

2020 Budget Notes

Exhibition Place

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What we do

We provide a diverse venue for major tradeshows, sporting events, public exhibitions, meetings, universities, professional conferences, entertainment, green initiatives and public celebrations through the following services:

- Exhibitions and Events
- Conventions, Conferences & Meetings
- Exhibition Place Asset Management
- Exhibition Place Parking Access

Exhibition Place is the annual host of approximately 5.5 million visitors and has stewardship over 192-acres, with 22 buildings, including 9 buildings designated under the Ontario Heritage Act.

Why we do it

The Mission of Exhibition Place is to:

- Champion business stimulation and public celebrations at local, national, and international levels to generate economic impact for the City of Toronto
- Grow our reputation as a major destination and develop existing and new events by capitalizing on the powerful diversity within the City of Toronto and Province of Ontario
- Elevate the image of the public asset, parklands, heritage buildings and public art
- Promote service excellence in all customer interactions throughout Exhibition Place
- Maintain long-term operational financial stability
- Manage and program Exhibition Place in a manner respectful of the local community

Who we serve

Exhibition and Events

- Event Organizers & Exhibitors, Trade/Consumers/ Public/ Sporting Events Attendees
- Leased Tenants
- Parking Patrons

Beneficiaries

- Event Participants (national and international)
- Local Businesses and Residents
- Local Hotels and Restaurants

Conventions, Conferences & Meetings

- Conference and meeting Attendees
- Local and International Organizations
- Not-For-Profits and Community Organizations

Beneficiaries

- Event Participants (national and international)
- Local Businesses and Residents
- Local Hotels and Restaurants

Exhibition Place Asset Management

- Exhibition Place Service
- City of Toronto

Beneficiaries

- Event Organizers, Exhibitors, and Attendees
- General Public
- Leased Tenants
- Parking Patrons
- Site Visitors

Exhibition Place Parking Access

- Commuters
- Exhibition Place Event Attendees
- Long-term Tenants

Beneficiaries

- Events Attendees
 - Event's Organizers
 - Commuters
 - Site Visitors
 - Commercial Vehicle Operators
 - Visitors/Tourists
-

Budget at a glance

STAFF RECOMMENDED OPERATING BUDGET				STAFF RECOMMENDED 10-YEAR CAPITAL PLAN			
\$Million	2020	2021	2022	\$Million	2020	2021-2029	Total
Revenues	\$57.3	\$58.6	\$59.9	Gross Expenditures	\$13.0	\$131.2	\$144.2
Gross Expenditures	\$56.9	\$58.1	\$59.4	Debt	\$12.8	\$125.1	\$137.9
Net Expenditures	(\$0.5)	(\$0.5)	(\$0.5)				
Approved Positions	357	357	357				

Key service outcomes

Outcomes	Description
Grow event activities at the Enercare Centre, Beanfield Centre, and Exhibition Place grounds	Maintaining strong relationships with existing clients/events; focus on aspects of our current customers service promises that will significantly impact business growth; cultivate opportunities for new clients/events through business relationships designed to enhance lead generation.
Reduce environmental impact of our operation and business	Set target reduction grid supplied electricity use by 1% annually from 2016 base year consumption of 14,633,801 KWh.
Through Capital Works - Preserve historically significant buildings and structures to facilitate economic activity and viability of the events and activities on the site	Exhibition place has stewardship over 192-acres, with 22 buildings, including 9 buildings designated under the Ontario Heritage Act. The 10-year Capital Plan is used to maintain SOGR of the buildings and infrastructure.

Goals and metrics

Planned Activities to Achieve Outcomes		2018 Actual	2019 Proj. Actual	2020 Target	Status
	Grow Enercare Centre, Beanfield Centre, Exhibition Place events rent revenue	\$15.00 million	\$16.96 million	\$15.88 million	
	1% reduction of electricity consumption from grid supplied electricity (MWh)	12,809MWh	9,104MWh	14,057MWh	
	Achieve 90% spend rate of the 2020 Capital Plan	85%	81%	90%	

Our experience and success

- In 2019 we successfully delivered many large city-wide booking events including the Collision Conference and the Jehovah's Witnesses International Conference
- Exceeded financial and operating budget targets from 2007-2018 totaling \$24.4 million
- In 2020 Exhibition Place will be the hosts of another major International Conference, the World Circular Economy Forum
- We are servicing approximately 1,800 vehicles passing by daily in addition to approximately 500,000 vehicles park on annual basis and the bicyclists who use the bicycle lanes from Dufferin Gate to Princes' Gate connecting to the Martin Goodman Trail
- Exhibition Place is a Canadian leader in environmental sustainability for convention centre operations. Enercare Centre is awarded LEED® EB:O&M Platinum Certification (Existing Buildings: Operations and Maintenance) and Beanfield Centre is awarded "LEED® Silver Certified" by the Canada Green Building Council
- Reached 84% waste diversion in 2018
- Exhibition Place has maintained a spend rate of 80% or higher for the 10-Year Capital Plan for the past three years

Key challenges and risks

- Exhibition Place operates in a very competitive market in Toronto and the Greater Toronto Area
- In order to deliver excellent service standards Exhibition Place has to absorb the significant increase in operating costs such as security, utilities rates, Federal Carbon Tax, unionized wages and benefits etc.
- Growing access and congestion issues in Toronto and immediate areas
- Addressing the Capital state of good repair backlog estimated at \$35.741 million in 2020 and anticipated to grow to \$118.423 million by 2029
- The Capital Needs Constraints includes the required funding of \$65 million for the renovation of the Industry Building targeted for 2025-2026

Priority actions

- Maintain and elevate the image of the public asset, parklands and heritage buildings, maintain long-term operational financial stability, and promoting customer service excellence and revenue generation
- Champion business stimulation and public celebrations at the local, national, and international levels to generate economic impact for the City of Toronto
- Continue promoting environmental initiatives and energy conservation
- Allocating the capital funding to over 192 acres, with 22 buildings, including 9 buildings designated under the Ontario Heritage Act, and working around more than 300 shows and events schedules
- Complete construction for the Hotel X Pedestrian Walkway

Our key service levels



Waste diversion rate of
90%



Achieve Food and Beverage sales of
\$91.28 per attendance



Achieve spend rate of
90% of the 10-year Capital Plan

Key service deliverables

- Manage 192-acre parkland with more than 3,000 trees and provide inclusive and accessible parkland
- Serve as a destination for international, national and community entertainment, recreation and sporting events, conventions, conference and meetings; as well as public celebrations
- Operate as a self-sustaining and environmentally responsible entity through the development of a "green" promotion strategy both externally and internally to reduce the impact of Exhibition Place operations on all aspects of the environment
- Complete construction on the Hotel X Pedestrian Walkway in September 2020
- Complete Phase 1 & 2 of the Electrical Underground High Voltage Utilities by 2024
- Complete SOGR at the Enercare Centre budgeted at \$22.720 million from 2020-2024

RECOMMENDATIONS

The City Manager and Chief Financial Officer and Treasurer recommend that:

1. City Council approve the 2020 Staff Recommended Operating Budget for Exhibition Place of \$56.9 million gross, (\$0.5) million net for the following services:

Service:	Gross (\$000s)	Revenue (\$000s)	Net (\$000s)
Exhibitions & Events	32,847.1	40,507.4	(7,660.3)
Conventions, Conferences & Meetings	5,289.3	5,341.3	(52.0)
Exhibition Place Parking Access	3,334.2	8,367.8	(5,033.6)
Exhibition Place Asset Management	15,403.2	3,157.3	12,245.8
Total Program Budget	56,873.8	57,373.8	(500.0)

2. City Council approve the 2020 staff complement for Exhibition Place of 357.0 positions, comprising 5.0 capital positions and 352.0 operating positions.
3. City Council approve the 2020 market rate user fee changes for Exhibition Place identified in Appendix 8, for inclusion in the Municipal Code Chapter 441 "Fees and Charges".
4. City Council approve the 2020 Staff Recommended Capital Budget for Exhibition Place with cash flows and future year commitments totaling \$13.725 million as detailed by project in Appendix 5a.
5. City Council approve the 2021-2029 Staff Recommended Capital Plan for Exhibition Place totalling \$130.490 million in project estimates as detailed by project in Appendix 5b.
6. City Council direct that all sub-projects with third party financing be approved conditionally, subject to the receipt of such financing in 2020 and if such funding is not forthcoming, their priority and funding be reassessed by City Council relative to other City-financed priorities and needs.

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2020 STAFF RECOMMENDED OPERATING BUDGET

2020 OPERATING BUDGET OVERVIEW

Table 1: 2020 Staff Recommended Operating Budget by Service

(\$000s)	2018 Actual	2019 Projected Actual	2020 Base Budget	2020 New / Enhanced	2020 Staff Rec'd Budget	Change v. 2019 Projected Actual	
By Service	\$	\$	\$	\$	\$	\$	%
Revenues							
Exhibitions & Events	37,188.0	44,083.8	40,507.4		40,507.4	(3,576.4)	(8.1%)
Conventions, Conferences & Meetings	4,669.7	5,343.8	5,341.3		5,341.3	(2.5)	(0.0%)
Exhibition Place Asset Management	2,758.5	3,166.1	3,157.4		3,157.4	(8.8)	(0.3%)
Exhibition Place Parking Access	7,979.5	8,160.9	8,367.8		8,367.8	206.9	2.5%
Total Revenues	52,595.8	60,754.7	57,373.8	0.0	57,373.8	(3,380.8)	(5.6%)
Expenditures							
Exhibitions & Events	25,971.4	34,281.2	31,768.7		31,768.7	(2,512.5)	(7.3%)
Conventions, Conferences & Meetings	4,991.6	5,283.8	5,289.3		5,289.3	5.5	0.1%
Exhibition Place Asset Management	16,210.4	16,247.3	16,564.8		16,564.8	317.6	2.0%
Exhibition Place Parking Access	3,201.0	3,142.4	3,251.0		3,251.0	108.7	3.5%
Total Gross Expenditures	50,374.3	58,954.7	56,873.8	0.0	56,873.8	(2,080.8)	(3.5%)
Net Expenditures	(2,221.4)	(1,800.0)	(500.0)	0.0	(500.0)	1,300.0	(72.2%)
Approved Positions	356.0	356.0	357.0	0.0	357.0	1.0	0.3%

*2019 Projected Actuals (based on Q3 2019) is adjusted retroactively to remove interdepartmental charges and recoveries.

COSTS TO MAINTAIN EXISTING SERVICES

Total 2020 Base Budget expenditures of \$56.87 million gross reflecting a decrease of \$2.08 million in spending compared to 2019 projected year-end actuals (prior to enhancements or efficiencies), predominantly arising from:

- Direct event costs decrease; which is offset by a corresponding decrease in user fees and recoveries revenue based on anticipated volumes changes from Exhibitions and Events Service.
- Savings in utilities cost through energy efficient measures, a reduction in WSIB requirements, and the deferral of equipment replacement expenditure.
- Above savings are offset by salary & benefit, utilities and contracted service cost increases from inflation.

EQUITY IMPACTS OF BUDGET CHANGES

No significant equity impacts: The changes in Exhibition Place' 2020 Operating Budget do not have any significant equity impacts

2020 STAFF RECOMMENDED OPERATING BUDGET KEY DRIVERS

The 2020 Staff Recommended Operating Budget for Exhibition Place is \$2.0 million gross or 3.5% higher than the 2019 Projected Actuals. Table 2a below summarizes the key cost drivers for the base budget.

Table 2a: 2020 Key Drivers – Base Budget

Key Cost Drivers (\$000)		2018 Actuals	2019 Projected Actuals	2020 Staff Rec'd Base Budget	Year over Year Changes	
					\$	%
Expenditures						
1	Salaries and Benefits	27,582.5	33,045.6	32,510.8	(534.8)	(1.6%)
2	Materials & Supplies	3,325.2	4,400.6	4,655.8	255.1	5.8%
3	Equipment	1,016.9	522.0	522.0	0.0	0.0%
4	Service and Rent	16,368.9	18,855.5	16,754.3	(2,101.2)	(11.1%)
5	Contribution To Capital	0.0	0.0	0.0	0.0	0.0%
6	Contribution To Reserves	2,080.9	2,130.9	2,430.9	300.0	14.1%
7	Other Expenditures	0.0	0.0	0.0	0.0	0.0%
Total Expenditures		50,374.3	58,954.7	56,873.8	(2,080.8)	(3.5%)
Revenues						
1	Provincial Subsidies	0.0	0.0	0.0	0.0	0.0%
2	Federal Subsidies	0.0	0.0	0.0	0.0	0.0%
3	User Fees & Donations	41,402.0	45,123.9	42,942.6	(2,181.3)	(4.8%)
4	Transfers From Capital	0.0	0.0	0.0	0.0	0.0%
5	Transfers From Reserves	2,022.0	1,787.5	1,837.5	50.0	2.8%
6	Other Revenues	9,171.8	13,843.3	12,593.7	(1,249.5)	(9.0%)
Total Revenues		52,595.8	60,754.7	57,373.8	(3,380.8)	(5.6%)
Net Expenditures		(2,221.4)	(1,800.0)	(500.0)	1,300.0	(72.2%)

*2019 Q3 Proj Actuals and 2018 Actuals adjusted retroactively to remove interdepartmental charges and recoveries

Salaries & Benefits:

2020 budget for salaries and benefits has taken into consideration annual inflationary increases as well as activity volume adjustments to reflect client demand. 2019 projected actual cost is higher primarily due to event service costs for one-time large events at Beanfield Centre and Enercare Centre.

Materials and Supplies:

2020 utilities cost increases from inflation and additional direct utilities expenditure associated with district energy system through the sale of energy to generate additional revenues.

Contribution to Reserves:

In 2020 Exhibition Place is budgeting for a contribution to the conference centre reserve fund to grow the reserve to ensure loan repayments can be made in the event of any Exhibition Place Operating Budget shortfalls. The reserve fund will also be utilized as a funding source for state of good repair capital projects in future years.

User Fees and Other Revenue Changes:

Revenues are higher in 2019 primarily due to contribution from one-time large events at Enercare Centre and Beanfield Centre. The 2020 budget for revenues is adjusted based on anticipated activity volume changes per client demands.

2021 & 2022 OUTLOOKS**Table 3: 2021 and 2022 Outlooks**

(\$000s)	2019 Projected Actual	2020 Staff Rec'd Budget	2021 Outlook	2022 Outlook
	\$	\$	\$	\$
Revenues	60,754.7	57,373.8	58,588.2	59,852.3
Gross Expenditures	58,954.7	56,873.8	58,088.2	59,352.3
Net Expenditures	(1,800.0)	(500.0)	(500.0)	(500.0)
Approved Positions	356.0	357.0	357.0	357.0

*2019 Q3 Projected Actuals adjusted retroactively to remove interdepartmental charges and recoveries

Key 2021 drivers

Summarize key drivers/changes reflected in outlooks

Inflationary Impact

- \$0.139 million inflationary adjustment for utilities cost
- \$0.253 million inflationary adjustment for general rental and service cost to deliver current service standards
- \$0.822 million inflationary adjustment on salaries and benefits per collective agreements with various unions and financial performance reward adjustment for non-unionized staff

Revenue Changes

- \$1.057 million adjustment for user fees increase from business growth and inflationary adjustments
- \$0.157 million inflationary adjustment for direct cost recoveries from clients

Key 2022 drivers

Summarize key drivers/changes reflected in outlooks

Inflationary Impact

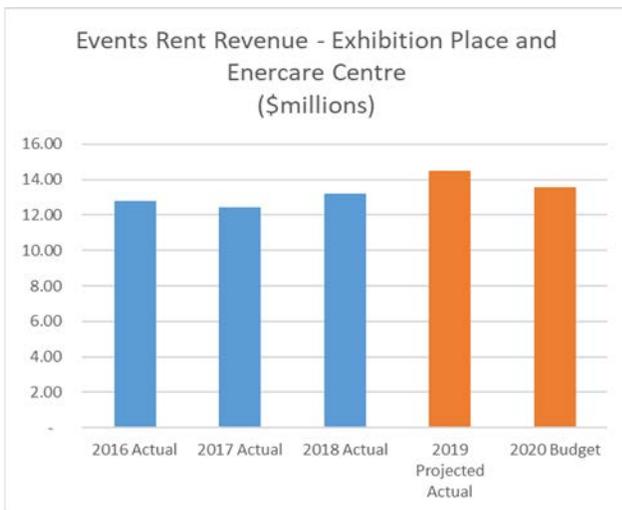
- \$0.143 million inflationary adjustment for utilities cost
- \$0.325 million inflationary adjustment for general rental and service cost to deliver current service standards
- \$0.796 million inflationary adjustment on salaries and benefits per collective agreements with various unions and financial performance reward adjustment for non-unionized management staff

Revenue Changes

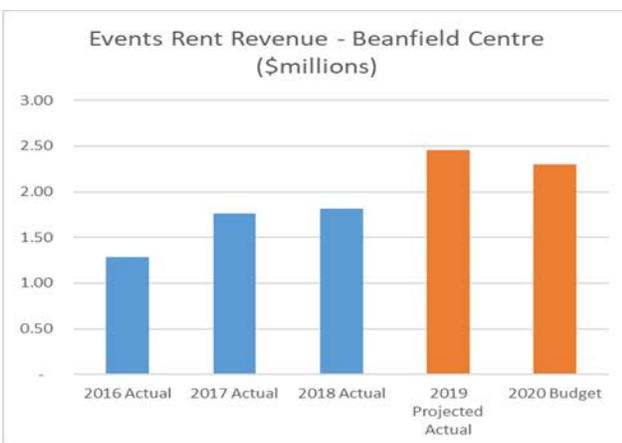
- \$1.105 million adjustment for user fees increase from business growth and inflationary adjustments
- \$0.159 million inflationary adjustment for direct cost recoveries from clients

How well we are doing

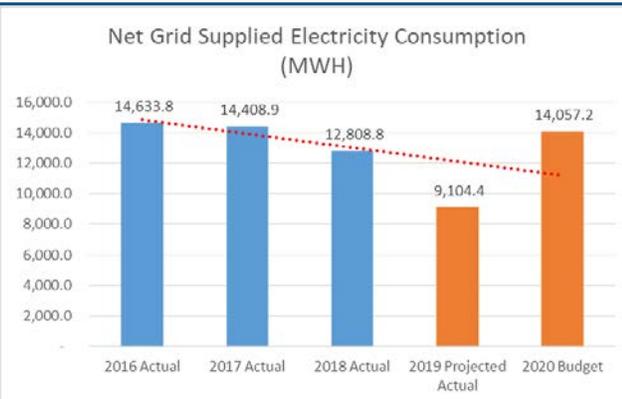
Performance measures



- Enercare Centre is the largest trade and consumer show facility in Canada and the sixth largest in North America with over 1.1 million square feet of contiguous space. In addition, Exhibition Place has a 192-acre site that allows public celebrations and events, such as the Honda Indy Toronto, and Toronto Caribbean Festival. On an annual basis the Exhibitions and Events service is hosting over 150 events and has a direct annual economic impact of more than \$425 million to Toronto.
- Actual experience suggests that the Enercare Centre and Exhibition Place continue to grow its occupancy rates and number of events hosted.
- 2019 projected actual rent is higher because contribution from one-time large events such as The Jehovah’s Witnesses Conference, TD SMG Meeting, 16U 17U 18U Boys Volleyball National Championships, and Collision Conference.



- Beanfield Centre reopened in 2009 after \$50.0 million of renovations to the historic Automotive Building. It provides new meeting rooms, exhibit space, and a Class A ballroom. The new facility complements the event activities at the Enercare Centre, by attracting more international conferences, consumer and trade shows, and festivals to the City of Toronto.
- 2019 projected actual rent is higher because contribution from one-time large events such as Gartner Canada Symposium, Think 2019 Conference, Payments Canada Summit and Shopify Unite Conference

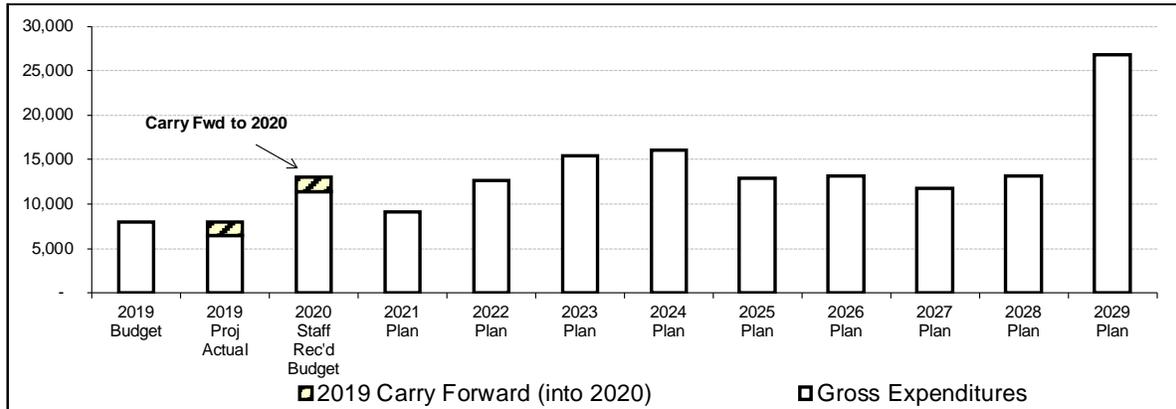


- Exhibition Place sets a goal to aim for Electricity Net Grid Consumption; as a tactic Management set a target to reduce kWh consumption by 1% a year from the base year of 2016.
- 2019 projected actual Net Grid Supplied Electricity Consumption is reduced significantly primarily due to the electricity production from District Energy System (DES), new high efficiency chiller, and the new GREEN Smart lighting policy.

2020 – 2029 STAFF RECOMMENDED CAPITAL BUDGET AND PLAN

2020 – 2029 CAPITAL BUDGET & PLAN OVERVIEW

Chart 1: 10-Year Capital Plan Overview
(\$'000)



2020 Staff Recommended Capital Budget and 2021 - 2029 Capital Plan									
2019		2020	2021	2022	2023	2024	2020 - 2024	2025 - 2029	Total 10 Year Plan
Budget	Projected Actual								
Gross Expenditures by Project Category:									
Health & Safety & Legislated	250	250	100	175	100	200	775	1,000	1,775
SOGR	5,332	4,915	8,072	8,865	10,790	13,210	54,847	69,290	124,137
Service Improvement & Growth	2,400	1,274	4,823	100	1,800	2,015	10,738	7,565	18,303
Total by Project Category	7,982	6,439	12,995	9,140	12,690	15,425	66,360	77,855	144,215
Financing:									
Debt	6,060	4,686	12,826	9,050	11,490	15,425	63,801	74,055	137,856
Reserves/Reserve Funds						100	100	1,000	1,100
Development Charges							-	-	-
Provincial							-	-	-
Federal							-	-	-
Other 1 -CFC	1,687	1,687					-	-	-
Other Revenue	235	66	169	90	1,200	1,000	2,459	2,800	5,259
Total Financing	7,982	6,439	12,995	9,140	12,690	15,425	66,360	77,855	144,215

Changes to Existing Projects
(\$3.2M)

- \$3.2 million increase for a Beanfield Centre project due to change in project estimates and design of the *Beanfield Centre Bridge*.

New Projects
(\$32.4M)

- \$10.9 million in new SOGR Beanfield Centre project such as *the replacement of the HVAC system and various lighting fixtures*.
- \$14.7 million in new SOGR Enercare Centre projects such as *the replacement, retrofitting of Chillers and phase 2 of the Electrical Underground High Voltage Utilities project, which was previously unfunded*.
- \$4.8 million in new SOGR Food Building projects such as *the roof replacement*.

Capital Needs Constraints
(\$118.2M)

- \$65.0 million for the *Coliseum Complex – Industry Building roof and windows renovation*.
- \$49.4 million to address the state of good repair backlog.

Note:

For additional information, refer to [Appendix 5](#) for a more detailed listing of the 2020 and 2021-2029 Capital Budget & Plan by project; [Appendix 6](#) for Reporting on Major Capital Projects – Status Update; and [Appendix 7](#) for Capital Needs Constraints, respectively.

2020 – 2029 CAPITAL BUDGET AND PLAN**\$144.2 Million 10-Year Gross Capital Program**

			
Aging Infrastructure	Parks, Parking Lots and Roads	Construction	Mechanical/Electrical & Communication Infrastructure
\$120.6 M 84%	\$16.0 M 11%	\$3.7 M 2.5%	\$3.7 M 2.5%
Enercare Centre Beanfield Centre Coliseum Complex Food Building Electrical Underground High Voltage	Festival Plaza Sidewalks, Pathways, Roads, & Lots Parking Technology	Construction of Pedestrian Walkway from Hotel X to Beanfield Centre	Building Automation System Transformers in all Substations Replace Fibre Optic Trunked Radio Repeater System

How the Capital Program is Funded

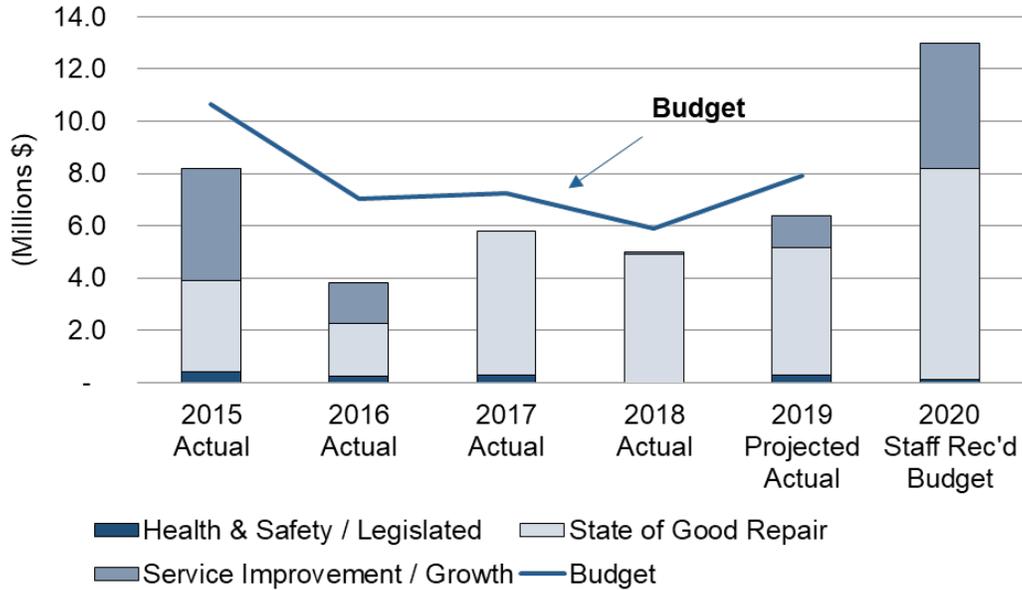
City of Toronto		Provincial Funding	Federal Funding
\$144.2 M 100%		\$0 M 0%	\$0 M 0%
Debt	\$ 137.9 M		
Recoverable Debt	\$ 0 M		
Reserve Draws	\$ 1.1 M		
Development Charges	\$ 0 M		
Other	\$ 5.2 M		

CAPACITY TO SPEND REVIEW

The Recommended 10-Year Capital Plan has been developed with consideration of historical demonstrated ability to spend within any given year of the ten year capital plan. A review was undertaken to ensure budgets align with the Exhibition Place’s ability to spend and the markets capacity to deliver.

Key component in determining an appropriate level of annual cash flows include historical capacity to spend reviews by project categories (Chart 2 below) as well as the level of projected 2019 underspending that will be carried forward into 2020 to complete capital work.

Chart 2 – Capacity to Spend



Category (in \$ Million)	2015 Actual	2016 Actual	2017 Actual	2018 Actual	2019 Projected Actual	2020 Staff Rec'd Budget
Health & Safety / Legislated	0.4	0.3	0.3	-	0.3	0.1
State of Good Repair	3.5	2.0	5.5	4.9	4.9	8.1
Service Improvement / Growth	4.3	1.6	-	0.1	1.3	4.8
Total	8.2	3.8	5.8	5.0	6.4	13.0
% Spent	77%	54%	80%	85%	81%	

Capacity to Spend Review Impact on the Recommended 10-Year Plan

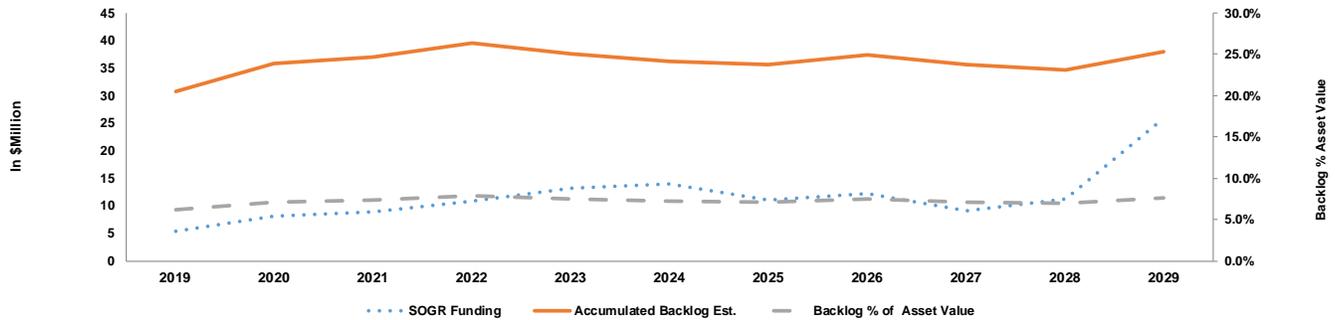
Based on the review of historical capital spending constraints, \$0.930 million in capital spending originally cash flowed in 2020 has been deferred to 2021 or future years. Key adjustments to the Capital Plan are noted below:

- The deferrals of originally cash flowed 2020 projects has led to an increase in the SOGR funding backlog for Exhibition Place of \$5.780 million. The projects *Parks, Parking Lots and Roads – Festival Plaza* (\$3.400 million) and *Complex Coliseum – roof replacement* (\$2.100 million) were deferred to later years from 2020 based on the capacity to spend review and other priorities for 2020.
- The *Hotel X Bridge* project to be completed in 2020, accounts for \$4.820 million or 37% of the total 2020 Staff Recommended 2020 Capital Budget. This project originally budgeted in 2016 has suffered numerous delays outside of Exhibition Place’s control. The project has been tendered in 2019 with the structure to be built off-site, allowing for a faster installation time and the disruption of service to be at a minimum in 2020.

STATE OF GOOD REPAIR (SOGR) FUNDING & BACKLOG

The chart below depicts the SOGR funding and accumulated backlog estimates for key asset classes in Exhibition Place: conference centres, parking lots and roads.

Chart 3: Total SOGR Funding & Backlog



\$ Million	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
SOGR Funding	5.332	8.077	8.865	10.790	13.210	13.910	11.035	12.115	9.010	11.205	25.925
Accumulated Backlog Est.	30.801	35.741	37.066	39.501	37.601	36.121	35.563	37.343	35.628	34.658	37.958
Backlog % of Asset Value	6.2%	7.1%	7.4%	7.9%	7.5%	7.2%	7.1%	7.5%	7.1%	6.9%	7.6%
Total Asset Value	500.234	500.234	500.234	500.234	500.234	500.234	500.234	500.234	500.234	500.234	500.234

- The 10-Year Staff Recommended Capital Plan will fund \$124.137 million of SOGR projects within Exhibition Place over the 10-year period, providing an average of \$12.414 million annually. This funding will continue ongoing state of good repair projects for Exhibition Place buildings, parks, roads and parking lots. Based on this plan, the accumulated backlog will increase to \$37.958 million or 7.6% of Total Asset Value, over the 10-Year Capital Plan, the SOGR backlog for Exhibition Place will increase by \$2.217 million or 0.5%.
- The SOGR backlog is driven by:
 - Better Living Centre – Replacement and upkeep on: expansion joints; podiums and sealer; masonry walls; fire alarm system; HVAC; hot and cold water piping; electrical distribution panels; and main switch gear.
 - Horse Palace – Replacement and upkeep on: slab on grade and 2nd floor concrete; roof assembly system; masonry walls, building HVAC and controls; water piping; electrical distribution panels; and exterior lighting.
 - Queen Elizabeth Building – Replacement and upkeep on: exterior wall masonry and sealant; roof assembly system; interior finishes; passenger and freight elevators; HVAC system and heating, cooling, rooftop and radiation units; electrical equipment; and lighting and security systems.
 - General Services Building – Replacement and upkeep on: exterior masonry; roof assembly system; general building; emergency lighting; HVAC and boilers; accessibility; passenger and freight elevator; and emergency generator.
 - Electrical Underground High Voltage Utilities – Replacement of; feeders, substations, transformers, switchgears and cables.
- Exhibition Place has included \$1.1 million in funding from the Conference Centre Reserve Fund from 2024-2029 to address additional SOGR backlog work.
- Included in the recommended SOGR funding is \$4.93 million for phase 2 of the Electrical Underground High Voltage which was previously a below the line capital needs constraints project.
- Exhibition Place's Capital Needs Constraints includes the SOGR projects to help reduce the backlog that totals \$37.96 million. These projects cannot be accommodated within the City's affordability and Exhibition Place's capacity to spend and therefore not included in the 2020-2029 Staff Recommended Capital Budget and Plan.

APPENDICES

Appendix 1

2020 Staff Recommended Operating Budget by Expenditure Category

Category (In \$000s)	2017	2018	2019	2019	2020	2020 Change from	
	Actual	Actual	Budget	Projected	Total Staff	2019 Projected	2020 Actual
	\$	\$	\$	\$	\$	\$	%
Provincial Subsidies							
Federal Subsidies							
Other Subsidies **			969.1	969.1	969.1		
User Fees & Donations	40,154.6	41,402.0	41,354.8	44,154.8	41,973.5	(2,181.3)	(4.9%)
Licenses & Permits Revenue							
Transfers from Capital							
Contribution From Capital							
Contribution From Reserves/Reserve Funds	1,336.3	2,022.0	1,787.5	1,787.5	1,837.5	50.0	2.8%
Sundry and Other Revenues	12,288.1	9,171.8	12,643.3	13,843.3	12,593.7	(1,249.5)	(9.0%)
Inter-Divisional Recoveries							
Total Revenues	53,779.0	52,595.8	56,754.7	60,754.7	57,373.8	(3,380.8)	(5.6%)
Salaries and Benefits	30,214.1	27,582.5	31,765.6	33,045.6	32,510.8	(534.8)	(1.6%)
Materials & Supplies	3,250.0	3,325.2	4,400.8	4,400.6	4,655.8	255.1	5.8%
Equipment	644.1	1,016.9	522.0	522.0	522.0		
Service and Rent	15,583.5	16,368.9	17,762.7	18,855.5	16,754.3	(2,101.2)	(11.1%)
Contribution To Capital							
Contribution To Reserves/Reserve Funds	1,846.6	2,080.9	2,130.9	2,130.9	2,430.9	300.0	14.1%
Other Expenditures							
Inter-Divisional Charges							
Total Gross Expenditures	51,538.3	50,374.3	56,582.1	58,954.7	56,873.8	(2,080.8)	(3.5%)
Net Expenditures	(2,240.7)	(2,221.4)	(172.6)	(1,800.0)	(500.0)	1,300.0	(72.2%)
Approved Positions	356.0	356.0	356.0	356.0	357.0	1.0	0.3%

* Year-End Projection Based on Q3 2019 Variance Report

** City subsidies for Royal Agricultural Winter Fair (RAWF) space rental fee; prior to 2019 the subsidy amount was paid directly to the RAWF

Appendix 2

Summary of 2020 Service Changes

N/A

Appendix 3

Summary of 2020 New / Enhanced Service Priorities Included in Budget

N/A

Appendix 4

Summary of 2020 New / Enhanced Service Priorities Not Included in Budget

N/A

Appendix 5

2020 Capital Budget; 2021 - 2029 Capital Plan Including Carry Forward Funding

Project Code	(In \$000s)	2020 Budget	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2020 - 2029 Total	Health & Safety & Legislated	SOGR	Growth & Improved Service
EX001	Pre-Engineering Program	175	175	175	175	175	175	175	175	200	200	1,800		1,800	
EX002	Parks, Parking Lots and Roads	700	800	1,935	2,515	2,250	1,960	1,150	2,575	1,900	250	16,035		4,545	11,490
EX003	M/E & Communication Infrastructures	800	600	400	300	300	375	200	200	200	325	3,700		3,700	
EX004	Enercare Centre	2,200	2,905	3,600	6,835	7,180	3,720	6,385	5,595	7,630	9,830	55,880		53,885	1,995
EX005	Coliseum Complex	100	1,550	1,930	3,175	2,480	3,530	3,655	640	1,305	200	18,565		18,565	
EX006	Queen Elizabeth Building	200	750	-	-	-	950	200	200	300	-	2,600		2,600	
EX007	Other Buildings	740	450	250	250	250	635	250	250	250	250	3,575	1,775	1,800	
EX008	Beanfield Centre	5,268	100	-	-	50	-	-	-	100	10,900	16,418		11,600	4,818
EX009	Better Living Centre	175	-	-	275	-	-	100	500	220	-	1,270		1,270	
EX010	General Services Building	-	-	-	-	200	100	300	200	-	-	800		800	
EX011	Horse Palace	-	100	-	100	100	1,000	800	1,250	950	-	4,300		4,300	
EX012	Food Building	337	180	2,400	-	2,000	500	-	200	100	4,800	10,517		10,517	
EX013	Press Building	-	300	-	-	-	-	-	-	-	-	300		300	
EX014	Special Projects (Greek Gods Relocation)	-	-	-	-	500	-	-	-	-	-	500		500	
EX015	Electrical Underground High Voltage Utilities	2,300	1,230	2,000	1,800	625	-	-	-	-	-	7,955		7,955	
	Total Expenditures (including carry forward from 2019)	12,995	9,140	12,690	15,425	16,110	12,945	13,215	11,785	13,155	26,755	144,215	1,775	124,137	18,303

Appendix 5a

2020 Cash Flow and Future Year Commitments Including Carry Forward Funding

Project Code	(In \$000s)	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	Total 2020 Cash Flow & FY Commits	Previously Approved	Change in Scope	New w/ Future Year
EX001	Pre-Engineering Program	175										175			175
EX002	Parks, Parking Lots and Roads	700										700	5		695
EX003	M/E & Communication Infrastructures	800										800			800
EX004	Energcare Centre	2,200										2,200			2,200
EX005	Coliseum Complex	100										100			100
EX006	Queen Elizabeth Building	200										200			200
EX007	Other Buildings	740										740		525	215
EX008	Beanfield Centre	5,268										5,268	1,638	3,630	
EX009	Better Living Centre	175										175			175
EX012	Food Building	337										337	117		220
EX015	Electrical Underground High Voltage Utilities	2,300	730									3,030	2,300		730
	Total Expenditure (including carry forward from 2019)	12,995	730	-	-	-	-	-	-	-	-	13,725	4,060	4,155	5,510

The 2020 Cash Flow and Future Year Commitments as noted in the table above, reflects a sub-set of the 10-Year Capital Plan. This sub-set consists of 2020 and future year cash flow funding estimates for projects that have either previously received Council approval or will require approval in 2020 to begin, continue or complete capital work. This approval will enable Exhibition Place to begin work and/or commit funding for expenses that may not be incurred until 2021 or future years.

Appendix 5b

2021 - 2029 Capital Plan

Project Code	(In \$000s)	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2021 - 2029 Total	Health & Safety & Legislated	SOGR	Growth & Improved Service
EX001	Pre-Engineering Program	175	175	175	175	175	175	175	200	200	1,625		1,625	
EX002	Parks, Parking Lots and Roads	800	1,935	2,515	2,250	1,960	1,150	2,575	1,900	250	15,335		3,850	11,485
EX003	M/E & Communication Infrastructures	600	400	300	300	375	200	200	200	325	2,900		2,900	
EX004	Enercare Centre	2,905	3,600	6,835	7,180	3,720	6,385	5,595	7,630	9,830	53,680		51,685	1,995
EX005	Coliseum Complex	1,550	1,930	3,175	2,480	3,530	3,655	640	1,305	200	18,465		18,465	
EX006	Queen Elizabeth Building	750	-	-	-	950	200	200	300	-	2,400		2,400	
EX007	Other Buildings	450	250	250	250	635	250	250	250	250	2,835	1,675	1,160	
EX008	Beanfield Centre	100	-	-	50	-	-	-	100	10,900	11,150		11,150	
EX009	Better Living Centre	-	-	275	-	-	100	500	220	-	1,095		1,095	
EX010	General Services Building	-	-	-	200	100	300	200	-	-	800		800	
EX011	Horse Palace	100	-	100	100	1,000	800	1,250	950	-	4,300		4,300	
EX012	Food Building	180	2,400	-	2,000	500	-	200	100	4,800	10,180		10,180	
EX013	Press Building	300	-	-	-	-	-	-	-	-	300		300	
EX014	Special Projects (Greek Gods Relocation)	-	-	-	500	-	-	-	-	-	500		500	
EX015	Electrical Underground High Voltage Utilities	500	2,000	1,800	625	-	-	-	-	-	4,925		4,925	
	Total Expenditures (including carry forward from 2019)	8,410	12,690	15,425	16,110	12,945	13,215	11,785	13,155	26,755	130,490	1,675	115,335	13,480

Appendix 6

Reporting on Major Capital Projects: Status Update

Division/Project name	2019 Cash Flow			Total Project Cost		Status	Start Date	End Date		On Budget	On Time
	Appr.	YTD Spend	YE Projec Spend	Appr. Budget	Life to Date			Planned	Revised		
<i>Exhibition Place</i>											
Hotel X Bridge	1,709	185	1,110	3,000	396	Minor Delay	Jan-19	Dec-19	Jun-20	Ⓢ	Ⓢ
Comments:	Construct an elevated pedestrian walkway that connects Hotel X to the Beanfield Centre. The bridge is currently being constructed offsite. Onsite construction is expected to start in summer 2020. This is a major project because the bridge will improve service at the Beanfield Centre, address AODA concerns, and enable Exhibition Place to book more events and be more competitive in the high end Gala and Conference market.										
Explanation for Delay:	Minor Delay - RFO/RFP was delayed. Tender closed in October 2019, on-site construction will start summer 2020										
Electrical Underground High Voltage Utilities - Phase 1	1,500	603	1,200	4,230	603	Minor Delay	Jan-19	Dec-21	Dec-21	Ⓢ	Ⓢ
Comments:	Replacing the current underground electrical underground high voltage infrastructure with new cabling that can withstand the current demand for energy. This is a major project because the current infrastructure is over 75 years old and has many failures due to brittle cabling.										
Explanation for Delay:	Minor Delay - Delivery of equipment/supplies was delayed by 8-12 weeks										

On/Ahead of Schedule
 Minor Delay < 6 months
 Significant Delay > 6 months

Ⓢ	>70% of Approved Project Cost
Ⓢ	Between 50% and 70%
Ⓢ	< 50% or > 100% of Approved

Appendix 7

Summary of Capital Needs Constraints (In \$ Millions)

Project Description	Total Project Cost	Non-Debt Funding	Debt Required	Cash Flow (In \$ Millions)					
				2020	2021	2022	2023	2024	2025 - 2029
<i>Parks, Parking Lots and Roads</i>	6.150		6.150	0.750	0.600	0.600	0.600	0.600	3.074
<i>M/E & Communication Infrastructures</i>	0.570		0.570	0.120	0.050	0.050	0.050	0.050	0.285
<i>Enercare Centre</i>	11.178		11.178	0.808	0.730	0.730	0.730	0.730	5.589
<i>Coliseum Complex</i>	73.785		73.785	0.685	0.900	0.900	0.900	0.900	69.393
<i>Queen Elizabeth Building</i>	5.205		5.205	0.705	0.500	0.500	0.500	0.500	2.603
<i>Better Living Centre</i>	4.365		4.365	0.315	0.450	0.450	0.450	0.450	2.184
<i>General Services Building</i>	2.635		2.635	0.285	0.275	0.275	0.275	0.275	1.318
<i>Horse Palace</i>	4.910		4.910	0.410	0.500	0.500	0.500	0.500	2.453
<i>Food Building</i>	1.350	0.675	0.675	0.150	0.150	0.150	0.150	0.150	0.675
<i>Press Building</i>	0.955		0.955	0.055	0.100	0.100	0.100	0.100	0.478
<i>Electrical Underground High Voltage Utilities</i>	7.140		7.140	-	-	-	-	0.455	6.685
Total	118.243	-	117.568	4.283	4.255	4.255	4.255	4.710	96.485

In addition to the Recommended 10-Year Capital Plan of \$144.2 million, staff have also identified \$118.2 million in capital needs constraints for Exhibition Place as reflected in the table above.

- Exhibition Place's Capital Needs Constraints has grown from the 2019-2028 Capital Plan as the SOGR backlog projects have been included in the 2020-2029 Capital Plan. \$49.443 million of projects to address the SOGR backlog are currently in the Capital Needs Constraints. As the SOGR backlog grows, the Capital Needs Constraints will also grow due to affordability and capacity to spend concerns.
- The Coliseum Complex – Industry Building Renovations project accounts for \$65.000 million of the Capital Needs Constraints for the 10-Year Capital Plan. This project is for the replacement of windows, roof of the Industry Building and also to fully renovate the Class "B" facility to meet future trade and consumer show standards. Although ongoing maintenance of critical components of the coliseum complex (windows and step flat roofs) is being performed to support ongoing use, a full renovation is required to take the complex to its potential level of use.
- Electrical Underground High Voltage Utilities project Phase 3 and 4 require \$7.140 million to replace ageing high-voltage infrastructure across the Exhibition grounds owned by Exhibition Place. The project was phased for 4 phases with the first phase having been approved and included in the 2019 Capital Budget. Phase 2 of this project with cash flow funding requirements of \$4.930 million has been included in the 2020 Staff Recommended Capital Budget. The phases have been ordered in priority sequence to address work that needs to be completed to avoid service disruptions. These 50 years old assets have reached their end of life and failure to proceed with this project could result in electrical system failures causing substantial financial losses to Exhibition Place and its commercial tenants on the grounds.

Appendix 8

2020 User Fee Changes (Excludes User Fees Adjusted for Inflation)

Table 8b – Fees Above Inflation (Market Based)

Service	2019				2020			2021	2022
	Fee Category	Fee Basis	Rate Description	Approved Rate	Inflation Adjustment	Other Adjustments	Budget Rate	Plan Rate	Plan Rate
Exhibition and Events	Market Based	Daily rate per square foot	Rental of Exhibit Halls and Heritage Courts	\$.101 to \$.200	\$0.00	\$.003 to \$.006	\$.104 to \$.206	\$.107 to \$.213	\$.111 to \$.219

Exhibition Place adjusts its rates based on the market for the service offered.

Appendix 9

Inflows and Outflows to/from Reserves and Reserve Funds 2020 Operating Budget

Program Specific Reserve / Reserve Funds

Exhibition Place Conference Centre (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2019 *	Withdrawals (-) / Contributions (+)		
			2020	2021	2022
		\$	\$	\$	\$
Beginning Balance		7,527.4	7,527.4	7,827.4	8,127.4
Exhibition Place Conference Centre	XR3019				
<i>Withdrawals (-)</i>					
<i>Withdrawals for loans payment</i>		(1,057.5)	(1,057.5)	(1,057.5)	(1,057.5)
<i>Contributions (+)</i>					
<i>Annual contribution</i>		-	300.0	300.0	300.0
<i>Beanfield - net naming revenue</i>		1,057.5	1,057.5	1,057.5	1,057.5
Total Reserve / Reserve Fund Draws / Contributions		7,527.4	7,827.4	8,127.4	8,427.4
Balance at Year-End		7,527.4	7,827.4	8,127.4	8,427.4

* Based on 9-month 2019 Reserve Fund Variance Report

Vehicle Reserve - Exhibition Non- Motorized Equipment (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2019 *	Withdrawals (-) / Contributions (+)		
			2020	2021	2022
		\$	\$	\$	\$
Beginning Balance		36.4	0.0	0.0	0.0
Vehicle Reserve - Exhibition Non- Motorized Equipment	XQ1902				
<i>Withdrawals (-)</i>					
<i>Plan replacement</i>		(236.4)	(200.0)	(200.0)	(200.0)
<i>Contributions (+)</i>					
<i>Annual contribution</i>		200.0	200.0	200.0	200.0
Total Reserve / Reserve Fund Draws / Contributions		0.0	0.0	0.0	0.0
Balance at Year-End		0.0	0.0	0.0	0.0

* Based on 9-month 2019 Reserve Fund Variance Report

Vehicle Reserve - Exhibition Place (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2019 *	Withdrawals (-) / Contributions (+)		
			2020	2021	2022
		\$	\$	\$	\$
Beginning Balance		646.4	639.4	614.4	589.4
Vehicle Reserve - Exhibition Place	XQ1702				
<i>Withdrawals (-)</i>					
<i>Withdrawals</i>		(382.0)	(400.0)	(400.0)	(400.0)
<i>Contributions (+)</i>					
<i>Contributions</i>		375.0	375.0	375.0	375.0
Total Reserve / Reserve Fund Draws / Contributions		639.4	614.4	589.4	564.4
Balance at Year-End		639.4	614.4	589.4	564.4

* Based on 9-month 2019 Reserve Fund Variance Report

Corporate Reserve / Reserve Funds

Sick Leave Reserve (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2019 *	Withdrawals (-) / Contributions (+)		
			2020	2021	2022
			\$	\$	\$
Beginning Balance		33,164.6	25,183.1	16,736.2	8,289.3
Sick Leave Reserve ☐	XR1007				
<i>Withdrawals (-)</i>					
<i>Withdrawals</i>		(130.0)	(180.0)	(180.0)	(180.0)
<i>Contributions (+)</i>					
<i>Contributions</i>		50.0	50.0	50.0	50.0
Total Reserve / Reserve Fund Draws / Contributions		33,084.6	25,053.1	16,606.2	8,159.3
Other Program / Agency Net Withdrawals & Contributions		(7,901.5)	(8,316.9)	(8,316.9)	(8,316.9)
Balance at Year-End		25,183.1	16,736.2	8,289.3	(157.6)

* Based on 9-month 2019 Reserve Fund Variance Report

Insurance Reserve (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2019 *	Withdrawals (-) / Contributions (+)		
			2020	2021	2022
			\$	\$	\$
Beginning Balance		34,554.0	29,462.4	26,435.4	23,282.9
Insurance Reserve	XR1010				
<i>Withdrawals (-)</i>					
<i>Contributions (+)</i>					
<i>Contribution</i>		448.4	448.4	448.4	448.4
Total Reserve / Reserve Fund Draws / Contributions		35,002.4	29,910.8	26,883.9	23,731.4
Other Program / Agency Net Withdrawals & Contributions		(5,540.0)	(3,475.4)	(3,600.9)	(3,596.3)
Balance at Year-End		29,462.4	26,435.4	23,282.9	20,135.1

* Based on 9-month 2019 Reserve Fund Variance Report

Inflows and Outflows to/from Reserves and Reserve Funds

2020 – 2029 Capital Budget and Plan

Program Specific Reserve / Reserve Funds

Exhibition Place Conference Centre (In \$000s)	Enercare Centre EXH000525	Projected Balance as at Dec 31, 2019 *	Contributions / (Withdrawals)										Total	
			2020 Budget	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan		
XR3019 Exhibition Place Conference Centre	Beginning Balance		-	-	-	-	-	-	(100)	(300)	(500)	(700)	(900)	
	<i>Withdrawals (-)</i>													
	<i>Replace Humidifier, Heaters & AC Units</i>							(100)						(100)
	<i>Replace Air Handling Units</i>								(200)	(200)	(200)	(200)	(200)	(1,000)
	Total Withdrawals		-	-	-	-	-	(100)	(200)	(200)	(200)	(200)	(200)	(1,100)
	<i>Contributions (+)</i>													
Total Contributions		-	-	-	-	-	-	-	-	-	-	-	-	
Balance at Year-End		-	-	-	-	-	(100)	(300)	(500)	(700)	(900)	(1,100)	(1,100)	

* Based on 9-month 2019 Reserve Fund Variance Report

Appendix 10

Glossary of Terms

Approved Position: Permanent or temporary positions that support the delivery of City services and service levels as approved by Council.

Actuals: An actual financial amount paid (or received) for the delivery of City services (these exclude any commitments to be paid in the future).

Capacity to Spend: Ability to spend money along with the capacity to deliver projects as demonstrated by historic spending patterns and approved contractual obligations.

Capital Budget: A Capital Budget is the City's plan to acquire / build assets or extend the useful life of existing assets; an example of a capital expenditure is the construction of a new community centre.

Capital Needs Constraints: The capital needs that cannot be accommodated within the capital plan that the Division or Agency have the capacity to deliver.

Complement: Positions that support the delivery of City services and service levels as approved by Council.

Efficiencies: Reductions in the cost of delivering a service without a reduction in service level.

New / Enhanced: New and enhanced service changes resulting in an increase in service levels from what was previously approved by Council.

Operating Budget: An Operating Budget is the City's annual plan to provide services to the residents of Toronto; the budget includes all revenues and expenses needed to provided services; an example of an operating cost would be the cost to run the TTC subways.

Operating Impact of Completed Capital Projects: The additional expense (or savings) and positions needed to operate or maintain a new asset; an example would be the additional expense and staff needed to operate a recently completed community centre.

Rate Supported Budget: Budget fully funded by user fees such as Solid Waste, Toronto Water and Toronto Parking Authority

Staff Recommended Operating / Capital Budget: An operating or capital budget recommended by City Manager and Chief Financial Officer and Treasurer to City Council for consideration and approval.

State of Good Repair (SOGR): The cost of maintaining assets to ensure they are able to support the delivery of City services and meet service outcomes

Tax Supported Budget: Budget funded by property taxes.

User Fees: Program generated fee and rental revenue for the use of its services (such as the TTC fare, ice rental fees and various City permits).

Value Based Outcome Review (VBOR): The City conducted a Value Based Outcome Review in 2019 for all of its operations and agencies to identify specific opportunities and strategies to maximize the use of tax dollars, enhance its financial sustainability while achieving service outcomes. These opportunities will help the City chart its financial course in the next four years.