



EXHIBITION PLACE

May 11, 2000

To: The Board of Governors of Exhibition Place

From: Fatima Scagnol
Corporate Secretary

Subject: **B.J. Games Agreement**

Recommendation:

It is recommended that the Board of Governors concur with the recommendation of the Board of Directors of the CNEA with respect to entering into a two-year agreement (2000 and 2001) with B.J. Games for the purchase of Casino Equipment based on the terms and conditions outlined in the attached report from the General Manager of the CNEA dated May 8, 2000.

Background:

The attached report will be considered by the Board of Directors of the CNEA at its meeting scheduled for May 25, 2000. The recommendation of the CNEA Board will be reported orally by the Chair at the May 26th Board of Governors meeting.

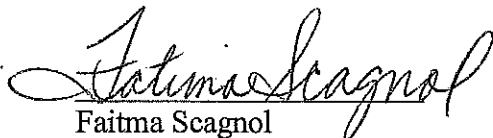
Discussion:

Given that the term is beyond one year, the foregoing requires approval of the Board of Governors.

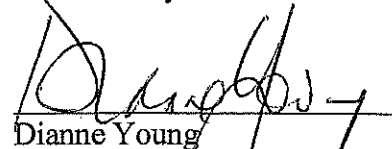
Conclusion:

This report recommends that the Board authorize a two-year agreement with B.J. Games for the purchase of Casino Equipment.

Submitted by:


Fatima Scagnol
Corporate Secretary

Reviewed by:


Dianne Young
General Manager and
Chief Executive Officer

att.



The foregoing report was reviewed by the Executive Committee at its meeting held May 18, 2000 and is recommended to the Board of Directors for APPROVAL; and for subsequent approval by the Board of Governors of Exhibition Place; and FURTHER that, the General Manager consult with the City Auditor with respect to capitalizing this item.

May 8, 2000

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

From: Sean Higgins David Bednar
Casino Manager General Manager

Subject: Casino Equipment

Recommendation:

This report is submitted for the approval and information of the Executive Committee and the Board of Directors:

- 1. It is recommended that the CNEA purchase tables and equipment from BJ Games, \$100,000 in four payments of \$25,000 over 2 years.**
- 2. It is recommended that the draft casino budget be received for information.**

Background:

At its meeting of April 28th, the Casino Committee requested a copy of the draft agreement and report before submission to the Executive and Board of Directors. As this is a two-year deal formal approval must be given through the Board of Governors. Sean was requested to note in the report the yearly charge for renting the tables. The Chair of the committee has reviewed the draft agreement for the purchase of tables and equipment from B.J. Games and supports the staff recommendation. The recommendation is brought to the Executive and Board at this time because of the need to schedule the training school for the Casino.

At its meeting of April 28th, the Casino Committee resolved that the Projected Income & Expenditures for the 2000 CNE Casino as amended be received and submitted to the Executive and Board of Directors for information. The Projected Income & Expenditures for the 2000 CNE Casino are attached as Appendix "A".

Discussion:

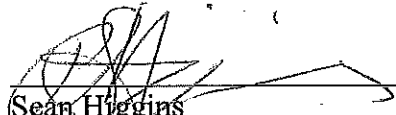
Historically, the CNE Casino has rented gaming equipment from licensed casino equipment suppliers. Due to changes in the gaming industry, the longtime supplier of casino equipment is retiring. B.J. Games has also supplied equipment maintenance in the past and that service will still be available through personnel that worked for B.J. Games as well as the CNE Casino.

In 1999, the gaming equipment rental/maintenance was \$87,455. Purchasing the equipment would provide substantial savings.

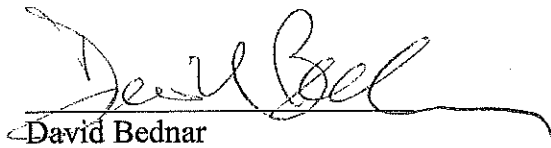
Conclusion:

This report recommends approval of purchasing equipment from B.J. Games and provides information towards the 2000 CNE Casino Budget.

Prepared by,


Sean Higgins
Casino Manager

Respectfully submitted,


David Bednar
General Manager

**CANADIAN NATIONAL EXHIBITION - CASINO
PROJECTED INCOME & EXPENDIURES FOR THE 2000 CNE CASINO**

Appendix A

	2000 BUDGET	1999 ACTUAL	Explanations
Revenue			
Casino	\$2,425,000.00	\$2,472,708.00	
Training School	\$10,000.00	\$10,891.00	
A. T. M. Commissions	\$0.00	\$5,000.00	A
Total Revenue	\$2,435,000.00	\$2,488,599.00	
Salaries			
Dealers	\$249,889.36	\$482,073.00	
Supervisors	\$169,288.70	\$0.00	B
Inspectors	\$128,736.56	\$70,716.00	
Pit Bosses	\$51,259.15	\$53,234.00	
Shift Managers	\$12,000.00	\$16,067.00	
Cage Managers	\$14,931.00	\$14,727.00	
Tellers	\$22,778.68	\$21,691.00	
Chip Bankers	\$8,676.72	\$9,935.00	
Chip Runners	\$0.00	\$20,240.00	C
Shifters	\$8,018.01	\$8,408.00	
Wing Managers	\$20,247.03	\$21,950.00	
Counteam	\$22,302.54	\$28,750.00	
Count Room Supervisors	\$10,271.25	\$0.00	D
Senior Management	\$130,000.00	\$137,287.00	
Dealer Training	\$75,841.50	\$49,491.00	
Security/Surveillance Training	\$24,000.00	\$0.00	E
Hire/Schedule/Payroll	\$26,087.50	\$25,821.00	
Comp. Program Consultant	\$18,000.00	\$14,862.00	
Paid Duty Police	\$113,000.00	\$128,242.00	
Casino Security	\$105,000.00	\$99,679.00	
Casino Surveillance	\$32,772.00	\$37,826.00	
VIP Hosts	\$14,000.00	\$13,711.00	
Salaries Total	\$1,257,100.00	\$1,254,710.00	
Equipment Rental / Purchase			
Security & Office Equipment	\$82,000.00	\$82,382.00	
Dealing School Equipment	\$0.00	\$10,925.00	
Gaming Equip.Rental/Maintenance	\$70,000.00	\$87,455.00	
Cards	\$35,000.00	\$33,538.00	
Equipment Total	\$187,000.00	\$214,300.00	
Licenses - Provincial Fees	\$95,000.00	\$94,990.00	
Rent	\$0.00	\$0.00	

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**CANADIAN NATIONAL EXHIBITION - CASINO
PROJECTED INCOME & EXPENDIURES FOR THE 2000 CNE CASINO**

Appendix A

	2000 BUDGET	1999 ACTUAL
Site Preparation		
Plants, Decorating, Painting	\$20,000.00	\$45,893.00
Courtyard Entertainment	\$11,000.00	\$10,864.00
Landscaping	\$700.00	\$702.00
Air Conditioning - VIP, Ventilation	\$10,000.00	\$57,455.00
Cleaning	\$40,500.00	\$40,468.00
Fire Prevention	\$2,500.00	\$2,519.00
Plumbing, Electrical, Carpentry	\$35,000.00	\$31,028.00
Site Total	\$119,700.00	\$188,929.00
Operating		
Printing Manuals	\$6,500.00	\$6,563.00
Office Supplies	\$10,000.00	\$9,649.00
Phones	\$7,000.00	\$7,170.00
Hydro & Water	\$20,500.00	\$20,409.00
Courier Service	\$300.00	\$285.00
Bank & Armoured Car Charges	\$10,000.00	\$6,914.00
Operating Total	\$54,300.00	\$50,990.00
Advertising & Promotion		
Print & Radio	\$50,000.00	\$40,393.00
Mailing & Deliveries	\$3,500.00	\$3,360.00
Reception / Entertainment	\$700.00	\$702.00
Uniforms	\$4,000.00	\$3,323.00
Business Travel - Accommodation	\$5,000.00	\$2,838.00
Signage	\$500.00	\$528.00
Advertising Total	\$63,700.00	\$51,144.00
Bad Debt Expense	\$0.00	\$5,000.00
Total Revenue	\$2,435,000.00	\$2,488,599.00
Total Expense	\$1,776,800.00	\$1,860,063.00
Total Profit	\$658,200.00	\$628,536.00

Explanations

- A We are still exploring opportunities
- B We had two inspector rates in '99 this year we are making the higher rate a separate line item.
- C We have proposed using Security Personnel as Chip Runners and have moved this expense into the Security budget.
- D Last year the Count Room Supervisors were included in the Countteam budget numbers. This year we are hiring an Assist. Countroom Supervisor and decided to line item Countroom Supervisors in the budget..
- E Security/Surveillance Training from '99 was allocated to the Security and Surveillance staffing budget. This year we are seperating the Security/Surveillance training budget.

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