

EXHIBITION PLACE

6

January 15, 2007

To: The Board of Governors of Exhibition Place

From: Dianne Young
Chief Executive Officer

Subject: **Financial Control By-Law No. 2-07**

Purpose:

This report is submitted for the consideration of the Board of Governors.

Financial Implications and Impact Statement:

There are no financial implications resulting from the adoption of this report.

Recommendation:

It is recommended that the Board enact the attached Financial Control By-Law No. 2-07.

Background:

At its meeting of December 15, 2006, the Board received a "Notice of Motion" with respect to a number of amendments to Financial Control By-Law No. 2-99 and were advised that the formal enactment of these amendments would be presented to the January meeting of the Board for consideration.

Discussion:

Attached for the Board's approval and enactment is the amended Financial Control By-Law No. 2-07. For ease of reference the amended sections have been bolded.

Conclusion:

This report requests that the Board enact an amended Financial Control By-Law.

Contact:

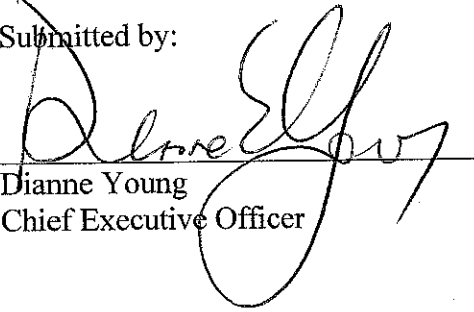
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Submitted by:

A handwritten signature in black ink, appearing to read "Dianne Young", is written over a horizontal line. The signature is stylized with large, flowing loops.

Dianne Young
Chief Executive Officer

THE BOARD OF GOVERNORS OF EXHIBITION PLACE

BY-LAW NO. 2 – 07

To confer certain authorities and responsibilities with respect to the appropriation and commitment of funds, the payment of accounts, and the procurement of goods and services by the Board of Governors of Exhibition Place.

The Board of Governors of Exhibition Place HEREBY ENACTS as follows:

I. INTERPRETATION

1. In this By-law:

“Account” means a financial liability of the Board of Governors arising from a commitment and evidenced by any invoice, pay sheet, receipt or other document indicating payment is due for the goods or services specified in the account;

“Act” means the *City of Toronto Act, 2006*, as amended from time to time;

“Appropriation” means the allocation of funds by the Board of Governors for a specified purpose of the Board of Governors and shown as such in the Estimates;

“Authorized Signatory” means an employee of the Board of Governors authorized to execute on behalf of the Board of Governors those instruments pursuant to section 7 of this By-law;

“Award” means the acceptance of a Tender, Proposal or Quotation by the Board of Governors pursuant to the terms of this By-law;

“Bid” means a Quotation, Tender or Proposal;

“Board of Governors” means The Board of Governors of Exhibition Place;

“Budget” means the operating and capital budgets approved by the Board of Governors and Council;

“Call” means a call for Tenders;

“Chair” means the Chair of the Board of Governors;

“CEO” means the Chief Executive Officer of Exhibition Place as appointed by the Board of Governors or his/her Delegate and includes an appointment by the Board of Governors to fill this position on an interim basis;

“CFO” means the Chief Financial Officer of the Board of Governors or his/her Delegate and includes an appointment by the Board of Governors to fill this position on an interim basis;

“City” means the City of Toronto;

"CNEA Board of Directors" means the Board of Directors of the Canadian National Exhibition Association appointed or elected pursuant to Bill Pr32, *An Act Respecting the CNEA*, as amended from time to time.

"Committee" means any committee appointed by the Board of Governors;

"Corporate Secretary" means the Corporate Secretary of the Board of Governors or his/her Delegate and includes an appointment by the Board of Governors to fill this position on an interim basis;

"Council" means the council of the City;

"Delegate" means any person to whom the CEO, CFO and Corporate Secretary has delegated authority under this By-law;

"Estimates" means the annual operating and capital estimates submitted for adoption by the Board of Governors in accordance with section 5;

"General Manager(s)" means the general managers responsible for the Canadian National Exhibition Program, the Soccer Stadium Program and the department heads within the Exhibition Program.

"Member" means a member of the Board of Governors who is either a member, ex-officio, or a member appointed by the Council as provided in the Act;

"Officer" means the CEO, CFO or Corporate Secretary;

"Program Areas" means the Exhibition Place Program, the Canadian National Exhibition Association Program and the Soccer Stadium Program;

"Project" means an undertaking, work or improvement of the Board of Governors included in the capital works program;

"Proposal" means a proposal to supply goods or services in response to a Request for Proposals issued by the Board of Governors;

"Quotation" means an offer to supply goods or services at a price fixed as to the total amount or on a unit basis, or both;

"Request" means a request for Quotations or Proposals;

"Tender" means an offer to perform a Project or other work or undertaking or provide a service at a price fixed as to total amount or on a unit basis, or both; and

"Unit" means an organizational unit of the Board of Governors.

II. GENERAL

2. (1) The Board of Governors has the sole authority, subject to the approval of Council, to allocate funds to Appropriations and Projects.

(2) No Officer, General Manager, Committee, Member or employee of the Board of Governors shall authorize any expenditure which shall exceed the Appropriation made by the Board of Governors for any purpose, nor authorize the expenditure of money appropriated to a particular Project or purpose to any other Project, purpose, service or work.

(3) No commitment shall be made, no debt shall be incurred, no expenditure shall be made and no Account shall be paid by an Officer, General Manager, Committee, Member or employee of the Board of Governors on behalf of the Board of Governors except with the approval of the Board of Governors or in accordance with the provisions of this By-law.

3. (1) Despite subsection 3(2) below, during the period between the last meeting in July of the Board of Governors and the first regular meeting of the Board of Governors scheduled after the annual fair known as the Canadian National Exhibition, the provisions of this By-law may be waived and the authority to do the following may be delegated to such Committee as the Board of Governors may designate:

- (a) Make Awards for the supply of materials and services provided for in the operating and capital Budget last adopted by the Board of Governors.
- (b) Make Awards for contracts for work included in the Budget but not yet authorized by the Board of Governors.
- (c) Authorize the acceptance of Quotations, Proposals or Tenders.
- (d) **Authorize settlements of compensation or claims for damages not to exceed \$150,000.00.**
- (e) Appoint nominees to arbitration boards, as required by the provisions of the collective agreements of the Board of Governors.

(2) Any action taken by a Committee under the authority contained above shall be reported to the Board of Governors for information only at the first regular meeting of the Board of Governors following the annual Canadian National Exhibition.

III. APPROPRIATIONS

4. The Board of Governors, in adopting the Estimates of all sums required during the year for the purposes of the Board of Governors in accordance with the Act, shall determine the sums required for every purpose and the sums required for the various categories of purposes, as approved by Council, shall be an Appropriation.

5. Once the Estimates have been approved by the Board of Governors and Council, all spending by the Board of Governors shall be in accordance with the Budget. Any transfer of sums between Program Areas must be approved by the Board of Governors; and any transfer between Projects must be approved by the Board of Governors and Council.

IV. ADMINISTRATION

6. (1) The CFO shall maintain a current delegation schedule specifying the Officers, General Managers and employees of the Board of Governors having financial signing authority on behalf of the Board of Governors for those spending matters listed on the delegation schedule within the monetary limits as set out in this By-law, and specify such restrictions and approval limits that apply.

(2) Any delegation schedule prepared by the CFO pursuant to subsection 6(1) shall be signed by the CEO and a copy, with specimen signatures of the designated Officers, General Managers and employees of the Board of Governors referred to in subsection 6(1), shall be filed with the CFO and submitted to the Board of Governors for review at the last meeting of the calendar year or more frequently as required or as requested by the Board of Governors.

7. (1) The banking business of the Board of Governors shall be transacted with such bank or trust company carrying on a banking business as the Board of Governors may designate, appoint or authorize from time to time by resolution, and all such banking business shall be transacted on behalf of the Board of Governors by such one or more Authorizing Signatories as the Board of Governors may designate, direct or authorize from time to time by resolution.

(2) All withdrawals from such bank or trust company shall be made by cheque drawn on the bank or trust company and signed by any two Authorizing Signatories.

(3) If two Authorizing Signatories are not available to sign as required under subsection 7(2), cheques may be signed by the Chair of the Board of Governors and one Authorizing Signatory.

8. (1) The CFO shall carry out whatever tests and inquiries are appropriate to ensure that satisfactory internal control practices are followed and that the terms of this By-law are duly carried out and the CFO is authorized to issue administrative directives for this purpose to be followed by Officers, General Managers and employees of the Board of Governors.

(2) The auditor of the Board of Governors shall be the auditor appointed by the City of Toronto as required by the *City of Toronto Act*.

9. The fiscal year for the Board of Governors shall correspond to the calendar year, being the period from the first day of January to the 31st day of December.

V. AUTHORITY OF THE CEO

10. The CEO may make a commitment having such terms which are less than one year and which provide for payments not exceeding \$150,000.00 in any one instance provided that the approval of the Board of Governors has been given either by way of an

Appropriation in the Budget for that purpose or by way of approval of the Project and the funding is provided therefor. For the purposes of this By-law, a commitment includes a purchase order and an agreement.

11. The CEO may enter into licence agreements satisfactory to the solicitor for the City for less than one year for the rental of the buildings or the grounds on terms consistent with rental policies adopted by the Board of Governors; and the General Manager for the Canadian National Exhibition may enter into licence agreements satisfactory to the solicitor of the CNEA Board for the period of the annual Canadian National Exhibition for the rental of the buildings or the grounds on terms consistent with rental policies adopted by the CNEA Board of Directors.

12. The CEO has the following authority with respect to the employees of the Board of Governors:

- (a) Hire employees for positions in the establishment of strength of the Board of Governors or as required by the CEO provided that funds are available in the Appropriation for that purpose;
- (b) In the absence of any written agreement to the contrary, the CEO may remove any employee of the Board of Governors other than an Officer of the Board of Governors;
- (c) Recommend to the Board of Governors increases in salary grades for all employees in the establishment of strength of the Board of Governors following finalization of the economic increases for the year by the Council for the City;
- (d) The CEO shall report to the Board of Governors with respect to the approval of all additions and deletions to the establishment of strength of the Board of Governors.

13. The Officers are hereby authorized to sign documents and affix the corporate seal on behalf of the Board of Governors.

VI. AUTHORITY OF THE CHIEF FINANCIAL OFFICER

14. Despite any other provision in this By-law, the CFO is authorized to pay the following Accounts provided that funds are available in the Appropriation or Project for the purpose of:

- (a) all salaries, wages, and benefits due to any person in the employ of the Board of Governors;
- (b) all retiring allowances and mandatory sick pay grants due to any person previously in the employ of the Board of Governors;
- (c) all accounts for telephones, postage and utilities supplied to the Board of Governors;
- (d) all accounts for fees and levies payable to the federal, provincial or other municipal government, or to any agency, board or commission thereof;

- (e) all accounts for payment of principal or interest on loans or overdrafts, including foreign exchange;
- (f) all accounts relating to employee pension deductions and employer pension contributions in respect of the salaries and wages to those persons who are paid by or employed by the Board of Governors, and which are payable in respect of any duly authorized registered pension plan on behalf of the respective employees.

VII. FORMS OF COMMITMENTS

Purchase Orders

15. (1) **Purchase orders for all goods and services costing in excess of \$50,000.00, excluding all taxes in any one instance shall be procured through the City of Toronto's Purchasing and Materials Management Division.**

(2) **Goods and services costing less than \$50,000.00 in any one instance may be procured through an Exhibition Place purchase order.**

(3) **Exhibition Place Purchase Orders shall be issued in accordance with the Board's "Procurement Policy".**

Petty Cash

16. (1) There may be established in a Unit a petty cash fund in an amount approved by the CFO having regard to the operational requirement of the Unit.

(2) **The CEO may authorize petty cash expenditures not exceeding \$500.00 in any one instance or such amount as amended by the Board of Governors and City of Toronto from time to time.**

(3) The CEO is authorized to reimburse a petty cash fund upon the submission of receipts and such other documentations as may be required.

Professional Services Agreements

17. The CEO may authorize a competitive process to result in the entering into of a written agreement for the provision of professional services at a cost not exceeding \$50,000.00.

Convention, Business and Travel Expenses

18. The CEO shall authorize the reimbursement of expenses, including travel, meal and entertainment expenses, incurred by the Officers, General Managers, Members and employees of the Board of Governors in carrying out the business of the Board of Governors provided that such expenses were incurred in accordance with such City and/or Board of Governors policies as may be adopted from time to time by the Board of Governors.

Meterage

19. Employees of the Board of Governors who are authorized to use their own vehicles for the purposes of the Board of Governors shall be entitled to claim meterage at a rate equivalent to the

rate specified in the applicable collective agreement or, for non-union staff, in accordance with such City and/or Board of Governors policies as may be adopted from time to time by the Board of Governors.

VIII. CAPITAL WORKS PROGRAM

20. (1) The Board of Governors in adopting the annual Estimates shall determine the sums required for every Project.

(2) Notwithstanding the inclusion of a Project within the annual Estimates adopted by the Board of Governors, the funding for each individual Project must have the approval of the Board of Governors.

(3) No Project shall be authorized by the Board of Governors without having either an estimate of the probable cost of each specific element of such Project or, in the absence of an estimate, a limit on the amount to be expended for each element.

(4) No contracts shall be entered into for any Project or specific element of a Project at a larger sum or involving a larger expenditure than the amount so estimated or limited, unless approved by the Board of Governors.

IX. AWARDS

21. (1) All Tenders shall be issued through the City of Toronto's Purchasing and Materials Management Division.

(2) Tenders received by an Officer, General Manager, employee or agent of the Board of Governors specified in the Call and dated before the time for the close of Tenders stipulated in such Call shall be opened at a public meeting and the prices offered by each, or a summary thereof, shall be read aloud and recorded.

22. Subject to subsection 20(2) the CEO is authorized to make an Award of a Quotation or an Award of Tender if all the following conditions are met:

- (a) the Appropriation for that purpose is in the Budget and funding is provided therefor;
- (b) **the award is less than \$150,000.00 in any one instance and having such term which is less than one year, except where the award includes optional second year pricing and is structured to establish an agreement for goods and services to be provided on an "as and when required basis" with no encumbrance of funds and where the upset limit is less than \$150,000.00, in total, for both years;**
- (c) the Award is to the lowest bidder whose Bid meets the specifications and requirements set out in the Request for Quotation or Request for Tender;
- (d) there is no written objection to the Award filed with the CEO, or agent of the Board of Governors before the Award is made;

- (e) the Award is at arms-length with the CEO.

23. All recommendations for Awards based on Proposals received in response to a Request for Proposals, in excess of a total value of \$50,000.00, shall be reported to and must be approved by the Board of Governors.

24. The contents of any Bid shall be made available to the public, on request, to the extent required and permitted by the *Municipal Freedom of Information and Protection of Privacy Act*.

X. EMERGENCIES

25. Notwithstanding any other provision of this By-law, where in the opinion of the CEO an emergency exists, the CEO is authorized to take such immediate steps as may be considered necessary, acting reasonably, to deal with the emergency and the CEO shall:

- (a) **if the funds to be committed exceed \$150,000.00, immediately notify the Chair of the Board of Governors of the proposed course of action; and,**
- (b) report the action taken and request concurrence of the Board of Governors at its next meeting following such action.

XI. DISPOSAL OF SURPLUS PROPERTY

26. Any materials or equipment owned by the Board of Governors, which is declared by the CEO to be surplus to Board of Governors requirements, shall be disposed of:

- (a) by firstly arranging for the materials or equipment to be transferred to another department of the City of Toronto which can utilize them;
- (b) by secondly having the materials and equipment disposed of through the City of Toronto's Purchasing and Material Management Division by public auction or by call for competitive bids; or;
- (c) as the Board of Governors may otherwise direct.

XII. FINANCIAL REPORTS

27. The CEO shall report to the Board of Governors on a regular basis on such matters as requested by the Board of Governors and as provided in policies and/procedures adopted by the Board of Governors.

28. Every report recommending the expenditure of money shall state the grounds on which the recommendation is made with sufficient fullness to enable the Board of Governors to judge the propriety of the proposed expenditure.

XIII. AUTHORITY OF THE CNEA BOARD OF DIRECTORS

29. Despite any provision in this By-law, the CNEA Board of Directors may make any commitment or accept any Tender Proposal or Quotation having such term which is less than one year provided that the approval of the Board has been given by way of an Appropriation in the Budget for that purpose, and that all general policies and procedures of the City are followed including but not limited to those set out in Article VII of this By-Law.

VIII. AMENDMENTS TO BY-LAW

30. (1) This By-Law shall not be amended or repealed except by a majority vote of all the Members.

(2) No amendments or repeal of this By-law shall be considered at any meeting of the Board of Governors unless notice of the proposed amendment or repeal was given at a previous regular meeting of the Board of Governors and a copy of the notice of motion to amend or repeal is provided to the Members by the Corporate Secretary by regular mail, fax or electronic mail at least forty-eight (48) hours prior to the meeting at which it is to be considered.

(3) **By-law No. 2-99 of the Board of Governors is repealed.**

XIV. EFFECTIVE DATE

31. This By-law shall come into force on the day it is enacted by the Board of Governors.

ENACTED by The Board of Governors of Exhibition Place at a meeting duly called and regularly held on the **25th** day of **January 2007**, and recorded in the Minute Book of the proceeding of the said Board of Governors, notice of which proposed enactment having been delivered with the agenda for such meeting.

Corporate Secretary

Chair of the Board of Governors

