



Toronto 2015 BUDGET

OPERATING PROGRAM SUMMARY



Exhibition Place

2015 OPERATING BUDGET OVERVIEW

Exhibition Place provides an inclusive and accessible parkland and business destination for entertainment, recreation, sporting events, and public celebrations, while operating as a self-sustaining and environmentally responsible City agency.

Exhibition Place is an integral component of Toronto and Ontario's economy, particularly with respect to sports, festivals, recreation, culture and tourism. Exhibition Place is a world leader in emerging green technologies and attracts over 5.3 million visitors a year.

2015 Budget Highlights

The total cost to deliver this service in 2015 is \$38.131 million with operating revenues of \$38.431 million, thereby fully funding its operations with \$0.300 million net revenue as shown below.

(in \$000's)	2014 Budget	2015 Budget	Change	
			\$	%
Gross Expenditures	44,438.1	38,130.9	(6,307.1)	(14.2%)
Gross Revenues	44,538.1	38,430.9	(6,107.1)	(13.7%)
Net Expenditures	(100.0)	(300.0)	200.0	(200.0%)

In 2015, Exhibition Place will generate favourable operating revenues of \$0.300 million for the City of Toronto. The 2015 Operating Budget presents a net 200% increase in net revenue over the 2014 Approved Operating Budget.

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Contents

Overview

I: 2015–2017 Service Overview and Plan	5
II: 2015 Budget by Service	12
III: Issues for Discussion	21

Appendices:

1. 2014 Performance	24
2. 2015 Operating Budget by Expenditure Category	26
3. 2015 Organization Chart	27
4. Summary of 2015 Service Changes	N/A
5. Summary of 2015 New & Enhanced Service Changes	N/A
6. Inflows/Outflows to / from Reserves & Reserve Funds	28
7. 2015 User Fee Rate Changes	30

Fast Facts

- Canada's largest entertainment venue and attracts over 5.3 million visitors a year.
- Exhibition Place will host 13 major events for Pan Am Games 2015.
- 192-acre parkland with 3,002 trees.
- Host to six of the top ten consumer exhibitions in Canada including the Toronto International Boat Show, The National Home Show, Royal Agricultural Winter fair and the Canadian National Exhibition.

Trends

- Revenue from tenants has been sustained through the economic downturn, anticipated to grow in 2015 and remain stable in 2016 and thereon.
- Trade Show Executive* magazine included an industry research indicating favourable economic activities with respect to trade and consumer show business in North America. Economists are optimistic on the outlook in 2015 and in subsequent years.

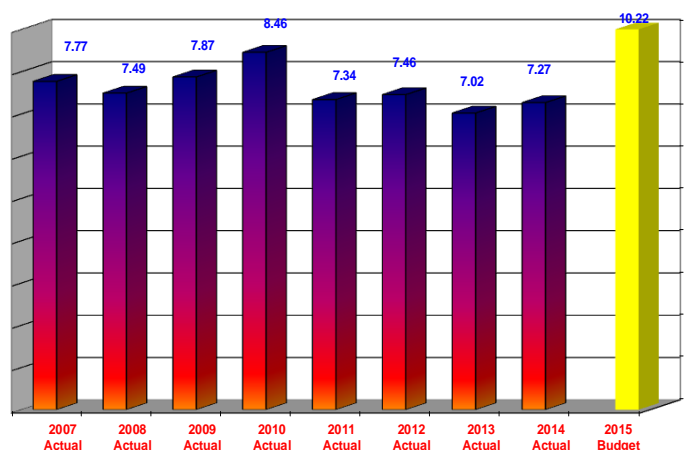
Our Service Deliverables for 2015

Exhibition Place is Canada's largest entertainment venue, responsible for managing 192-acre parkland, for providing inclusive and accessible parkland, and for serving as a business destination for entertainment, recreation and sporting events, and public celebrations, while operating as a self-sustaining and environmentally responsible entity.

The 2015 Operating Budget will fund:

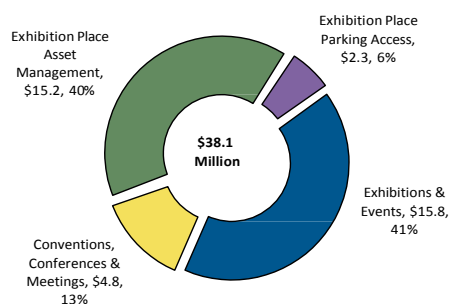
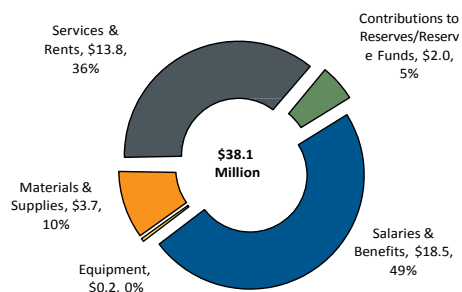
- Exhibition Place operations and the Direct Energy Centre to host City celebrations and events that attract international visitors, such as the Scotiabank Caribbean Festival, Scotiabank's CHIN Picnic and the Honda Indy Toronto. The Direct Energy Centre will host national and community events and shows such as the Royal Agricultural Winter Fair, the Boat Show, the National Home Show and the One of a Kind Craft Show.
- The CIBC Pan Am Park which will host up to 13 sports at several venues during the Toronto 2015 Pan Am Games making it the largest sport cluster of the Games
- Confirmed development of Allstream Conference Centre usage levels as the new venue enters its sixth year. This facility provides meeting rooms, exhibit space, and a Class A ballroom to complement the event activity at the Direct Energy Centre. The centre will help to attract more international conferences, conventions, festivals, consumer and trade shows to the City.

Effectiveness Measure - Building Rental for Direct Energy Centre (\$ millions)



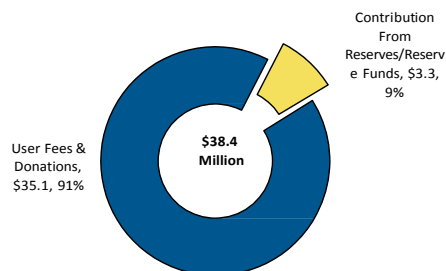
2015 Operating Budget Expenses & Funding

Where the money goes:

2015 Budget by Service
\$38.1 Million2015 Budget by
Expenditure Category

Where the money comes from:

2015 Budget by Funding Source



Our Key Challenges & Priority Actions

- Maintain Positive Financial Performance**

- Increases in market based user fees will be implemented to generate additional revenue for the Program.
 - 2015 Operating Budget achieves efficiencies in operations which in turn will reduce the operating costs.

- Pan Am Games 2015**

- Concurrent with the 2015 Capital Plan projects, Exhibition Place will host various major events for Pan Am Games in 2015.
 - Ensure preparations are on track while maintaining safety and security for the employees and visitors.

- Green Initiatives**

- Maintain Exhibition Place's status as a leader in environmentally friendly facility by securing funds for the new green energy initiatives.

2015 Operating Budget Highlights

- The 2015 Operating Budget for Exhibition Place of \$38.131 million gross and (\$0.300) million net will provide funding for:
 - Conventions, Conferences & Meetings (\$4.794 million gross).
 - Exhibitions & Events (\$15.842 million gross).
 - Exhibition Place Asset Management (\$15.154 million gross).
 - Exhibition Place Parking Access (\$2.341 million gross).

Council Approved Budget

City Council approved the following recommendations:

1. City Council approve the 2015 Operating Budget for Exhibition Place of \$38.131 million gross, (\$0.300) million net for the following services:

<u>Service</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Conventions, Conferences & Meetings	4,794.5	0.0
Exhibitions & Events	15,842.0	(9,409.2)
Exhibition Place Asset Management	15,153.7	13,458.2
Exhibition Place Parking Access	2,340.7	(4,349.1)
Total Program Budget	<u>38,130.9</u>	<u>(300.0)</u>

2. City Council approve the 2015 Service Levels for Exhibition Place as outlined on pages 14,16,18, and 20 of this report, and associated staff complement of 395.0 positions; and
3. City Council approve the 2015 User Fee Changes for Exhibition Place identified in Appendix 7 for inclusion in the Municipal Code Chapter 441 "Fees and Charges".

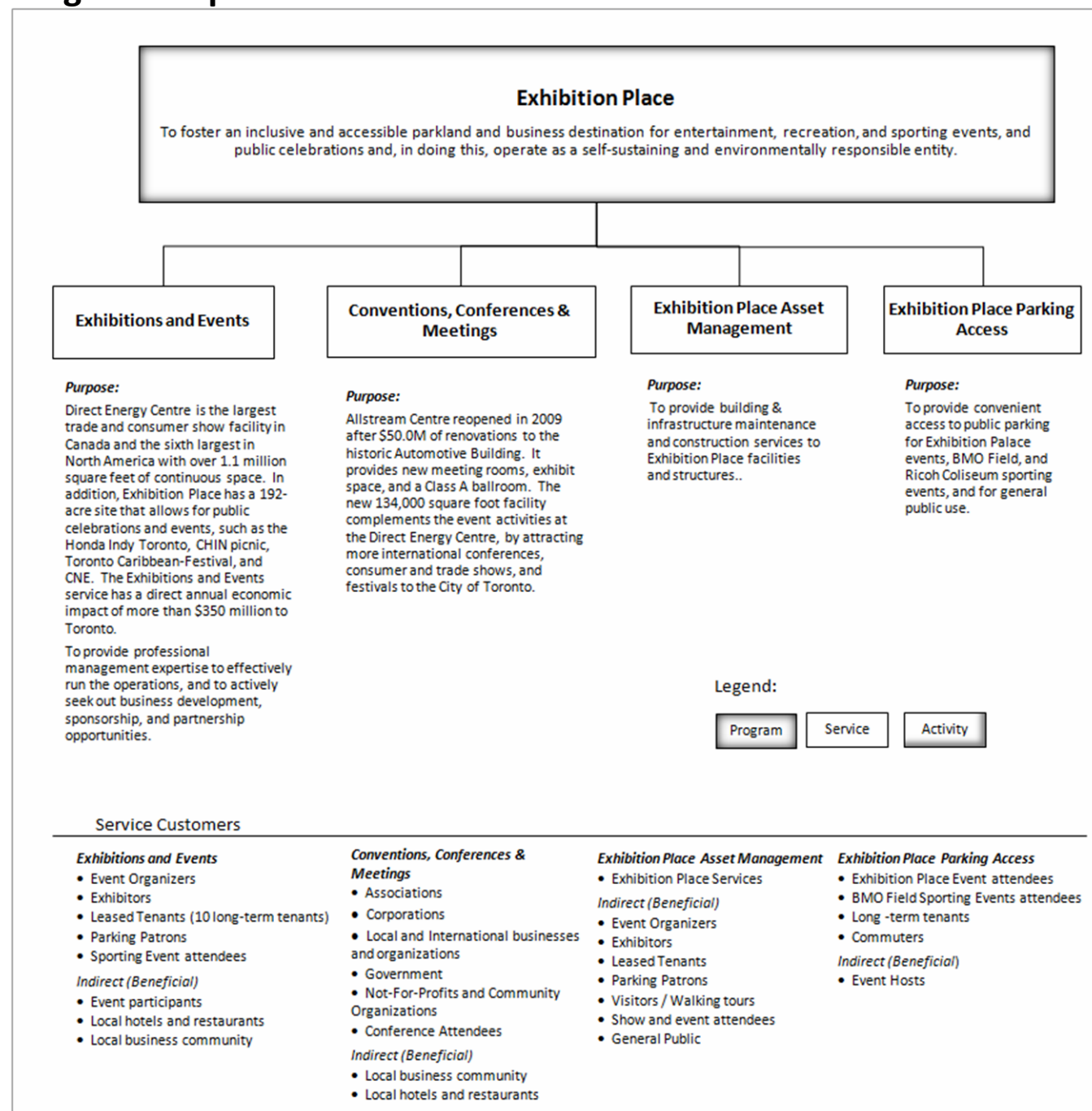


Part I:

2015 – 2017

Service Overview and
Plan

Program Map



2015 Service Deliverables

The 2015 Operating Budget of \$38.131 million gross and (\$0.300) million net for Exhibition Place will fund:

- Exhibition Place operations and the Direct Energy Centre to host City celebrations and events that attract international visitors, such as the Scotiabank Caribbean Festival, Scotiabank's CHIN Picnic and the Honda Indy Toronto.
- The CIBC Pan Am Park which will host up to 13 sports at several venues during the Toronto 2015 Pan Am Games making it the largest sport cluster of the Games.
- The development of Allstream Conference Centre operating requirements as the new venue enters its sixth year. This facility provides meeting rooms, exhibit space, and a Class A ballroom to complement the event activity at the Direct Energy Centre. The centre will help to attract more international conferences, conventions, festivals, consumer and trade shows to the City.

Table 1
2015 Operating Budget and Plan by Service

(In \$000s)	2015 Operating Budget					2015 vs. 2014		Incremental Change 2016 and 2017 Plan			
	2014										
	Approved Budget	Actual	2015 Base	2015 New/Enhanced	2015 Budget	Budget Approved Changes		2016		2017	
By Service	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Conventions, Conferences & Meetings											
Gross Expenditures	4,576.8	4,593.0	4,794.5		4,794.5	217.7	4.8%	(47.3)	(1.0%)	(46.3)	(1.0%)
Revenue	4,576.8	3,614.8	4,794.5		4,794.5	217.7	4.8%	(47.3)	(1.0%)	(46.3)	(1.0%)
Net Expenditures	0.0	978.2	0.0	-	0.0	0.0	0.0%	0.0	0.0%	0.0	0.0%
Exhibitions & Events											
Gross Expenditures	13,220.5	13,517.9	15,842.0		15,842.0	2,621.5	19.8%	(1,534.4)	(9.7%)	868.2	5.5%
Revenue	21,351.8	21,907.2	25,251.2		25,251.2	3,899.4	18.3%	(3,238.7)	(12.8%)	843.2	3.3%
Net Expenditures	(8,131.3)	(8,389.3)	(9,409.2)	-	(9,409.2)	(1,277.9)	15.7%	1,704.4	(18.1%)	25.0	(0.3%)
Exhibition Place Asset Management											
Gross Expenditures	13,767.5	13,250.0	15,153.7		15,153.7	1,386.2	10.1%	(1,909.5)	(12.6%)	56.0	0.4%
Revenue	1,330.7	953.2	1,695.5		1,695.5	364.7	27.4%	(783.6)	(46.2%)	16.7	1.0%
Net Expenditures	12,436.8	12,296.8	13,458.2	-	13,458.2	1,021.5	8.2%	(1,125.9)	(8.4%)	39.2	0.3%
Exhibition Place Parking Access											
Gross Expenditures	2,196.3	2,708.5	2,340.7		2,340.7	144.4	6.6%	(44.7)	(1.9%)	72.3	3.1%
Revenue	6,277.8	7,300.7	6,689.8		6,689.8	411.9	6.6%	133.8	2.0%	136.5	2.0%
Net Expenditures	(4,081.5)	(4,592.2)	(4,349.1)	-	(4,349.1)	(267.5)	6.6%	(178.5)	4.1%	(64.2)	1.5%
National Soccer Stadium (BMO Field)											
Gross Expenditures	10,677.0	-	-		-	(10,677.0)	(100.0%)	-		-	
Revenue	11,000.9	450.0	-		-	(11,000.9)	(100.0%)	-		-	
Net Expenditures	(323.9)	(450.0)	-	-	-	323.9	(100.0%)	-		-	
Total											
Gross Expenditures	44,438.1	34,069.4	38,130.9		38,130.9	(6,307.1)	(14.2%)	(3,535.8)	(9.3%)	950.2	2.5%
Revenue	44,538.1	34,225.9	38,430.9		38,430.9	(6,107.2)	(13.7%)	(3,935.8)	(10.2%)	950.2	2.5%
Total Net Expenditures	(100.0)	(156.5)	(300.0)	-	(300.0)	(200.0)	200.0%	400.0	(133.3%)	-	
Total Net Expenditures Excluding BMO Field	223.9	293.5	(300.0)	-	(300.0)	(200.0)	(89.3%)	400.0	(133.3%)	-	
Approved Positions	397.5	397.5	395.0		395.0	(2.5)	(0.6%)	(11.0)	(2.8%)	-	

The 2015 Operating Budget for Exhibition Place is \$38.131 million gross and (\$0.300) million net. Exhibition Place will host 13 major venues for the Pan Am Games in 2015. The 2015 Operating Budget reflects both the revenues from, and associated expenses to deliver 13 major venues for the Pan Am Games 2015 for the span of 8 weeks. The resultant budgeted Net revenue increased by \$0.200 million or 200% due to the following.

- The *Conventions, Conferences & Meetings* Service (Allstream Centre) requires additional expenditures of \$0.218 million which is fully matched by the incremental revenue of \$0.218 million, resulting in a net zero impact to its budget.
- The *Exhibitions and Events* Service is budgeting for incremental expenditures of \$2.622 million which is fully offset by incremental revenues of \$3.899 million which will generate additional net revenue of \$1.278 million for the Program. Primary drivers of the budget change are increased Maple Leaf Sports and Entertainment (MLSE) fees and Pan Am Games 2015.
- The *Exhibition Place Asset Management* and *Exhibition Place Parking Access* Services are budgeting for a combined increase in expenditures of \$1.531 million which is partially offset by the increase in revenue of \$0.777 million, resulting in a total pressure on the net budget for \$0.754 million.

- The *National Soccer Stadium (BMO Field)* Service is no longer included in this budget, as Exhibition Place has entered a new agreement with MLSE whereby Exhibition Place will receive an annual fee of \$0.116 million as revenue while MLSE leases and operates the soccer field.
- Exhibition Place's revenues and gross expenditures will decrease in 2016 as hosting of the Pan Am Games 2015 will be completed. In 2016, a more normal business pattern returns and a \$0.400 million net cost is projected.
- In 2017, user fee revenues are forecasted to the level of the normal operations prior to the Pan Am Games 2015.

The 2015 Operating Budget will result in Exhibition Place reducing its total staff complement by 2.5 positions from 397.5 to 395.0, as highlighted in the table below. Excluding the BMO Field operations with 13.5 positions, Exhibition Place is increasing its total staff complement by 11 positions in 2015 for Pan Am Games, resulting in 395 positions.

Table 2
2015 Total Staff Complement

Changes	2015 Budget						Plan	
	Conventions, Conferences & Meetings	Exhibition & Events	Exhibition Place Asset Management	Exhibition Place Parking Access	National Soccer Stadium	Total	2016	2017
2014 Approved Complement	12.0	372.0			13.5	397.5	395.0	384.0
Redistribute Org View to Service View		(100.0)	84.0	16.0	(13.5)	(13.5)		
Adjusted 2014 Staff Complement	12.0	272.0	84.0	16.0		384.0	395.0	384.0
Prior Year Impact								
Operating Impacts of Completed Capital Project								
Capital Project Delivery								
Base Changes		11.0				11.0	(11.0)	
Service Changes								
New / Enhanced Service Priorities								
Total	12.0	283.0	84.0	16.0		395.0	384.0	384.0
Position Change Over Prior Year		11.0				11.0	(11.0)	
% Change Over Prior Year		4.04%			-	2.86%	(2.78%)	

- The 2015 Base Budget includes the re-allocation of staff complement between services with zero change to the overall Program to include the *Exhibition Place Asset Management* and *Exhibition Place Parking Access* services.
- The *National Soccer Stadium (BMO Field)* Service is no longer budgeted in the Program; original staff complement of 13.5 has been transferred, as the operations are now the responsibility of MLSE.
- The 2015 Operating Budget includes a one-time addition of 11.0 positions to support the major events for Pan Am Games 2015.
- In 2016, Exhibition Place will reverse its one-time addition of 11.0 positions, reducing the total 2016 Recommended Operating Plan to 384.0 positions.

The 2015 Operating Budget includes base expenditure pressures of \$4.370 million net, primarily attributable to salary and operational cost increases which have been fully offset by \$4.894 million net in base revenue adjustments as detailed below:

Table 3
Key Cost Drivers

(In \$000s)	2015 Operating Budget				Total 2015 Base Budget
	Conventions, Conference & Meetings	Exhibition & Events	Exhibition Place Asset Management	Exhibition Place Parking Access	
Gross Expenditure Changes					
Economic Factors					
Corporate and Other	22.2	59.0	134.1		215.3
Salaries, COLA and Progression Pay					
COLA	4.9	217.7	68.2	7.9	298.7
Progression Pay	30.6	205.7	92.8	17.7	346.9
Salaries re-adjustment to actuals	(73.0)	87.8	(138.7)	10.9	(113.0)
Benefits - Salaried	8.9	47.2	27.2	5.4	88.7
Benefits - Trades	(27.5)	601.1	95.4	7.8	676.8
Other Base Changes					
Recovery of Wages for Trades on Events		(1,375.9)	(16.1)	(38.0)	(1,430.0)
Sundry Expenses (including hydro, gas & water)	5.2	(67.7)	552.6	132.7	622.7
Contribution to Reserves		(162.7)	(429.4)		(592.1)
Contribution to New Equipment Reserves			200.0		200.0
Hotel Soil Costs			800.0		800.0
Pan Am Related Expenses	246.5	3,009.3			3,255.8
Total Gross Expenditure Changes	217.7	2,621.5	1,386.1	144.5	4,369.8
Revenue Changes					
User Fee Revenue	(175.1)	3,899.3	64.7	411.9	4,200.9
Hotel Soil Costs Recovery			800.0		800.0
Contribution from Reserves	392.9		(500.0)		(107.1)
Total Revenue Changes	217.7	3,899.3	364.7	411.9	4,893.7
Removal of 2014 National Soccer Stadium		(323.9)			
Net Expenditure Changes	0.0	(954.0)	1,021.4	(267.5)	(200.0)

*Please note that the National Soccer Stadium Service is no longer budgeted for; thus the total change in expenditures and revenues will differ from Table 1

Key cost drivers for Exhibition Place are discussed below:

- The *Conventions, Conferences & Meetings* Service's 2015 Operating Budget has no change over 2014 approved net expenditures. Additional expenditures of \$0.247 million will be required to support the Pan Am Games which will be fully offset by \$0.393 million of contribution from its Conference Centre Reserve Fund.
- The *Exhibitions & Events* Service includes a one-time increase to its Pan Am expenses for the amount of \$3.009 million which reflects staffing and operational costs. It is anticipated that the cost will be fully recovered through incremental user fees of \$3.899 million through Pan Am Games 2015.
- The *Exhibition Place Asset Management* Service is budgeting for completion of the one-time remediation of hotel soil contamination which the associated costs will be fully recovered for an amount of \$0.800 million by utilizing its reserve funds. Other increases in expenditures include

sundry expenses such as inflationary adjustment to its utility costs, general operation expenses and landscaping service fees for the Parks, Forestry and Recreation Division.

- The *Exhibition Place Parking Access Service* is budgeting for an increase of \$0.412 million in parking fees.

Table 6
2016 and 2017 Plan by Program

Description (\$000s)	2016 - Incremental Increase					2017 - Incremental Increase				
	Gross Expense	Revenue	Net Expense	% Change	# Positions	Gross Expense	Revenue	Net Expense	% Change	# Positions
Known Impacts:										
COLA and fringe benefits	288.0		288.0	4.9%		299.0		299.0	3.8%	
Progression pay & step increases	658.7		658.7	38.7%		801.0		801.0	21.6%	
Recovery of wages, benefits for labour loaned to events	(477.5)		(477.5)	(33.4%)		(181.8)		(181.8)	(61.9%)	
Base salary adjustment	113.0		113.0							
Miscellaneous hydro and water	(114.1)		(114.1)			76.8		76.8		
Other sundry expenses	4.8		4.8			1.3		1.3		
Contribution to Equipment Reserve	(100.0)		(100.0)							
Contribution from CC Reserve Fund - Hotel Soil Costs		(800.0)	800.0							
Contribution from Reserves - Other		(300.0)	300.0				(100.0)	100.0		
Sub-Total	372.9	(1,100.0)	1,472.9			996.3	(100.0)	1,096.3		
Anticipated Impacts:										
Staffing for Pan Am	(615.0)		(615.0)		(11.0)					
Benefits for Staff for Pan Am	(166.0)		(166.0)							
Pan Am related costs	(3,127.7)		(3,127.7)			(46.1)		(46.1)		
User Fees Changes		(2,835.8)	2,835.8				1,050.2	(1,050.2)		
Sub-Total	(3,908.7)	(2,835.8)	(1,072.8)		(11.0)	(46.1)	1,050.2	(1,096.3)		
Total Incremental Impact	(3,535.8)	(3,935.8)	400.0		(11.0)	950.2	950.2	0.0		

Future year incremental costs are primarily attributable to the following:

Known Impacts

- Progression pay, step, cost of living adjustment, and fringe benefits increases will result in combined pressure of \$0.947 million net in 2016 and \$1.100 million net in 2017.
- In 2016, there will be an annualization impact reduction of \$0.800 million for the contaminated hotel soil remediation project which is expected be completed in 2015.
- Exhibition Place provides staff to clients for event support which generates Recoverable Wages and Benefits for the Program to offset its gross expenditures during the year. Recovery of wages and benefits for labour offered to anticipated events are projected to increase by (\$0.478) million net in 2016 and (\$0.182) million net in 2017.

Anticipated Impacts

- A decrease in expenditures of \$3.909 million is anticipated with the completion of the Pan Am Games and Events in 2015. Concurrently, the one-time user fees for Pan Am Games 2015 will be reversed for an amount of \$2.836 million in 2016.
- Exhibition Place will be broadcasted to the world during the 2015 Pan Am Games thus increasing its presence to the mass public globally. In 2017, the Program expects the momentum to continue and contribute to increasing its user fee revenues by \$1.050 million from the regular operations.



Part II:

2015 Budget by
Service

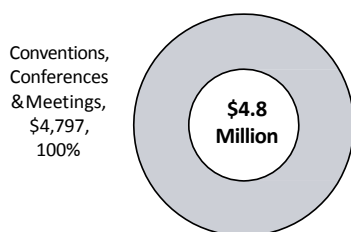
Conventions, Conferences & Meetings

Conventions, Conferences & Meetings

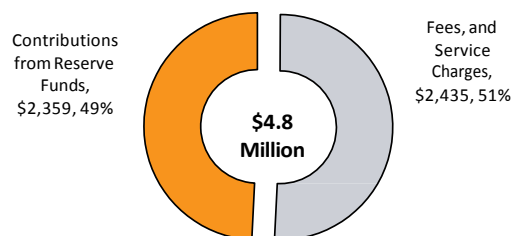
What We Do

- Allstream Centre reopened in October 2009 after a \$50.0 million renovation to the historic Automotive Building.
- It provides new meeting rooms, exhibit space, and a Class A ballroom.
- The new 134,000 square foot facility complements the event activities at the Direct Energy Centre and Exhibition Place, by attracting more international conferences, consumer and trade shows, and festivals to the City of Toronto.

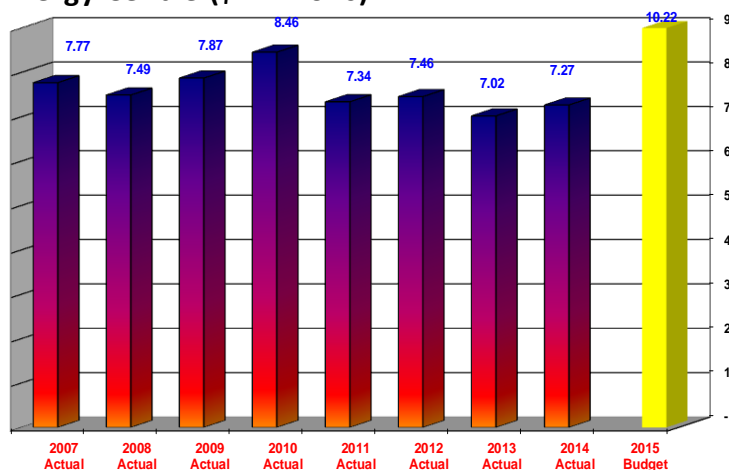
2015 Service Budget by Activity (\$000s)



Service by Funding Source (\$000s)



Effectiveness Measure – Building Rental – Direct Energy Centre (\$ millions)



Trend

- With the highly anticipated Pan Am Games 2015, Exhibition Place will further solidify its leadership position in hosting large variety of events complemented with excellent facility support and amenities.

2015 Service Levels
Conventions, Conferences & Meetings

Activity		
	2014	2015
Event Space	100% compliance with negotiated terms	100% compliance with negotiated terms
Guest Services: Food & Beverage	\$87.58 food and beverage sales per attendee	\$90.21 food and beverage sales per attendee
Guest Services: Facility Support	\$0.32 of Service Revenue per \$1 of total revenue	\$0.32 of Service Revenue per \$1 of total revenue
Guest Services: Parking	Labour Cost ratio of 9% of revenue	Labour Cost ratio of 9% of revenue

Guest Services: Food & Beverage activity will strive to improve its sales per attendee from \$87.58 in 2014 to \$90.21 in 2015. Based on the actual experience in 2014, Exhibition Place anticipates enhanced sales performance for food and beverages at the Allstream Centre.

All other 2015 Service Levels will remain consistent with the approved 2014 Service Levels.

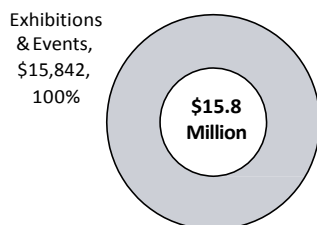
Exhibitions & Events

Exhibitions & Events

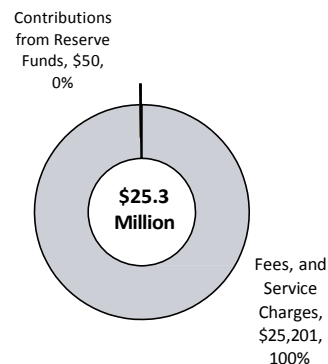
What We Do

- Direct Energy 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.
- Exhibition Place has a 192-acre site that allows for public celebrations and events, such as the Honda Indy Toronto, Scotiabank's CHIN picnic, Scotiabank Caribbean Festival, Royal Agricultural Winter Fair, and the Canadian National Exhibition.
- The Exhibitions and Events Service has a direct annual economic impact of more than \$350 million to Toronto.

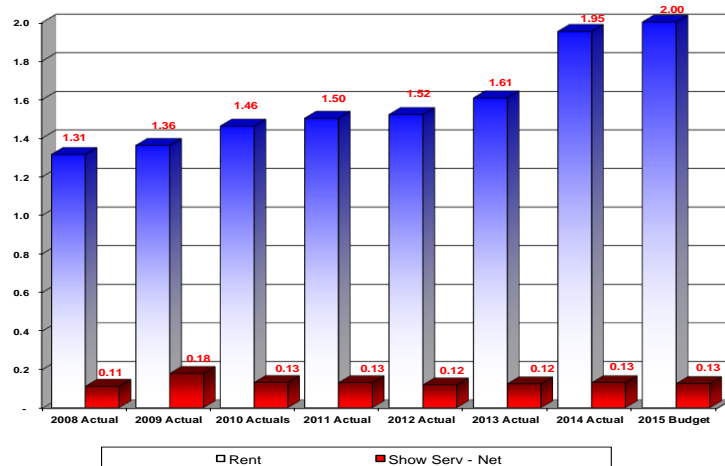
2015 Service Budget by Activity (\$000s)



Service by Funding Source (\$000s)



Effectiveness Measure – Tenants Rent & Net Show Services (\$ millions)



Trend

- Actual experience suggests that Direct Energy Centre is projected to grow its occupancy rates and number of events hosted.

**2015 Service Levels
Exhibitions & Events**

Activity		
	2014	2015
Event - Trade & Consumer	100% compliance with negotiated terms	100% compliance with negotiated terms
Event - Meetings & Corporate	100% compliance with negotiated terms	100% compliance with negotiated terms
Event - Community / Festivals / City of	100% compliance with negotiated terms	100% compliance with negotiated terms
Event - Major Citywide celebrations &	100% compliance with negotiated terms	100% compliance with negotiated terms
Guest Services: Food & Beverage	\$4.75 food & beverage sales per attendee	\$4.67 food & beverage sales per attendee
Guest Services: Facility Support	\$0.75 of Service Revenue per \$1 of Rent Revenue	\$0.75 of Service Revenue per \$1 of Rent Revenue
Long-term Tenant Support	\$10.43 per Square foot of long term tenant space supported	\$11.10 per Square foot of long term tenant space supported

Guest Services: Food & Beverage activity will strive to improve its sales per attendee from \$4.75 in 2014 to \$4.67 in 2015. Based on the actual experience in 2014, Exhibition Place anticipates enhanced sales performance for food and beverages at the Allstream Centre.

Service level for Long-term Tenant Support provided per square foot will increase from \$10.43 in 2014 to \$11.10 in 2015.

All other 2015 Service Levels will remain consistent with the approved 2014 Service Levels.

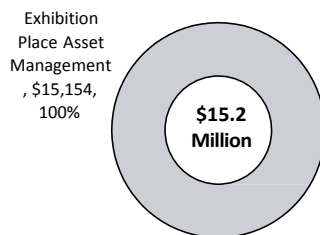
Exhibition Place Asset Management

Exhibition Place Asset Management

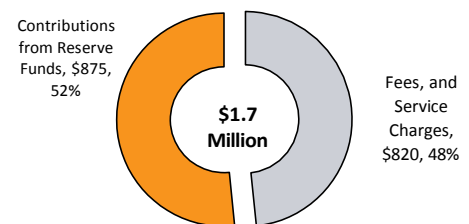
What We Do

- Provide building and infrastructure maintenance and construction services to Exhibition Place facilities and structures.

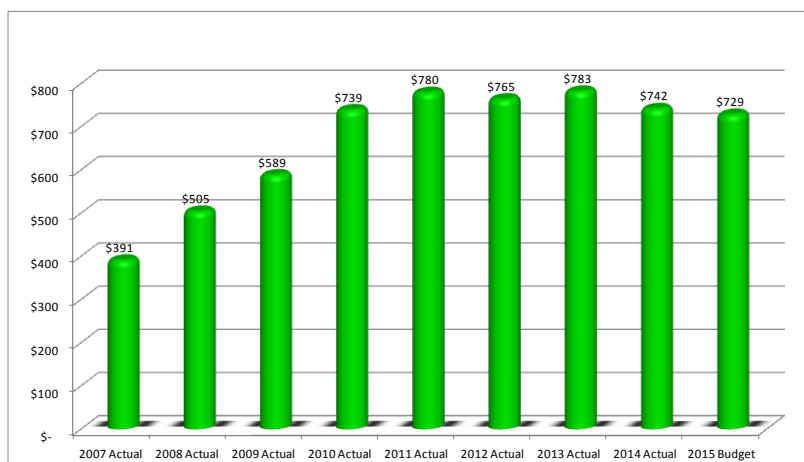
2015 Service Budget by Activity (\$000s)



Service by Funding Source (\$000s)



Efficiency Measure – Utility Cost Savings from Energy Retrofit Projects (\$000's)



Trend

- Savings in energy costs are projected to grow to reach an amount close to 2012 savings.
- Further savings increases are dependent on future Green Energy Projects.

2015 Service Levels
Exhibition Place Asset Management

Activity		
	2014	2015
Parking Lots, Roads & Sidewalks	Maintain Parking Lots, Roads & Sidewalks in good condition for public access; increase sustainability and reduce failure of Exhibition Place Assets; effective investment of Capital funds; ensure preservation of Historical site and area	Maintain Parking Lots, Roads & Sidewalks in good condition for public access; increase sustainability and reduce failure of Exhibition Place Assets; effective investment of Capital funds; ensure preservation of Historical site and area
Waste Management	Waste Management: Achieve 80% waste diversion	Waste Management: Achieve higher than 2013 actual of waste diversion of 85.15%
Fleet & Equipment Maintenance	Fleet & Equipment Maintenance: Maintain current 43 vehicles and 73 pieces of equipment and additional acquisitions	Fleet & Equipment Maintenance: Maintain current 43 vehicles and 73 pieces of equipment and additional acquisitions

Exhibition Place Asset Management Service will focus on improving its waste management operations. Based on the 2013 actual experience, the service level has been raised to 85.15% waste diversion rate or an increase of 5.15% over the 2014 level.

All other 2015 Service Levels will remain consistent with the approved 2014 Service Levels.

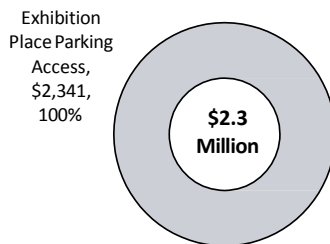
Exhibition Place Parking Access

Exhibition Place Parking Access

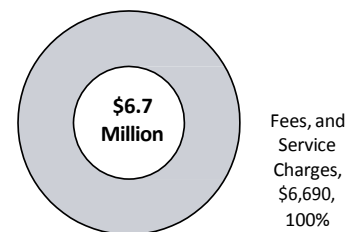
What We Do

- Provide convenient access to public parking for Exhibition Place events, BMO Field sporting events, and general public use.

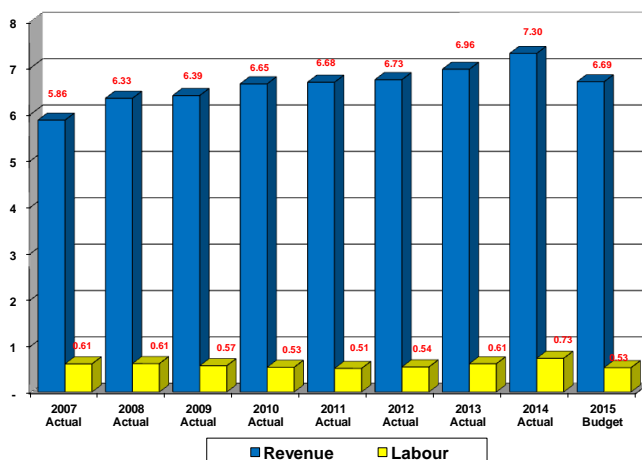
2015 Service Budget by Activity (\$000s)



Service by Funding Source (\$000s)



Effectiveness Measure – Parking Revenue and Direct Labour (\$ millions)



Trend

- Parking revenue and direct labour costs have performed at a consistent level over the past years. With the newly adjusted parking fees, parking revenue will continue to offer financial sustainability.
- Ratio between the parking revenue and direct labour costs has improved over the past years.

2015 Service Levels
Exhibition Place Parking Access

Activity		
	2014	2015
Surface	100% of parking spaces available and accessible for all major events. Variable labour cost ratio of 9% of revenue.	100% of parking spaces available and accessible for all major events. Variable labour cost ratio of 9% of revenue.
Underground	100% of parking spaces available and accessible for all major events. Variable labour cost ratio of 9% of revenue.	100% of parking spaces available and accessible for all major events. Variable labour cost ratio of 9% of revenue.

2015 Service Levels will remain consistent with the approved 2014 Service Levels.



Part III:

Issues for Discussion

Issues for Discussion

Future Year Issues

Exhibition Place Conference Centre Reserve Fund and Future Outlook

- Contributions from the Conference Centre Reserve Fund (CCRF) to bring Allstream Centre net expenditures relating to the building loan payment to a zero target are budgeted in 2015, 2016, and 2017.
- Exhibition Place will rely less on withdrawals from the CCRF because of the following:
 - Given the completion of the Hotel in late 2015, Exhibition Place will begin receiving rent revenue from the hotel, although it will take several more years for the full results of the impact of this hotel on annual site bookings to be seen.
 - It is expected that the attendance will increase at BMO Field which in turn will generate additional parking revenue for the Program.
- Exhibition Place will now be seeking long-term tenants for the Queen Elizabeth Executive Office as Exhibition Place offices have relocated to the Direct Energy Centre. 2016 Operating Budget process will reflect the incremental revenue earned through new rental contracts further strengthening the Program's strategy in maintaining the CCRF.



Appendices:

Appendix 1

2014 Service Performance

2014 Key Service Accomplishments

In 2014, Exhibition Place accomplished the following:

- ✓ Exhibition Place has successfully met the City's mandate of 0% net budget increase, by yielding a actual 56.5% reduction over the net budget for 2014.
- ✓ Maintained outstanding customer service by achieving an average of 90% rating from client satisfaction surveys.
- ✓ Promoted safety in the workplace, reduced Lost Time over 2010 base year.
- ✓ Exceeded financial and budget targets from 2004-2013 of \$15.6M.
- ✓ Improved events attendance and occupancy.
- ✓ Continued to promote environmental initiatives and energy conservation, incentive revenue and utilities cost savings from these projects is approximately \$0.8M per year.
- ✓ Continued to develop community use of the grounds.
- ✓ Diversification of customer target group for shows and events to include more film shoots, religious and cultural events and private functions.
- ✓ Continued implementation of the strategy for energy efficient capital upgrades for the non-tenanted buildings – started construction of the District Energy System.
- ✓ Started construction of the Hotel X.
- ✓ Secured energy supply agreement with Hotel X.
- ✓ Council approved - LOI for BMO Field expansion.
- ✓ Council approved - Maple Leaf Sports & Entertainment for construction of Raptor Basketball Practice Facility.
- ✓ Completed the transition process of CNEA independence.

2014 Financial Performance

2014 Budget Variance Analysis

(\$000s)	2012	2013	2014	2014	2014 Approved Budget vs.	
	Actuals	Actuals	Approved Budget	Actuals*	Actual	Variance
	\$	\$	\$	\$	\$	%
Gross Expenditures	62,393.2	42,431.2	44,438.1	34,069.4	(10,368.7)	(23.3%)
Revenues	67,012.0	44,167.4	44,538.1	34,225.9	(10,312.2)	(23.2%)
Net Expenditures	(4,618.8)	(1,736.2)	(100.0)	(156.5)	(56.5)	56.5%
Approved Positions	529.5	397.5	397.5	384.0	(13.5)	(3.4%)

* 2014 excludes BMO Field's actual gross revenue, expense, and complement

2014 Experience

As directed by Council at its meeting of April 1, 2014, BMO Field revenues and expenditures have been replaced by a fee of \$0.450 million. As such, Exhibition Place reported net favourable variance of \$0.057 million, or 56.5% over its 2014 Approved Budget.

- The variance consisted of lower than budgeted gross expenditures of \$10.369 million of which \$10.699 million was due to the exclusion of BMO Field's actual expenses. Revenues were \$10.312 million lower than budgeted of which \$10.551 million was due to the exclusion of BMO Field's actual revenue.
- Excluding the impact of removing BMO Field financial activity, there was a net under-spending of \$0.070 million or 31% due primarily to a net favourable variance in management energy initiatives and savings from energy retrofit projects after incentives (\$0.130 million) and additional parking revenue from Ontario Place, Ricoh, and BMO events (\$1.023 million), partially offset by lower than budgeted revenues at the Allstream Centre (\$0.932 million) and reduction of the naming fee (\$0.121 million).

Impact of 2014 Operating Variance on the 2015 Budget

- There are no impacts from the 2014 Operating Variance on the 2015 Operating Budget.

Appendix 2

2015 Operating Budget by Expenditure Category

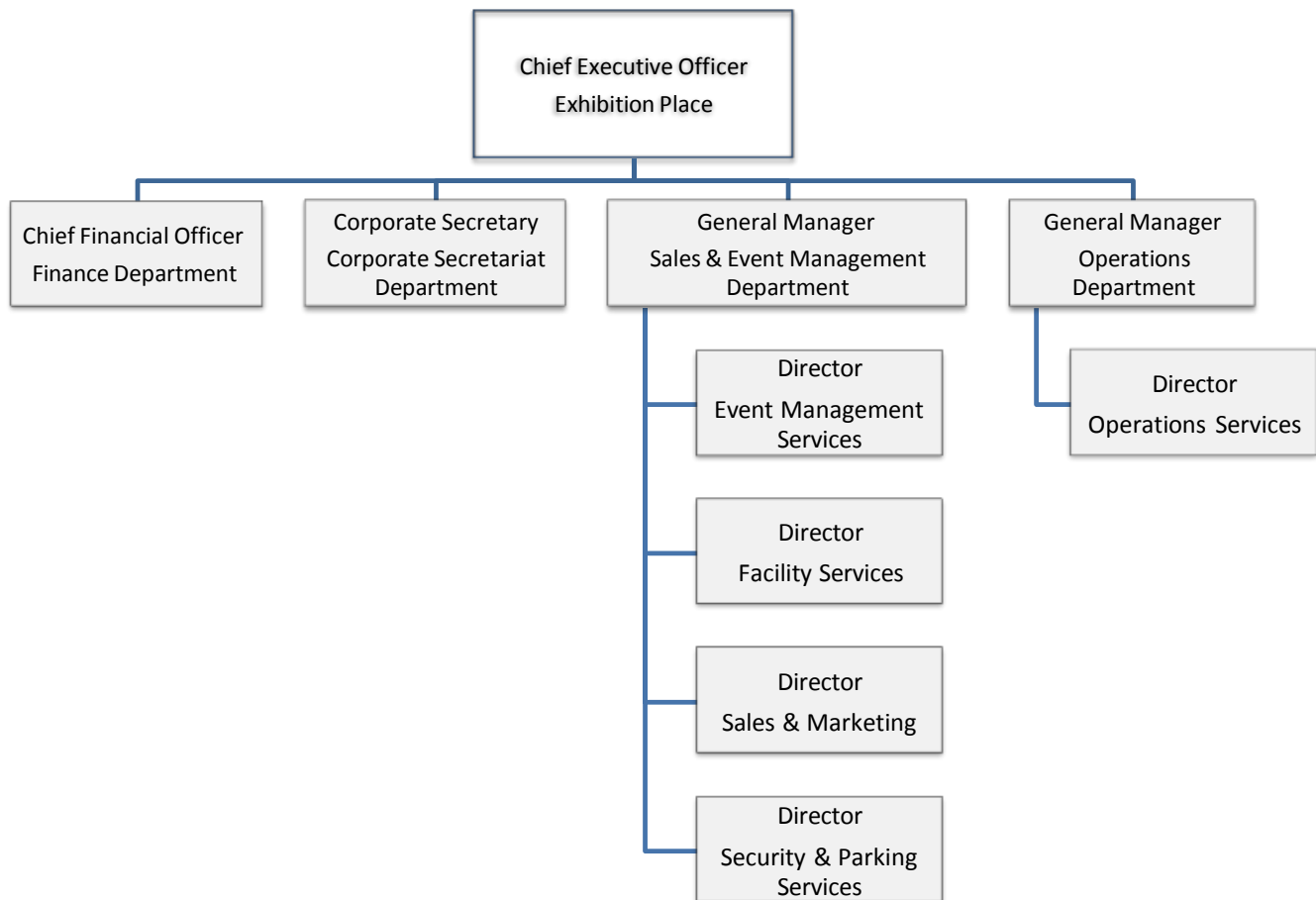
Program Summary by Expenditure Category

Category of Expense (\$000's)	2012	2013	2014	2014	2015	2015 Change from 2014 Approved		Plan	
	Actual	Actual	Budget	Actual*	Budget	Budget		2016	2017
	\$	\$	\$	\$	\$	\$	%	\$	\$
Salaries and Benefits	36,970.5	28,920.5	31,992.2	29,837.0	33,109.0	1,116.8	3.5%	33,388.9	34,490.1
Materials and Supplies	3,788.9	3,485.0	4,273.1	2,712.9	3,658.3	(614.8)	(14.4%)	3,733.6	3,508.2
Equipment	579.2	69.4	176.8	381.0	176.8	0.0	0.0%	180.4	180.5
Services & Rents	30,970.8	19,309.2	18,367.0	11,344.2	13,759.0	(4,608.0)	(25.1%)	10,441.9	10,699.1
Contributions to Capital - DEC Washroom			500.0	473.5		(500.0)	(100.0%)		0.1
Contributions to Reserve/Res Funds	984.5	778.9	778.9	778.9	1,049.5	270.5	34.7%	949.5	949.6
Contributions to Reserves - CCRF	1,158.0	1,077.9	1,143.0	1,021.6	980.3	(162.7)	(14.2%)	980.3	980.4
Other Expenditures (Recoverable wages)	(12,058.7)	(11,209.6)	(12,793.0)	(12,479.6)	(14,602.0)	(1,809.0)	14.1%	(15,079.5)	(15,262.6)
Interdivisional Charges						-			
Total Gross Expenditures	62,393.2	42,431.2	44,438.1	34,069.4	38,130.9	(6,307.2)	(14.2%)	34,595.1	35,545.2
Interdivisional Recoveries						-			
Provincial Subsidies						-			
Federal Subsidies						-			
Other Subsidies						-			
User Fees & Donations	64,852.8	39,598.3	41,946.5	31,187.8	35,146.5	(6,800.0)	(16.2%)	32,310.7	33,360.8
Contribution from Reserve Funds	123.3	267.8	125.0	98.2	3,284.4	3,159.4	2527.5%	2,184.4	2,084.4
Contribution from Reserve - CCRF - Allstream	2,035.9	2,667.6	1,966.5	1,845.1		(1,966.5)	(100.0%)		
Contribution from Reserve - CCRF - Hotel Soil		1,633.7		621.2		-			
Contribution from Reserve - CCRF - DEC Washroom			500.0	473.5		(500.0)	(100.0%)		
Sundry Revenues						-			
Total Revenues	67,012.0	44,167.4	44,538.1	34,225.9	38,430.9	(6,107.2)	(13.7%)	34,495.1	35,445.2
Total Net Expenditures	(4,618.8)	(1,736.2)	(100.0)	(156.5)	(300.0)	(200.0)	200.0%	100.0	100.0
Approved Positions	529.5	397.5	397.5	384.0	395.0			384.0	384.0

* 2014 excludes BMO Field's projected actual gross expense/revenue

Appendix 3

2015 Organization Chart



2015 Complement

Category	Senior Management	Management	Exempt Professional & Clerical	Union	Pan Am 2015	Total
Permanent	11.0	56.0	53.0			120.0
Temporary				264.0	11.0	275.0
Total	11.0	56.0	53.0	264.0	11.0	395.0

Appendix 6

Inflows/Outflows to/from Reserves & Reserve Funds

Table 1

Program Specific Reserve / Reserve Funds

Reserve / Reserve Fund Name (\$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2014 \$	Withdrawals (-) / Contributions (+)		
			2015 \$	2016 \$	2017 \$
Projected Beginning Balance		2,349.4	2,349.4	(179.7)	(1,258.8)
Conference Centre Reserve Fund	XR3019				
<i>Proposed Withdrawals (-)</i>			(3,159.4)	(2,059.4)	(1,959.4)
<i>Contributions (+)</i>			980.3	980.3	980.4
Total Reserve / Reserve Fund Draws / Contributions		2,349.4	170.3	(1,258.8)	(2,237.8)
Other Program / Agency Net Withdrawals & Contributions			(350.0)		
Balance at Year-End		2,349.4	(179.7)	(1,258.8)	(2,237.8)

Reserve / Reserve Fund Name (\$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2014 \$	Withdrawals (-) / Contributions (+)		
			2015 \$	2016 \$	2017 \$
Projected Beginning Balance		(333.5)	(333.5)	(110.5)	(31.5)
Vehicle and Equipment Reserve - Exhibition Place	XQ1702				
<i>Proposed Withdrawals (-)</i>			(350.0)	(450.0)	(450.0)
<i>Contributions (+)</i>			550.0	450.0	450.0
Total Reserve / Reserve Fund Draws / Contributions		(333.5)	(133.5)	(110.5)	(31.5)
Other Program / Agency Net Withdrawals & Contributions			23.0	79.0	67.0
Balance at Year-End		(333.5)	(110.5)	(31.5)	35.5

Table 2
Corporate Reserve / Reserve Funds

Reserve / Reserve Fund Name (\$000s)	Projected Balance as of Dec. 31, 2014	Projected Balance as of Dec. 31, 2014 \$	Withdrawals (-) / Contributions (+)		
			2015 \$	2016 \$	2017 \$
Projected Beginning Balance		21,307.7	21,307.7	962.3	(8,707.9)
Insurance Reserve Fund	XR1010				
<i>Proposed Withdrawals (-)</i>					
<i>Contributions (+)</i>			449.5	449.5	449.5
Total Reserve / Reserve Fund Draws / Contributions		21,307.7	449.5	449.5	449.5
Other Program / Agency Net Withdrawals & Contributions			(20,794.9)	(10,119.7)	875.9
Balance at Year-End		21,307.7	962.3	(8,707.9)	(7,382.5)

Reserve / Reserve Fund Name (\$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2014 \$	Withdrawals (-) / Contributions (+)		
			2015 \$	2016 \$	2017 \$
Projected Beginning Balance		44,678.1	44,678.1	41,072.9	41,212.5
Sick Leave Reserve Fund	XR1007				
<i>Proposed Withdrawals (-)</i>			(50.0)	(50.0)	(50.0)
<i>Contributions (+)</i>			50.0	50.0	50.0
Total Reserve / Reserve Fund Draws / Contributions		44,678.1			
Other Program / Agency Net Withdrawals & Contributions			(3,605.3)	139.7	1,379.5
Balance at Year-End		44,678.1	41,072.9	41,212.5	42,592.0

Reserve / Reserve Fund Name (\$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2014 \$	Withdrawals (-) / Contributions (+)		
			2015 \$	2016 \$	2017 \$
Projected Beginning Balance		19.6	19.6	(18,634.7)	(30,505.9)
Environmental Protection (Trees) Reserve Fund	XR1718				
<i>Proposed Withdrawals (-)</i>			(75.0)	(75.0)	(75.0)
<i>Contributions (+)</i>					
Total Reserve / Reserve Fund Draws / Contributions		19.6	(75.0)	(75.0)	(75.0)
Other Program / Agency Net Withdrawals & Contributions			(18,579.3)	(11,796.2)	(11,796.2)
Balance at Year-End		19.6	(18,634.7)	(30,505.9)	(42,377.1)

Appendix 7a

User Fees Adjusted for Inflation and Other

Rate Description	Service	Fee Category	Fee Basis	2014	2015			2016	2017
				Approved Rate	Inflationary Adjusted Rate Change (%)	Other Adjustment	Budget Rate	Plan Rate	Plan Rate
Rental charge for use of facilities	Exhibitions & Events	Market Based	Sq Ft.	\$0.088 to \$0.173	3%	\$0.002 to \$0.005 per square foot	\$0.09 to \$0.178 per sq ft	\$0.093 to \$0.183	\$0.095 to \$0.189
General Parking on Exhi	Exhibition Place Parking	Market Based	Day	\$11 to \$25	0%	\$0 per car	\$11 to \$25	\$11 to \$25	\$11 to \$25
Rental of meeting and b	Conventions, Conference	Market Based	Day/Sq Ft.	\$0.54 to \$0.59	3%	\$0.02per sq ft.	\$0.56 to \$0.61 per sq ft.	\$0.56 to \$0.61 pre sq ft.	\$0.58 to \$0.63 pre sq ft.