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MINUTES

PUBLIC SESSION

THE BOARD OF GOVERNORS OF EXHIBITION PLACE

Friday, November 24, 2000

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MINUTES
THE BOARD OF GOVERNORS OF EXHIBITION PLACE
Fountain Dining Room - Q.E. Bldg. – Exhibition Place
Friday, November 24, 2000 – 9:00 a.m.

The Board of Governors of Exhibition Place met in the Fountain Dining Room, Exhibition Place on Friday, November 24, 2000.

PRESENT: Joe Pantalone, Chair
Nick Ametrano, Robert Bowman, Fernando Do Rio, Carole Kerbel, Jim Melvin, David Miller, Sam Sniderman, Sean Webster, Deborah Woodman

APOLOGIES: Rob Davis, John Downing, Mario Giansante, Chris Korwin-Kuczynski

ATTENDING: Dianne Young, General Manager & CEO/Exhibition Place
Fatima Scagnol, Corporate Secretary
Paul Egli, Director of Finance
Kathryn Reed-Garrett, Director/Business Development & Special Events
David Bednar, General Manager/CNE
Leo Lauro, Interim Director/Operations
Danny Chui, Manager, Capital Works
Ward Earle, Solicitor/City Legal Department
Mike Moffat, Labour Relations/City of Toronto
Ron Taylor, O&Y/SMG Canada
Ernest Vincent, O&Y/SMG Canada, General Manager/NTC
Arlene Campbell, O&Y/SMG Canada, Director of Finance/NTC
Laura Purdy, O&Y/SMG Canada, Director of Marketing
Jeff Gay, O&Y/SMG Canada, Director of Event Services
Michael Gilbert, Trillium Wilkinson Group
Sanford Carabin, Trillium Wilkinson Group
Joyce McLean, Manager/Green Energy – Toronto Hydro
Bryan Young, Green Energy – Toronto Hydro

Joe Pantalone presided and Fatima Scagnol acted as Secretary to the meeting. The meeting was called to order at 9:05 a.m.

The Chair acknowledged and welcomed Nick Ametrano a new member to the Board representing the CNEA as 2nd Vice-President replacing James Melvin. The Chair noted that Mr. Ametrano's appointment is pending City Council approval.

Before proceeding with the regular business of the meeting, the Chair requested members to indicate the report on the public agenda wherein they have an interest, together with the nature of the interest. None were declared

1. **MINUTES OF PREVIOUS MEETING**

On motion duly made by Carole Kerbel seconded by Jim Melvin, and **CARRIED**, it was **RESOLVED** that the Minutes of Meeting of the Board of Governors held on October 20, 2000, be **VERIFIED** in the form distributed to the members.

CONSIDERATION OF REPORTS

The Chair proposed that the Board proceed through the reports on the agenda with members indicating those reports, by number, on which they wish to speak; that the Board then proceed with the adoption of the remaining reports; and then give consideration to those reports held for discussion at the request of the members, not necessarily in the order that they appear on the agenda. The Board concurred with the following proposal.

2. ACCOUNTS PAYABLE

Upon the question of the adoption of Report No. 2 dated November 14, 2000 from the Director of Finance entitled "**Accounts Payable for October 2000**", it was **RECEIVED**.

3. CAPITAL TENDER

Upon the question of the adoption of Report No. 6 dated November 16, 2000 from the Manager/Capital Works entitled "**Better Living Centre – Steel Column Repair**", it was **APPROVED**.

4. GRANT TO CANADA'S SPORTS HALL OF FAME

Upon the question of the adoption of Report No. 12 dated November 7, 2000 from the General Manager & CEO entitled "**Grant to Canada's Sports Hall of Fame**", it was **APPROVED**, as recommended by the Finance & Audit Committee.

5. 2001 OPERATING BUDGET

Upon the question of the adoption of Report No. 15 dated November 17, 2000 from the Director of Finance entitled "**2001 Operating Budget**", it was **APPROVED**, as recommended by the Finance & Audit Committee.

The Chair proposed that the Board give consideration to those reports held for discussion at the request of the members. The Board concurred with the following proposal.

6. 2000 CAPITAL WORKS PROGRAM PROGRESS REPORT

On motion duly made by Carole Kerbel, seconded by Sam Sniderman, and **CARRIED** it was **RESOLVED** that Report No. 3 dated November 15, 2000 from the Manager/Capital Works with respect to the 2000 Capital Works Program Progress Report, be **RECEIVED**.

7. NTC MANAGEMENT REPORT – OCTOBER 31, 2000

On motion duly made by Jim Melvin, seconded by Robert Bowman, and **CARRIED**, it was **RESOLVED** that Report No. 4 dated October 31, 2000 from the General Manager/NTC with respect to NTC Management, be **RECEIVED**.

8. **WRITE-OFF OF BAD DEBTS – NTC FROM APRIL 1, 1997 – OCTOBER 30, 2000**

On motion duly made by Robert Bowman, seconded by Sean Webster, and **CARRIED** it was **RESOLVED** that Report No. 5 dated November 14, 2000 from the General Manager/NTC be **APPROVED**, thereby authorizing that the Accounts Receivable of \$61,530.38 incurred from April 1997 to October 30, 2000, as outlined in subject report, be written-off as bad debts; and **FURTHER** that, staff explore and report on cost efficiencies related to Small Claims Court actions related to these accounts.

9. **THE WATERFRONT WINDMILL PROJECT**

On motion duly made by Jim Melvin, seconded by Fernando Do Rio, and **CARRIED**, it was **RESOLVED** that Report No. 7 dated November 14, 2000 from the Chair be **APPROVED**, thereby agreeing to pursue the Waterfront Windmill Project at Exhibition Place and request staff to work with the project team to investigate this possibility and report back to the Board.

10. **COLLECTIVE AGREEMENTS**

- a) On motion duly made by David Miller, seconded by Robert Bowman, and **CARRIED**, it was **RESOLVED** that Report No. 8 (a) dated November 23, 2000 from the Interim Director of Operations, which was distributed at the meeting, be **APPROVED**, thereby authorizing the Collective Agreement for The International Brotherhood of Electrical Workers, Local 353 on the terms and conditions outlined in subject report.
- b) On motion duly made by David Miller, seconded by Robert Bowman, and **CARRIED**, it was **RESOLVED** that Report No. 8 (b) dated November 23, 2000 from the Interim Director of Operations, which was distributed at the meeting, be **APPROVED**, thereby authorizing the Collective Agreement for Carpenters & Allied Workers, Local 27 on the terms and conditions outlined in subject report.
- c) On motion duly made by David Miller, seconded by Robert Bowman, and **CARRIED**, it was **RESOLVED** that Report No. 8 (c) dated November 23, 2000 from the Interim Director of Operations, which was distributed at the meeting, be **APPROVED**, thereby authorizing the Collective Agreement for The Labourers' International Union of North America, Local 506 on the terms and conditions outlined in subject report.
- d) On motion duly made by David Miller, seconded by Robert Bowman, and **CARRIED**, it was **RESOLVED** that Report No. 8 (d) dated November 23, 2000 from the Interim Director of Operations, which was distributed at the meeting, be **APPROVED**, thereby authorizing the Collective Agreement for The United Association of Journeymen and Apprentices of the Plumbing & Pipefitting Industry of the United States and on the terms and conditions outlined in subject report.

11. **AGREEMENT FOR PAY PHONE SERVICE**

On motion duly made by Robert Bowman, seconded by Sam Sniderman, and **CARRIED**, it was **RESOLVED** that Report No. 9 dated November 17, 2000 from the General Manager & CEO be **APPROVED**, thereby authorizing a three-year agreement commencing January 1, 2001 with First Canadian Telecom Inc. to provide pay phone services within the NTC and across the grounds generally on the terms and conditions outlined in subject report and such other terms and conditions satisfactory to the City Solicitor; and **FURTHER** that, the three-year agreement with First Canadian Telecom Inc. state that the Board receive the net pay phone revenue from both coin and credit card phone calls.

12. **1999 MEMORANDUM OF UNDERSTANDING BETWEEN THE BOARD AND CNEA – SECTION 12 AND 2001 OPERATING BUDGET**

On motion duly made by Carole Kerbel, seconded by Robert Bowman, and **CARRIED**, it was **RESOLVED** that Report No. 13 dated November 10, 2000 from the General Manager & CEO be **APPROVED**, as recommended by the Finance & Audit Committee, thereby waiving the requirements of Section 12 of the 1999 Memorandum of Understanding between the Board and the CNEA and adopt the 2001 CNEA Site Cost Reimbursement and Administrative Service Fees as outlined in subject report.

13. **ERNIES' ARCADE – OPERATING THE 7-UP STAND AND THE BANDSHELL CAFÉ**

At 9:40 a.m. the Chair welcomed and acknowledged Mr. Dennis Madden from Ernies' Arcade who made a deputation to the Board with respect to Item Number 11 entitled "Ernies' Arcade – operating the Bandshell Café. A copy of said deputation is appended to the official minutes of this meeting.

Following the deputation the Board entered into a questions/answer session and advised Mr. Madden that the Board would discuss the financial issues related to the Bandshell Café Agreement in closed session and would report its recommendation in the public session of the meeting. Mr. Madden thanked the members and excused himself from the meeting at 10:00 a.m.

Nick Ametrano and David Miller excused themselves from the meeting at 10:00 a.m.

14. **O&Y/SMG CANADA ANNUAL PLAN FOR THE NTC**

The General Manager/NTC gave a power-point presentation on the 2001 Plan for the National Trade Centre.

On motion duly made by Jim Melvin, seconded by Deborah Woodman, and **CARRIED**, it was **RESOLVED** that the presentation of the General Manager/NTC with respect to the 2001 Plan for the NTC be **RECEIVED**.

15. **FORECAST FOR NTC FOR 2001 - 2004**

On motion duly made by Carole Kerbel, seconded by Jim Melvin, and **CARRIED**, it was **RESOLVED** that Report No. 14 dated November 10, 2000 from the General Manager & CEO with respect the Forecast for the NTC for 2001 to 2004 be **RECEIVED**, as referred by the Finance & Audit Committee.

16. **DATE OF NEXT MEETING**

The Chair indicated that the January 2001 meeting of the Board will be at the Call of the Chair or the General Manager & CEO.

17. **RESOLUTION RE ABSENTEESIM**

On motion duly made by Robert Bowman, seconded by Jim Melvin, and **CARRIED**, it was **RESOLVED** that Rob Davis, John Downing, Mario Giansante, and Chris Korwin-Kucyznski having informed the office of the Corporate Secretariat of his unavailability to attend this meeting of the Board, be **EXCUSED**.

18. **RESOLUTION RE CLOSED SESSION**

On motion duly made by Deborah Woodman, seconded by Sam Sniderman, and **CARRIED**, it was **RESOLVED** that the Board go into closed session for the purposes of dealing with items of a proprietary, personnel and of a contractual nature.

The members of the Board, Joe Pantalone, Robert Bowman, Fernando Do Rio, Carole Kerbel, Jim Melvin, Sam Sniderman, Sean Webster and Deborah Woodman reconvened in public session at 11:50 a.m. and concurred with the following proposal.

19. **O&Y/SMG SALARIES**

On motion duly made by Robert Bowman, seconded by Carole Kerbel, and **CARRIED**, it was **RESOLVED** that In-Camera Report No. 19 dated November 10, 2000 from the General Manager & CEO with respect to the O&Y/SMG Salaries, be **RECEIVED** as referred by the Finance & Audit Committee

20. **RENEWAL OF NTC MANAGEMENT AGREEMENT**

On motion duly made by Carole Kerbel, seconded by Sean Webster, and **CARRIED**, it was **RESOLVED** that In-Camera Report No. 20 of the Chair be **APPROVED**, thereby authorizing that:

- 1) The Management Agreement between O&Y/SMG Canada Inc. ("O&Y/SMG") and the Board dated September 1, 1996 be extended for a Renewal Term of three (3) consecutive years commencing January 1, 2002, on the same terms and conditions except as provided in Recommendations 3, 4, 5 and 6 below;

- 2) The Base Fee for the Renewal Term will be as set out in Clause 3.2 (c) of the Management Agreement which is a fee of \$300,000 as increased annually by CPI from 1999 forward during the Term and Renewal Term;
- 3) Subject to the review in recommendation 7, effective the first day of the Renewal Term, the definition of "Operating Costs" be amended to include an appropriate administration charge to be applied to the payroll costs of all unionized labour requested to work in the NTC by O&Y/SMG and subsequently included within the calculation of NOI for the purposes of the Agreement including but not to limited the calculation of the average NOI for 2000 and 2001 for determining the base year for the Incentive Fee;
- 4) Effective the first day of the Renewal Term, subclause 3.3(a) of the Management Agreement be amended to change the base year for the determination of the first incentive fee from the 1998 fiscal year to the average NOI of the 2000 and 2001 fiscal years;
- 5) Effective the first day of the Renewal Term, the definition of "Gross Revenues" be amended to expressly exclude "Additional Rent" for parking to be paid to the Board by the Coliseum Renovation Corporation ("CRC") pursuant to the long-term lease of the Coliseum Arena but to expressly include "Basic Rent" as defined by the agreement between the Board and CRC Management Fees to be paid to the Board by CRC for O&Y/SMG's serves as manager of the Coliseum;
- 6) Effective immediately, Schedule "B" of the Management Agreement be amended to change the title of the "Director of Finance" to "Director of Finance and Associate General Manager";
- 7) O&Y/SMG and the Board undertake an assessment of the cost of services provided by O&Y/SMG for the Board and the services provided by the Board to O&Y/SMG for the NTC and to engage an independent consultant to conduct this review, which costs will be shared equally by the Board and O&Y/SMG and which assessment to be completed and report to the Board on or before the 1st^d day of September, 2001;
- 8) Request O&Y/SMG to provide to the General Manager & CEO forecasts for the NTC Program for 2001, 2002, 2003 and 2004, to be presented to the Board during consideration of the 2001 Operating Budget and annually thereafter; and,
- 9) Request the General Manager & CEO to report on an annual basis during the Operating Budget consideration on the salary levels for all O&Y/SMG management staff for the preceding and proposed budget years.

21. **IMPLEMENTATION OF LONG-TERM
SPONSORSHIP STRATEGY FOR EXHIBITION PLACE**

On motion duly made by Carole Kerbel, seconded by Sam Sniderman, and **CARRIED**, it was **RESOLVED** that In-Camera Report No. 21 of the General Manager & CEO with respect to the Implementation of Long-Term Sponsorship Strategy for Exhibition Place, be **RECEIVED**; and **FURTHER** that Trillium Wilkinson be advised that any proposal with respect to Trillium undertaking a search for Naming Rights for the National Trade Centre is to be submitted to the Board for approval prior to any action being taken.

22. **ERNIES' ARCADE – OPERATING THE 7-UP STAND**

On motion duly made by Jim Melvin, seconded by Fernando Do Rio, and **CARRIED**, it was **RESOLVED** that Report No. 10 of the Director of Business Development dated October 11, 2000 be **APPROVED**, thereby authorizing that the current agreement with Ernie's Arcade Limited for the operation of the 7-Up Stand located on the exterior of the Food Building be renewed for three (3) years, commencing January 1, 2001, on the terms and conditions outlined in subject report and such other terms as required by the City Solicitor.

23. **ERNIES' ARCADE – OPERATING AS THE BANDSHELL CAFÉ**

On motion duly made by Robert Bowman, seconded by Jim Melvin, and **CARRIED**, it was **RESOLVED** that the recommendations and terms and conditions embodied in Report No. 11 dated October 11, 2000 from the Director of Business Development with respect to a three-year lease agreement with Ernie's for the use of the Bandshell Café be **AMENDED** as follows:

- 1) that the Board enter into a one-year agreement with Ernie's Arcade commencing January 1, 2001 for the use of the Bandshell Café;
- 2) Ernie's Arcade is responsible for 50% of the realty taxes for 2001 based on the one-year agreement, and the Board is responsible for 50%;
- 3) the Board is responsible for \$8,000 of the 2000 realty taxes based on the actual taxes assessed, and the remainder to be paid by Ernie's Arcade;
- 4) the other terms and conditions outlined in subject report remain the same; and,

that the report, as amended, be **APPROVED**; and **FURTHER** that, staff be requested to bring forward a report on the issue of property taxes related to Exhibition Place to the Finance & Audit Committee.

24. **REVIEW OF PARKING OPERATIONS**

As a result of members wishing to be excused from the meeting which would result in the lack of a quorum, the Chair suggested and the members agreed that the General Manager & CEO give her presentation on the Review of Parking Operations for Exhibition Place, and if requested by the Board, could repeat it at any future meeting.

Fernando Do Rio, Jim Melvin, Sam Sniderman and Sean Webster excused themselves from the meeting at 12:00 p.m.

The General Manager & CEO provided a detailed power-point presentation on the Review of Parking Operations for Exhibition Place to those members in attendance.

OTHER BUSINESS

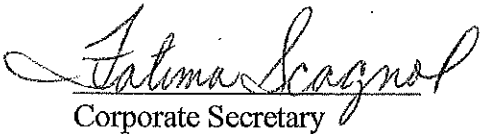
25. **RETIRING BOARD OF GOVERNORS & ACKNOWLEDGEMENT TO STAFF**

The Chair extended the Board's appreciation to Rob Davis, Mario Giansante and Jim Melvin who would be retiring as members of the Board in 2001. The Chair also advised that he will not be seeking reappointment to the Board in 2001 and reflected on the many projects accomplished by Exhibition Place during his term. He concluded by extending his personal appreciation to the Board, Dianne Young, Fatima Scagnol, Sito Mungcal and the rest of the staff for their solid support and excellent working relationship with him over the years.

ADJOURNMENT

There being no further business, the Board adjourned the meeting at 12:30 p.m.

(Copies of the communications, reports and other documents referred to in the minutes of this meeting have been distributed to the members and copies thereof inserted as schedules to the official minutes of the proceedings of this meeting of the Board.)


Corporate Secretary

Chair

VERIFIED at a meeting of the Board of Governors of Exhibition Place held on the ____ day of _____, 2001.

Chair