



**STAFF REPORT
ACTION REQUIRED**

FCM 2010 Annual Conference and Trade Show – Financial Resources

Date:	January 8, 2008
To:	Executive Committee
From:	Shirley Hoy, City Manager Joseph P. Pennachetti, Deputy City Manager and Chief Financial Officer
Wards:	All
Reference Number:	-

SUMMARY

This report seeks Council approval for the financial resources and spending authority for the City of Toronto to host the 2010 FCM Annual Conference and Trade Show.

In 2002, City Council agreed to invite the Federation of Canadian Municipalities to host an FCM Annual Conference and Trade Show in 2009 or the next available year. On April 25, 2002, Mayor Mel Lastman sent a formal letter to the Federation of Canadian Municipalities inviting FCM to host this event in Toronto. On March 6, 2004, the FCM awarded the City of Toronto the 2010 FCM Annual Conference and Trade Show which will be held at the Sheraton Centre Toronto from June 4-7, 2010.

It is anticipated that this Conference will draw approximately 2,500 delegates. Hosting the 2010 FCM Annual Conference and Trade Show will result in the infusion of an estimated \$ 3 to 4 million into Toronto’s economy. It will showcase the City of Toronto as an innovative leader in municipal management and service delivery, and will facilitate the active participation of members of City Council and senior staff in a leading-edge national dialogue on municipal issues.

Authority is requested to establish a Reserve Account entitled ‘Corporate Conference Reserve’ to fund conferences hosted by the City of Toronto, with an initial annual contribution of \$150,000 for 2008, 2009 and 2010 to host the 2010 FCM Annual Conference and Trade Show.

RECOMMENDATIONS

The City Manager and the Deputy City Manager & Chief Financial Officer recommend that:

1. Council authorize the City Manager to receive and disburse funds up to a maximum of \$ 1.2 Million in gross expenditures over a three year period for the purpose of planning and implementing the host city activities of the FCM 2010 Annual Conference and Trade Show.
2. Council approve as the City's financial contribution a maximum of \$450,000 for hosting the FCM Annual Conference and Trade Show.
3. Council establish a reserve account entitled '*Corporate Conference Reserve*' for the purpose of hosting conferences by the City of Toronto, initially for the purpose of the 2010 FCM Annual Conference and Trade Show.
4. Municipal Code Chapter 227 (Reserved and Reserve Funds) be amended by adding the 'Corporate Conference Reserve Account' to schedule "1", "Corporate Reserves.
5. The City's financial contribution of \$450,000 be funded from the existing Non-Program Expenditure budget (Account NP-2197) in each of the years 2008, 2009, 2010 and that the 2008 contribution be placed in the Corporate Conference Reserve and future conference expenditures and contributions be included in the annual budget process.
6. the appropriate City Officials be authorized and directed to take the necessary action to give effect thereto, and that leave be granted for the introduction of any necessary bills in Council to give effect thereto.

Financial Impact

The estimated budget for hosting the 2010 FCM Conference is as follows:

Expenditures:		\$1,200,000
Revenues:		
FCM per capita contribution	\$ 300,000	
External Funding	\$ 450,000	
City of Toronto Contribution	\$ 450,000	
Total:		<u>\$ 1,200,000</u>

The City of Toronto's gross expenditures for hosting the 2010 FCM Annual Conference and Trade is estimated at \$1.2 Million over a three year period (2008-2010). The Federation of Canadian Municipalities' budget for the overall organization and

implementation of the conference is estimated at another \$1.0 Million in gross expenditures.

It is recommended that City Council authorize the City Manager's Office to receive and disburse funds of up to \$ 1.2 Million for the purpose of implementing the host activities associated with this event.

It is also recommended that City Council approve a financial contribution for hosting this event up to a maximum of \$ 450,000 drawn from the Non-Program Account – NP 2197.

Authority is requested to establish a Reserve Account entitled 'Corporate Conference Reserve', with an initial annual contribution of \$150,000 for the years 2008, 2009 and 2010 to host the 2010 FCM Annual Conference and Trade Show. Apart from the City's contribution, revenues for the event will be drawn from the FCM's per-capita grant of \$ 300,000 to the host city, and sponsorships estimated at \$ 450,000. By the end of 2009, City Council will receive an update on the sponsorship campaign for this event.

The 2009 Operating Budget for the City Manager's Office will be adjusted for estimated expenses to be incurred to begin preparations for the Conference, in an amount not to exceed \$172,000, funded from the Corporate Conference Reserve. The 2010 Operating Budget for the City Manager's Office will be adjusted for the remainder of the gross expenditures in the amount of \$1,028,00, funded from the Corporate Conference Reserve in the amount of \$278,000; FCM Contribution in the amount of \$300,000 and External Funding Contribution in the amount of \$450,000; for a net zero impact.

Equity Impact

The FCM Annual Conference and Trade Show is a forum to discuss municipal management and municipal service delivery issues. It is designed to exchange ideas about best practices in municipal management and to generate innovative approaches to solving problems faced by all segments of Toronto's population.

DECISION HISTORY

City Council, at its meeting held on April 16, 17 and 18, 2002, adopted without amendment Clause No. 6 contained in Report No. 6 of the Policy and Finance Committee (<http://www.toronto.ca/legdocs/2002/agendas/council/cc020416/pof6rpt/cl006.pdf>) authorizing the Chief Administrator's Office to invite the Federation of Canadian Municipalities (FCM) to host its Annual Conference and Trade Show in Toronto in 2009 or the next available year following 2009.

On April 25, 2002, Mayor Mel Lastman sent a formal letter to the Federation of Canadian Municipalities inviting FCM to host this event in Toronto. At the FCM Board of Directors' meeting held in March 6, 2004, the City of Toronto was awarded the FCM Annual Conference for June 4-7, 2010.

FCM has the overall responsibility for organizing and implementing the conference and trade show. The host city is responsible for the organization of study tours, social events

and a companions' program. The City of Toronto assumes responsibility for organizing and financing these tasks:

- promoting Toronto as the 2010 host city at the 2009 FCM Annual Conference
- organizing study tours, including registration and transportation
- organizing a companions' program, including transportation
- hosting an opening reception, a dinner, a luncheon and morning breakfasts
- providing local transportation between conference venues and hotels, where necessary
- planning and implementing organizational structures to support the event (local organizing committee, host city coordinator, staff and volunteers for various conference-related duties).

ISSUE BACKGROUND

Hosting the 2010 FCM Conference will result in significant tangible benefits for the City of Toronto:

- It is anticipated that this conference will draw approximately 2,500 delegates. Large scale conventions such as this have significant economic spin-off effects for the City's hospitality and tourism industry. According to a recent study by FCM, this event contributes an estimated \$ 3-4 million to the host city's economy.
- The conference presents a unique opportunity to showcase the City of Toronto's programs, services and facilities, and to establish the City as an innovative leader in municipal management and governance.
- Hosting the conference will further strengthen the City of Toronto's profile and stature within the Federation of Canadian Municipalities.
- The event will provide members of council and senior City staff with the opportunity to actively participate in a leading-edge national dialogue on municipal issues.

The City of Toronto has extensive experience in hosting events of this nature: the former Metro Toronto Government hosted the 1995 FCM Annual Conference and Trade Show.

COMMENTS

Planning for this prestigious conference traditionally commences two years prior to the event with specific milestones to be achieved each year. The Federation of Canadian Municipalities has already selected the Sheraton Centre Toronto as the main conference venue.

Securing the required financial resources to host the event is the next step in this planning process. The estimated budget for the 2010 FCM Annual Conference and Trade Show has been prepared in close consultation with the City's Protocol Office and with the conference management team at FCM drawing upon their extensive expertise in organizing these events. The budget estimate is also based on a review of financial expenditures and revenues by the cities of St. John's, Montreal and Calgary which have hosted the FCM Annual Conference and Trade Show in 2005, 2006 and 2007, respectively. Consultations were also held with the Toronto Office of Partnerships which will assist in developing and implementing a sponsorship campaign for this conference.

Attendance at FCM's Annual Conferences and Trade Shows has increased over the past few years ranging from 2,225 delegates at the FCM Conference in St. John's in 2005 to 2,300 delegates at the FCM Conference in Calgary in 2007. Toronto's estimated host city gross budget of \$ 1.2 Million is based on a projected attendance of 2,500 delegates and reflects the growing interest in this premier conference for the municipal sector. The City of Toronto's proposed net contribution of \$ 450,000 to the conference is comparable with the contribution levels of previous host cities: for example, Calgary supported the FCM Annual Conference and Trade Show with a financial contribution of \$ 536,000, Montreal with \$ 363,000 and St. John's with \$ 370,000.

In cooperation with Members of Council who are serving on the FCM Board of Directors, a formal conference planning committee will be established by mid-summer 2008. Among other tasks, this committee will be responsible for promoting Toronto as the host city for the 2010 Conference among the FCM membership, other levels of government and other cities in North-America. By early Fall 2008, the City will also establish a staff host committee to facilitate the planning and organizing process for this conference.

CONTACT

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ATTACHMENT

Appendix A: Criteria for the Corporate Conference Reserve Account

Appendix A

Criteria for the Corporate Conference Reserve Account

- a) Location within the Consolidated Reserve Fund Schedule
Account within Schedule #1 – Corporate Reserves

- b) Statement of Purpose
This account will be used to fund conferences hosted by the City of Toronto.

- c) Service Area or Beneficiary Program
The Deputy City Manager and Chief Financial Officer shall have primary responsibility for the account.

- d) Contribution Policy
Funding will be provided from the City's Non-Program Account (NP 2197) for the years 2008, 2009 and 2010 for this purpose in the amount of \$150,000 annually. Other conference contributions will be made subject to City Council approval.

- e) Withdrawal Policy:
Funds may be withdrawn for the purposes stated in the Statement of Purpose, subject to the availability of funds and the review by the Deputy City Manager/Chief Financial Officer and Council approval as part of the budget process.

- f) Review Cycle
This reserve should be reviewed at the end of each term of Council to confirm applicability.