



EXHIBITION PLACE

July 27, 2001

To: The Board of Governors of Exhibition Place

From: Mario Silva, Chairman

Subject: Agreement with CNE – Negotiating Subcommittee

Recommendation:

It is recommended the Board appoint Councillors Korwin-Kuczynski and DiGiorgio and myself to represent the Board on a subcommittee to negotiate an agreement between the Board and the CNEA.

Background:

At their meeting of September 16, 1999 and September 17, 1999 respectively, the CNEA and the Board gave approval to negotiate an extension of the 1997 Memorandum of Understanding ("MOU") between the Board and CNEA. Each Board appointed representatives to a Subcommittee to carry out these negotiations on behalf of their respective organizations, namely Bob Bowman and Ken Lantz representing the CNEA and Joe Pantalone, Carole Kerbel and Mario Giansante representing the Board. The Board at its meeting of October 29, 1999, and the CNEA Board of Directors at its meeting of November 15, 1999, approved of the Subcommittee's recommendations to extend the 1997 MOU until December 31, 2001 under certain terms and conditions.

The original terms and conditions of the 1997 MOU were negotiated by Bob Bowman representing the CNEA and Joe Pantalone representing the Board which terms were approved by the former Metro Council at its meeting of December 10 & 11, 1997, pursuant to Clause No. 3 of Report No. 17 of the Financial Priorities Committee.

Discussion:

The intent of both the 1997 and 1999 MOU was to articulate the objectives for achieving operational and financial independence of the CNEA from the municipal government; to set out a process to address the major issues to achieve this objective; and to lay out the mode of operations during the transition period of the MOUs. The obligation in the 1997 MOU was that independence would be achieved by December 31, 1999, however, this was reevaluated in 1999 and extended by a further two years to a deadline of December 31, 2001.

Given the pending expiration of the 1999 MOU, it is necessary to begin negotiating the terms of an operating agreement between the Board and CNEA and I am proposing that the Board's nominees to a negotiating Subcommittee be Councillors Korwin-Kuczynski, who was a member of the Board during the previous MOU negotiations, Councillor DiGiorgio and myself.

My recommendations on members representing the Board of Governors on this subcommittee generally follows the approach taken during the 1997 and 1999 negotiations wherein it was seen as difficult for the CNEA representatives on the Board to negotiate directly with the CNEA on behalf of the Board given they also have a fiduciary duty to the CNEA. Furthermore, since this matter may have to proceed to City Council and has financial implications to the City, it would be helpful to have the Subcommittee include members who would also be able to speak to the details of this matter on the floor of Council.

I understand from the Corporate Secretary that the CNEA Executive Committee has already nominated three of the Executive Committee members to represent the CNEA on the Negotiating Subcommittee.

Conclusion:

This report recommends the nomination of members to represent the Board of Governors on a Subcommittee to negotiate with the CNEA respecting an agreement between the Board and the CNEA on use of Exhibition Place.

Submitted by:



Mario Silva
Chairman