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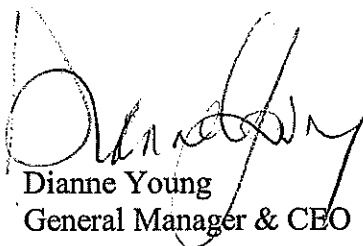
Exhibition Place

MANAGEMENT REPORT

FOR THE PERIOD
ENDING OCTOBER 31, 2003

"CREATING OPPORTUNITIES
TO DO BUSINESS"

Submitted by:



Dianne Young
General Manager & CEO

GENERAL MANAGER'S OFFICE

As part of the regular reporting to the Board, I am submitting this Management Report for the period ending October 31, 2003. This Management Report highlights some of the initiatives that Exhibition Place Program staff have undertaken in 2003. These initiatives are aimed at meeting our overall goal of "Creating Opportunities to Do Business" at Exhibition Place

SPECIAL PROJECTS

- **BUDGET CONTROL** – Despite the negative budgetary pressures from external factors (SARS, blackout, economic downturn) strict financial controls were put in place very early in the year to limit all discretionary spending and to alleviate to the greatest extent possible the negative impacts of these events.
- **COMPENSATION REVIEW** – Finalized and fully implemented a new Compensation Plan for all Board excluded employees which plan had as its basis the Hay Plan and reference to the City of Toronto Compensation Plan.
- **EMPLOYEE NEWSLETTER** – Continued with the quarterly production and distribution of the "EX PRESS" newsletter about the grounds and employees. It is widely distributed to all employees, tenants, the Board of Governors, CNEA Board of Directors and City Councillors.
- **ANNUAL REPORT** – Designed, produced and distributed 2002 Annual Report for the Board of Governors of Exhibition Place.
- **COLISEUM DEVELOPMENT** – Working with the private sector developer, Coliseum Renovation Corporation, and the equity partner, Borealis Capital Investments, completed negotiating revised terms and conditions of an agreement and obtained City Council approval. With the approval of Council commenced construction of the Coliseum in January, 2003. Capital Works, NTC staff, City Finance staff and the General Manager's Office have been actively involved in ensuring implementation of all aspects of the design-build concept for the Arena and negotiating the legal, finance and insurance agreements. This \$38.0M project was completed on time and on budget for the first hockey game on November 1, 2003.
- **SPONSORSHIP CONSULTANT** – Developed and issued an RFP for a sponsorship consultant for the National Trade Centre and Exhibition Place and successfully lead a staff team to assess the proposals and receive Board approval to enter into an agreement for three years with the recommended proponent to provide consulting services to obtain corporate sponsors for the grounds and a naming partner for the NTC.
- **EXCLUSIVE CATERER** – Following the development and issuance of a RFP for the exclusive catering rights within the National Trade Centre, negotiated the terms and conditions of an agreement with the private sector resulting in an additional capital contribution by the private sector of \$1.1Million to the National Trade Centre and the new

Ricoh Coliseum and at the same time improving the commission structure paid to the NTC/Board.

▪ **OTHER ACTIVITIES**

Provided several training programs including workshops on Communications Skills, Organizational Goals & Objective Setting, executive development for all senior managers, job specific courses for events management, accounting functions, and fire risk management of historic properties. General courses across the workforce included winter safety; housekeeping; back safety; heat stress; machine guarding; hearing protection; WHIMIS refresher course and various job specific training programs.

OPERATIONS DIVISION

MAINTENANCE AND EVENT SERVICES

- Following the implementation of an Exhibition Place Emergency Plan in June, 2002, Security Services developed a new Fire Prevention Manual for the grounds.
- Security Services completed the MLEO testing and certification of all security officers and audited the grounds for compliance with traffic requirements for illegal parking. Next step will be to develop necessary signage and then implement the enforcement of a tagging policy for illegally parked vehicles on the grounds.
- Developed and presented to the CNEA a full proposal for the provision of Cleaning Services for the 2003 CNE which addressed issues of scheduling, waste disposal, recycling, human resources, staff hiring and training, equipment and a detailed cost breakdown and proposed new initiatives in many areas. The 2003 Plan was successfully implemented with positive customer feedback and financial savings.

CAPITAL WORKS

- Capital Works successfully completed the 2002 Capital Works Program that involved 21 main projects at a value of \$3.94 Million. All projects were completed on time and either on or under budget. Capital Works is well underway in implementing the 2003 Capital Works Program that involves 24 projects at a value of \$4.917 Million. One of the major undertakings in 2003 was to lead the Exhibition Place team on the Building Committee for the \$38.0M Coliseum Project.
- Trigeration Project – Following the completion of the feasibility and costing studies for a Trigeration Project within the National Trade Centre an application to the Federation of Canadian Municipalities was approved by City Council. Again, the feasibility study estimates energy savings from this project of \$16.0Million over 25 years and a decrease in carbon dioxide emissions of 8.38 million Kg. annually and the costing study confirmed the cost of the project at \$4.3Million with a payback of 10 to 15 years.

- Fuel Cell Demonstration Project - Successfully negotiated an agreement with City of Toronto and Hydrogenics Corporation to introduce a demonstration project at Exhibition Place to test the zero emissions fuel cell technology. The project has three phases which include the location of the HySTAT Fuel Cell Generator to produce peak shaving power; a fuel powered John Deere work vehicle and a hydrogen refueling station; and a fuel cell powered bus with a hydrogen refueling station using wind turbine generated power. The first and second phases of this project were implemented during the 2003 CNE.
- Working with Business Development, Capital Works assisted Toronto Renewable Energy Cooperative (TREC) to ensure the smooth erection of Toronto's first urban wind turbine. Staff also worked with TREC on the establishment of a public educational program at the base of the Wind Turbine and with the coordination of school programs being offered by TREC.

SPECIAL PROJECTS

- CITY ANIMAL SHELTER – Staff acted as the general contractor to the Board of Health for the demolition of the space in the Horse Palace for the Animal Shelter.
- HEALTH AND SAFETY INITIATIVES – Continued with all health and safety initiatives introduced in recent years including a Safety Award Program; safety shop talks; review and revision of the Occupational Health and Safety Manual; development of Job Hazard Analysis; and workplace training. All these actions have resulted in reduced lost time claims and WSIB costs. In 2003, Exhibition Place set a record of 157 days without any lost time claims.
- LABOUR NEGOTIATIONS – Completed negotiations with five unions without any labour disruptions and achieving settlements in line with City of Toronto. Successfully negotiated concessions with IATSE Local 58 to allow for more effective and less costly operation of the new Ricoh Coliseum for hockey events.
- LABOUR DISRUPTION – Developed and implemented a strike plan to manage seven days of labour disruption by Local 506. The strike plan included the full move-in, management and move-out of two major shows in the National Trade Center and involved management staff undertaking as required all cleaning and material handling for these shows.
- SNOW REMOVAL POLICY – Reviewed and revised the Exhibition Place Snow Removal Policy having regard for the City's policies in this area and also implemented a more effective salt management plan recognizing the *Environmental Protection Act*.
- DRINKING WATER GUIDELINES – Established guidelines for the provision of potable water across Exhibition Place to ensure compliance with the new Ontario Drinking Water Protection Regulations.
- CVOR POLICY – Reviewed and revised the Commercial Vehicles Operators Registration Program at Exhibition Place to ensure compliance with the Ministry of Transport requirements and City policy.

- **REQUEST FOR PROPOSALS FOR PLUMBING/HVAC SERVICES** – Initiated a RFP process for the supply of plumbing/HVAC services through a third party contractor which process will allow the Board to assess the effectiveness of an in-house versus external services provider.
- **WASTE MANAGEMENT POLICY** - Participated on the City of Toronto Waste Diversion Team and through this process developed a three-year diversion plan to meet the targets set by the City. Exhibition Place met the target for 30% diversion by 2003.

CORPORATE SECRETARIAT DIVISION

TELECOMMUNICATIONS & CORPORATE ADMINISTRATION

- Completed review of all cell plans and negotiated a new agreement with Bell to achieve annual savings of \$2,300.
- Implemented the sponsorship agreement with Ricoh Canada which included the installation of new photocopiers across the grounds.
- Aggressively solicited CNE exhibitors/concessionaires to provide telephone services for the CNE period and increased profits by 50%.

SPECIAL PROJECTS

- **CNE BYLAWS** – Reviewed, revised and consolidated all CNEA By-laws to ensure compliance with legislative changes and present practices.
- **CNEA PRESIDENT'S GUIDE** – To assist the CNEA President and his/her office, developed a user guide which outlines information related to the CNEA, Exhibition Place and the period of the Fair.
- **CNEA Agendas** – Organized and implemented the monthly posting of the CNEA agendas on the CNE Website with a link to Exhibition Place and the City of Toronto Websites.

ARCHIVES AND RECORDS

- In consultation with the City of Toronto completed all necessary work leading to the development of a Records Retention Schedule for Exhibition Place which is presently being reviewed by the City. Prepared and received Board and City approval of a one-time destruction order for the disposal of records that possess no long-term value and completed the process.

- Involved in the design, preparation and presentation of the Archives Display at the 2003 CNE which was entitled "Remember When".
- In conjunction with the City, participated again in the "Doors Open Toronto" event and welcomed over 700 visitors to six buildings on display which included the Press Building, Queen Elizabeth Theatre, Ontario Government Building, Scadding Cabin and the National Trade Centre.
- Planned and hosted a Media Open House in May as part of the promotion of the 125th anniversary of the CNE which included a display of archival exhibits and provided tours and information to the media.
- Implemented a "volunteer program" to allow interested researchers an opportunity to work closely with Archives staff on the Exhibition Place collection and assist staff in cataloguing holdings.

FINANCE DIVISION

FINANCIAL ADMINISTRATION AND PURCHASING

- Posted a consolidated net profit for Exhibition Place in 2002 of \$2,657,182 which amount exceeded the 2002 Operating Budget by \$2,546,182 which funds were transferred to the City of Toronto.
- Continued monthly reconciliations of all major accounts commencing January 2003 and the production of interim financial statements for Exhibition Place and CNEA Programs for the periods ending June 30, 2003 and September 30, 2003.
- Expanded electronic banking connections with the CIBC to allow for the transmission of account balances and other banking information on a daily basis.
- Continue to improve the management of accounts receivables for the CNEA and the Board to provide program managers with monthly information in order to ensure immediate action is taken and there is limited necessity of bad debts and write offs.
- Designed and conducted internal audits during Board events such as BluesFest and CHIN Picnic to ensure cash revenues from parking and concessions were properly accounted for.
- Developed a comprehensive Profit Statement for all Board events with full analysis of revenues and expenses and profits which will provide a tool for future budgetary planning.

SPECIAL PROJECTS

- **NEW FINANCIAL SYSTEM** – Finalized agreement with the provider of a new financial system; developed an implementation plan and team approach; and commenced conversion of system from QNX to Vision with a target date for completion of January 2004.

- **CNEA FINANCIAL REPORTING** – Successfully completed all reporting of 2002 financial results earlier than previous years and with a higher level of accuracy.
- **ANNUAL FINANCIAL AUDIT** – Introduced an effective plan to ensure the completion of the year-end on a timely and thorough basis to meet all the requirements of the external auditor.
- **IT ACTIVITIES**
- Designed an ACCESS computer interface for payroll for IATSE employees to facilitate electronic transmission of payroll.
- Converted Parking Seniority System and Human Resources system from old QNX system to new ACCESS database.
- Acquired and distributed 15 new desktops to staff in priority of need.
- Working with a staff team from all areas, researched, drafted and finalized an ITR Manual which specifically sets out standardized processes and procedures for the inputting of time recording and costing data for all hourly payroll staff to ensure accuracy and accountability of this function.

BUSINESS DEVELOPMENT

BUSINESS DEVELOPMENT

- **LONG TERM DEVELOPMENT OF HORTICULTURE BUILDING** – Successfully completed negotiating terms and conditions of a long-term lease for the Horticulture Building as a nightclub/concert venue which lease requires a capital investment of approximately \$1.15Million; minimum rent of \$2.16Million; and percentage rent of \$4.913Million over the 20 year lease term.
- **LONG TERM DEVELOPMENT OF BANDSHELL RESTAURANT** – Successfully completed negotiating terms and conditions of a long-term lease for the Bandshell Restaurant as a year-round restaurant venue which lease requires an capital investment of approximately \$0.6Million; minimum rent of \$0.306Million; and percentage rent of \$0.216Million over the 20 year lease term.
- **HOTEL DEVELOPMENT** – Negotiated and received approval from the Board to enter into a letter of intent to negotiate with a private sector proponent for development of a 175 bed hotel and 70,000 sf. conference centre on the grounds. Negotiations on the substantial terms of an agreement, including the financial terms have continued throughout the year.

LEASES

- RIDING ACADEMY – Successfully completed negotiations for a three-year lease for a riding academy operation in the Horse Palace, resulting in minimum rent of \$52,250.00 and a minimum capital investment of \$87,500.00 in leasehold improvements over the term of the lease.
- Renewed one-year lease for Canadian Bureau of Advancement of Music at nominal rent but recovery of utilities and services; and, three-year lease for Immersion Studios increasing minimum rent to the Board to \$192,967.00 over the term.
- QUEEN ELIZABETH THEATRE - Completed a three-year lease for the Queen Elizabeth Theatre, negotiating a minimum rent of \$0.360M plus 3% of all gross revenues in excess of \$2.0Million annually and a minimum capital investment of \$0.780Million in leasehold improvements over the term of the lease.
- AEROPHILE GAS BALLOON ATTRACTION – Worked with the Tenant to secure Transport Canada approval of the proposed site which approvals delayed start up although it is anticipated that the attraction will be open and operating in Spring 2004.

SPECIAL EVENTS

- TORONTO STAR BLUESFEST – Worked with organizers to successfully launch a new five-day festival in Bandshell Park, which included top name acts and attracted 50,000 fans to Exhibition Place – 10% of whom arrived from outside the GTA. In exchange for its support, the Board received \$646,287.00 in media recognition which included exposure in print; transit and outdoor advertising; and eight Toronto radio stations. The Globe and Mail wrote, "the lineup is the most wonderfully eclectic collection seen in these parts maybe ever; the setting cozy and comfortable; and the facilities first-class all the way." In October, 2003, Toronto Bluesfest was recognized nationally winning the "New Business of the Year Award". Staff are now working with the organizers on the 2004 event which will be expanded to a two-weekend festival.
- OTHER EVENTS - In addition to BluesFest, Business Development in 2003 will book and manage over 30 special events generating facility rental revenue of approximately \$245,799.15 (2003 budget is \$221,905) and net profit of \$400,000.
- Many events held at Exhibition Place are organized by charitable and not-for-profit foundations whose primary objective is to raise funds and/or awareness for a particular cause or organization. Based on information received to-date, staff estimate that the Board's support of these events will result in approximately \$14.04Million raised in 2003. This includes events such as the INDY Festival Foundation (Fedex Bike Challenge), Ride for Heart, BAD Ride for the Distress Centre, YMCA Corporate Challenge, Bluesfest (Blues in Schools), Hip Hip Hooray, and Weekend to End Breast Cancer, to name just a few.

- Staff worked with the City team to plan the 2003 Caribana Event for an expanded program at Exhibition Place which included a concert at Bandshell Park resulting in increased labour, services and rental income of approximately \$80,000.00.

SPECIAL PROJECTS

- **MEDIA RELATIONS/COMMUNICATIONS** – Developed a media and communications strategy which efforts have been successful with television, radio and newspaper coverage in 2003. Objectives have been set for the remainder of the year and includes media coverage of the final proponents of the Bandshell Park Redevelopment and continuation of the distribution of positive message material about Exhibition Place.
- **COOPERATIVE ADVERTISING** – Initiated destination-type advertising monthly in local community newspapers that featured events and destination tenants and appropriate contact information. Objective in 2004 is to increase the frequency of these ads as well as expand the number of community newspapers used.
- **WEB SITE** – The Exhibition Place Website was launched in 2001 and in 2003 a low-tech point of access was added and following the approval of the Exhibition Place Film Policy, an icon was added on the Home Page. Continued to add news articles, press releases and updates to Media page as appropriate. Objective in 2004 is to update the overall look and presentation of the Website.
- **QUARTERLY TENANT MEETINGS** - Initiated quarterly meetings and produced full-colour handouts for all tenants and annual event producers in order to provide information and obtain feedback on delivery of services by Exhibition Place.

PARKING SERVICES

- Completed automation and access control in the Lot L (Press Lot) in order to allow for staff parking while at the same time capture all visitor parking revenues.
- Continued to market Fleet Street Parking Lot for monthly permit parking and expect to increase number of permit-holders by 100 new clients by the end of 2003.
- Completed negotiations of a new collective agreement with CUPE Local 58, which made substantial organizational changes including the introduction of a foreperson position to oversee lot operations and transfer of the cashier and cash control responsibility from the union to the non-unionized establishment.
- Developed a comprehensive training manual for the newly created Accounts Representative position and the new foreperson position.

- Initiated research and benchmarking survey with respect to traffic patterns, access to and time required to access parking lots in an effort to understand current traffic patterns, minimize waiting times and delays, and maximize efficiencies
- In consultation with Security Services and the City of Toronto Security, conducted an audit of cash handling within the Parking operations and the Parking office and developed a strategy to implement recommendations.
- In collaboration with the Canadian Parking Association, developed and delivered a comprehensive training program for all union staff. Thirty-eight graduates received certificates and Exhibition Place will be featured in the next issue of national publication, The Parker Magazine.
- Completed review and updating of department Operational Policies & Procedures and introduced the following new policies: Cash Handling; Shift Opening & Closing Procedures; Interim Deposit Procedures; Pass Sheet Policy and Procedures; Security & Emergency; Compliance (Illegally Parked Vehicles); Maintenance (Equipment Breakdown Policy; Trafpark Repair Request Procedure); and Vehicle Operations.
- Worked with RICOH and Toronto Road Runner staff to develop and implement new parking programs for Suite and Season Ticket Holders.
- In consultation with NTC Event Services staff, planned for the introduction of a NTC Exhibitor Parking order desk in 2004 to provide improved service to trade and consumer show exhibitors and show managers. The Board earns approximately \$133,000 from the sale of Exhibitor parking passes, and it is expected that this will grow in 2004 and onward.