the 60 day due diligence period that expires December 28, 1999. As the Board is aware, this proposal provides substantial benefits in the nature of renovations to historic buildings; payment of rent; and the assumption by a third party tenant of all the operating costs for these buildings. Many hours of discussions with the International Sports Mall for the proposal in the Better Living Centre also concluded with an adoption by the Board of staff's recommendation not to proceed with this project.

Other long-term leases with either new or existing tenants that are being finalized or negotiated include the expansion of the Mounted Police Unit in the Horse Palace; a one-year lease with the Riding Academy in the Horse Palace; a one-year lease with Ernie's Arcade; extension of lease with Immersion Studios for Music Building; a lease for the permanent office space for Royal Agricultural Winter Fair; and lease with Sport Halls of Fame. All of these leases are in various stages of review, discussion or negotiation and the recommended terms of any agreements will be before the Board at its meeting on November 26, 1999 or January 28, 2000. There have been several site meetings with potential clients for the use and/or redevelopment of the Horticulture Building, Stanley Barracks and Better Living Centre.

With respect to short-term licence bookings, the Division has confirmed bookings of 29 events in buildings or on the grounds and estimates that the Division will exceed gross revenue projections to the end of December, 1999 by \$33,000 (12%). The successful execution of new events at Exhibition Place during 1999 included TTC International Bus Roadeo; Conklin Mini Holiday Midway; Hoop-it-Up Basketball Championship; Precision Competition for Motorcycle Unit of Toronto Police Services; 3 movie shoots and several photo shoots. The Director continues exploring with potential clients the relocation of their events at Exhibition Place. Such clients include Downtown Jazz Festival; Blue-Notes Festival; discussions with the Titanic promoters to bring other similar exhibits in the Fall of 2000 and Winter/Spring of 2002; and discussions with Sick Kids Hospital for the Teddy Bear Picnic fundraiser. All these initiatives are in keeping with the objectives of the Board's Program and Development Concept Plan to increase activities on the site with a focus on festivals.

One area of business that has in the past two years generated high revenues is rentals of the grounds to the film industry. In order to generate increased opportunities in this area several initiatives have been undertaken including coordinating a complete photographic "re-shoot" of the grounds, buildings and facilities for the files of the Ontario Film Development Corporation (OFDC) as well as the City of Toronto affiliate office (FLIC), and meetings with senior representatives of both organizations to discuss costs and policies at Exhibition Place and future opportunities.

Since the June report, this Division has successfully managed major annual events such as the Molson Indy, CHIN Picnic, Caribana, and Screemers. One of the most important practices

initiated by the Director has been the introduction of extensive follow-up meetings after each event that will ensure greater efficiencies in future years. A two year agreement was concluded with Molstar in 1999 and this Division will be bringing forward to the Board early in 2000 the terms for multi-year agreements with CHIN and Screeners.

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 drafting and release of the RFP for the Wayfinding Signage Program; the negotiation, preparation, execution and implementation of the agreement with Gallop for the billboard sign relocation to Exhibition Place including consultation in the OMB process with respect to this sign; and development of a marketing package to target potential hotel development to the site as directed by the Board. She also continues to be the staff representative for the Olympic 2008 Sport & Venue Committee; City of Toronto Sponsorship Program group; the Caribana Community Access Task Force; and the World Youth Days 2002 Working Group.

Corporate Secretariat Division

As reported in June, the Corporate Secretariat Division has been assessing the telephone needs for the Exhibition Place and CNEA Programs and coordinating the conversion of telephones to the PBX System. Conversion to the PBX system was completed in the Queen Elizabeth Building and General Services Building in June and September, respectively and has resulted in monthly savings of \$2,000. These savings will continue as conversion moves to the Press Building, facsimile lines, elevators, and the service shops within the Coliseum Complex and Sport Halls of Fame.

One of the major activities of the Archives and Records area has been the implementation of a Records Management Program for all of Exhibition Place. This is a completely new program at Exhibition Place and is based on, and developed in accordance with, the Records Management Program at the City. It is significant to note that typically, at the City of Toronto, a records management program would be initiated and implemented with a team of 5 to 10 staff members. Exhibition Place has asked staff to undertake this project with no increase in staff and without diminishing service delivery related to records and archives. The Archives and Records staff has undertaken this challenge and to date, the records of the Administrative, Corporate Secretariat, Business Development and Finance Divisions have been classified and converted to coded file folders. Staff is currently coding the files within the Operations Division which include Capital, Cleaning, Labour and Parking areas. As a standard practice at the City, staff is also developing File Plans for each division as the files are converted. The File Plans will inform the creation of an overall retention schedule for Exhibition Place after all files have been coded and converted.

The Records and Archives area is also in the process of completing another one-time destruction order that will be submitted for consideration to the January meeting of the Board for subsequent approval by City Council. This destruction order will eliminate approximately 500 file boxes of non-essential files.

During the months of July to August the Records and Archives area created a multi-faceted exhibit on the History of Music at the CNE since 1879, and staffed it during the 1999 annual exhibition. In addition, within the archive area, the staff archivist has researched and accepted

(donations for tax receipts) which include four items and/or collections worth a total value of approximately \$3,000.

As indicated previously, the Corporate Secretariat Division brought together several services under the management of the Corporate Secretary. During 1999, 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. In addition, the streamlining of these services has resulted in an achievement of approximately \$38,000 in savings in the area of supplies, temporary salaries and postage.

During the months of June to August, the Corporate Secretariat Division focussed its energies towards involvement related to the annual CNE. Major activities include credential packages, information centre, opening day dignitary/ceremonies/reception, president, telecommunication requirements, volunteer meal tickets, and the volunteers' lounge.

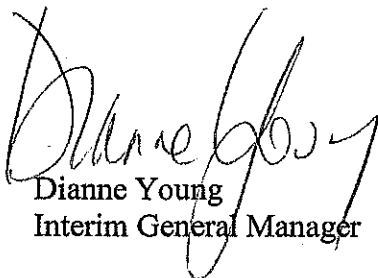
Finally, this Division, in consultation with the City Solicitor, has been reviewing the Board's By-laws and is bringing forward a revised consolidated by-law for consideration by the Board at its meeting of November 26, 1999.

Administrative Division

The major activity undertaken by the Human Resource Administrator continues to be the development of job descriptions for each position and, in consultation with the City, the development of an interim compensation plan to bring the Board employees in line with the City interim policies and practices. The intent is to report on this matter to the Board early in the new year.

Conclusion:

This report outlines the activities undertaken by staff in 1999. 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

