

Item No. 3

MINUTES
THE BOARD OF GOVERNORS OF EXHIBITION PLACE
Allstream Centre – Room 206-D - Exhibition Place
Friday, August 5, 2011 – 8:30 a.m.

The Board of Governors of Exhibition Place met in Allstream Centre – Room 206D, Exhibition Place on Friday, August 5, 2011.

PRESENT: Mark Grimes, Chair
Brian Ashton, Ana Bailao, Sheona Campbell, Mona ElSayeh, Gloria Lindsay Luby, Jim Melvin, Tom Robins, John Weatherup

APOLOGIES: Chin Lee, Camilla Mackenzie, Jim McMillen, Gord Perks

STAFF: Dianne Young, Chief Executive Officer
Fatima Scagnol, Corporate Secretary
Alison Fowles, City Legal
Hardat Persaud, Chief Financial Officer
Arlene Campbell, General Manager/Sales & Events
Mark Goss, Manager/Operations
David Bednar, General Manager/CNEA
Jeff Gay, Directors/Event Services
Sandy Douglas, Director/HR, Security, OH&S
Laura Purdy, Director of Marketing
Danny Chui, Manager/Capital Works
Gabe Mullan, Manager/Parking Services
Arlene Jang, IT Specialist
Peter Church, General Manager/BMO Field
Nathalie Ollson, Manager of Event Operations/BMO Field

PRESENTORS/

DEPUTANTS: Jeff Dover and Geoff Wilson, FS Strategies

GUESTS: Judith Goodwin, Cerise Catering
Irene Jones, Journalist

Mark Grimes presided, and Fatima Scagnol acted as Secretary to the meeting. The meeting was called to order at 8:30 a.m.

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.

John Weatherup declared an interest with respect to Report No. 2 entitled “Accounts Receivable – Direct Energy Centre & Exhibition Place for June 30, 2011”, given his professional affiliation with one of the accounts noted in the Confidential Attachment 1 to the Accounts Receivable report.

1. **MINUTES OF PREVIOUS MEETING**

On motion duly made by Jim Melvin, seconded and **CARRIED**, it was **RESOLVED** that the Minutes of the Meeting of the Board of Governors held on June 24, 2011, 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.

2. **ACCOUNTS RECEIVABLE – DIRECT ENERGY CENTRE
ALLSTREAM CENTRE & EXHIBITION PLACE – JUNE 30, 2011**

Upon the question of the adoption of Report No. 3 and the Confidential Attachment 1 to subject report, dated July 18, 2011 from the Chief Executive Officer with respect to the Accounts Receivable for Direct Energy Centre, Allstream Centre and Exhibition Place as at June 30, 2011, it was received for **INFORMATION**.

3. **INFRASTRUCTURE STIMULUS FUND – JUNE 2011**

Upon the question of the adoption of Report No. 4 dated July 19, 2011 from the Chief Executive Officer with respect to the Infrastructure Stimulus Fund for June 2011, it was received for **INFORMATION**.

4. **CNEA MANAGEMENT REPORT – JULY 2011**

Upon the question of the adoption of Report No. 5 dated July 2011 from the General Manager/CNEA with respect to the CNEA Management Report for July 2011, it was received for **INFORMATION**.

5. **BMO MANAGEMENT REPORT – JUNE 2011**

Upon the question of the adoption of Report No. 7 dated June 2011 from the General Manager/BMO Field with respect to the BMO Management Report for June 2011, it was received for **INFORMATION**.

6. **2009 - 2012 STRATEGIC PLAN QUARTERLY UPDATE – APRIL 30, 2011**

Upon the question of the adoption of Report No. 10 dated July 6, 2011 from the Chief Executive Officer with respect to the 2009 - 2012 Strategic Plan Quarterly Update for April 30, 2011, it was received for **INFORMATION**.

7. **FOOD BUILDING RENTAL AGREEMENTS
FOR CNEA EXHIBITORS - 2012 TO 2015**

Upon the question of the adoption of Report No. 11 dated July 23, 2011 from the Chief Executive Officer with respect to Food Building Rental Agreements for CNEA Exhibitors for 2012 to 2015, it was **APPROVED**.

8. **78TH UFI CONGRESS**

Upon the question of the adoption of Report No. 12 dated July 21, 2011 from the Chief Executive Officer with respect to the 78th UFI Congress, it was **APPROVED**.

9. **AGREEMENT FOR THERMAL INSULATION REPAIRS**

Upon the question of the adoption of Report No. 13 dated July 11, 2011 from the Chief Executive Officer with respect to an Agreement for Thermal Insulation Repairs, it was **APPROVED**.

10. **AGREEMENT FOR PROVISION OF COMPOSTABLE PRODUCT PICK-UP & COMPOSTING SERVICES**

Upon the question of the adoption of Report No. 14 dated July 15, 2011 from the Chief Executive Officer with respect to an Agreement for Provision of Compostable Product Pick-Up and Composting Services, it was **APPROVED**.

11. **AGREEMENT FOR PROVISION OF ON-DEMAND SERVICES & PLANNED INSTALLATION / UPGRADES -VARIOUS CCTV & SECURITY DEVICES**

Upon the question of the adoption of Report No. 15 dated July 19, 2011 from the Chief Executive Officer with respect to an Agreement for Provision of On-Demand Services and Planned Installation/Upgrades for Various CCTV and Security Devices, it was **APPROVED**.

12. **BUS PARKING AGREEMENT WITH ED MERVISH ENTERPRISES LIMITED**

Upon the question of the adoption of Report No. 16 dated June 6, 2011 from the Chief Executive Officer with respect to a Bus Parking Agreement with Ed Mervish Enterprises Limited, it was **APPROVED**.

13. **CITY OF TORONTO LEASE – 90 QUEBEC STREET – FIRE HALL**

Upon the question of the adoption of Report No. 19 dated June 17, 2011 from the Chief Executive Officer with respect to a City of Toronto Lease for 90 Quebec Street – Fire Hall, it was **APPROVED**.

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.

14. **2011 CAPITAL WORKS PROGRAM – JUNE PROGRESS REPORT**

On a question from Brian Ashton with respect to paving repairs being completed before the Honda Indy, Dianne Young responded that prior to the last agreement, Honda Indy performed all paving repairs. She further explained that Honda Indy Officials walk the track to ensure that it is safe before the race.

Brian Ashton noted that he heard directly from Indy Race Drivers expressing concern about the bumps on the track. Jeff Gay explained that this is a common concern from drivers given they want to race their vehicle faster.

On a question from Brian Ashton with respect to who the media would speak with regarding paving concerns, Dianne Young responded that they would be referred to Honda Indy Officials regarding paving issues within Exhibition Place and City of Toronto regarding paving issues on Lakeshore Blvd.

On a question from Brian Ashton with respect to an update on the “Skyride” and “Festival Plaza”, Dianne Young responded that a report on Festival Plaza is planned for the Board’s next meeting; and that staff are in the process of issuing a Request for Quotations for the Skyride in an amount not to exceed \$350,000, however, should the cost be higher, funding within the War of 1812 Legacy Project will be reviewed for allocation to the Skyride.

On motion duly made by Brian Ashton, seconded and **CARRIED**, it was **RESOLVED** that Report No. 3 dated July 19, 2011 from the Chief Executive Officer with respect to the 2011 Capital Works Program – June Progress Report, be received for **INFORMATION**.

15. **BMO MANAGEMENT REPORT – MAY 2011**

On motion duly made by Tom Robins, seconded and **CARRIED**, it was **RESOLVED** that Report No. 6 dated May 2011 from the General Manager/BMO Field with respect to the BMO Management Report for May 2011, be received for **INFORMATION**.

16. **EXHIBITION PLACE MANAGEMENT REPORT – JUNE 2011**

On motion duly made by Jim Melvin, seconded and **CARRIED**, it was **RESOLVED** that Report No. 8 dated June 30, 2011 from the Chief Executive Officer with respect to the Exhibition Place Management Report for June 30 2011, be received for **INFORMATION**; and **FURTHER** that, indirect and direct expenses in future reports be explained in simpler terms.

17. **OCCUPATIONAL HEALTH & SAFETY REPORT – 2ND QUARTER 2011**

On motion duly made by Mona ElSayeh, seconded and **CARRIED**, it was **RESOLVED** that Report No. 9 dated July 15, 2011 from the Chief Executive Officer with respect to the Occupational Health & Safety Report – 2nd Quarter 2011, be received for **INFORMATION**.

18. **AGREEMENT WITH SMG CANADA ULC**

On motion duly made by Jim Melvin, seconded and **CARRIED**, it was **RESOLVED** that Report No. 17 dated July 15, 2011 from the Chief Executive Officer, be **APPROVED**, thereby authorizing an Agreement with SMG Canada ULC, based on the terms and conditions outlined in subject report.

19. **2011 ANNUAL RENTAL AGREEMENT – SCREAMERS INC.**

On motion duly made by Jim Melvin, seconded and **CARRIED**, it was **RESOLVED** that Report no. 18 dated July 16, 2011, and the Confidential Attachment 1 to subject report, from the Chief Executive Officer, be **APPROVED**, thereby authorizing a one-year agreement with Screemers Inc. for the 2011 Screemers Haunted House Event, based on the terms and conditions outlined in subject report; and **FURTHER** that, the Chief Executive Officer be directed to negotiate a new rental agreement with Screemers Inc. for 2012 more in line with market rents for the space.

20. **RENTAL AGREEMENTS WITH VARIOUS OUTDOOR PUBLIC EVENTS**

Jim Melvin acknowledged and thanked Dianne Young for a detailed and informative report and commented that it would have been helpful if it included a column related to the CNE.

On motion duly made by Jim Melvin, seconded and **CARRIED**, it was **RESOLVED** that Report No. 20 dated July 18, 2011 from the Chief Executive Officer with respect to Rental Agreements with Various Outdoor Public Events, be received for **INFORMATION**.

21. **HOTEL DEVELOPMENT – UPDATED REVISED SCHEDULE**

On a question from Jim Melvin with respect to the archeological digs for artifacts, Dianne Young responded that HKHotels have completed Archeological Stages one and two and need to complete stage three. Jim Melvin further asked when the lands for the third stage be closed and Dianne Young responded that this will probably be scheduled in September or December when there are no events taking place in the vicinity of the area in question.

On a question from Jim Melvin with respect to the project financing, Dianne Young responded that the project was budgeted between \$110 to \$120 Million, however given the required construction changes, the project is now budgeted for \$210 Million and HKHotels is in the process of securing the additional equity.

On motion duly made by Jim Melvin, seconded and **CARRIED**, it was **RESOLVED** that Report No. 21 dated July 26, 2011 from the Chief Executive Officer, be **APPROVED**, thereby authorizing the Revised Schedule for the Hotel Project as amendments to the Lease Agreement between the Board and HKHotels LLC.

Sheona Campbell excused herself from the meeting at 9:20 a.m.

22. **CITY OF TORONTO CORE SERVICE REVIEW**

On motion duly made by John Weatherup, seconded and **CARRIED**, it was **RESOLVED** that Report No. 22 dated July 21, 2011 from the Chief Executive Officer with respect to the City of Toronto Core Service Review, be received for **INFORMATION**.

It was duly moved by John Weatherup that:

The Chief Executive Officer send a communication to the City Manager advising that the Board has concerns with the KPMG Report, as drafted, specifically with the following:

- (1) Before any action is taken with respect to any of the KPMG options, the City consult with the Board and Exhibition Place staff;
- (2) It is the Board's position in that the services provided by Exhibition Place staff are "above standard" and not "standard" as reported in the KPMG report;
- (3) The Board opposes any direction related to the divesting of Exhibition Place;
- (4) The Board reaffirms its position that the management and operation of the Exhibition Place grounds reflects the highest and best standards of business while delivering optimal public benefits;
- (5) The Exhibition Place business model presents an excellent example of public/private partnerships in the delivery of benefits to the City of Toronto; and that
- (6) The City Manager be requested to submit the foregoing motion to the September meetings of the Executive Committee and City Council.

Upon the question of the adoption of the foregoing motion, a recorded vote was requested wherein Mark Grimes, Brian Ashton, Ana Bailao, Gloria Lindsay Luby, Jim Melvin, Tom Robins and John Weatherup voted in favour; hence the motion was **CARRIED**.

23. **RESOLUTION RE CLOSED SESSION**

On motion duly made by John Weatherup, seconded 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 Board members – Mark Grimes, Brian Ashton, Ana Bailao, Mona ElSayeh, Gloria Lindsay Luby, Jim Melvin, Tom Robins and John Weatherup reconvened in public session at 10:45 a.m. and concurred with the following proposal.

24. **REVIEW OF FOOD & BEVERAGE OPTIONS – AGREEMENT WITH SERVOMATION INC. FOR EXCLUSIVE FOOD & BEVERAGE SERVICES**

On motion duly made by Brian Ashton, seconded and **CARRIED**, it was **RESOLVED** that Report No. 23 dated July 27, 2011, and the Confidential Attachment 1 to subject report, from the Chief Executive Officer, be **APPROVED**, thereby authorizing the extension of the current agreement with Servomation Inc. to provide exclusive food and beverage services to Direct Energy Centre and other buildings utilized for trade and consumer shows for one additional year, expiring on June 30, 2013, on the same terms and conditions of the existing agreement set out in Appendix "A" to subject report; and **FURTHER** that, the fsSTRATEGY Report be referred to staff for review and a report back to the Board and a recommendation on a preferred Food and Beverage model for 2013 and beyond.

25. **DATE OF NEXT MEETING**

The next regular meeting of the Board is scheduled to be held on **Friday, September 23, 2011 at 8:30 a.m.**

26. **RESOLUTION RE ABSENTEEISM**

On motion duly made by Gloria Lindsay Luby, seconded and **CARRIED**, it was **RESOLVED** that Chin Lee, Camilla Mackenzie, Jim McMillen and Gord Perks having notified the Corporate Secretary of their unavailability to attend this meeting of the Board, be **EXCUSED**.

ADJOURNMENT

There being no further business, the Chair adjourned the meeting at 10:50 a.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 _____, 2011.

Chair