



MTCC South Building

Business & Strategic Plan 2022 – 2025

December 16, 2021

Business & Strategic Plan

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Mandate

The Corporation is governed by the Metropolitan Toronto Convention Centre Corporation Act and is owned by the Province of Ontario. The Metro Toronto Convention Centre (MTCC) is a Provincial Agency and an Operational Enterprise with a mandate, as provided in the Act, to operate, maintain and manage an international class convention centre facility in the City of Toronto in a manner that will promote and develop tourism and industry in Ontario.

In 1984, when MTCC first opened, the Board of Directors of the Corporation established goals consistent with the policy objectives of the Government of Ontario that are also part of the MTCC Act:

- to position MTCC as a world-class convention centre;
- to attract incremental visitors to Canada, Ontario and Toronto;
- to provide a showcase for conventions, trade shows, public shows, meetings and food and beverage needs; and
- to operate on a cost recovery commercial (profitable) basis over the long term.

The objectives are consistent with the Ministry of Heritage, Sport, Tourism and Culture Industries' goal of generating positive economic impact, through increased visitation to Ontario.

The objectives are intended to guide management in strategic and operational planning; they form the basis for this plan and are reflected in the Memorandum of Understanding with the Province.

MTCC operates within the accountability framework of the Province of Ontario as set out in the Agencies & Appointments Directive.

The objectives of the Corporation are to operate and manage an international class convention centre in the City of Toronto as a self-funded organization in a manner that will promote and develop tourism and industry in Ontario. Our primary goal remains to be the premier gathering place for conventions, trade/public shows and corporate meetings. In addition to maintaining our current business, our goal is to develop new business to both grow our corporate revenues and profit margins and drive additional economic benefit to the Province and City.

The Corporation has been successful in attracting hundreds of thousands of convention delegates to Toronto over the past three decades. As MTCC concludes its 37th year of business, the experience it has accumulated over the years, and the reputation it has acquired as one of Canada's leading convention facilities, continues to grow. With its experience, reputation and people behind it, the Centre will continue to strive towards ensuring the success of its clients' events.

Vision and Values

In addition to our corporate mandate, the organization has developed a vision and a set of values to guide us in our planning and day-to-day operations. They reflect the fact that, first and foremost, we are a customer service driven organization.

The MTCC has developed the following vision statement. It represents MTCC's Success Equation, which reflects our culture, values and philosophy.



In a typical year, we have donated the equivalent of 30,000 meals to food rescue organizations.

Our Values

Friendly

We will service every customer and staff with a smile and a positive attitude.

Responsive

We will demonstrate a "See & Do" attitude by taking the initiative to handle any task in a timely and efficient manner.

Fair

We will treat others as we wish to be treated.
We will say what we do and do what we say.

Proud

We will take ownership in our work.
Our drive for excellence will be achieved through our contagious enthusiasm.

Dedicated

We will Go-the-Extra-Mile to exceed customer expectations and help them achieve a successful event.

Professional

We will understand and be respectful of our customers' needs and consistently deliver our services at the highest standards.

Our Vision

**We Help Our
Customers Create
Successful Events**

Our Service



Safe

Nothing trumps safety

A culture ingrained with the pursuit of safety, based on best practice protocols, leading to an environment where all feel safe.

Attentive

Simple as a smile

Consistently providing exemplary customer service by exhibiting and creating a welcoming, respectful and friendly environment.

Flexible

Let's work together

Understanding the needs of our customers in order to innovate and adapt to make it easier to do business.

Efficient

Smooth and timely

Providing a seamless (and efficient) customer experience.



Strategic Directions

As MTCC prepares to host events again, management has identified a number of key initiatives that are paramount to establishing future success.

As the Centre begins welcoming customers back to its operation, corporate culture and customer service will be of principal concern for both short and long-term recovery of the business. Successfully recalling hourly and salaried staff will play a significant role in healing our culture, while laying the foundation upon which MTCC's future will be built yet again. Retaining and attracting talent will be a critical component of this success. Likewise, another critical aspect will be maintaining and growing a strong relationship with LiUNA, the facility's principal employment union.

As staffing and culture are rebuilt, so too must customer service levels. Competition will be fierce

within the multitude of venues throughout Toronto for local and national business. MTCC will compete vigorously to both grow and retain existing customers.

Operationally, the facility will be required to continue operations with minimal capital investment. The facility's new marshalling yard will be set-up for operation while cleaning and safety protocols will be maintained with rigor. Reengineering the food and beverage department will be done with safety and customer flexibility in mind.

Patron safety, comfort and confidence will continue to be of principal concern. While we will follow Provincial guidelines MTCC's ONWARD Safe Events Guide will continue to outline the facility's enhanced operating procedures.



Business Outlook

MTCC operates within the accountability framework of the Province of Ontario as set out in the Agencies & Appointments Directive.

The objective of the Corporation is to operate and manage an international class convention centre in the City of Toronto as a self-funded organization in a manner that will promote and develop tourism and industry in Ontario. Our primary goal remains to be the premier gathering place for conventions, trade/public shows and corporate meetings. In addition to maintaining our current business, our goal is to develop new business to both grow our corporate revenues and profit margins and drive additional economic benefit for the city.

The Corporation has been successful in attracting hundreds of thousands of convention delegates to Toronto over the past three decades. As MTCC approaches its 40th year of business, the experience accumulated affords it the reputation as one of North America's leading convention facilities. With these

attributes and the people behind it, the Centre will continue to strive towards ensuring the success of its clients' events.

Prior to the pandemic, MTCC enjoyed a long period of strong performance with continued growth in the number of events it hosts each year. This led to strong corporate revenues and, coupled with effective management of corporate expenditures, translated into positive bottom line results that enabled the Corporation to maintain the facility, provide a payment to its shareholder, the Government of Ontario, and generate a positive economic benefit to the City of Toronto of \$500 million to \$600 million each year. Through our direct and indirect economic impact, we were creating approximately 5,200 jobs annually and generating annual taxes of approximately \$150 million. We are forecasting that it will take 24 to 36 months before we are able to achieve similar results, as the Business Events industry recovers.



Overview of Current and Future Programs and Activities

Facility Rental

Next year, we have 10 citywide conventions booked in the Centre – seven less than we hosted in the pre-pandemic year of 2019/20. Total facility rental revenue for the upcoming year is estimated at \$12 million.

While citywide conventions are one of the largest contributors to driving economic impact, the demand for convention space for future years is temporarily paused. Meeting planners have been navigating their way through the pandemic by converting their events to virtual or hybrid formats, and many are faced with the uncertainty of their future space requirements. On a positive note, our confirmed citywide business remains strong in fiscal years 2023/24 and 2024/25.

Our Sales team has taken a strategic and focused approach on securing domestic events for fiscal 2022/23. We believe that demand for event space will rebound first within Canada. We are forecasting to host 317 events at the Centre, which is approximately 64% of our normal event load. Our occupancy rate is expected to be approximately 45% as compared to pre-pandemic levels of 57-59%.

Food and Beverage

Globally, nationally, and locally, the Centre's food and beverage program has earned a reputation of delivering innovative and contemporary culinary experiences in a large volume environment. This coming year will provide challenges to all areas of the operations by right of the introduction of new safety protocols, reduced attendance, increased commodity prices, higher staffing costs, and anticipated client budget constraints. Talent productivity and retention is at risk due to the prolonged dormancy of operations.

Solutions have been designed to provide clients with options to support them in creating successful events in this unique environment. These include distinctive floorplan models, alternative service styles, and reengineered menu options. We are confident this level of due diligence will maintain our leading position in the marketplace.

In 2021, the contractual agreement with our retail food partner expired. Due to the evolving and challenging restaurant landscape, the Centre chose to pause the request-for-proposal process in favour of a month-to-month agreement until such time as the industry strengthens. It is anticipated that this will occur in the 2022/2023 fiscal year, and it will be the prime opportunity to review new solutions.

Technology Operations

Technology requirements continue to grow and are a critical success factor for both convention centre events, and convention centre operations. Evolving user trends, increased attendee engagement and the emergence of hybrid events, will place more demand on our technology infrastructure than ever before. Critical to supporting these demands is the functionality and reliability of our data network services.

The emerging Wi-Fi 6 standard will soon become the expected level of wireless network service as more and more consumer devices are released supporting this new technology. To properly serve our clients and our operational needs, we are preparing to migrate from Wi-Fi 5 to Wi-Fi 6 in 2023/24. This capital expenditure will require significant investment in new equipment and software.

The nature of the work-from-home situation brought on by the pandemic in 2020 highlighted the importance of our ability to offer robust and flexible working scenarios, built on technology solutions that enable access from anywhere and foster employee collaboration. We continue to evolve our technology platforms and office environment to accommodate the changing workplace demands and employee productivity needs.

Convention Development Fund

MTCC continues to participate in the tri-party model which supports the Convention Development Fund (CDF). While funding dynamics have changed over the last year, the committee continues to meet, evaluate and submit bids on a monthly basis. The Province also contributed to the fund in an effort to preserve the future viability of the CDF. As the industry recovers, the CDF will continue to evolve to support citywide convention bids. The fund was used in fiscal 2020/21 to support nine citywide bids for future years, based on the number of applications approved from January through September 2021.

Redevelopment

MTCC's executive staff have completed the body of work associated with the evaluation of the potential redevelopment of the Centre. A feasibility study, economic impact study, design and engineering study, customer advisory board meetings and several stakeholder meetings have been successfully completed. While the data is quite extensive, it outlines MTCC's ranking within North America, including potential future economic impact to Toronto and Ontario. Work on this project has been paused during the pandemic but we continue to believe that redevelopment of the Centre will be crucial to our future growth and success.

Parking

Our parking operations have been affected by numerous factors in the recent years, including increased congestion in the downtown core and the dramatic changes in activity related to the pandemic, which has resulted in reduced revenues for our parking operations. While many elements are still in flux, we expect to achieve 60% occupancy in the 2022/23 fiscal year in comparison to a normal year. This is based on the fact that even with the increase of construction projects and congestion downtown, as well as reduced density related to more businesses relying on remote workers, there is expected to be an increase in single-occupancy vehicle usage and a move away from public transport. To help offset these factors, we will continue to explore alternative sources of revenue for the garage, including leasing a portion of space to fleet operators, such as car dealerships and rental car companies.

Labour

We take pride in our brand, "Our People are the Centre." Our people are the critical element in our customer service model and we need to ensure that we attract and retain the best talent. MTCC, like many organizations, was affected by layoffs in 2020/2021. In an already limited labour market, it is crucial that MTCC be able to retain and successfully recall its employees when business levels resume. In 2022, two major collective agreements will be up for renewal – one with LIUNA Local 506 and the other with LIUNA Local 3000. We will continue to seek ways to ensure our policies and procedures remain progressive and in-line with our hospitality competitors and the industries where we recruit and attract talent. We will work with our Unions and look for opportunities to add value and flexibility for our employees to retain MTCC as an employer of choice.

Insurance

Management has negotiated the renewal of the corporate insurance policies which expired on August 14, 2021. All coverages have been extended for one year. Due to the challenging market conditions, MTCC experienced significant premium increases for most policies and reduction in coverage for the Cyber Security policy. Management will continue to work with MTCC's insurance broker to secure higher limits for Cyber Security to the past year's level.

Aging Equipment

With the North Building approaching 40 years of age, an ever-increasing amount of equipment is reaching end of life. The building itself must also be examined in the near future to determine if major renovations are to be conducted or reconstruction of the facility is required. Management continues to proactively address major repairs/replacements of our critical escalators and elevators. Previously, all the North Building escalators were replaced at approximately 22 years of service, and we have been upgrading elevators on an as-needed basis. The next phase of this activity will take place over the next three to five years, longer than initially expected because of current limited access to capital funds. Once funds are secured, this next phase will incorporate the following:

- South Building escalators (circa 1997) 17 units. Replacement of heavier used units (bridge to street levels) and refurbishment of remaining units.
- Repairs/upgrades to freight elevators for safe and stable operations; and
- Upgrades to passenger elevators as needed for safe and reliable operations, and to improve the fit and finish elements.

The estimated cost for this project is between \$7.5 million and \$8.5 million.

Event Technology Strategy

Our event technology strategy defines our immediate and long-term plans for technology that directly affects the success of events. This differs from technology used to manage MTCC business operations, although some degree of overlap is natural.

One of the continuing trends in the venue industry is the growing requirement for high performing data network services. Some of the factors that contribute to this growth are long established, while others are relatively recent. In particular, the pandemic forced many events to shift to a virtual event environment to maintain their event presence. While often seen as a less than ideal experience for event planners and attendees, these virtual events did have some advantages, allowing events to engage a wider audience than ever before. It is expected that many of these events will choose to maintain some form of virtual presence to enhance their live events in the future. This mixture of in person and virtual events is being labelled as “hybrid events” within the industry. These hybrid events will put increased demand on our data network due the high-speed connections and quality of service required to reliably stream video and audio content on the internet. Other factors that project to put an increased demand on our data network are emerging technologies, such as virtual/augmented realities and the Internet of Things. These technologies are not yet commonplace, but need to be factored into our data network planning.

Network access at MTCC is managed through our in-house resources and can be obtained through either wired or wireless network connections. Wired network access provides reliable high-speed data service for the most demanding of applications such as application servers and video streaming. MTCC’s wired network also forms the underlying backbone of MTCC’s wireless system by connecting the many wireless access points with controlling equipment throughout both buildings. This interdependency makes it important to consider the effects any changes made to one service will have on another when conducting upgrades.

Wireless network access provides connectivity for mobile devices and applications with less stringent data needs such as web browsing and mobile applications. Our current Wi-Fi network implements the

Wi-Fi 5 (802.11 ac) standard introduced in 2013. Cellular data services are also available to MTCC visitors through networks provided by standard telecommunications providers. These services are provided by Bell, Telus, Rogers, and Freedom to subscribers with mobile data plans.

Both Wi-fi and cellular wireless technologies are in the process of releasing next generation standards, which promise to enhance both the speed and reliability of their services. For Wi-Fi, this is referred to as “Wi-Fi 6” and for cellular, this is referred to as “5G”.

Wi-Fi 6

The promise of Wi-Fi 6 offers many advantages to both MTCC and its customers. Wi-Fi 6 offers MTCC the following advantages over traditional Wi-Fi technologies:

- Increased bandwidth - offering nearly triple the data transfer speeds of traditional Wi-Fi. This additional bandwidth will be important in the future as 5G cellular service will eventually exceed traditional Wi-Fi speeds and could potentially be a viable option for data services traditionally served by MTCC networks for a fee. Wi-Fi 6 will allow our wireless services to maintain an advantage over emerging cellular services, offering protection to our wireless revenue streams.
- Increased density - allowing us to service a larger number of customers in the same small area. This increased capacity is important in areas such as dense meeting rooms where traditional Wi-Fi technology sometimes struggles to keep up with the increasing number of Wi-Fi devices used by our attendees, staff and IoT network devices.
- Backwards compatibility for previous Wi-Fi standards – enabling reliable service for devices that were released before widespread adoption of the new standard.

As mobile devices are increasingly released to market supporting Wi-Fi 6 technology, the new standard will become dominant and will be the expected level at which our wireless services will need to perform to meet our customer needs. To maintain high quality service and protect the financial viability of our wireless data services, it is important for MTCC to maintain a contemporary Wi-Fi network by implementing this new technology in a timely fashion. It is estimated that the capital expenditure required to upgrade our wireless services to Wi-Fi 6 compliant hardware and software will be in the hundreds of thousands of dollars.

• MTCC Strategy

Technology will continue to grow as a critical success factor for convention centre events. Data network services will be an underlying requirement for most of this technology. As such, both Wi-Fi 6 and the influence 5G cellular data services will have on our service offerings will need to be factored into our network strategy.

- We will continue to enhance our wired network to maintain levels of service that ensure customer success and operational needs.
- In fiscal 2023/24, we will begin acquiring and implementing the Wi-Fi 6 network infrastructure to accommodate contemporary wireless service needs.

Market Segment Overview

Fiscal year 2022/2023 will be a period for the industry to recover. Facility occupancy, which is generally in the mid to high 50 percent range, is budgeted to be at approximately 45% percent.

We have 10 citywide conventions booked for 2022/23, which is 5 to 7 less than normal. All except one will take place from August onwards. The total number of events that we will host is budgeted to be approximately 317. Of these, we anticipate hosting 30 conventions.

Our challenge as we start a new year is to determine how much business we can pick up in the year given the economic uncertainty and consumer confidence around the pandemic. With this, most of our pick-up business will come from the local and Canadian markets by way of small to mid-size corporate meetings, theatre and special events.

We are budgeted to host three US based citywide conventions, one international and six Canadian citywide conventions. In addition, we will host 6 smaller citywide conventions from outside of Canada. The largest convention in size and attendance will be the International Association for the Study of Pain in September, which will bring 7,000 delegates to our city. The total number of Canadian conventions that we will host is 20.

Our local annual Public and Tradeshow markets have decreased as a result of the pandemic. Over the last two years, 6 show organizers were unable to produce an event and have ceased their business operations, not only in Toronto, but around the world. For the clients that have survived, they are faced with the challenge of not knowing how much space to contract nor when they need to schedule their next event.



Environmental Scan & Risk Identification

Assessment, and Mitigation Strategies

The environmental scan identifies the challenges and outlines the major corporate risk factors that could influence MTCC's operations. These risk factors are monitored with appropriate strategies implemented to mitigate these risks.

Risk Category: Operational

Risk Factor #1: The Economy

The spread of the Delta variant of COVID-19 and slow vaccination rates in many emerging market economies created another detour in the road to recovery for the global economy. Supply chain disruptions and labour shortages continue to weigh on manufacturers' ability to deliver product. Services providers are also struggling to find workers while the spread of the virus threatens to limit recovery in the hospitality sector. While these constraints may act as a speed bump to global growth, the combination of government stimulus, low interest rates and high vaccination rates in advanced economies will keep their recovery on course for the remainder of 2021.

Sizeable government spending and extraordinary low interest rates will continue to support recovery. Some government measures are expiring, including a winding down of supports for unemployed workers, but on balance fiscal policy remains supportive. Monetary policy also remains highly accommodative.

The Royal Bank of Canada has reported that the IMF forecasts the global economy to expand by 6% in 2021 and to grow by 4.9% in 2022. The positive outlook can be attributed to elevated vaccination rates, reduced case counts, lower interest rates, and increase of government stimulus. As well, the Bank of Canada is optimistic yet cautious with its growth forecast with a projected GDP $\frac{3}{4}$ higher at the end of 2022 compared to prior year, better than previously expected. Employment is also expected to rebound as the labour market continues to recover. (Source: rbc.com/economics, *Navigating the Delta Variant*, Aug. 12, 2021 and September 13, 2021).

Historically, in pre-pandemic years, MTCC generated a positive economic benefit for the City of Toronto and the Province of Ontario between \$500M and \$600M per year. However, due to the continued uncertainty of the pandemic, we will not be able to achieve historical economic benefit for the upcoming fiscal period.

The facility remains open but the return to normal business levels will be a gradual process. MTCC customers have been affected by government restrictions related to venue capacity and physical distancing measures, which help to curb the COVID spread. Looking ahead, factors which will also influence the facility's economic growth are consumer confidence, changes in consumer behaviour, industry solvency, and the MTCC's financial and operational ability.

There is a risk that MTCC will not fully return to normal business levels for the next two to three years. This will significantly impact its revenues for fiscal 2022/23. This will affect its ability to make a minimum distribution payment of \$2.5M to the Shareholder.

Related Strategic Priority

Secure local and regional business meetings and expos in the near-term.

Likelihood of Occurrence

2 - 3

Both Canadian and U.S. economies are expected to grow in 2022/2023 however, the uncertainties of the pandemic remain a concern.

Impact and Scope

5

Should we experience a significant slowdown in the economy over the next two to three years it will potentially lead us into a recession.

Mitigation

We will put our efforts in securing US and International base business for the upcoming year.

If sufficient revenue is not generated to cover expenditures, MTCC will work with the Province to identify and implement financial solutions.

Risk Factor #2: Insurance

As a result of the flood damage in 2018/2019, MTCC's insurance premium cost increased significantly. Management decided to increase the deductible in order to maintain lower premiums by self-insuring MTCC for the deductible amount of \$2.5M. However, due to the impact of the pandemic, MTCC does not have the \$2.5M cash reserves available should a claim arise. In addition, if a future claim is made against the property policy, MTCC's deductible amount may increase further or MTCC may not be able to secure coverage from the insurers going forward and would therefore have to self-insure for any future property losses.

Due to the current insurance market conditions, premiums have significantly increased and coverage amounts have decreased.

Related Strategic Priority

To seek insurance protection to hedge against the risk of a contingent or an uncertain financial loss. To increase cash reserves over time to compensate for the lack of coverage.

Likelihood of Occurrence

5

Due to the pandemic and the loss of business, MTCC's cash flow has been negatively impacted. However, we expect the business to recover in the next two to three years. In the meantime, MTCC does not have the cash reserve to cover the \$2.5M for self-insurance.

Impact and Scope

5

At the end of fiscal 2021/22, management does not have the cash reserve to cover the deductible amount of \$2.5 million should a claim arise. In addition, MTCC may not be able to secure coverage for future claims.

In addition, the funds required for the deductible amount may affect the annual distribution payment to the shareholder, the Province of Ontario.

Mitigation

MTCC will work with MHSTCI to explore funding options to cover the \$2.5M deductible should a claim arise until MTCC's business operations becomes profitable and is able to set up a cash reserve. MTCC plans to increase the cash reserve for any future claims over the next couple of years to \$6.0M.

Risk Factor #3: MTCC (Future) Occupancy Capacity

Prior to the pandemic, the executive team conducted extensive research to evaluate the competitive position of MTCC within Canada and North America. This confirmed MTCC was operating at capacity for both exhibit halls and overall facility occupancy. Our current exhibit hall size is affording us the opportunity to service 73% of the available market supply, or opportunity. Our continued success in securing high-impact, non-domestic events, which fulfills our mandate of generating economic impact for Toronto, Ontario and Canada, is hindered by our current facility size and inability to supply the necessary hotel room blocks required to secure citywide business. MTCC has fallen behind rivals in North America in both facility size and accessible hotel room blocks. These restrictions hinder our ability to grow economic impact for the city and the province.

Related Strategic Priority

The convention centre district is a critical component to our success. Walkable access to hotels, attractions and restaurants afford customers the ability to immerse their clientele in Toronto's culture. Furthermore, direct access from Pearson to MTCC via the UP Express is also a critical component associated with the success of MTCC. A poll determined that 89 percent of customers prefer an urban location to a near-urban or non-urban venue.

Likelihood of Occurrence

5

With little business event activity in the building over the past 18 months, the demand for space has been reduced. In the short term, as we recover from the pandemic, demand will start to increase over the next 12 to 18 months. Our booking calendar for the next three years beyond 2022 is very strong, and we will likely be back in a similar position of regretting significant-sized business early within the recovery period.

Impact and Scope

1 - 5

Prior to the pandemic MTCC was regretting approximately 100 medium to large scale events annually. Unfortunately, 70 percent of those regretted events left Canada altogether. The economic value associated with the lost business approaches \$1 billion in economic impact for the City and Province. Redeveloping MTCC would help to recapture these lost opportunities.

Mitigation

In order to remain competitive and fulfill our mandate, MTCC should be redeveloped to increase additional exhibition, meeting and ballroom space in order for MTCC to be more competitive in the market place.

It will be important to document the facts in terms of the impact a shift in room block size/availability has on our business and on the "bidding process." It will also be important to document the decisions made so we can track the consequential impact of those business decisions over the longer term and be available to create potential remedies. Alternative types of business will have to be targeted to fill the available space. These alternatives will negatively affect our economic impact potential and knowledge transfer benefits achieved compared to hosting events of international stature. Essentially, we would have to depend on more local businesses, which will have less economic benefit.

Risk Factor #4: Limited Availability of Hotel Room Blocks

A key component to winning citywide convention business involves securing the appropriate “hotel package/block” with a variety of price points in close proximity to the convention centre. The availability of larger hotel blocks means fewer hotels are required to participate, therefore a “tighter hotel package” results in a client needing to negotiate fewer hotel contracts. Traditionally, blocks of rooms were committed to a particular event at a negotiated rate many years in advance of the event, with the actual contracting of the rooms taking place 6 to 24 months preceding the event. This allowed hotels with fewer room blocks to book business at a higher rate than those that had pre-negotiated rates. Some hotels are now examining the size of the room blocks they will make available for conventions, given the demand for hotel rooms from other types of travellers. Some are questioning if they should be providing room blocks at all in traditionally high demand periods of the year. Further complicating this issue is the possibility of hotel owners repurposing existing downtown hotels into residential condominium usage. This would further compromise our ability to secure hotel rooms.

Related Strategic Priority

The lack of appropriately sized room blocks from key convention hotels may affect our ability to both maintain and grow the number and size of major conventions.

Likelihood of Occurrence

5

Based on market research and industry analysis completed just prior to the pandemic, Toronto requires 12 hotels to assemble a 2,500 peak room block to meet market demand.

Toronto is the fourth largest metropolitan area in North America, but its downtown hotel availability ranks behind smaller urban destinations. With the declining available hotel room inventory, expanding our convention and tradeshow market share will be challenging.

Hotels in close proximity to the convention centre have already reduced the number of rooms they are willing to make available on a confirmed basis, for future convention business. Hotels have also signalled that even smaller room blocks for specific periods in the calendar are a potential reality.

It remains to be seen how this issue will evolve after the pandemic has been contained. As Business Events return, the demand for hotel rooms for individual business travel, leisure, and other large events will return as well. Therefore, we are likely to see a return of this risk.

Impact and Scope

5

Without hotel room availability assured at pre-established prices, Toronto is put at a competitive disadvantage with destinations that offer more competitive packages. Smaller committed room blocks mean more hotels will be needed and therefore more hotel contracts will need to be negotiated. This will also result in delegates being housed further away from the convention centre, resulting in higher transportation costs from hotels to the convention centre. Attendance at events will be negatively impacted if rooms are not available or priced at retail rates.

Mitigation

To establish a solution, this will require support from Destination Toronto, the Greater Toronto Hotel Association (hospitality community) and the municipal government.

Risk Factor #5: Renewal and Sustainability of Convention Development Fund (CDF)

Currently the CDF remains funded to support bids for future citywide events. The definition of a citywide convention has been one that would use MTCC, two or more hotels and require 1,100 or more peak night hotel rooms. More recently, Destination Toronto has begun measuring citywide events by attendance. Additionally, MTCC continues to use the Provincial TREIM model to measure economic impact, and Destination Toronto is now using the Destination International economic impact calculator. As the industry recovers, the aforementioned measurements and definitions will require integration.

Related Strategic Priority

MTCC has not budgeted to fulfill its contractual obligation to fund the CDF this year.

Likelihood of Occurrence

1 - 2

No major changes are perceived that will impair the renewal of the agreement.

The CDF is expected to continue functioning as normal.

Impact and Scope

5

The major convention market is very competitive. Our primary Canadian competitors, Montreal and Vancouver, have significantly increased their incentives and have active plans to expand their facilities. In the US, we compete with over 40 cities in bidding on this size of business.

Without sufficient funding, Toronto, as a destination, will not be competitive and MTCC would be at risk of losing revenue and generate less economic impact.

The major convention market is very competitive. The CDF is currently funded and continues to operate insuring future conventions are secured.

Mitigation

All industry partners that benefit from this funding model must continue supporting this program. The financial incentives for each convention are getting larger. Under the current funding levels, the program will become unsustainable. Therefore, higher CDF funding may be required by all participants.

All industry partners (hotels, restaurants, airports, transportation (public and private)) that benefit from this funding model must continue supporting this program.

The financial incentives for each convention are getting larger.

Risk Factor #7: Food & Beverage Offerings, Pricing, Revenue & Profitability

Similar to the years immediately following the SARS outbreak in 2003 and the Economic Downturn of 2008/2009, the Global Pandemic will impact meeting planners spending and attendance numbers. Menu engineering will be influenced by cost of goods and services including labour in addition to service styles dictated by enhanced sanitation and social distancing protocols. Labour productivity will erode profit margins as a result of new safety procedures, event format, and the prolonged lay-off period.

Related Strategic Priority

The Food and Beverage department will require significant remodelling of its operational structure and client offerings to offset reduced revenues and profitability. Menu composition, pricing and style of service will be driven by market basket analysis, commodity pricing indexes and in-house labour projections. Operational adjustments will be a function of related changes to the revised food and beverage programs.

Likelihood of Occurrence

5

Based on historical trends and data as well as industry intelligence, all risks associated with revenue and profit reductions are anticipated.

Impact and Scope

5

Food and beverage products and services at the Centre have been a point of difference from our competitive set. Modifications to the culinary program even in the short term will risk our reputation. Food and beverage services are the primary ancillary costs where companies reduce or eliminate budgets. In the short term, higher commodity costs will erode profitability if mitigation strategies are not put in place. Loss of talent will challenge recovery efforts.

Mitigation

- Menu engineered to reduce high-cost food items will be replaced with alternative products appropriate for the current client environment.
- Aggressive procurement negotiations with all related suppliers.
- Redesign of the food and beverage programs focusing on enhanced sanitation and social distancing protocols.
- Proactive sales initiatives to attract new and returning business.
- Comprehensive menu analysis of competitive facility comparisons will determine strategic price increases.
- Food and beverage selections will be designed to reflect comfort, quality, and value.
- Marketing efforts will be focused on our local procurement initiatives including farmers, vintners and brewers to illustrate the Centre's continued support for Ontario business. Local charitable food donations will also be highlighted.
- Integrated reorientation and retraining plan to ensure all stakeholders are equipped with knowledge and resources to perform in the new environment.

Risk Factor #7: Emergency Preparedness

MTCC hosts hundreds of events each year with millions of guests in attendance. The Centre is also part of the PATH systems; this walkway facilitates pedestrian linkages to public transit, for commuters as well as tourists and residents. Therefore, it is vitally important that we provide our clients with a facility that is safe and secure.

Emergency levels in Toronto remain relatively moderate, however management remains vigilant and continue to prepare for incidents such as domestic and international security threats and other forms of natural incidents (i.e. flood). Our readiness to react to these incidents is key to a successful return to normal business.

Related Strategic Priority

Safety of attendees and MTCC staff.

Likelihood of Occurrence

3

Natural Disasters

On August 8, 2018 we experienced flooding in our neighborhood because of more extreme weather conditions and an aging city drainage system in our area. The massive flood affected both the South and North Buildings, resulting in lost business and a need to restore the facility at a cost of \$10 million.

Security

Toronto is prominent on the international stage and the Centre is located in the heart of the financial, tourist attraction area and transportation hub of the city. It has seen its fair share of incidents, including terrorist attack attempts against government facilities and people, shootings, and other acts of violence; not to mention Toronto is often the centre of political or extreme right motivated protests.

Impact and Scope

1-5

The impact would correspond with the level of disaster.

Mitigation

Although there have been isolated cases, it is prudent to continue to further expand our contingency plans.

In December 2020, WSP Consultants provided a comprehensive review and risk assessment of our emergency and recovery plan. The results showed the need to continually update our Safety plan and identify any potential risks and/or vulnerabilities that may exist, and to develop recommendations to address findings.

We continue to evaluate and improve our emergency preparedness planning by updating relevant information and procedures. Emergency operation centres in both the North and South Buildings have been established so that Management can effectively operate in either of the two buildings in the event of an emergency.

MTCC is part of the Toronto Police Path-Comm, whereby MTCC security management team participates in emergency scenario exercises on an annual basis. Path-Comm is a radio communications network, which allows major downtown facilities and the Toronto Police Services to have real-time radio communications during a major emergency in the downtown core.

We will also continue to work jointly with our neighbours, Rogers Centre, CN Tower and Scotiabank Arena. The SAFE group (South Area Facilities for Entertainment) conducts monthly meetings along with periodic exercises. It has been several years since the SAFE group conducted an emergency scenario tabletop exercise, however, the group is working with Toronto Police and Fire Services to obtain funding to conduct future exercises.

Additional training programs have been implemented for our security guards such as, "Active shooter response training". This will allow our employees to ensure they have and maintain the necessary ability and skills needed to react to emergencies.

Risk Factor #8: Construction Work and Road Closure – Business Interruption

The increasing amount of road closures, in tandem with construction projects that surround MTCC, has resulted in constant gridlock, which negatively impacts the Centre's clients' and visitors' ability to access the building. In addition, the MTCC buildings are subject to potential disruption due to their close proximity to these work sites.

Related Strategic Priority

The prevalence of gridlocks surrounding MTCC adds complexity and aggravates event planners, attendees, and the public as it denies or delays access to the facility.

Likelihood of Occurrence

4

Construction work and road closures will continue to have an impact on the traffic gridlock in the downtown core.

Impact and Scope

3

Increased traffic gridlock in and around MTCC continues to negatively impact our business, as our clients are unable to efficiently and effectively move in or out of their events resulting in significant delays. Parking revenues have been negatively affected because of the heavy congestion as well. Congestion greatly restricts the ability to exit the garages efficiently and as a result, the public chooses to park elsewhere during future visits. Examples of some local work causing these disruptions include but are not limited to:

Active Permit, Work, or Construction:

- Special Event Permits (on Bremner Blvd. between York & Rees Street or in Roundhouse Park)
- Contracted Street Work
- Contracts Excavation Work
- Path Tunnel Construction (Simcoe St & Front St – between Cadillac Fairview's 46-storey tower & Simcoe Place)
- Toronto Hydro rebuilding the electrical distribution system – John St
- 46-storey Cadillac Fairview tower (Simcoe St & Front St)
- Metrolinx's (1) improvement to the rail corridor, (2) electrification of the GO Line

Future Pipeline:

- Oxford Properties' "Union Park", a 4-tower development to the west of MTCC
- Allied Properties' "Union Square", a 52-storey office complex to be (south-east corner of Front & Simcoe)
- Please refer to the Appendix page for the construction/development list from the BIA map

Mitigation

MTCC continues to meet with city officials, the Toronto Police, and the local Business Improvement Area to identify our concerns and develop long term solutions. Such solutions include establishing a formal and consistent notification system whereby advanced notice of planned street closures are provided. Additionally, advanced notice of excavation work and the use of the Roundhouse Park for public events is required to avoid further serious damage to MTCC's building structure. In addition, we continue to increase the use of our own paid duty police to assist with vehicular flow from our garages. Furthermore, the management team is creating an additional exiting lane in our North garage to allow traffic to exit to Simcoe Street. In order to compensate lost revenue, the discount parking program has been reinstated. Overall, uptake has been successful with local businesses and construction companies utilizing both parking garages.

Risk Category: Compensation

Risk Factor #1: Compensation Restraints & Employee / Labour Relations

To successfully achieve our vision, we must demonstrate to our employees that “Our People are the Centre.” This requires competitive compensation packages, an engaged culture and a positive and productive relationship between management, employees and our two labour unions.

MTCC’s Collective Agreement with LiUNA, Local 506, expires on December 31, 2021 and LiUNA, Local 3000 on March 31, 2022. Negotiations will be dependent on Treasury Board Secretariat approval of its mandate and consistent with Bill 124, Protecting a Sustainable Public Sector for Future Generations Act, 2019, which prevents salaries and total compensation from increasing by more than one percent annually.

With respect to executive compensation, under a directive issued to public sector agencies in August 2018, Ontario has frozen the base salaries of executives across the public sector. As a result, the program implemented in 2017, under the Broader Public Sector Executive Compensation Act, continues to be suspended and salary and performance-related payments for designated executives cannot exceed the previous year’s compensation payouts. Furthermore, it is common knowledge that the majority of public sector organizations have a significantly better Pension Plan (Defined Benefit) as compared to MTCC’s Pension Plan. MTCC’s current Pension Plan has two components. The Defined Benefit (DB) component of the Plan provides benefits to members who joined the Corporation prior to December 31, 2004, and the Defined Contribution component of the Plan for members that joined the Corporation after January 1, 2005. MTCC’s Pension Plan is not as rewarding as the Ontario Public Service Pension Plan (PSPP). Due to the current compensation restrictions and recruitment challenges, MTCC will examine the implications of transferring to the DB Plan managed by OPB. Merging with the Ontario Public Sector Pension Plan would require funding the deficit, of approximately \$3 million.

Related Strategic Priority

Compliance with legislation, Human Capital and our brand: “Our People are the Centre.”

Likelihood of Occurrence

5

Compensation restraints have already been put in place for our Unionized, Non-Unionized and Executive Committee Members through Bill 124 and the Broader Public Sector Executive Compensation Act.

Impact and Scope

5

Compensation restraints negatively impact our ability to attract and retain the talent we require to successfully execute our vision, execute diversity initiatives and adhere to pay equity legislation.

With respect to competitive compensation, one of our areas of focus surrounds retaining, and/or promoting existing talent to the executive and senior leadership level, especially from a gender diversity perspective. With these compensation restrictions in place, we are challenged given that we compete for talent from the private sector and the opportunities available from a total compensation package perspective. Furthermore, in an environment with a highly competitive job-market these restraints will pose challenges from a recruitment, retention and labour relations perspective. MTCC is losing both executives and staff due to poaching, making it increasingly difficult to retain talent.

Traditionally, MTCC’s executive team has primarily come from the private sector and management believes the skill sets and experience required to be an effective convention centre executive are best found in private sector organizations. As the need continues to attract and retain qualified individuals from this sector, we need to have a compensation program that is competitive with the business landscape that we operate in, as opposed to being constrained by the framework requirements. Moving to a compensation model designed solely for the public sector may hinder our ability to attract and retain the required skill set that is required to be successful.

Regarding our unionized workforce, if we are able to maintain a mutually respectful relationship, we can achieve a collaborative front and jointly advocate the benefits of a highly productive labour-management relationship. If the union and company are not able to achieve a fair and equitable collective agreement at the time of renewal, then we run the risk of a labour disruption.

Mitigation

- We will continue to monitor this file closely, look for win-win solution and provide input to the Treasury Board.
- We will look at internal promotions where possible in order to help with retention and keep our existing employee pool engaged.
- We will continue to conduct wage and benefit research within the public sector where appropriate and the private sector, specifically, the hospitality and convention sector to benchmark external competitiveness.
- We will consider moving to the Defined Benefit (DB) plan managed by OPB.
- MTCC will continue to monitor its recruitment and retention statistics to ensure it remains successful and seen as an employer of choice.
- We will collaborate with union leadership by implementing client-centred initiatives to continue to stay abreast of union activity within the hospitality industry.
- We will work with our unions to look for opportunities to add value and flexibility for our employees, to position MTCC as an employer of choice.

Risk Category: Information Technology and Infrastructure

Risk Factor #1: Malicious Attacks on our Information Technology Infrastructure ("Cyber Security") -

Malicious attacks on corporate information technology infrastructure (e.g., network and devices, business applications, corporate information) are not a new phenomenon. However, it has become an area of increased focus. The primary reasons for this are:

- Long-standing threats such as viruses and other forms of malicious software (malware) still exist in abundance and continue to grow in numbers.
- Increased media coverage of ransomware incidents and company payouts associated with many of these incidents. These payouts provide increased financial incentives for malicious parties to compromise corporate networks.
- "Phishing" attacks (e.g., using email to gather personal or corporate information under the false pretense of being a credible source) continue to be on the rise.
- The remote working environment (home pc's, smartphones, tablets, laptops) provide a wide number of entry points into corporate networks. These devices do not necessarily have the same level of intrusion prevention as corporately housed technology.

Cyber security threats are constantly evolving and becoming more sophisticated requiring constant re-evaluation of mitigation strategies and increased levels of investment in cyber security.

Related Strategic Priority

Protect the organization from cyber attacks.

Likelihood of Occurrence

5

While some corporations are justifiably seen as higher profile targets for cyber attacks, ultimately no one is immune. In addition, a significant number of attacks come from malware that moves throughout the internet, searching for vulnerabilities that would allow an entry point into a corporate technical environment. Purposefully or inadvertently, malware and intrusion can also come from within a corporation. There are several motivations for cyber attacks, including disruption, financial gain and access to confidential information for subsequent purpose.

Impact and Scope

1 - 5

As there are a wide variety of threats, the actual attacks or the degree of their success may vary dramatically. Specific risk identification and mitigation measures will be focussed accordingly.

Mitigation

In previous years, we have continuously improved our cyber security detective and preventative controls and will continue to focus on this area in 2022/2023.

Risk Category: Human Capital

Risk Factor #1: Human Capital

Prior to March 2020, the competitive nature of the labour market demographics required Human Resources strategies that included both attracting and retaining high performing individuals and positioning MTCC as an employer of choice. While our strategy remains positioning MTCC as a top employer, the focus has shifted towards retaining and recalling talent whose roles have been negatively impacted by the disruption to our operation. If we do not successfully retain these individuals and compensate them adequately, we face the risk of not having the right people in place for when our operations resume and as our business continues to grow.

MTCC has been continuing benefit coverage for its unionized employees on temporary layoff, constructive dismissal liability would apply 35 weeks from their layoff date, which for the most part is November 15, 2020. After this date, employees may choose to resign and would be entitled to severance pay under the Employment Standards Act (ESA). The ESA would supersede any language in our Collective Agreement. There is nothing we can do to prevent an employee from waiving their recall rights (i.e., resigning) and filing a claim. The total liability cost for all unionized employees would be approximately \$8M.

Our non-unionized, salaried employees who are not actively working are covered by the Infectious Emergency Disease Leave (IDEL), which is currently set to end on September 25, 2021, along with the Canada Recovery Benefit which ended on October 23, 2021. As MTCC has been continuing benefit coverage, constructive dismissal liability would apply 35 weeks from this date, which is May 29, 2022. One potential complication with this is that Sun Life has only agreed to extend benefits for 3 months after the IDEL, which means the 35-week period would be compromised. The total liability cost for all salaried employees would be approximately \$5M.

Related Strategic Priority

To remain a recognized leader in our industry by aligning our people practices with our employer brand, "Our People are the Centre."

Likelihood of Occurrence

5

As our inactive workforce continues to remain out on a temporary layoff, and our active workforce continues to be overworked, this risk continues to increase.

Impact and Scope

5

The calibre of our employees affects MTCC financially and operationally. As such, it is necessary to invest in our internal workforce to ensure they remain with the Corporation and that they have the skills necessary to support our customers within the new reality of the events industry. Efforts will be focused on supporting employees through these uncertain times, with a particular focus on mental health and well-being. These efforts will assist in maintaining our position as an industry leader to attract and retaining top talent. In a climate where success historically has been related largely to technological advances, success this coming decade will be more a function of human capital.

The pandemic has contributed to the growing concerns of an aging workforce. When operations resume, our most senior full-time employees will be the first to be recalled back to work. There is a likelihood that when this time comes, we may face the risk of employees not returning upon recall and instead retiring from the industry. This could mean losing many of our employees who have the greatest knowledge and experience with our business. In addition, we anticipate productivity concerns as the length of time employees have been off work increases and an increase in WSIB and Health & Safety accidents and claims.

Mitigation

- Regular communication with our employee base with updates and resources to support them through uncertain times, with a particular focus on mental health. Ensure consistent feedback from employees through surveys, meetings and one-on-one communication.
- Continue to provide MTCC benefits to active and inactive employees.
- Develop, communicate, and train all employees on updated health and safety protocols, making it clear that health & safety continues to be our top priority.
- A focus on low-cost, high value training and development opportunities, along with increased awareness communication.
- Provide resources to managers to ensure success in a remote working environment, with a focus on providing employees with increased flexibility and understanding the new reality of remote working.
- Create opportunities to provide recognition to both active and inactive employees at a low cost, keeping in mind a remote working environment.
- Advancing our HR Brand to communicate the opportunities and benefits of working at the MTCC to attract and retain top talent.
- Promote MTCC as an employer of choice through LinkedIn, our website, various social media channels, the Indigenous community, and new Canadians and Ontario youth.
- Partner with the Operations Department and the Joint Health and Safety Committee to review various labour-intensive tasks that could be automated, process streamlined and/or ergonomically improved.
- We will continue to conduct wage and benefit research within the public sector where appropriate and the private sector, specifically, the hospitality and convention sector to benchmark external competitiveness.
- We will consider moving to the DB plan managed by OPB.
- We will ensure our policies and procedures remain progressive and in line with our hospitality competitors and the industries from which we recruit and attract talent.
- We will work with our unions to look for opportunities to add value and flexibility for our employees, to position MTCC as an employer of choice.

Risk Category: Other Risks

Risk Factor #1: Marshalling Yard

For the first time in its existence, MTCC does not have a marshalling yard. Without this, moving in and out of the facility is more expensive, difficult and inefficient for customers. Most importantly, the absence of a marshalling yard may deter potential business. Additional consequences of not having a marshalling yard include causing gridlock in the surrounding streets and congesting the docks area as a result of the lack of additional space.

Related Strategic Priority

Securing a short-term lease with the assistance of MHSTCI, until MTCC is able to purchase the land.

Likelihood of Occurrence

5

The likelihood of occurrence that MTCC loses clients as a result of not having a marshalling yard is high, as the rate of redevelopment in the surrounding area is exponential. If quick action is not taken, MTCC will lose the opportunity to secure a yard in close proximity to the downtown core, and risks losing business.

Impact and Scope

5

Securing a short-term yard for our marshalling needs is vital to our business. Without a permanent or short-term marshalling yard in close proximity to the MTCC, our clients' ability to efficiently and effectively move in and out of their events will be severely impacted.

Mitigation

MTCC is currently working with MHSTCI and Infrastructure Ontario (IO) to secure a short-term lease of 130 Horner Avenue. The timing of possession is unknown. With the assistance of MHSTCI, the Centre is hoping to eventually be in a position to purchase the 5.5-acre lot. However, it is imperative that quick action is taken to allow enough time for the appropriate development of the yard to ensure that it is operational in time to support MTCC's large consumer and trade shows. For smaller events, MTCC will utilize a facility access booking system to coordinate the safe and efficient move-in and outs of events.

Risk Factor #2: Reputation Risk (A) - Brand Image

A negative perception could impact MTCC's brand reputation in the marketplace. Failure in meeting customer service expectations may result in significant reputational loss to MTCC and may impact revenues, and loss of market share.

Inability to bring back some of our employees currently on layoff could negatively impact our customer service satisfaction when the business is ready to re-service events again. This absence of experienced and strong talent could result in a workload imbalance and/or an inability to deliver quality results in the short term. Additionally, failure to retain third party vendors and/or their experienced talent could also negatively impact our customer service satisfaction. The pandemic has also put stress on the financial position of the Corporation, which could impact the client's confidence in MTCC's financial stability hence, negatively impacting MTCC's reputation.

Related Strategic Priority

Maintain strong venue and destination marketing alongside Destination Toronto to secure future U.S. and International business. Providing value and mitigating negative risks are key elements to being successful in attracting new business and repeat events. Regular, and effective customer communication is a priority.

Likelihood of Occurrence

5

Upon re-servicing events once again, we anticipate some adjustment with customers in the industry who have left, been replaced or are new. Customer relationship management and maintaining our brand resonance will be important.

Impact and Scope

3

Failing to meet customer expectations in a significant way would affect the MTCC's brand and reputation, and by extension, Toronto as a destination for large business events.

Mitigation

Monitor customer feedback regularly, and continuously refine the event experience. Retain a skilled workforce with proper training to deliver on our corporate vision, to, "Help Customers Create Successful Events". Media and social media monitoring. Manage labour resources based on the projected level of business, and work with the province to identify funding options to help us meet our financial obligations while working on recovery.

Risk Factor #2: Reputation Risk (B) - Provincial Agency

As an Agency of the Government of Ontario, we are constantly in the public eye and must be diligent and always remain compliant to ensure an exemplary reputation.

Related Strategic Priority

Monitor our best practices in all relevant legislated workplace acts, statutes and regulations, including the Ontario Occupational Health and Safety Act, the Accessibility for Ontarians with Disabilities Act, Human Rights Code - Violence and Harassment in the Workplace, the Alcohol and Gaming Commission of Ontario, and other policies within the Public Service of Ontario Act, such as the Conflict of Interest and Disclosure of Wrongdoing/Whistleblower policies.

Likelihood of Occurrence

2 - 3

This risk may occur if there are errors or miscommunications between MTCC personnel, suppliers, customers and their third-party event planners.

Impact and Scope

2 - 3

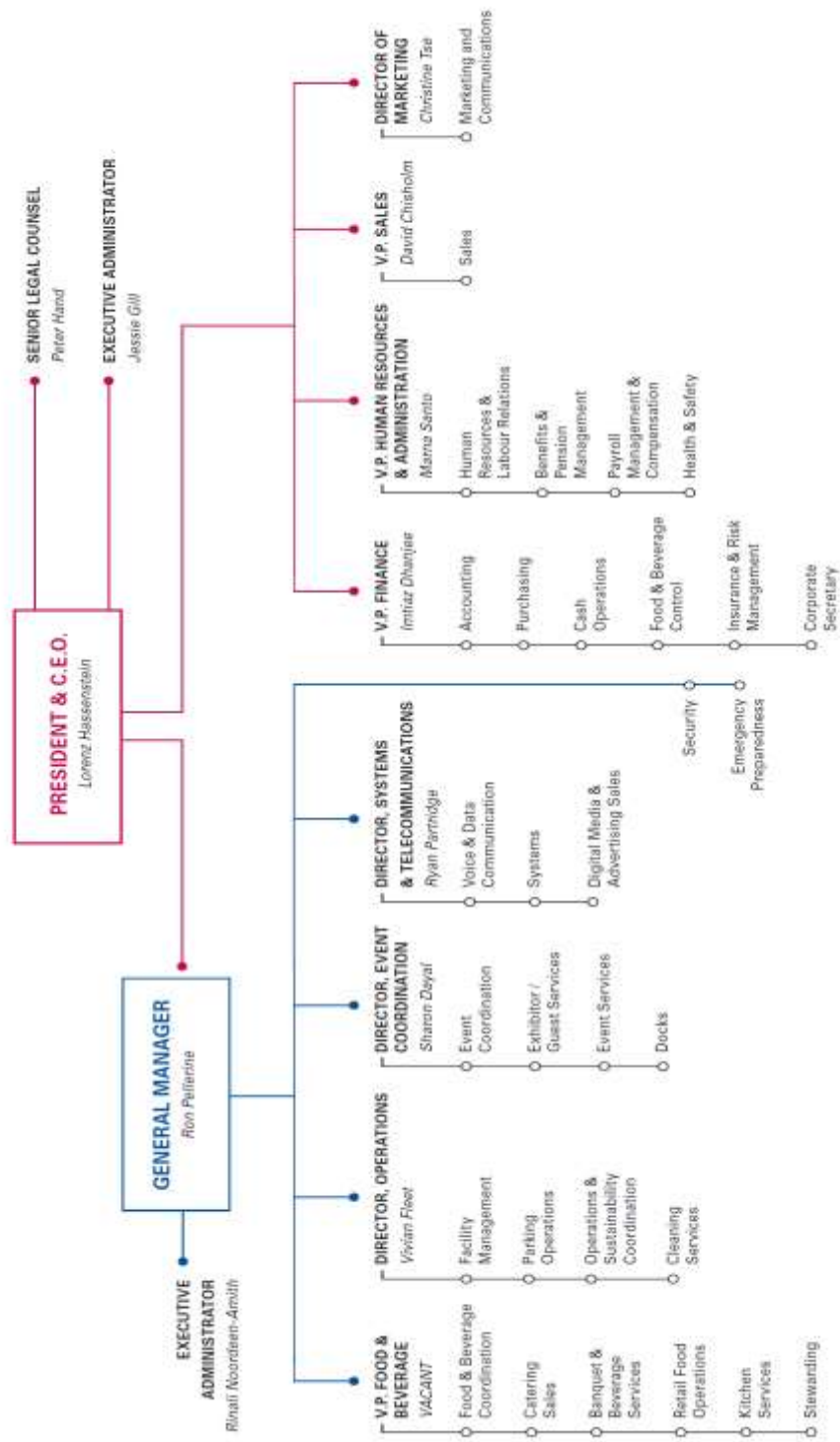
Depending on the nature of the failure. The potential loss of business reputation may be due to any reason outlined above. Our vision is to "Help our Customers Create Successful Events."

Mitigation

Review all relevant policies, procedures and standards to ensure we are up to date and compliant for the Conflict-of-Interest Policy, the Vice President, Finance is the COI Officer, and for the Disclosure of Wrongdoing/Whistleblower Policy, matters are reported to the Vice President, Human Resources.

The President and CEO is the Corporation's ethics officer for both policies.

Metro Toronto Convention Centre Organizational Chart



Organizational Chart & Summary of Staff Complement

Summary of Staff Numbers

The MTCC currently employs 717 employees:

- 333 full-time (including salaried contract).
- 30 part-time and 354 casuals; the hourly complement is 597, 27 non-union, 570 unionized.
- For bargaining unit employees, 552 employees are members of the Labourers' International Union of North America Local 506; 18 security employees are members of the Labourers' International Union of North America Local 3000.
- The average tenure of our full and part-time employees is 18.2 years. The average age is 51.6 years

We are proud of our low employee turnover rate, which is around 10 percent compared to the hospitality and tourism industry, which can be in upwards of 25 to 30 percent. During the 2020/2021 fiscal year, the MTCC experienced an overall turnover rate of 12 percent.

At the end of fiscal 2020/2021, 85% of our workforce remained on layoff due to a shortage of work resulting from COVID-19.

Impact of Business Plan on Human Resources

To remain a recognized leader in our industry, we are continually looking at ways to further retain and attract top talent by aligning our people practices with our employer brand, "Our People are the Centre" and have flagged this as a critical risk. As the race for top talent continues in the hospitality and tourism sector, the need to find creative and innovative ways to attract and retain qualified individuals is a priority.

Attracting and retaining top talent in today's changing labour market requires MTCC to look at the key employment drivers that are important to its employees and potential employees. These include but are not limited to: A diverse and inclusive workplace, strong positive culture, challenging work and growth opportunities, attractive total compensation and benefits package (not just monetary), recognition for positive contributions, flexible work arrangements and overall work-life balance.

Retention and Compensation Strategy

MTCC's compensation philosophy is to be in the middle of the marketplace relative to our comparators for total cash compensation, a philosophy that keeps with our status as a provincial agency answerable to the taxpayer. The foundation of the MTCC compensation program is internal equity between jobs across the organization and external competitiveness with comparators within the hospitality sector and general industry, where appropriate. The MTCC operates in a competitive marketplace and to be successful, it recruits from the private sector.

Historically, MTCC's talent pool has primarily come from the private sector and is highly skilled. Management believes the skill sets and experience to be an effective convention centre employee are best found in private sector organizations. To attract and retain qualified individuals from this sector, MTCC requires a compensation program that is competitive to the business landscape in which it operates.

This being said, MTCC's compensation program has been restricted due to government legislation. In June 2019, the Ontario government introduced Bill 124, the Protecting a Sustainable Public Sector for Future Generations Act, which dictates that neither salaries nor total compensation can increase by more than one percent annually.

With respect to Executive Compensation, under a directive issued to public sector agencies in August 2018, Ontario has frozen the base salaries of executives across the public sector. As a result, the program implemented in 2017, under the Broader Public Sector Executive Compensation Act, continues to be suspended and salary and performance-related payments for designated executives cannot exceed the previous year's compensation payouts.

Notwithstanding these obstacles, it is essential for MTCC to provide a work environment that will enable it to attract, retain, develop and motivate high caliber people who share its vision and values and will contribute to its success.

Corporate Goals & Strategies

We will focus on the six strategic corporate goals outlined in this section. Management has identified specific strategies to achieve these goals and has outlined performance measurement tracking procedures. Executives and department managers review financial goals monthly while all other corporate goals are reviewed quarterly.

Each executive is held accountable for achieving corporate goals and the results are reflected in his or her individual job performance review, conducted annually. In addition, all departments meet with the President and CEO to update him on their accomplishments.

Goal #1: Customer Service

Goal / Output	Our goal is to help our customers create a successful event with a heightened focus on a safe environment.
Strategies	<p>MTCC's approach is to increase customer service standards, marketing and communication delivery.</p> <p>Customer Service Standards</p> <ul style="list-style-type: none">• Amend the Safe Events Guide, ONWARDS, as public health protocols change.• Monitor that the touch points outlined in the Guest Experience are implemented and maintained. OR Increase communication with our customers to identify gaps in our guest experience journey to accommodate current climate requirements and challenges.• Completion of a Risk Management plan for all events. The plan will be reviewed with the client to ensure that safety protocols are adhered to.• Deliver regular and engaging employee training on health and safety protocols.• Monitor internal communication for feedback and adjust as necessary. <p>Marketing and Communications</p> <ul style="list-style-type: none">• Marketing Department to communicate the Safe Events Guide, ONWARDS.• Marketing communication tactics to deliver our key messages to customers and attendees.
Performance Measures / Outcomes	<ul style="list-style-type: none">• Generate repeat business and get additional referrals.• Positive customer feedback on the implementation of health and safety protocols.

Goal #2: Occupancy

Goal/Output

For the past three years prior to the start of the pandemic, MTCC was closing in on a 60 percent occupancy rate for the building. Budgeting an occupancy goal for this year is extremely difficult to predict for a variety of reasons. Most, if not all of our annual clients have not been able to produce an in-person event for two years. Secondly, our annual clients don't know how much space is needed or required for their next event. We do know that we have just about half of the usual amount of large conventions on the books for next year. In addition, as the pandemic continues and occupancy capacities remain capped, we are not uncovering many new opportunities for the near future. Demand is at an all-time low. We are forecasting occupancy of 45 percent.

Strategies

Growing our occupancy is directly related to increasing the number of large conventions we host. They utilize the most space, along with trade and consumer show business. Maintaining a diversified sales approach to all sizes of business to fill in the areas between larger events is essential to growing our occupancy numbers.

Performance Measures / Outcomes

The space used by each event is calculated and reported monthly, by dividing the overall amount of saleable space available, by the amount of space actually sold.

Goal #3: Financial

Goal / Output	<p>Our goal is to manage the business operations efficiently while sustaining long-term growth. We aim to generate a profit margin consistent with our historical trend. In addition, we will strive to maintain our facility to the highest standard by sustaining capital improvements on an ongoing basis funded from operations.</p> <p>We expect to generate the following financial results as indicated in the 2022/2023 fiscal budget:</p> <ul style="list-style-type: none"> • Gross revenue of \$39.3 million • Net revenue of \$17.5 million • Net operating (loss) of \$(3.9) million • Sustaining capital budget of \$1.6 million • Distribution payment of \$2.5 million • Economic benefit of \$337 million <p>We will achieve our mandate of generating an economic benefit to the City of Toronto, however, during the period of recovery from the pandemic, MTCC is not budgeted to operate on a profitable basis in fiscal 2022/2023.</p> <p>We will monitor the trend of financial key performance indicators to ensure the financial results are in line with budget and management's expectations.</p>
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Strategies	<p>Manage in accordance with the financial targets (revenue and expenses).</p> <p>Meet the requirements of the accountability measures established by the Agencies and Appointments Directive (AAD).</p>
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Performance Measures / Outcomes	<p>Monitor progress using monthly financial statements and timely completion of key AAD requirements including the following:</p> <ul style="list-style-type: none"> • Annual report • Business and Strategic plan • External audit • Financial reporting • Agency Quarterly report to MHSTCI • Compliance Report to the Board of Directors
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Description	Actual 2019/20	Actual 2020/21	Forecast 2021/22	Budget 2022/23	Forecast 2023/24	Forecast 2024/25
Economic Benefit (millions)	482	N/A	N/A	337	N/A	N/A
Gross Revenue (millions)	\$75.2	\$13.3	\$36.7	\$39.3	\$51.6	\$59.7
Net revenue Margin %	60.8%	43.4%	72.6%	44.5%	55.0%	56.3%
Net Operating Income (loss) (millions)	\$24.0	\$(12.0)	\$5.9	\$(3.9)	\$5.3	\$10.2
Net Operating Income (loss) %	31.9%	(90.5)%	16.1%	(10.0)%	10.3%	17.0%
Capital Expenditure (millions)	\$3.8	\$1.0	\$0.75	\$1.6	\$6.0	\$6.5
Distribution Payment (millions)	\$9.0	\$2.5	\$2.5	\$2.5	\$2.5	\$2.5

Goal #4: Human Capital

Goal / Output	To remain a recognized leader in our industry and protect our strong culture is critical in retaining our top performers and recruiting future talent. As our workforce continues to age, and the talent pool continues to become more competitive, strategies that include positioning MTCC as an employer of choice, to attract and retain high performing individuals, is critical.
Strategies	<ul style="list-style-type: none"> • Promote MTCC as an employer of choice through LinkedIn, our website, various social media channels, the Indigenous community, and new Canadians and Ontario youth. • Provide resources to support and promote a healthy workplace both physically and mentally. • Expand our diversity and inclusion initiatives through partnerships, manager training, and the implementation of our Employee Inclusion Council in an effort to ensure all employees have a voice and feel included in the workplace. • Ensure consistent feedback from employees through surveys, meetings, one-on-one communication to ensure engagement. • Scheduled communication with our employee base in order to keep connections alive along with providing updates and/or resources to support them through uncertain times, with a particular focus on mental health. • Provide resources to managers to ensure success in a remote working environment along with valuable alternate work arrangements. • Provide MTCC benefits to active and inactive employees, including health, dental, and access to our Employee & Family Assistance Program. • Focus on low-cost, high value training and development opportunities, along with increased awareness communication. • Create recognition opportunities at a low cost to both active and inactive employees. • Increasing our HR Brand awareness by communicating the opportunities and benefits of working at the MTCC to attract and retain top talent.
Performance Measures / Outcomes	<ul style="list-style-type: none"> • Measure success levels through MTCC's various recruitment platforms. • Assess usage and reach levels achieved via social media channels. • Track our health and safety incidents with the goal of zero lost time accidents and closely monitor our return-to-work program to ensure timely offers of modified work are being executed. • Identify potential gaps or high-risk areas, so we can develop proactive retention plans to mitigate the impact of losing key personnel. • Review training and development offerings, along with increased awareness communication. • Track levels of engagement achieved via social media channels. • Monitor performance to ensure consistency and accountability across the board through our Annual Performance Review process, Incentive Pay Program and progressive discipline procedure. • Analyze results from employee surveys to ensure high levels of engagement and determine where to focus our efforts. Results will reviewed to identify patterns and trends using the baseline employee engagement metric of 85% satisfaction.

Goal #5: Corporate Social Responsibility

Goal / Output

We will strive to obtain a 90 percent diversion of waste produced in the facility from landfill in 2022/2023.

In keeping with our robust corporate social responsibility program, we endeavour to host or organize four CSR events over the course of the year.

Strategies

- Continue to investigate new opportunities for recycling and reusing materials. Engage and educate employees, clients and exhibitors to increase participation in the diversion program.
- Continue to engage clients and exhibitors to contribute to the donation program in order to reuse more items from the disposal stream while helping to support local organizations. This program includes both food donation and in-kind donations from events.
- Organize a variety of both internal and external CSR events to benefit the environment, the company and the community. These events include food drives, charity fundraisers, neighbourhood garden plantings and clean ups.

Performance Measures / Outcomes

- Conduct monthly visual audits of waste and recycling collected throughout the facility to identify all possible recycling streams and ensure an efficient capture rate of recyclable material.
- Conduct annual third-party waste audit.
- Engage in a minimum of four events to benefit the community or the environment and have substantial employee participation from across the company.
- Marketing and Operations to strategically align and streamline program beneficiaries for the fiscal year.
- Create communication opportunities to promote MTCC's positive results and social impacts to the local community.

Goal #6: Industry Leadership and Innovation

Goal / Output We will maintain our industry leadership position through innovative uses of information technology.

Strategies

- Through Digital Transformation, develop operational efficiencies and improve customer service capabilities of MTCC operations.
- Enable Hybrid office and mobile workforce technology options that recognize the new and emerging standards of workplace expectations.
- Broaden our Digital Media offerings to provide a more dynamic experience and engage new customer segments.
- Evolve our technology offerings to facilitate the emerging Hybrid Events market.
- Provide leadership and participate on industry association boards in the tourism and hospitality sector.

Goal #7: Food and Beverage

Goal / Output To ensure financial stability of the Food and Beverage operation through heightened focus on revenue opportunities, operational cost engineering, enhanced labour productivity strategies and tactical product and service development.

Strategies

- Increased frequency of dialogue with existing clients and communication with business prospects.
- Menu engineering to reflect commodity price increases, competition analysis, labour challenges, and client requirements.
- Leverage all supplier relationship and purchasing power through supply chain partner.
- Rigorous analysis of popularity and profitability reporting.
- Introduction of alternate services/styles to accommodate current climate requirements and challenges.
- Labour gap analysis – talent training and recruitment plan.

Performance Measures / Outcomes

- Mitigated loss of annual business.
- New business acquisitions.
- Annual revenue/profit achieved.
- Positive guest feedback of new programs and services.
- The culinary program at the Centre maintains its global reputation as an industry leader.

Operating Budget Summary

Business Assumptions

The forecasts and projections presented here are based on a number of estimates and assumptions that are inherently subject to business and economic conditions. Actual results achieved may vary from those shown here.

The following assumptions have been used in formulating the budget for 2022/2023:

- 2022 inflation rate is forecasted at 3.4 percent.*
- US exchange rate – CDN currency is forecasted to average between \$0.78 and \$0.80 USD during 2022.*
- Economic growth – GDP for 2022 is forecasted at 4.25 percent.*

* Source: RBC, Financial Markets Monthly Outlook, August 12, 2021.

Management's yearly budgetary review of the MTCC event calendar, estimated pickup business, cost structure and market conditions have formed the basis of the revenue and expense projections for 2022/2023.

The following assumptions and estimates have been used based on MTCC's event calendar:

- 2022 projected number of events: 317
- 2022 projected occupancy rate: 45 percent
- Historical pickup rate taking into consideration business already on the booking calendar.

The revenue and expenses for 2022/2023 and 2023/2024 are estimated based on the future outlook of business. The profitability projections for the two forecasted years are based on best estimates.

MTCC's financial results have been presented based on Public Sector Accounting Standards (PSAS).

The reporting format used in the Business and Strategic Plan is consistent with the prior year to ensure that the financial results can be compared to historical information. In addition, this format is functional from an operational standpoint and effectively communicates the state of our business.

MTCC is required to report financial information to the Ministry of Finance so its operating results are included in the province's summary financial statements.

Performance Measurement Statistics

Six indicators allow management to monitor the financial performance of the Corporation. To be effective, management must analyze these indicators on a regular basis.

1. Monthly monitoring of current, forecasted and historical occupancy rates, together with the average rate per square foot. Taking into consideration the facility is the primary asset of the Corporation, revenue opportunities and supplementary revenue for other departments are directly linked to the rental of the facility.
2. Ensure funding for capital improvements is generated from operating activities. Management is responsible for prioritizing work projects, obtaining approval from the Board of Directors and releasing funds at the beginning of each quarter contained in the new fiscal budget. Management also examines the projects monthly to ensure progress.
3. Monitor the number of convention delegates and public/trade show attendees as these variables are the basis for economic benefit calculations. This indicator establishes the amount of economic benefit the MTCC generates as a result of bringing conventions, public events and trade shows to the City of Toronto.
4. Evaluate operational processes and procedures to ensure efficiency and the optimal allocation of available resources. Management reviews detailed reports comparing monthly actual performance to the planned results and is able to adjust and establish courses of action in order to achieve greater efficiencies, as well as budget expectations.
5. Monitor and manage cash flow to uphold management's commitment to making annual distribution payments to our shareholder (the Government of Ontario). Free cash flow is calculated by subtracting capital project expenditures in the year from net operating income generated from operations. All departments also proactively manage overhead expenses to yield greater profitability.
6. Ensure the Corporate Procurement Policy and the Travel and Hospitality Policy are in accordance with current directives issued by the Treasury Board/Management Board of Cabinet. All expenditures are monitored in an effort to contain costs and ensure compliance with the respective policies and directives.

Risk Management

The risk framework focuses on identifying and responding to corporate risks MTCC faces, including the implementation of programs and controls to prevent, detect and deter fraud. Management identifies the major corporate risks that could impact the Corporation and puts in place appropriate mitigation strategies to effectively manage these risks.

The maintenance of an effective internal control system is essential to the reliability and integrity of the financial statements, increasing the effectiveness and efficiencies of operations, the safeguarding of assets and ensuring compliance with laws and regulations. Specifically, the goal of MTCC's risk management process is to identify potential events that may impact the organization and then manage the identified risks within reasonable limits. As part of the risk management process, MTCC conducts an annual external audit review along with internal audit procedures that focus on safeguarding the Corporation's assets. In particular, the external audit is conducted with a high level of transaction sampling to detect potential or actual fraud or mismanagement. External auditors submit their findings to the Finance and Audit Committee, along with suggestions for improvements to the existing processes and procedures.

Internal controls are based on an ongoing process whereby a team of colleagues is assigned to periodically review various aspects of the operations. The objective is to evaluate and identify the likelihood of the risks being realized, and to manage them effectively. Some examples of risk management programs include: Insurance adequacy testing, credit extension policy review, budgetary control procedure scanning, business continuity assessment, emergency preparedness planning, asset management policy audits, health and safety policy inspections, human resources planning, network management software and South Area Facilities and Entertainment Group (S.A.F.E.) exercises.

MTCC periodically updates its travel, hospitality, and procurement policies to ensure it complies with the required protocol and the new directives received from the Management Board of Cabinet.

In addition, management regularly reviews the list of all service providers to ensure proper policies and procedures are followed. The effectiveness of our control system is evident because MTCC has consistently received over the past few years an unqualified auditor's report without any material adjustments identified.

Projected Cash Flow and Distribution Payment

The Corporation has faced significant challenges due to the pandemic and has had to rely on funding from MHSTCI to support its operations during this challenging period.

The cash flow statement shows the projected cash position based on reasonable assumptions outlined in this three-year Business and Strategic Plan.

MTCC does not have any cash reserve set aside for insurance self-funding requirement or replacement of aging equipment.

The amount of the annual distribution payment will be made at the discretion of the Board of Directors of the Corporation from retained earnings after considering the financial requirements necessary to operate the

business and reinvest in the facility. With the conversion of debt to equity in March 2003, the Ministry of Finance and MTCC established the Distribution Payment Policy. The MTCC agreed to make a minimum payment to the Province of Ontario annually in the amount of \$2.5 million.

The actual distribution payments recorded up to March 31, 2021, total \$104.5 million, compared to a minimum distribution payment commitment of \$45.0 million and a planned distribution payment of \$93.2 million.

The projections for the following three years are:

- \$2.5 million on March 31, 2022
- \$2.5 million on March 31, 2023; and
- \$2.5 million on March 31, 2024.

Highlights Fiscal 2022/2023 Operating Budget

Gross revenue \$39.3 million	or	+7.0 percent compared to 2021/2022 forecast.
Net revenue \$17.5 million	or	(34.4) percent compared to 2021/2022 forecast.
Net operating (loss) \$(3.9) million	or	(166.5) percent compared to 2021/2022 forecast.
Depreciation \$10.7 million	or	(2.9) percent compared to 2021/2022 forecast.
Net (loss) \$(14.6) million	or	(225.7) percent compared to 2021/2022 forecast.

Food and Beverage

The food and beverage portfolio of products and services has been built to attract new business in the international, national, and local markets. The Centre's food program is distinctive as a result of a focus on the procurement of local ingredients, VQA wines, and provincial artisan producers. Dishes are designed in-house and from scratch, supported by an exceptional service program. We continue to lead our industry through the innovative efforts of our food donation program which supports many individuals and communities in need.

As these programs and services truly differentiate us between other centres and destinations, it is imperative they are maintained to ensure superior yield in all markets.

Convention Market

With the decline of US and international conventions as well as reduced attendee numbers and decreased organizational budgets, revenue for this market has been reduced significantly. Due to the rise in key ingredient values in 2021, menu prices have been increased to reflect the immediate outlook. New health and sanitation requirements have complicated traditional event formats and service offerings. These concerns have initiated complicated discussions requiring innovative solutions for this market.

Facility Rental

This year will be a year of rebuilding our business. We are scheduled to host 10 citywide conventions as compared to hosting 15 to 17 conventions in a normal year. The reduction comes directly from the US and International markets and is driven by the continued border and travel restrictions. Only four of the 10 citywide events are based from outside of Canada. In addition, we will host six other significantly sized US and/or International conventions, each with an attendance number of 1,000 to 2,000 delegates.

Social Market

Unique to a convention centre environment, the Centre hosts many of the city's signature fundraisers, political forums, and corporate holiday events. Traditionally, this market represents 18-20% of overall revenues, however, the 2022/2023 fiscal year is scheduled to deliver nearly 30% of the total food and beverage revenue. Our clients are loyal and trust in the Centre's ability to deliver quality and contemporary products and services, and in particular during this unique and unprecedented times. Many of these events have experienced a void in their fundraising initiatives and are anxious to re-engage in these activities.

Retail Food Operations

Retail Food Operations during times of economic decline has historically provided an alternate solution for events challenged with reduced budgets. However, we have been presented with a unique situation because of the increased real estate required for social distancing dictated by provincial regulations. Initial conversations have indicated that many events cannot support the additional space required to deliver an appropriate financial model for our third-party supplier.

We have \$12 million in facility rental revenue on the books. Our greatest challenge will be to determine how much business we can secure in the year for the year. Currently there is very little demand for event space for next year. We do believe that when indoor capacity restrictions are lifted, demand will rebound fairly quickly.

Parking

MTCC operates two parking garages: the North Building garage with 1,200 spaces and the South Building garage with 500 spaces.

Traditionally, events taking place at MTCC represent the main source of parking revenue at approximately 55 percent. Conventions, trade shows, public and social events account for the most significant percentage of revenue, at approximately 50 percent. The remaining five percent comes from smaller meetings, theatre events, setup workers, employees and tenant parking. External transient traffic from local area events and attractions accounts for approximately one third of revenue. This includes payment from those visiting Ripley's Aquarium, the Scotiabank Arena, Rogers Centre, CN Tower, Steam Whistle Brewery, and The Rec Room. The remaining 11 percent of revenue comes from monthly customers, including 129 reserved spaces at a premium price, as well as miscellaneous non-reserved customers and the potential for 25 dedicated to Hotel valet parking.

The number of local surface parking spaces adjacent to MTCC has significantly decreased over the past decade due to new building developments. While new buildings have created garage spaces resulting in an overall increase to area inventory, they are subject to the demands of their own internal tenants and as such do not necessarily have a negative impact on our revenue. In fact, the closure of some lots, such as one in Harbourfront in the upcoming years, could prove to positively impact our occupancy as clients look for alternative parking locations. Another aspect that could positively affect our occupancy is the move towards increased remote working post-pandemic. With this pattern change, there is expected to be an increase in single-occupancy vehicle usage, and therefore parking requirements, and a move away from public transport.

One of the largest factors affecting occupancy, particularly in the North garage, is increased congestion in the downtown core. Construction lane closures and pedestrian traffic, as well as special events and changes to TTC routes, all negatively impact access and user experience to our garages.

We currently have four electric vehicle (EV) charging stations in our garages. Three are in the north garage and one is in the south garage. With increased electric cars, we expect to add additional stations in future years to provide our clients with added value service.

To help improve occupancy, Management has added improved signage at the entry to increase visibility. The use of Paid Duty police officers continues to be an important part of improving client experience while entering and exiting our garages. In order to help improve revenue of the north parking garage, alternative usages are being investigated, such as rental car companies. The South Building garage occupancy has remained strong with its ideal location near Lakeshore Boulevard, the highway and close proximity to local area attractions.

Management's pricing strategy, based on the principle of supply and demand, has now reached a point where regular daily rates are at the higher end of the scale for the neighborhood. We have also been edging up the yearly daily ticket rates as the main method to grow the revenue. However, with revenue stagnating, we have decided on a price freeze for the upcoming new budget year.

Our non-cash transactions have increased to above 90 percent on average, with cashier handling of cash now only in the vicinity of 5 -10 percent per month. Our goal is to shift from in-booth transactions to pay-on-foot or credit card transactions at the columns, to provide efficient movement of traffic and minimize line-ups in any one area.

Outdated machines at entry and exit points, as well as program software, will require updates soon. This is tentatively planned for 2022/2023 fiscal year.

Management has budgeted \$5.4 million in revenue for 2022/2023

Communications

The primary sources of revenue for Communications are wired and wireless data network communications services. Communications revenue is heavily dependent on the convention and trade show markets, which in traditional years account for 60 to 70 percent of the communications revenue.

In 2022/2023, as MTCC continues reopening, we expect that communications revenues will decline significantly compared to pre pandemic years. This decline in projected revenue is a direct result of the anticipated reduction in overall events we expect to service, especially within the convention and trade show markets. For returning events that have booked similar space to their pre pandemic visit, we expect their communications spend will be in line with traditional event revenues.

Digital Media & Advertising Sales

Our digital media inventory consists of 110 digital signs (digital walls, meeting room, general purpose and exterior marquee signs). In addition to providing event directory and meeting room session information, these signs are used by events for branding and advertising opportunities, as well as to create engaging attendee experiences.

In a traditional year, about 50 events integrate digital media with their event. These are primarily conventions and public shows (notably, the Canadian International Auto Show and Fan Expo Canada). In 2022/2023 we expect our digital media revenues to decline due to the reduced number of events anticipated. In addition, these revenues will be further at risk as some events work with reduced budgets while recovering from lost revenue during the pandemic.

With our Sales and Marketing departments, we are working with key customers to promote the value of sponsorship and advertising revenue for their events. One of our desired outcomes from this is an increased use of our digital media advertising opportunities.

Systems

The Systems department manages the technology and data needs of the MTCC staff. This includes the applications used to facilitate MTCC services such as our event management software and digital communications systems as well as the devices used to access these applications (laptops, tablets, mobile phones).

In 2021/2022 we focused on reducing expenses by decreasing licensing costs and removing services not

necessary for MTCC operations during shutdown. In 2022/2023 we will continue to focus on maintaining reduced expenses where appropriate while maintaining quality service for MTCC staff as events return.

Event Services

The Event Services department is responsible for setting up, refreshing and taking down event equipment (e.g.; chairs, tables, stages, etc.) in meeting rooms. In most cases, they operate 24 hours a day, seven days a week. The Event Services team works closely with Event Coordination, Catering Coordination and our clients on the logistics of room set ups.

They also manage an inventory of equipment used for rentals. The main source of Event Services' revenues is from conventions followed by corporate, meeting and social market events.

Based on the Facility Rental Outlook and Food and Beverage Forecast for 2022/2023 fiscal year, we expect our revenues to be below the revenues achieved in fiscal 2019/2020.

Overview of General Expenses by Cost Centres

General expenses are categorized by the following cost centres: general and administration, sales and marketing, engineering, energy, cleaning services, technology services, insurance and other expenses.

Total general expenses range between \$25.5 million and \$25.6 million or 32.1 percent of gross revenue.

The following is an overview of the major cost centres:

General and Administration Expenses

The general and administration budget primarily consists of administrative, general payroll and benefit expenses. General payroll and benefit expenses are 77 percent, the majority of which is fixed in nature, consist of Accounting, Security, Docks, Purchasing and Human Resource department wages. Administrative expenses are 23 percent and they include legal, consulting fees, disability (WSIB) benefits, bank charges, credit card commissions, employee development and programs, corporate travel-related costs and bad debts.

The major components of other expenses budgeted for 2020/2021 are detailed below:

- Legal expenses, projected at \$96 thousand, for the most part related to employee relations and sales contract negotiations. Consulting expenses, budgeted at \$120 thousand, pertains to employee benefits and pension management.

As a WSIB Schedule 2 Employer, the MTCC is required to fund all WSIB claims. Management continues to work with a third-party provider, Oncidium Health Group, to manage the disability claims and return-to-work process in an efficient and effective manner. A budget of \$136.5 thousand for the ongoing long-term claim costs has been allocated.

- Bank charges are projected at \$96 thousand. These charges consist of fees for payroll services and other miscellaneous financial services provided by MTCC's bank.
- Credit card commissions are associated with corporate revenue and are budgeted at \$336 thousand.
- Employee development and program expenses are determined by the regulatory requirements and other career development program initiatives to support the MTCC's succession planning. The budget for this expense is \$165 thousand.
- The Human Resources Information System (HRIS) provides efficient processing and communication of employee information and key information resources for management decisions. The budget allocation for 2022/2023 is \$140 thousand.

Engineering

Facility Services

The Facility Services Department is responsible for the repairs and maintenance of the 2.4 million sq. ft. facility. It has 10 full-time workers (five building operators, four assistant building operators and one painter) to perform essential work on a 24-hour, seven-days-a-week basis. Additionally, service and maintenance contractors are also engaged to provide specialized support with the ongoing upkeep of the infrastructure and significant assets of our operation.

The annual operating budget is approximately \$5.6 million in fixed and variable expenses. The major expense items in this budget include:

- Salary, hourly wages and benefits, which represents \$1.9 million or 34 percent of the budget.
- Contract services and suppliers such as: elevator/escalator maintenance, garbage disposal, equipment repairs, mechanical and plumbing, electrical and refrigeration, which represent \$2.3 million or 41 percent of the overall engineering budget. Due to the shortage of skilled elevator and escalator mechanics and the high demand for these services, our annual maintenance cost has significantly increased since 2020.

- Common area charges from Oxford Properties of \$1.4 million or 25 percent of the overall budget.

Energy Cost

The total budgeted amount for energy is \$2.6 million.

Electricity costs represent approximately 75.8 percent, chilled water and steam heating costs represent 7.97 percent, natural gas costs account for 5.0 percent, and water and sewage account for 11.3 percent of the overall energy budget.

Our North Building landlord, Oxford Properties, will continue to purchase electricity for the complex on-the-spot market.

Management has received advice from our energy consultants, Energy Profile Ltd., and based on their recommendations have forecasted the unit cost to be \$0.10 - 0.12 per kWh for 2022/2023.

The charge on natural gas is expected to be \$0.29 per m³ for 2022/2023, which includes \$0.0587/m³ associated with the Federal Carbon Tax.

As mandated by the City of Toronto, water and sewage costs are expected to be \$4.324 per m³ in 2022/2023.

In the South Building, we obtain our electricity supply from Toronto Hydro and gas supply from Enbridge Gas. Based on the advice we received from our energy consultants, we have applied \$0.12 - 0.145 per kWh for electricity budget purposes.

Enwave Energy supplies our heating and cooling needs for the South Building. With the current

negotiated service agreement in place for both chilled water and steam heating, MTCC will continue to benefit by receiving favourable rates in these areas, which is equivalent to rates given only to Enwave's most preferred customers.

For the 2021/2022 winter season, a rate of \$0.0103 per pound of steam is expected. We are also expecting to receive a steam capacity charge of \$7,152 per month. Our cooling charge is yet to be confirmed; however, it is estimated to increase by two percent to \$0.054 per ton-hour.

With the continuing escalation in energy prices, management will continue to closely monitor our energy consumption and curtail our consumption where possible.

Cleaning Services

The Cleaning Services department is responsible for the overall cleaning and sanitation of the facility, as well as managing the waste disposal and recycling program. The department has 23 full-time employees who perform the routine facility cleaning, exclusive event cleaning services and help support our sustainability program. Cleaning Services generate revenues from cleaning our client's events, which is broken down into two categories:

- Booth/Feature Cleaning
- Bulk Trash Removal

This coming year, Cleaning Services has budgeted revenues of \$656 thousand for Booth/Feature Cleaning and \$349 thousand for Bulk Trash Removal.

Sales and Marketing

The budget for this department includes salaries, benefits, advertising/promotion, communications, and business development. The total budget for this year will be around \$2.4 million. It currently does not make allowance for our annual contribution to the Convention Development Fund.

As we slowly work our way out of the pandemic, we believe the domestic markets, especially the trade and consumer show market will be the first to rebound as indoor capacities increase. The social distancing requirements that reduce meeting room capacities will slow recovery in the meetings and convention markets. Our success in winning citywide convention business, more specifically from the US and International markets will drive growth in building occupancy, economic impact and overall revenues.

Our collaboration with the sales team at Destination Toronto and through strong sales acumen, targeted research, and programming such as the Leaders Circle Program will create opportunities to remain competitive in the city-wide markets. It is also imperative that we have a healthy and sustainable Convention Development Fund.

The Marketing and Sales Plan that later follows illustrates how through several key sales and marketing initiatives, we will work diligently towards re-building our business back to pre-pandemic levels.

Financial Trend

	Actual Mar-19	Actual Mar-20	Actual Mar-21	Forecast Mar-22	Budget Mar-23	Forecast Mar-24	Forecast Mar-25
GROSS REVENUE	\$ 75,462,443	\$ 75,230,417	\$ 13,252,171	\$ 36,703,098	\$ 39,276,900	\$ 51,648,500	\$ 59,683,000
Revenue Growth	-6.6%	-0.3%	-82.4%	177.0%	7.0%	31.5%	15.6%
OPERATING EXPENSES	\$ 49,806,469	\$ 51,217,284	\$ 25,249,896	\$ 30,797,702	\$ 43,205,600	\$ 46,323,600	\$ 49,518,500
Operating Expenses %	66.0%	68.1%	190.5%	83.9%	110.0%	89.7%	83.0%
NET OPERATING INCOME (LOSS)	\$ 25,655,974	\$ 24,013,133	\$ (11,997,725)	\$ 5,905,396	\$ (3,928,700)	\$ 5,324,900	\$ 10,164,500
Net Operating Income (Loss) %	34.0%	31.9%	-90.5%	16.1%	-10.0%	10.3%	17.0%
Depreciation	10,135,723	10,577,837	10,570,404	10,396,190	10,700,000	11,000,000	11,300,000
NET INCOME (LOSS)	\$ 15,520,251	\$ 13,435,296	\$ (22,568,129)	\$ (4,490,794)	\$ (14,628,700)	\$ (5,675,100)	\$ (1,135,500)
	20.6%	17.9%	-170.3%	-12.2%	-37.2%	-11.0%	-1.9%

Due to lower business volume and insufficient cash available from operations in fiscal 2022/2023, MTCC has not budgeted its contribution to the Convention Development Fund in the amount of \$1.5M. However, if revenue from operations increases and cash balance improves during the fiscal year, MTCC will honor its contractual obligation with Destination Toronto.

Proforma Balance Sheet

	Actual As at Mar-19	Actual As at Mar-20	Actual As at Mar-21	Forecast As at Mar-22	Budget As at Mar-23	Forecast As at Mar-24	Forecast As at Mar-25
ASSETS							
CURRENT							
Cash	10,180,898	19,179,064	1,259,551	595,300	(10,716,800)	(17,540,100)	(17,773,800)
Emergency Stabilization Fund			2,760,093	1,026,400			
Contingency for Marshalling Yard Purchase				1,750,000	5,950,000	10,150,000	
Customer Deposits	21,644,778	19,432,316	15,577,876	16,000,000	19,000,000	20,000,000	21,000,000
Accounts Receivable	5,520,130	2,950,053	4,167,270	700,000	800,000	850,000	900,000
Inventories	790,647	819,332	344,232	800,000	750,000	700,000	750,000
Prepaid Expenses & Other Assets	899,365	965,107	720,944	1,050,000	1,000,000	900,000	800,000
TOTAL CURRENT ASSETS	\$39,035,818	\$43,345,872	\$24,829,966	\$21,921,700	\$16,783,200	\$15,059,900	\$5,676,200
OTHER ASSETS							
Capital Assets	377,354,733	381,139,913	382,169,847	382,919,800	384,481,300	389,481,300	406,981,300
Accumulated Depreciation	(180,616,122)	(191,183,104)	(201,943,637)	(212,529,800)	(223,414,900)	(234,599,900)	(246,084,900)
Employee Future Benefits	(2,337,500)	(1,844,800)	(2,040,600)	(1,800,500)	(1,560,300)	(1,320,200)	(1,080,100)
TOTAL ASSETS	\$233,436,929	\$231,457,881	\$203,015,576	\$190,511,200	\$176,289,300	\$168,621,100	\$165,492,500
LIABILITIES							
CURRENT							
Accounts Payable & Accrued Liabilities	11,278,083	8,069,311	2,797,593	3,573,700	5,500,000	6,000,000	6,500,000
Capital Contribution	41,710,664	40,717,553	39,724,442	38,731,300	37,738,200	36,745,100	35,752,000
Deferred revenue (Emergency Stabilization Fund)			6,745,093	1,026,400			
Deferred revenue (Customer Deposits)	21,644,778	19,432,316	15,577,876	16,000,000	19,000,000	20,000,000	21,000,000
TOTAL LIABILITIES	\$74,633,525	\$68,219,180	\$64,845,004	\$59,331,400	\$62,238,200	\$62,745,100	\$63,252,000
EQUITIES							
Surplus	93,432,449	108,952,701	122,387,997	99,819,900	95,329,100	80,700,400	75,025,300
Distribution	(93,000,000)	(102,000,000)	(104,500,000)	(107,000,000)	(109,500,000)	(112,000,000)	(114,500,000)
Contributed Surplus	142,850,704	142,850,704	142,850,704	142,850,700	142,850,700	142,850,700	142,850,700
Current operating gain	15,520,251	13,435,296	(22,568,129)	(4,490,800)	(14,628,700)	(5,675,100)	(1,135,500)
TOTAL EQUITIES	\$158,803,404	\$163,238,701	\$138,170,572	\$131,179,800	\$114,051,100	\$105,876,000	\$102,240,500
TOTAL EQUITIES AND LIABILITIES	\$233,436,929	\$231,457,881	\$203,015,576	\$190,511,200	\$176,289,300	\$168,621,100	\$165,492,500
Contingency funds are not allocated in the schedule for the following:							
- Self-insurance for deductible limits for property coverage \$2.5M							
- Unforeseen capital expenditures							
- MTCC's contribution to the Convention Development Fund \$1.5M in fiscal 2022/2023							

Statement of Changes in Financial Position

	Actual Mar-19	Actual Mar-20	Actual Mar-21	Forecast Mar-22	Budget Mar-23	Forecast Mar-24	Forecast Mar-25
NET INFLOW (OUTFLOW) OF CASH RELATED							
TO THE FOLLOWING ACTIVITIES							
OPERATING							
Surplus of revenue over expenses	\$15,520,251	\$13,435,296	(\$22,568,129)	(\$4,490,794)	(\$14,628,700)	(\$5,675,100)	(\$1,135,500)
Add charge to operations not requiring a current cash payment							
Depreciation (including depreciation charged to Parking)	9,422,446	10,566,983	10,760,533	10,586,190	10,885,000	11,185,000	11,485,000
	\$24,942,697	\$24,002,279	(\$11,807,596)	\$6,095,396	(\$3,743,700)	\$5,509,900	\$10,349,500
Changes in non-cash working balances related to operations:							
Accounts receivable	(107,892)	2,570,074	(1,217,214)	3,467,300	(100,000)	(50,000)	(50,000)
Inventories	(52,578)	(28,685)	475,100	(455,800)	50,000	50,000	(50,000)
Prepaid expenses	(169,341)	(65,742)	244,163	(329,100)	50,000	100,000	100,000
Employee future benefits	(54,200)	(492,700)	195,800	(240,100)	(240,100)	(240,100)	(240,100)
Accounts payable and accrued liabilities	(916,586)	(3,208,770)	1,473,374	(4,942,600)	899,900	500,000	500,000
Deferred Contribution related to Tangible capital assets	(993,111)	(993,111)	(993,111)	(993,100)	(993,100)	(993,100)	(993,100)
	\$22,648,989	\$21,783,345	(\$11,629,484)	\$2,601,996	(\$4,077,000)	\$4,876,700	\$9,616,300
Financing							
Distribution Payments							
2018/2019	(11,500,000)						
2019/2020		(9,000,000)					
2020/2021			(2,500,000)				
2021/2022				(2,500,000)			
2022/2023					(2,500,000)		
2023/2024						(2,500,000)	
2024/2025							(2,500,000)
Investments							
Additions to Sustaining Capital Assets	(3,677,759)	(2,897,731)	(39,305)	(750,000)	(1,261,500)	(4,300,000)	(4,750,000)
Special Projects	(4,547,922)	0	0	0	0	0	(12,000,000)
Oxford Properties Capital Projects	(837,887)	(372,559)	(7,853)	0	(300,000)	(700,000)	(750,000)
Cash Reserve - Prior Year Approved Budget	(145,305)	(514,889)	(982,776)	0	0	0	0
Increase/(Decrease) in cash	\$1,940,116	\$8,998,166	(\$15,159,400)	(\$648,000)	(\$8,138,500)	(\$2,623,300)	(\$10,383,700)
Cash at the beginning of the year	8,240,782	10,180,898	19,179,064	4,019,700	3,371,700	(4,766,800)	(7,390,100)
Cash at end of the period	\$10,180,898	\$19,179,064	\$4,019,664	\$3,371,700	(\$4,766,800)	(\$7,390,100)	(\$17,773,800)
Contingency funds are not allocated in the schedule for the following:							
- Self-insurance for deductible limits for property coverage \$2.5M							
- Unforeseen capital expenditures							
- MTCC's contribution to the Convention Development Fund \$1.5M in fiscal 2022/2023							



Beyond Monet – An Immersive Experience

Third Party Industry Relationships & Initiatives

Management has formed strategic relationships with several organizations to help secure and provide a diverse range of contracted services to ensure client events are successful.

The contractors' commission revenue is provided by our exclusive and official suppliers for services provided to MTCC clients. The major contractors include audio visual, computer rental, electrical, production and decoration.

All contractors are expected to meet MTCC standards in terms of product quality and service excellence. Showtech Power and Lighting, Check Mates and Access Cash General Partnership are the only contractors considered as exclusive suppliers. GES, Encore, Corporate Nursing Services and Executec Security Services are designated as official suppliers.

The contractors are responsible for all aspects of the above services, including the provision of staff and equipment.

Showtech Power and Lighting is designated as an exclusive contractor due to the specialized nature of its services. Company representatives require regular access to our electrical infrastructure and are therefore bound by the facility's operations and safety policies. In addition, they also provide rigging and productions services for events requiring specialized lighting. They maintain offices and inventory within the Centre to facilitate client access to these services. The contract with Showtech Power and Lighting expired on June 14, 2021. Since the expiration, we have been operating on a month-to-month contract until business returns.

GES (Global Experience Specialists) is an official supplier that provides show decorating and general contracting services, including transportation, furniture, carpet, modular exhibit rentals and booths accessories, as well as state of the art graphics and signage. They maintain an office on-site and have dedicated Exhibitor Services representatives to provide a full range of services. The current contract with GES will expire on March 31, 2024.

Encore provides comprehensive audio video services, computer and peripheral rental services and translation services. They maintain both sales offices and warehouse facilities on-site to ensure our clients have immediate access to these important products and services. The contract with Encore expired on April 30, 2020. Since the expiration, we have been operating on a month-to-month contract until business returns.

Destination Toronto and the local hotel community also play an important part in marketing and securing large convention business, which in turn generates significant economic benefit to the city and province. This strategic relationship involves a series of initiatives, including the creation of a fund to compete with other destinations by attracting new business and targeting large convention business around the world.

Capital Projects 2022/2023

Capital Projects 2022/2023

Description	Cost
Event Services / Customer Services / Docks	
Docks:	
Black Out drape panels replacement	40,000
Total Exhibitor Services	\$40,000
TOTAL Event Services / Customer Services / Docks	\$40,000
Operations	
Engineering:	
Dry Sprinkler System	75,000
North Building Roof Gutters Re-lining and Repairs	71,000
Automatic Transfer Switch South Building	48,000
Cooling Coil Replacement	40,000
Total Engineering	\$234,000
TOTAL Operations	\$234,000
Food and Beverage	
Banquets and Beverage:	
Beverage Single POS System	30,000
Total Banquets / Beverage	\$30,000
Stewarding / Kitchen / Food Stores:	
Self-powered electric jack scale truck	12,000
Sneeze guards/ social distancing barriers/ Covid related buffet items	60,000
Total Stewarding and Kitchen	\$72,000
TOTAL Food and Beverage	\$102,000
Description	Cost
Oxford Properties - North Building Projects	
Chiller Overhaul	89,950
West loading dock exit ramp	169,400
Fire Sprinklers Repairs	40,750
TOTAL Oxford Properties – North Building Projects	\$ 300,100
TOTAL Sustaining Projects	\$ 676,100
Contingency Funds for Emergency	885,400
TOTAL CAPITAL PROJECTS – 2022/23 (Sustaining Projects)	\$1,561,500
TOTAL CAPITAL BUDGET – 2022/23	\$ 1,561,500



Marketing & Communications

Marketing Overview

As we begin to welcome events back, our top priority remains the safety of our clients, guests and employees. Our marketing activities and communication initiatives will place focus on our enhanced safety guide and plan.

Last fiscal year, our marketing plans were paused in order to mitigate further financial risk. Our focus was re-directed on cost effective ways to reach our stakeholders, including social media, our e-newsletter, leveraging pre-existing partnerships, and taking advantage of media opportunities where appropriate.

We have been keeping a close watch of economic indicators and gathering industry data and perception surveys that will help us navigate this fiscal year. Tourism economists and market readiness research predicts that larger US and international events will return to pre-COVID-19 levels in Canada by 2024. Even so, that speed of recovery will vary by geography.

U.S. and International markets will continue to be a priority segment of our business for securing future business beyond 2023 that will generate economic impact. Business development activities will continue between our strong coordinated sales and marketing teams at MTCC and Destination Toronto to market, bid and secure future US and international conventions.

In this fiscal year, our marketing plan will be focused on reactivating and recovering our Canadian market segments. It will be imperative to show our assured ability to host safe events, to instill confidence with our customers through regular communications, and to reaffirm our strong brand as the most experienced convention centre in Canada.

SAFE Facility

Marketing and Communications will play a key role in promoting our facility's enhanced health and safety standards and revised protocols. It will be important to ensure and gain customers' confidence of our ability to deliver successful events.

A key insight identified in our MTCC Customer Perception Survey (2021) is the importance of the attendee experience. Customers identified "Attendee Experience" as what is most important to show organizers, attendees, and exhibitors. In addition, in PCMA's latest Business Events Compass Report (participants representing more than 2,400 business events), 73% of respondents cited health and safety concerns as their primary determining factor for attending face-to-face meetings.

We will continue to highlight important safety measures in place at our Centre, including our ONWARD safe events guide, by using a multichannel approach to ensure consistency across platforms.

Communications

Communications is an integral component of our marketing activities. Our communications strategies and key messages are organized by stakeholder group, which include our customers, community, industry and business, and government. We will continue to communicate regularly with all our key stakeholders.

It will be important to continue keeping in close contact with our customers to inform, share knowledge and provide facility updates. Consistent with other marketing activities, our goal is to continue to communicate and demonstrate our ability to host safe, secure, and successful events. As well, we want to reinforce our position as the leading and most experienced convention centre in Canada.

Our social media platforms continue to be an essential part of our communications plans. Social media platforms, with special attention to LinkedIn and Instagram, became a valuable tool for our marketing strategy throughout the pandemic. It is a powerful, cost-effective way to communicate different key messages to a variety of audiences.

We have adapted our digital strategy to ensure that content across social media channels is relevant and creative to engage our stakeholders. Social media is also used to highlight how we serve our community, and the diverse ways we support our region and city.

Appendix

Construction Projects in the Area



1.5 Development Key Plan

Status of Development

 Pre-Application

1. 101 Spadina Ave.

 Submitted

1. 367 King St. W.
2. 14 Duncan St.
3. 156-160 John St.
4. 126 John St.
5. 315-325 Front St. W.
6. 145 Wellington St. W.
7. 301 Front St. W.
8. 277 Wellington St. W.
9. 212-220 King St. W.
10. 240 Adelaide St. W.
11. 355 Adelaide St. W.

 Decision (Approved/Refused)

1. 24 Mercer St.
2. 388 King St. W.
3. 171 Front St. W.
4. 260-322 King St. W.
5. 411 King St. W.
6. 263 Adelaide St. W.
7. 86 John St.
8. 150-158 Pearl St.
9. 217 Adelaide St. W.
10. 400-420 King St. W.
11. 301-319 King St. W.

 Appealed

1. 400 Front St. W.
2. 122 Peter St.
3. 100 Simcoe St.
4. 49 Spadina Ave.

 Under Construction

1. 283 Adelaide St. W.
2. 330 Richmond St. W.
3. 57 Spadina Ave.
4. 19 Duncan St.
5. 15 Mercer St.
6. 357 King St. W.
7. 160 Front St. W.
8. 23 Spadina Ave.
9. 8-30 Widmer St.
10. 327 King St. W.
11. 102-118 Peter St.
12. 40 Widmer St.
13. 99 Blue Jays Wy.

 Completed (2009-2021)

1. 16 York St.
2. 224 King St. W.
3. 134 Peter St.
4. 11 Charlotte St.
5. 25 Lower Simcoe St.
6. 21 Widmer St.
7. 295 Adelaide St. W.
8. 292 Bremner Blvd.
9. 18 York St.
10. 60 John St.
11. 352 Front St. W.
12. 180 University Ave.
13. 183 Wellington St. W.
14. 155 Wellington St. W.
15. 350 King St. W.
16. 24 Charlotte St.
17. 373 King St. W.
18. 306 Richmond St. W.
19. 181 Richmond St. W.
20. 117 Peter St.
21. 56 Blue Jays Wy.
22. 290 Adelaide St. W.
23. 81-87 Peter St.
24. 355 King St. W.
25. 16 York St.

**Ministry of Heritage,
Sport, Tourism and
Culture Industries**

Minister

6th Floor
438 University Avenue
Toronto, ON M7A 2R9

**Ministère des Industries du
patrimoine, du sport, du
tourisme et de la culture**

Ministre

6^e étage
438, avenue University
Toronto (Ontario) M7A 2R9



January 24, 2022

Ms. Janice Dymond
Chair
Metropolitan Toronto Convention Centre
255 Front Street West
Toronto, ON M5V 2W6

2022-23 Mandate Letter

Dear Ms. Dymond:

Thank you for your continuing leadership as Chair of the Board of Directors of the Metropolitan Toronto Convention Centre. Your team's work contributes to a spectacular double bottom line in Ontario, reflecting our rich cultural fabric and contributing to our economic success.

I often say Ontario offers the world in one province. The Metro Toronto Convention Centre is a world-class facility. Before the COVID-19 pandemic, the MTCC generated a positive economic benefit to the City of Toronto and the province of between \$500 million and \$600 million each year, created approximately 5,200 jobs annually, and generated annual taxes of approximately \$150 million. The important work you do provides truly unique opportunities for residents and visitors to explore and discover.

As you develop your business objectives, performance goals and other activities for the coming year, I ask that you consider a number of key government priorities.

The heritage, sport, tourism and culture sectors were the first hit by the triple threat of health, economic and social crises posed by COVID-19, and there has been an unprecedented and devastating impact on the ministry's agencies and their operations. Together, we've worked to protect and support our sectors. We've reinforced the work of the Ontario Jobs and Recovery Committee and spotlighted our sectors' challenges at the Standing Committee on Finance and Economic Affairs. Our joint efforts will help inform the next phase of the government's plan to responsibly restart the economy.

In December 2020, my ministry released *Reconnecting Ontarians: Re-emerging as a Global Leader*, a white paper that discusses medium- and long-term strategies for the recovery of the heritage, sport, tourism and culture industries. After releasing the white paper, we arranged roundtable sessions with you and your agency's CEO in April and October 2021 to discuss collaborative, agency-led initiatives in support of recovery. I appreciated hearing about your successes and plans, and exploring opportunities to further work with your fellow agencies and attractions.

I also established a Tourism Economic Recovery Ministerial Task Force to provide actionable guidance on the strategies, tactics and approaches the government should consider when

supporting the tourism industry's economic recovery in Ontario. We need to be, and we will be, ready to welcome the world back to our province.

As part of the government of Ontario, agencies are expected to act in the best interests of Ontarians by being efficient, effective, and providing value for money to taxpayers. Our government's primary focus is to protect every life and every job we possibly can. Without healthy people, we cannot have a healthy economy. As the Chair of a provincial agency, you and the Board of Directors of the Metro Toronto Convention Centre are responsible for setting the goals, objectives, and strategic direction of the agency within its mandate; while the agency's CEO is responsible for the day-to-day operation of the agency, including its financial, analytical, and administrative affairs as well as the leadership and management of its human resources. This includes:

1. Competitiveness, Sustainability and Expenditure Management

- operating within your agency's financial allocations
- identifying and pursuing opportunities for revenue generation, innovative practices, and/or improved program sustainability
- complying with applicable direction related to supply chain centralization and Realty Interim Measures for agency office space
- leveraging and meeting benchmarked outcomes for compensation strategies and directives
- working with the ministry, where appropriate, to advance the *Ontario Onwards Action Plan*

2. Transparency and Accountability

- abiding by applicable government directives and policies and ensuring transparency and accountability in reporting
- adhering to requirements of the Agencies and Appointments Directive, accounting standards and practices, and the *Public Service of Ontario Act* ethical framework, and responding to audit findings, where applicable
- identifying appropriate skills, knowledge and experience needed to effectively support the board's role in agency governance and accountability

3. Risk Management

- developing and implementing an effective process for the identification, assessment and mitigation of risks, including planning for and responding to health and other emergency situations, including but not limited to COVID-19
- developing a continuity of operations plan that identifies time critical/essential services and personnel

4. Workforce Management

- optimizing your organizational capacity to support the best possible public service delivery
- modernizing and redeploying resources to priority areas when or where they are needed

5. Data Collection

- improving how the agency uses data in decision-making, information-sharing and reporting, including by leveraging available or new data solutions to inform outcome-based reporting and improve service delivery
- supporting transparency and privacy requirements of data work and data sharing with the ministry, as appropriate

6. Digital Delivery and Customer Service

- exploring and implementing digitization or digital modernization strategies for online service delivery and continuing to meet and exceed customer service standards through transition
- adopting digital approaches, such as user research, agile development and product management

7. Diversity and Inclusion

- developing and encouraging diversity and inclusion initiatives promoting an equitable, inclusive, accessible, anti-racist and diverse workplace
- demonstrating leadership of an inclusive environment free of harassment
- adopting an inclusion engagement process to ensure all voices are heard to inform policies and decision-making

8. COVID-19 Recovery

- identifying and pursuing service delivery methods (digital or other) that have evolved since the start of COVID-19
- supporting the recovery efforts from COVID-19

I also ask that your agency's staff work with my ministry to ensure your objectives and business model are aligned with your mandate and government priorities. When it is safe to do so, please continue to grow the Metro Toronto Convention Centre's convention and trade show business and drive tourism growth. I encourage you to work in collaboration with your partners; your Regional Tourism Organization; your fellow ministry agencies and attractions; and other Government of Ontario agencies and ministries, where appropriate.

The government is continuing its Red Tape and Regulatory Burden Reduction initiative to reduce the cost of complying with regulations and reduce the number of regulatory compliance requirements, including red tape, on Ontario businesses. This aligns with my request at the roundtable sessions with you and your agency's CEO earlier last year, to submit suggestions for legislative and regulatory changes that could help to reduce burdens on your agency's operations. Staff from my ministry may reach out to you to support these initiatives.

I value your role in operating, maintaining and managing an international-class convention centre in a way that promotes and develops tourism and industry in Ontario. I ask that you ensure your agency continues delivering this important work in a manner consistent with government priorities. Please continue to keep my ministry informed of key activities and initiatives, as described in your Memorandum of Understanding (MOU). In particular, please ensure staff from the ministry are made aware of all planned events or issues, including contentious matters, public communication strategies and publications, and stakeholder and other public consultations and discussions. I also ask that you continue to keep my ministry informed of your agency's recovery planning efforts as you implement strategies to sustain operations. As we move forward, it will be important to continue to work closely together, including taking a coordinated approach to communications, so that when it is safe to welcome the world back to our province, we are ready.

In working with me and my ministry, I ask that you and your Board keep the following in mind:

- I recognize that the Metropolitan Toronto Convention Centre exercises powers and performs duties in accordance with its legal mandate under the *Metropolitan Toronto Convention Centre Corporation Act*.
- Your agency, however, is not autonomous of Government.
 - It is an agent of the Crown and its powers may be exercised only as such.

- The majority of the Board is appointed, and the Chair and CEO designated, by the Lieutenant Governor in Council.
- Subject to the *Act*, your mandate is subject to the above-mentioned Agencies and Appointments Directive, which makes repeated reference to accountability: The accountability of an agency board (through its Chair) to a minister; the accountability of the agency itself to the government through its minister; a minister's accountability, which cannot be delegated, for each provincial agency, the requirement for a Memorandum of Understanding which reflects the accountability framework; and the minister's accountability to Cabinet and the Legislature, representing the public. Transparency is key, to the public, and between myself and yourself on behalf of the Board.
- The MOU, which you and I signed last year, whose purpose includes establishing the accountability relationships between myself as Minister and yourself on behalf of the Metropolitan Toronto Convention Centre. These include:
 - The Board of Directors acknowledge that it is accountable, through the Minister, to the Legislative Assembly in exercising its mandate.
 - Accountability is a fundamental principle to be observed in the management, administration and operation of the Metropolitan Toronto Convention Centre.
 - The Board of Directors acknowledges that it is responsible to me, through you, for governance and oversight of the Metropolitan Toronto Convention Centre.
 - The Metropolitan Toronto Convention Centre and my ministry have a duty to work together in a mutually respectful manner. We agree to avoid duplication of services wherever possible.
- In addition to accountabilities, the MOU also addresses responsibilities, including:
 - My responsibility to report and respond to the Legislature on the affairs of the Metropolitan Toronto Convention Centre.
 - When appropriate or necessary, my responsibility to take action or direct that the Metropolitan Toronto Convention Centre take corrective action with respect to its administration or operations.
 - My responsibility to keep you informed of the Government's priorities and broad policy directions for the Metropolitan Toronto Convention Centre.
 - Through this letter, my responsibility to outline the high level expectations, key commitments and performance priorities for the Metropolitan Toronto Convention Centre.
 - My responsibility to recommend to central agencies any provincial funding to be allocated to the Metropolitan Toronto Convention Centre.
 - Your responsibility to seek strategic policy direction from me for the Metropolitan Toronto Convention Centre.
 - Your responsibility to ensure timely communications with me regarding any issues or events that may concern or can reasonably be expected to concern me.

- The MOU also confirms that both you and I recognize that the timely exchange of information on the operations and administration of the Metropolitan Toronto Convention Centre is essential for me to meet my responsibilities for reporting and responding to the Legislative Assembly on the affairs of the Metropolitan Toronto Convention Centre.
- The foregoing are just some examples of MOU accountabilities and responsibilities. I recommend that your CEO and every Board member review the MOU in its entirety on a regular basis.

As the world emerges from the COVID-19 pandemic and global travel restrictions continue to ease, Ontario needs to ensure it is ready to compete within Canada and worldwide by driving economic development through strong recovery of the heritage, sport, tourism and culture sectors. Working together, our efforts have the potential to, once again, drive billions of dollars in economic activity and create thousands of jobs. Our work supports that incredible double bottom line – strong economic growth and a resilient cultural fabric that reflects the diversity and strength of Ontario's communities. As Minister responsible for this important suite of industries, I recognize there is a lot of work ahead of us to get our economy moving again and to make sure Ontario remains an economic powerhouse.

I know that with the Metro Toronto Convention Centre's help, we will succeed.

Kindest regards,



Lisa MacLeod
Minister of Heritage, Sport, Tourism and Culture Industries

c: Lorenz Hassenstein, President and CEO, Metro Toronto Convention Centre
Sarah Harrison, Deputy Minister, Heritage, Sport, Tourism and Culture Industries
Sarah McQuarrie, Assistant Deputy Minister, Agency Relations and Accountability Division,
Ministry of Heritage, Sport, Tourism and Culture Industries

**Ministry of Heritage,
Sport, Tourism and
Culture Industries**

Minister

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**Ministère des Industries du
patrimoine, du sport, du
tourisme et de la culture**

Ministre

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Le 24 janvier 2022

Madame Janice Dymond,
présidente
Palais des congrès de la communauté
urbaine de Toronto
255, rue Front Ouest
Toronto (Ontario) M5V 2W6

Lettre de mandat de 2022-2023

Madame la présidente,

Je vous remercie de votre leadership assidu à la présidence du conseil d'administration du Palais des congrès de la communauté urbaine de Toronto (PCCUT). Le travail de votre équipe contribue à l'atteinte de résultats spectaculaires en Ontario, de deux manières, en reflétant notre riche tissu culturel et en favorisant notre réussite économique.

Comme j'aime à le dire, l'Ontario vous propose de découvrir le monde dans une seule province. Le PCCUT est une installation de calibre international. Avant la pandémie de COVID-19, le PCCUT produisait des retombées économiques positives pour la ville de Toronto et la province de l'ordre de 500 à 600 millions de dollars par an, créait environ 5 200 emplois par an et générait des taxes annuelles d'environ 150 millions de dollars. L'important travail que vous accomplissez procure à la population des occasions vraiment uniques d'explorer et de découvrir notre province.

Au moment d'établir vos objectifs opérationnels, vos objectifs de rendement et vos autres activités pour l'année à venir, je vous invite à tenir compte d'un certain nombre de priorités gouvernementales clés.

Les secteurs du patrimoine, du sport, du tourisme et de la culture ont été les premiers touchés par la triple menace d'une crise sanitaire, d'une crise économique et d'une crise sociale qu'a entraînée la COVID-19. Les répercussions sur les organismes du ministère et leurs activités ont été dévastatrices. Ensemble, nous avons travaillé à protéger et à soutenir nos secteurs. Nous avons renforcé les travaux du Comité ontarien de l'emploi et de la relance et mis en lumière les défis que doivent relever nos industries au Comité permanent des finances et des affaires économiques. Nos efforts conjoints aideront à éclairer la prochaine phase du plan du gouvernement pour relancer l'économie de manière responsable.

En décembre 2020, mon ministère a publié le document intitulé *Réengager les Ontariens : le retour d'un chef de file mondial*, un livre blanc qui traite des stratégies à moyen et à long terme pour la relance des secteurs du patrimoine, des sports, du tourisme et de la culture. Après la publication de ce livre, nous avons organisé des tables rondes avec vous et le directeur général de votre organisme en avril et en octobre 2021 afin de discuter des démarches de collaboration menées par votre organisme en soutien à la relance. J'ai été heureuse

d'entendre parler de vos réussites et de vos plans, et d'explorer les possibilités de travailler davantage avec les autres organismes et attractions associés.

J'ai également mis sur pied un groupe de travail ministériel sur la relance économique du tourisme en vue de fournir des conseils pratiques sur les stratégies, les tactiques et les approches que le gouvernement devrait envisager pour soutenir la relance économique de l'industrie touristique en Ontario.

Nous devons être prêts à accueillir à nouveau le monde dans notre province, et nous le serons.

En tant que membre du gouvernement de l'Ontario, les organismes devraient agir dans l'intérêt supérieur des Ontariens en étant efficaces, efficaces et en procurant de la valeur aux contribuables pour leur argent. L'objectif premier de notre gouvernement est de protéger chaque vie et chaque emploi qu'il peut. Impossible d'avoir une économie saine si les citoyens ne sont pas en bonne santé. Il vous incombe à vous, en tant que présidente d'un organisme provincial, et au conseil d'administration du PCCUT d'établir les buts, les objectifs et l'orientation stratégique de l'organisme dans le cadre de son mandat; le directeur général de l'organisme est, quant à lui, chargé du fonctionnement quotidien de l'organisme, notamment des questions financières, analytiques et administratives, ainsi que de la direction et de la gestion de ses ressources humaines. Cela comprend ce qui suit.

1. Gestion de la compétitivité, de la durabilité et des dépenses :

- fonctionner dans les limites des fonds versés à votre organisme;
- déterminer et rechercher des occasions de générer des revenus, des pratiques novatrices et d'améliorer la viabilité des programmes;
- se conformer aux directives applicables en matière de centralisation de la chaîne d'approvisionnement et aux mesures provisoires d'approvisionnement dans les bureaux de l'organisme;
- exploiter et atteindre les résultats de référence concernant les stratégies et les directives en matière de rémunération;
- collaborer avec le ministère s'il y a lieu, pour faire avancer le *plan d'action Faire progresser l'Ontario*.

2. Transparence et responsabilisation :

- se conformer aux directives et politiques gouvernementales applicables et assurer la transparence et la responsabilisation en matière de rapports;
- se conformer aux exigences de la Directive concernant les organismes et les nominations, aux normes et pratiques comptables et au cadre éthique de la *Loi sur la fonction publique de l'Ontario*, et répondre aux conclusions de la vérification, s'il y a lieu;
- déterminer les compétences, les connaissances et l'expérience nécessaires pour soutenir efficacement le rôle du conseil dans la gouvernance et la responsabilisation de l'organisme.

3. Gestion du risque :

- élaborer et mettre en œuvre un processus efficace visant à déterminer, évaluer et atténuer les risques, y compris planifier en vue de situations d'urgence sanitaire et autres, y compris, mais sans s'y limiter, la COVID-19, et y réagir;
- élaborer un plan de continuité des activités qui détermine les services et le personnel critiques ou essentiels.

4. Gestion de la main-d'œuvre :

- optimiser votre capacité organisationnelle à soutenir la meilleure prestation de services publics possible;
- moderniser et redéployer les ressources vers les secteurs prioritaires au moment ou à l'endroit où elles sont nécessaires.

5. Collecte de renseignements :

- améliorer la manière dont l'organisme utilise les données dans la prise de décisions, l'échange de renseignements et la production de rapports, notamment en exploitant les solutions de données disponibles ou nouvelles pour éclairer les rapports axés sur les résultats et améliorer la prestation de services;
- favoriser les exigences de transparence et de confidentialité du travail et de l'échange de données avec le ministère, s'il y a lieu.

6. Prestation numérique et service à la clientèle :

- explorer et mettre en œuvre des stratégies de numérisation ou de modernisation numérique pour la prestation de services en ligne et continuer à respecter et à dépasser les normes de service à la clientèle pendant la transition;
- adopter des approches numériques, telles que la recherche sur les utilisateurs, le développement agile et la gestion de produits.

7. Diversité et inclusion :

- mettre au point et encourager des initiatives en matière de diversité et d'inclusion afin de favoriser un lieu de travail équitable, inclusif, accessible, antiraciste et diversifié;
- faire preuve de leadership en faveur d'un milieu inclusif et exempt de harcèlement;
- adopter une démarche de mobilisation pour l'inclusion afin que toutes les voix soient entendues pour éclairer les politiques et la prise de décisions.

8. Relance après la COVID-19 :

- déterminer et suivre les méthodes de prestation de services (numériques ou autres) qui ont évolué depuis le début de la COVID-19;
- soutenir les efforts de relance après la COVID-19.

De plus, je souhaite que le personnel de votre organisme collabore avec mon ministère pour veiller à ce que vos objectifs et votre modèle d'affaires soient conformes à votre mandat et aux priorités du gouvernement. Lorsque vous pourrez le faire de façon sécuritaire, veuillez continuer à développer les activités du PCCUT en matière de congrès et de salons professionnels, et à stimuler la croissance du tourisme. Je vous invite à travailler en collaboration avec vos partenaires, votre organisme touristique régional, les autres agences et attractions du ministère et les autres agences et ministères du gouvernement de l'Ontario, s'il y a lieu.

Le gouvernement poursuit son initiative intitulée Réduction des formalités administratives et des fardeaux réglementaires afin de réduire le coût de la conformité aux règlements ainsi que le nombre d'exigences en matière de conformité aux règlements, y compris les formalités administratives, pour les entreprises ontariennes. Cela correspond à la demande que j'ai formulée lors des tables rondes organisées avec vous et le directeur général de votre organisme au début de l'année dernière, de soumettre des suggestions de modifications législatives et réglementaires qui pourraient contribuer à alléger le fardeau qui pèse sur les activités de votre organisme. Le personnel de mon ministère pourrait communiquer avec vous pour soutenir ces initiatives.

Votre rôle est important dans l'exploitation, le maintien et la gestion d'un palais des congrès de classe internationale de manière à promouvoir et à développer le tourisme et l'industrie en Ontario. Je souhaite que votre organisme continue de veiller à effectuer ce travail important dans le respect des priorités du gouvernement. Veuillez continuer à tenir mon ministère au courant de vos principales activités et initiatives, comme il est décrit dans votre protocole d'entente. Veuillez notamment vous assurer d'informer le personnel du ministère de toutes les activités ou difficultés prévues, dont les questions litigieuses, les stratégies de communication publique et les publications, ainsi que les consultations et discussions avec les intervenants et autres. Je souhaite également que vous continuiez à tenir mon ministère au courant des efforts de votre organisme pour planifier la relance alors que vous mettez en œuvre des stratégies pour maintenir ses activités. À l'avenir, il sera important de continuer à travailler en étroite collaboration, notamment en adoptant une approche coordonnée en matière de communications, afin que nous soyons prêts à accueillir de nouveau le monde entier dans notre province lorsque nous pourrons le faire en toute sécurité.

À l'égard de cette collaboration, je vous demande, ainsi qu'à votre conseil d'administration, de garder à l'esprit ce qui suit :

- Je reconnais que le PCCUT exerce ses pouvoirs et ses fonctions conformément au mandat qui lui est conféré par la *Loi sur la Société du palais des congrès de la communauté urbaine de Toronto*.
- Votre organisme n'est toutefois pas indépendant du gouvernement.
 - C'est un mandataire de la Couronne et ses pouvoirs ne peuvent être exercés qu'à ce titre.
 - La majorité des membres du conseil sont nommés, tout comme le président et le directeur général désignés, par le lieutenant-gouverneur en conseil.
 - Sous réserve de la *Loi*, votre mandat est assujéti à la Directive concernant les organismes et les nominations susmentionnée, qui fait référence à plusieurs reprises à la responsabilité : la responsabilité du conseil d'administration de l'organisme (par l'intermédiaire de son président) envers un ministre ; la responsabilité de l'organisme lui-même envers le gouvernement par l'intermédiaire de son ministre; la responsabilité du ministre pour chaque organisme provincial, laquelle ne peut être déléguée; l'exigence d'un protocole d'entente qui reflète le cadre de responsabilisation et la responsabilité du ministre envers le Cabinet et l'Assemblée législative, qui représentent le public. La transparence est essentielle, envers le public et entre moi-même et vous-même au nom du Conseil.
- Le protocole d'entente, que vous et moi avons signé l'an dernier, vise notamment à établir les relations de responsabilisation entre moi-même, en tant que ministre, et vous-même au nom du PCCUT. Ces liens sont notamment les suivants :
 - Le conseil d'administration reconnaît que l'organisme doit répondre de l'exécution de son mandat devant l'Assemblée législative, par l'intermédiaire du ministre.
 - L'obligation de reddition de comptes est un principe fondamental qui doit être observé dans le cadre de la gestion, de l'administration et des activités du PCCUT.
 - Le Conseil d'administration reconnaît qu'il est responsable devant moi, par votre intermédiaire, de la gouvernance et de la surveillance du PCCUT.

- Le PCCUT et mon ministère ont le devoir de travailler ensemble de manière mutuellement respectueuse. Nous convenons d'éviter la duplication des services dans la mesure du possible.
- Outre les obligations de responsabilisation, le protocole d'entente traite également d'autres responsabilités, notamment :
 - ma responsabilité de faire rapport et de répondre à l'Assemblée législative des activités du PCCUT;
 - ma responsabilité, au besoin et comme il convient, de prendre des mesures ou d'ordonner au PCCUT d'adopter des mesures correctives concernant son administration ou ses activités;
 - ma responsabilité de vous tenir au courant des priorités et des orientations stratégiques générales du gouvernement concernant le PCCUT;
 - ma responsabilité de présenter dans cette lettre les attentes de haut niveau, les engagements clés et les priorités de rendement pour le PCCUT;
 - ma responsabilité de recommander aux organismes centraux tout financement provincial à accorder au PCCUT;
 - votre responsabilité d'obtenir auprès de moi des orientations stratégiques pour le PCCUT;
 - votre responsabilité de communiquer avec moi en temps opportun concernant toute question ou activité qui peut me concerner ou dont on peut raisonnablement penser qu'elle me concerne.
- Le protocole d'entente confirme également que vous et moi reconnaissons que l'échange en temps opportun de renseignements sur les activités et l'administration du PCCUT est essentiel pour que je puisse m'acquitter de mes responsabilités en matière de rapports et de réponses à l'Assemblée législative sur les affaires du PCCUT.
- Ce qui précède n'est qu'un exemple des obligations et responsabilités figurant dans le protocole d'entente. Je recommande à votre directeur général et à chaque membre du conseil de revoir régulièrement le protocole d'entente dans son intégralité.

Alors que le monde sort doucement de la pandémie de COVID-19 et que les restrictions mondiales sur les voyages continuent de s'assouplir, l'Ontario doit s'assurer qu'il est prêt à faire face à la concurrence au Canada et dans le monde entier en favorisant le développement économique grâce à une relance vigoureuse des secteurs du patrimoine, du sport, du tourisme et de la culture. En unissant nos efforts, nous pouvons générer, une fois de plus, des milliards de dollars d'activité économique et de créer des milliers d'emplois. Notre travail soutient cet impressionnant double résultat – une forte croissance économique et un tissu culturel résilient qui reflète la diversité et la force des communautés de l'Ontario. En tant que ministre responsable de cet important ensemble d'industries, je suis consciente qu'il y a beaucoup de travail à faire pour relancer notre économie et faire en sorte que l'Ontario demeure une puissance économique.

Je sais qu'avec l'aide du PCCUT, nous réussirons. Salutations cordiales,

A handwritten signature in black ink, appearing to read 'Lisa' followed by a period.

Lisa MacLeod

Ministre des Industries du patrimoine, du sport, du tourisme et de la culture

c.c. : Lorenz Hassenstein, président et directeur général du PCCUT

Sarah Harrison, sous-ministre, ministère des Industries du patrimoine, du sport,
du tourisme et de la culture

Sarah McQuarrie, sous-ministre adjointe, Division des relations avec les organismes et de
la responsabilisation, ministère des Industries du patrimoine, du sport, du tourisme et de la
culture