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OTTAWA CONVENTION CENTRE CORPORATION

ANNUAL BUSINESS PLAN 2019/20 – 2021/22

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1. EXECUTIVE SUMMARY

As 2018/2019 comes to a close the year has been stronger post Canada's sesquicentennial birthday, than originally forecasted. Performance to budget in conventions has surpassed budget of \$5.9M to a forecast of \$7.5M. The OCC will have hosted 44 conventions in this fiscal with six conventions booking and actualizing within the year. The number of conventions was equal to prior year with the exception of several more city-wide conventions in 2017. We continue to see great success in growing our corporate and international convention segments. Canadian associations remain a strong staple of our booking calendar at nearly 50% of annual convention revenues. Incentives to contract multi-year conventions have been successful with Cannexus contracting 2022-2024, APEX contracting 2020 and 2021, Developing Professionals in Infomatics contracting 2021 and 2022. The OCC will play host venue to several prestigious and high-profile conventions in 2019 to include Go Media which will attract media reporting on all segments of the tourism industry allowing for a tremendous opportunity to showcase our venue and city to the international travel and tourism media. We have secured International Metropolis, a city-wide conference with estimated revenues of \$600,000 to the OCC. Continuing to work with our strategic partner, Ottawa Tourism, our international efforts remain honed on key markets in France, England, Germany and Belgium where most European Association planners are based. We will also continue to exhibit at IMEX Frankfurt and Las Vegas. This show has generated leads and prospects over the last several years proving a positive return on investment.

The initiatives detailed in this business plan are intended to support these commitments while managing operational, strategic and financial risks to help ensure business objectives are met. Specifically, OCC will focus on continuing to manage our business operations efficiently while achieving long-term growth and sustainability. This growth should increase the Centre's operating surplus and contribute to the capital asset lifecycle replacement requirements. Further, OCC will continue to work on improving occupancy with a continued focus on the international congress markets and national corporate and association markets in partnership with Ottawa Tourism. OCC will also continue to work with the ministry to review and enhance governance, fiscal management and sustainability and accountability processes to reflect best practices and ensure compliance with Treasury Board/Management Board of Cabinet direction as well as the new requirements with respect to executive salaries and compensation. OCC will maintain an effective system of internal controls and compliance with applicable requirements to promote transparency and accountability.

As we enter our 9th year of operations with a volume of approximately 500 events per year, the OCC facility is recognizing areas of the operation which require upgrades, refurbishments and modernization. Management will work with the ministry to ensure this concern is addressed on a timely basis to ensure a continued high level of customer satisfaction and health and safety are not at risk.

2018/19 RESULTS

Our calendar of events in 2018/19 covered a broad spectrum of clientele. Some of our short-term booked conventions for this fiscal included Status of Women Canada, Shopify, TD Trust, Aerospace and Public Health Agency of Canada. OCC hosted 44 conventions in total including many repeat annual events and new conventions. Forecasting for this fiscal has proven challenging with meeting planners underestimating attendance to avoid any penalty clauses with the majority of our conventions greatly increasing their attendance to almost double in some cases. Such increases drive incremental revenues in additional food and beverage and rental charges. We also made great head winds in our sponsorship/partnership goals. Negotiating preferred supplier status for long time vendors, increasing advertising partners, and strategic partnerships with a craft beer sponsor, support our goals to increase revenues while choosing “local”.

Our sales and promotional efforts took us to Gleneagles in Scotland where we executed and hosted a very successful client event. We impressed them with our “Same but Different” concept showcasing what Ottawa has to offer. The feedback has been positive from our industry guests. The return-on-investment from this event will be strong. In fact, we have generated leads and site visits from this event. We’ve had many publications pick up our news release or publish their own stories about Ottawa. Given its success, there is a high probability that this event will be repeated in 2019.

OCC is an integral player in our city and as such, we continue to pay it forward as a good corporate citizen and support our efforts at home as well as abroad for those less fortunate. We continue to support Mealshare as a founding partner as well as our own “Leave a Legacy” program whereby clients can donate left-over goods to the local Ottawa community or abroad with volunteer assistance from Shaw Centre colleagues. In addition, the OCC supported first responders and local residents in the Dunrobin district by delivering soup and rolls for a 10-day period following the devastating tornado which ravaged the area in September.

LOOKING AHEAD TO 2019/20

Following a stronger than anticipated 2018/2019, it is forecasted that 2019/2020 will be a strong convention year with the booking window narrowing significantly. Our efforts in the international market continue to prosper and will be augmented with the additional resource of a ThinkOttawa Manager. This role has been created to focus solely on the international opportunities through attracting and securing the help of local ambassadors to champion bids. A complete marketing and public relations strategy has been developed to assist in building the momentum and excitement around ThinkOttawa.

We continue to increase our opportunities in the national corporate sector with more leads in the funnel than ever before. Given its short lead time, we often struggle to find appropriate space to accommodate the business. When this situation arises, we work with our hospitality partners to accommodate the program in several venues. While not the most optimal choice, it supports driving economic impact to our destination.

Incentives to secure multi-year contracts in our national association sector has also proven fruitful. We have secured multi-year contracts with SAAS North, Real Properties Institute of Canada, Association of Municipalities of Ontario, Association of Professional Executives of the Public Service of Canada.

Our strategies are working to secure business well into the future. We will continue to work with our closest strategic partner, Ottawa Tourism to ensure we continue to build on our past successes.

2. MANDATE AND VISION

VISION

Inspired people creating extraordinary events.

Our vision is supported by the following four pillars:

1. Generate economic impact through incremental growth from the external visitor economy
2. Deliver extraordinary customer experience
3. To operate sustainably
4. To be the best convention centre in Canada

CORE PURPOSE

We are Canada's Meeting Place. The Ottawa Convention Centre provides the stage where Canadians and guests from around the world come together in Ottawa, our Capital, to learn and grow by sharing their knowledge, views and practices.

ECONOMIC MANDATE

The Ottawa Convention Centre operates profitably, and in cooperation with our tourism industry partners, generates positive economic impact for all three levels of government.

SHARED VALUES

WE always treat each other with respect and fairness

WE strongly celebrate innovation and initiative

WE act upon our responsibility to our government and are responsive to our community and the environment

We contribute as a team to our shared success and collective passion to grow our business

We go the extra mile to deliver extraordinary experiences

LEGISLATIVE AUTHORITY AND MANDATE

OCC is an Agency of the Government of Ontario governed by the Ottawa Convention Centre Corporation Act (1988). OCC is operated by a twelve-member Board of Directors with nine provincial and three municipal appointees. The Centre opened in 1983, was demolished in 2008 and re-opened in 2011. Its legislated mandate is to “operate, maintain and manage an international-class convention centre in a manner that will promote and develop tourism and industry in Ontario”.

OCC is an operational enterprise agency of the Ministry of Tourism, Culture and Sport. Shaw Centre is committed to providing excellent, high calibre bilingual customer service, and to ensuring that services are timely, responsive, accessible and accountable.

The Memorandum of Understanding (MOU) between the Ottawa Convention Centre Corporation and the Ministry of Tourism, Culture and Sport, provides an accountability and governance framework, including the following accountability relationship:

- a) The Minister is accountable to the legislature and Management Board for the Centre’s fulfillment of its mandate, its compliance with government and Ministry policies and for reporting and responding to the Legislature on the Centre’s affairs.
- b) The Chairman is accountable to the Minister and the Board for the performance of the Centre in fulfilling its mandate for carrying out the roles and responsibilities assigned to the Chair by the governing Act, Management Board directives and the MOU.
- c) The Deputy Minister is accountable for carrying out the roles and responsibilities with respect to the Board assigned to the Deputy Minister by the Minister, Management Board directives, the Act and the MOU.
- d) The President & CEO is accountable to the Chairman and the Board for the management of the Centre, the supervision of the Centre’s staff, and for carrying out the roles and responsibilities assigned by the Board, Management Board directives, the Act, other relevant legislation and the MOU.
- e) Staff of the Centre is accountable to the President & CEO for carrying out the roles and responsibilities as assigned to the staff by the President & CEO.

3. ENVIRONMENTAL SCAN AND SWOT ANALYSIS

GENERAL OBSERVATIONS

This plan outlines OCC's revenue opportunities, financial projections and strategic and tactical sales and marketing plans for the year. There is great optimism as we see growth in our corporate and international convention meetings and see this momentum in future with a strong booking pace for future years. As we enter our 9th year of operations, there is a growing need to address capital, furniture, fixtures and equipment to ensure the stewardship of our facility and the competitiveness of our offerings. We are continuing to work with the Ministry to determine how to address capital investment with very limited reserves. An ongoing future obligation will be the \$1M payable to the OFA each year starting with 2019. Our reserves allow for payments in 2019/2020 and 2020/2021. Beyond this time frame, our challenge will be to meet our financial obligation as well as ensure capital reinvestment take place.

Safety and security continue to be top of mind for site selection companies and meeting planners, positioning Canada and the Nation's Capital well for hosting opportunities. The political climate in the US has international events reconsidering meeting there and instead looking at Canada as a viable option.

Our collective enhanced marketing initiatives with Ottawa Tourism have seen significant uptake on site visits and proposals as a direct result of promotions in the UK and Paris. We will be launching ThinkOttawa in 2019 and deploying dedicated resources against this program to support and grow our international efforts.

With the centre entering its 9th year of operations, trends in meetings and conventions are moving toward addressing the new generation of delegates and attendees. Typical theatre or classroom setups are being replaced by pop up meetings and networking areas. An expectation of free WiFi is becoming common place and we are working with our IT service provider, FREEMAN, in developing packages and strategies to support client expectations. In light of the limited funds available to support capital and FF&E the Centre is investigating partnership opportunities with suppliers for in-kind services. As an example, partnering with a furniture décor company would afford OCC to have an updated look while showcasing the furniture supplier at the same time.

Ottawa has a bright future ahead in the Convention and Meetings Sector. With the increased Convention Development Fund through the Municipal Accommodations Tax and the highly anticipated arrival of the Light Rail System, the options available for hotel room blocks for our customers will increase and provide more accessible options outside of the Westin Ottawa Hotel.

The OCC receives approximately 600,000 – 650,000 visitors annually. Our ability to consistently deliver exceptionally high customer service satisfaction ratings is indicative of our vision of “Inspired People Creating Extraordinary Events”. As we continue to welcome thousands of guests into our facility, it is prudent for management to foresee areas which will soon require life cycle upgrades and replacements such as carpeting and furniture and fixtures.

4. RISK ASSESSMENT STRATEGIES 2019 -2020

Risk category: Operational	
Risk factor #1: Increased Competitive Landscape	
Description	There are a number of convention centres and event venues that have redeveloped or recently opened nationally and in the National Capital Region. This will increase competition within the Canadian market and regional/Local market. This combined with aggressive hotel booking policies and client demand for unique food and beverage venues has created a challenging environment.
Related strategic priority	Financial Sustainability
Impact and Scope	Medium. This will significantly impact our ability to maintain retail prices or apply appropriate increases. It could ultimately affect our ability to maintain costs and operate efficiently.
Mitigation	The OCC remains the premier event space and our marketing and sales efforts will continue to identify our key features and differentiate us from our competitors. We will promote the OCC as a top convention centre globally (as noted by AIPC). We will continue to maintain high standards for service and presentation and identify opportunities to innovate, enhance our offerings adding value.

Risk category: Operational	
Risk factor #2: Emergency & Crises	
Description	OCC has a comprehensive Emergency Preparedness Plan which is shared with our clients. A major destination's strength has been and continues to be the safety and security of the asset, contents and most importantly guests and personnel. It is the expectation of clients, guests and colleagues that we provide a safe and secure environment. It is incumbent upon the Centre to communicate our plan to our clients and colleagues and continually prepare for emergencies. Accordingly, we have plans in place to resume business as quickly as possible if an emergency were to occur.
Related strategic priority	Client & Colleague Satisfaction
Impact and Scope	<p>Medium.</p> <p>It is impossible to predict an emergency or the intensity of the occurrence; however, planning and preparation to manage an issue is important in order to minimize the threat and build leadership skills to take control of the issue and to ensure business continuity.</p>
Mitigation	<p>We continually improve our emergency preparedness planning by reviewing and updating our information and procedures.</p> <p>Going forward, we continue with floor warden training to ensure everyone has the knowledge and confidence to respond effectively to all emergencies. We continue to conduct risk assessments of the facility and our practices to ensure we are minimizing the impacts of an emergency and responding effectively. We will also continue our collaborative efforts with our neighbouring facilities (Westin Ottawa and Rideau Centre and TD Place) to assist each other during emergencies and whenever possible our team will participate in seminars and workshops offered by the City of Ottawa Emergency Management division as well as other outside organizations.</p>

Risk category: Operational	
Risk factor #3 – Health & Safety Incidents	
Description	Ministry of Labour has been engaged to conduct a review of our operating procedures and equipment within the facility.
Related strategic priority	Financial Sustainability
Impact and Scope	<p>High</p> <p>Depending on the Ministry of Labour findings, we may be given very short notice to cease using certain equipment or operating procedures, leaving us with little lead time to source either alternative equipment or alternative operating procedures. Also, depending on their findings, we may have to purchase new equipment which may cost in the hundred of thousands of dollars.</p>
Mitigation	We will work collaboratively with the Ministry of Labour and the Union to address any non-compliant processes or equipment. We hopefully will work collectively to identify new SOP's and/or equipment to ensure a safe working environment. We will also press the Ministry of Labour to provide us with sufficient working notice to allow us to implement any required change.

Risk category: Workforce	
Risk factor #1: Workforce Recruitment & Retention	
Description	It has become difficult to attract high quality candidates and retain talent that are bilingual and have the required skill and industry knowledge.
Related strategic priority	Colleague Satisfaction and Client Satisfaction
Impact and Scope	<p>Medium</p> Productivity and performance are affected with a lack of skilled talent and turnover. Knowledge is lost, client relationships may suffer, recruiting and training costly and this could drive wage and compensation packages up.
Mitigation	Brand the OCC as an employer of choice and highlight attractive features. Make the recruiting process more dynamic and impressionable. Target candidates not actively searching and encourage referrals. Continue to build a strong succession plan to identify potential internal candidates and identify positions requiring external candidates. Strengthen the onboarding process and invest in training and developing internal candidates. Increase internal communications and pulse checks keeping employees engaged. Engage the Convention Centre of Canada for best practises.

Risk category: Information technology and infrastructure	
Risk factor #1: Cyber Risk	
Description	<p>Cyber Risk is defined as any risk of Financial Loss, disruption or damage to the reputation of an organization from a failure involving its technology systems.</p> <p>The most common risks we are currently facing are ones which involved e-mail spam and spoofing, in which the user utilizes the name of a Manager to try and obtain funds through a wire transfer, infection through a virus through downloadable content, or by asking for account information.</p>
Related strategic priority	Financial Stability, Client & Colleague Satisfaction
Impact and Scope	High
Mitigation	<p>Monthly, Weekly and incremental daily backups of all data are performed. Weekly and monthly backups are stored offsite to ensure data protection in case of a fire or similar structural event which could impact the servers and data stored in the building, as well as to aid in the protection against viruses and ransomware. Anti-virus software is kept current on all PC's, and a strict policy is in place to help manage the threat of unlawful malware/software from infecting our systems which can often occur through employees connecting remotely. We are investigating a yearly internet online security course to be taken by all employees whom have access to a computer and data within the centre.</p>

5. ANNUAL GOALS & METRICS

In the upcoming year, OCC will focus on the strategic priorities outlined below. The Executive Leadership Team (ELT) has identified strategies and performance measures to achieve these goals. The ELT meets on a weekly basis to review financial goals and performance goals as well as client satisfaction and human resources updates.

Strategic Goal #1: Financial	
Goal	<p>OCC's long range financial imperative is to generate the revenues to support a surplus and maintain cash flows sufficient to provide for lifecycle requirements.</p> <p>OCC's mandate is to generate economic benefits to the City of Ottawa and the Province of Ontario.</p> <p>OCC will generate the following financial results in 2019/20:</p> <ul style="list-style-type: none"> • Gross revenue of \$ 18.4M; • Economic impact of \$ 160M; • Booking pace target of \$ 16.5M; • Net operating income of \$ 1.1M
Strategies	<p>OCC will manage financial targets in accordance with the Board approved budget. Our strategy will focus on revenue generation. Several areas we will continue to explore include working in partnership with new event operators to create new events, work at securing additional Federal government business, and finding additional ancillary revenue sources and sponsorship agreements.</p> <p>OCC's Director of Sales has assembled a strong and motivated team who have a renewed focus on marketing and driving revenue by concentrating efforts on large convention pieces of business.</p>
Performance measures	<p>OCC will monitor progress utilizing financial statements and internal reports which are reviewed with senior management on a monthly basis and with the Finance & Audit Committee of the Board of Directors quarterly.</p>

Description	Actual 2017-18	Reforecast 2018-19	Budget 2019-20	PLAN 2020-21	PLAN 2021-22
Economic impact (\$M's)	167	140	160	180	190
Gross revenue (\$M's)	19.7	17.3	18.4	19	19.7
Net operating income (\$M's)	2.8	1.0	1.1	1.2	1.4
Booking pace (\$M)	12.7	16.0	16.5	17	17

Strategic Goal #2: Occupancy					
Goal	Occupancy is based on the number of square feet sold compared to the number of square feet of available space in a given year. No allowance has been made for holidays or down periods between events. At the OCC full occupancy would be approximately 70%.				
Strategies	OCC will continue to work on improving occupancy with a focus on international congress markets and national and US corporate, association and congress markets in partnership with Ottawa Tourism.				
Performance measures	Occupancy is tracked for each event, then summarized and reported quarterly.				
Description	Actual 2017-18	Reforecast 2018-19	Budget 2019-20	Plan 2020-21	Plan 2021-22
Occupancy rate	49.9%	45%	47%	48%	50%

Strategic Goal #3: Customer Service					
Goal	<p>Maintain or improve client satisfaction score from the previous year of 4.6 or better. Our forecast for client response rate is 40% as we are anticipating client fatigue with response rates, due to many of our clients now being repeat clients.</p> <p>Due to limited capital funds and our inability to sufficiently invest in new and upgraded FF&E, our current inventory is looking tired and is no longer considered leading edge. We predict that this will impact our client satisfaction scores.</p>				
Strategies	<p>We will continue to ensure adherence to exceptional service in all phases of the sales and service cycle by initiating and engaging client focus groups, employing impromptu inspections and providing uncompromising leadership, training and coaching to all OCC colleagues. We will continue to build a culture of customer service with campaigns to deliver the extraordinary and through employee engagement. We will review processes for more seamless and efficient service.</p> <p>We will align our convention metrics to AIPC/APEX (Ipsos) and update our current to survey to support participation levels.</p> <p>We are evaluating our current inventory and needs to determine the areas where investment will have the highest impact on the client experience allowing us to remain an industry leader. This investment will be weighed against other capital funding requests for return on investment.</p>				
Performance measures	<p>Client satisfaction surveys are sent electronically following each event in the building. Results are reviewed by the General Manager and Director of Events and then circulated to the management team at the weekly operations meeting for review and action as required.</p>				
Description	Actual 2017-18	Reforecast 2018-19	Budget 2019-20	PLAN 2020-21	PLAN 2021-22
Overall satisfaction	4.6	4.5	4.5	4.6	4.6
Response Rate	41%	35%	40%	40%	40%

Strategic Goal #4: Human Resources					
Goal	<p>OCC colleagues continually provide exceptional customer service which is supported through our client satisfaction scores. OCC is committed to working with our colleagues to provide the best work environment and tools necessary to help them succeed within their roles. By engaging employees, we empower employees and create loyalty. Our goal is to open the lines of communication to gain employees perspectives and improve our colleague survey score. This outcome will ensure the financial success of OCC going forward with a high number of return clients and new bookings.</p>				
Strategies	<p>The results of the colleague surveys are reviewed by ELT who, with department heads, discuss strategies and follow up. Working groups consisting of colleagues from various departments are struck with the goal of addressing all concerns and recommendations. OCC management is committed to providing effective leadership, training and coaching to colleagues. The colleague survey will take place in spring and fall when a larger employee engagement is possible.</p> <p>In 2019/2020 OCC will be rolling out strategies to address recruitment/ retention, employee engagement, and succession planning. These issues are paramount to engaged, content colleagues.</p>				
Performance measures	<p>As of 2018/19 the colleague survey platform was changed to survey monkey and conducted on an annual basis. In 2019/2020, OCC will increase this, conducting the internal survey on a semi-annual basis.</p>				
Description	Actual 2017-18	Reforecast 2018-19	Budget 2019-20	PLAN 2020-21	Plan 2021-22
Overall satisfaction	19.5/24	20/24	7.3/10	7.5/10	7.5/10

Strategic Goal #5: Corporate Social Responsibility					
Goal	<p>OCC recognizes the role we play in the life and economy of our host community and that the community plays in supporting and enhancing the event experience of our clients. In doing so, we undertake to demonstrate ongoing corporate responsibility and maintain a positive community interface.</p> <p>While many organizations now practice some form of social responsibility programs, at the OCC we have decided to make it a core of our operations. Undertaking socially responsible initiatives not only allows us to appeal to socially conscious consumers but it also makes a tangible difference in the world.</p>				
Strategies	<p>We continue offer three flexible CSR programs that enable clients to have a positive impact with minimal effort, all of them facilitated by the OCC team. These programs not only help those less fortunate in our neighbourhood, they are aimed at reducing waste destined for landfills.</p> <ol style="list-style-type: none"> 1. Leave a legacy Program: clients may donate anything left after their event including obsolete marketing collateral, promo items, and non-perishable food. 2. Tableé des Chefs: gives our clients the option of recovering food surplus at the conclusion of their event and donating it to people in need. 3. Mealshare: clients can help put an end to youth hunger by donating a lump sum to Mealshare. In exchange, OCC will create tent cards to share how many meals the donation provided to youth in need. <p>To reduce our requirement for green bins, OCC uses ORCA (Organic Refuse Conversion Alternative). ORCA takes all organic waste and breaks compost waste down into environmentally safe grey water, which then flows out to the sewage system.</p>				
Performance measures	<p>Review participation in the three CSR programs noted above at year end.</p> <p>OCC participates in a very rigorous food waste management program that consists of monthly food quality audits whereby the entire kitchen area is critiqued and scored based on pre-determined values. The score is then reviewed by senior executives.</p> <p>Waste diversion reports are produced and reviewed monthly and any anomalies are addressed immediately.</p>				
Description	Actual 2017-18	Reforecast 2018-19	Budget 2019-20	PLAN 2020-21	Plan 2021-22
Waste diversion	62%	52%	65%	68%	68%

6. BUDGET SUMMARY

STATEMENT OF OPERATIONS

	Actual 2016-2017	Actual 2017-2018	Reforecast 2018-2019	Budget 2019-2020	Plan 2020-2021	Plan 2021-2022
Food & Beverage	10,255,780	12,253,808	10,595,544	10,978,000	11,409,880	11,896,938
Facility Rental	4,555,653	5,213,422	4,620,160	5,109,000	5,181,575	5,322,995
Commissions	1,628,321	1,515,071	1,365,768	1,459,300	1,503,001	1,608,132
Advertising	491,570	504,743	522,249	624,000	678,668	716,548
Other Income	216,468	228,899	255,869	218,700	193,662	145,658
TOTAL GROSS REVENUE	17,147,792	19,715,943	17,359,590	18,389,000	18,966,786	19,690,271
Revenue Growth	5.95%	14.98%	-11.95%	5.93%	3.14%	3.81%
COST OF SALES	7,443,949	8,652,661	7,678,168	7,929,000	8,202,990	8,506,343
NET REVENUE	9,703,843	11,063,282	9,681,422	10,460,000	10,763,795	11,183,928
Net Revenue Growth	5.59%	14.01%	-12.49%	8.04%	2.90%	3.90%
EXPENSES						
Facilities	4,240,165	4,575,583	4,631,820	4,788,100	4,908,851	5,033,884
Utilities	953,581	923,691	954,724	996,800	1,016,736	1,037,071
Sales & Marketing	984,439	1,054,243	1,295,394	1,762,500	1,797,750	1,833,705
General & Administration	1,641,593	1,728,236	1,775,945	1,802,600	1,838,652	1,875,425
TOTAL EXPENSES	7,819,778	8,281,753	8,657,882	9,350,000	9,561,989	9,780,085
Percent of Gross Revenue	45.6%	42.0%	49.9%	50.8%	50.4%	49.7%
OPERATING SURPLUS	1,884,065	2,781,529	1,023,540	1,110,000	1,201,806	1,403,844
Percent of Gross Revenue	10.99%	14.11%	5.90%	6.04%	6.34%	7.13%
Interest expense	(2,283,904)	(2,379,711)	(1,068,175)	(1,060,452)	(1,052,360)	(1,043,880)
Amortization of deferred contributions	3,212,931	3,212,931	3,212,931	3,212,931	3,212,931	3,212,931
Gain on Debt restructuring			24,045,318			
Amortization of property, plant and equipment	(5,274,611)	(5,335,500)	(5,325,000)	(5,525,000)	(5,775,000)	(5,088,000)
Excess of expenses over revenue	(2,461,519)	(1,720,752)	21,888,614	(2,262,521)	(2,412,623)	(1,515,105)

STATEMENT OF FINANCIAL POSITION

	Actual as at Mar 31, 2017	Actual as at Mar 31, 2018	Re-Forecast as at Mar 31, 2019	Budget as at Mar 31, 2020	Plan as at Mar 31, 2021	Plan as at Mar 31, 2022
ASSETS						
Current						
Cash	4,601,176	5,618,232	5,579,804	2,934,481	(337,450)	(7,559,609)
Accounts receivable	685,474	923,631	847,480	750,253	799,623	850,968
Prepaid expenses	86,949	88,844	101,855	105,255	118,520	126,548
Total Current Assets	5,373,599	6,630,707	6,529,138	3,789,989	580,692	(6,582,094)
Property, Plant & Equipment	150,905,133	145,687,622	140,313,264	137,461,088	134,847,742	137,251,148
Total Assets	\$ 156,278,732	\$ 152,318,329	\$ 146,842,402	\$ 141,251,077	\$ 135,428,434	\$ 130,669,054
LIABILITIES & NET ASSETS						
Current						
Accounts payable and accrued liabilities	2,164,402	1,875,153	2,059,942	2,044,132	1,957,891	2,043,200
Deferred revenue and customer deposits	2,992,013	2,136,415	2,223,287	2,262,822	2,279,616	2,399,082
Current portion of long term debt	154,451	51,790,381	169,548	177,641	186,120	195,005
Total Current Liabilities	5,310,866	55,801,949	4,452,777	4,484,595	4,423,627	4,637,287
Deferred revenue and deposits	786,394	686,179	475,000	500,000	550,000	500,000
Long-term debt	50,857,196	1,370,977	28,784,667	28,607,026	28,420,906	28,225,902
Deferred Contribution - capital assets	103,822,979	100,610,048	97,397,117	94,184,186	90,971,255	87,758,324
Total Liabilities	155,466,569	102,667,204	126,656,784	123,291,212	119,942,161	116,484,226
Net Assets (deficit)	(4,498,703)	(6,150,824)	15,737,790	13,475,269	11,062,646	9,547,541
Total liabilities and net assets	\$ 156,278,732	\$ 152,318,329	\$ 146,842,401	\$ 141,251,076	\$ 135,428,435	\$ 130,669,054

STATEMENT OF CASH FLOW

	Actual as at	Actual as at	Refrecast as at	Budget as at	Plan as at	Plan as at
	Mar 31, 2017	Mar 31, 2018	Mar 31, 2019	Mar 31, 2020	Mar 31, 2021	Mar 31, 2022
Cash flows provided by (used in)						
Operating Activities						
Excess of expenses over revenue for the year	(2,461,519)	(1,652,121)	21,888,614	(2,262,521)	(2,412,623)	(1,515,105)
Items not affecting cash						
Amortization of property, plant and equipment	5,274,611	5,266,869	5,325,000	5,525,000	5,775,000	5,088,000
Amortization of deferred contributions related to property, plant and equipment	(3,212,931)	(3,212,931)	(3,212,931)	(3,212,931)	(3,212,931)	(3,212,931)
Gain on debt extinguishment			(24,045,318)			
Capitalization of interest to long-term debt	2,201,318	2,304,162				
	1,801,479	2,705,980	(44,635)	49,548	149,446	359,964
Net changes in non-cash working capital	1,710,367	(1,534,475)	168,033	147,502	(82,081)	95,402
	3,511,846	1,171,505	123,398	197,050	67,365	455,366
Capital Activities						
Purchase of property, plant and equipment	0	(49,358)	49,358	(2,672,824)	(3,161,654)	(7,491,406)
Increase (decrease) in construction holdback payable						
Redevelopment and deferred costs						
	0	(49,358)	49,358	(2,672,824)	(3,161,654)	(7,491,406)
Financing Activities						
Increase (decrease) in long-term debt	(147,414)	(154,451)	(161,824)	(169,548)	(177,641)	(186,120)
Contribution Payment to Ministry of Tourism						
	(147,414)	(154,451)	(161,824)	(169,548)	(177,641)	(186,120)
Net cash inflow (outflow)	3,364,432	967,696	10,932	(2,645,322)	(3,271,930)	(7,222,160)
Cash April 1	1,236,744	4,601,176	5,568,872	5,579,804	2,934,482	(337,448)
Cash, March 31	4,601,176	5,568,872	5,579,804	2,934,482	(337,448)	(7,559,608)

7. HUMAN RESOURCES

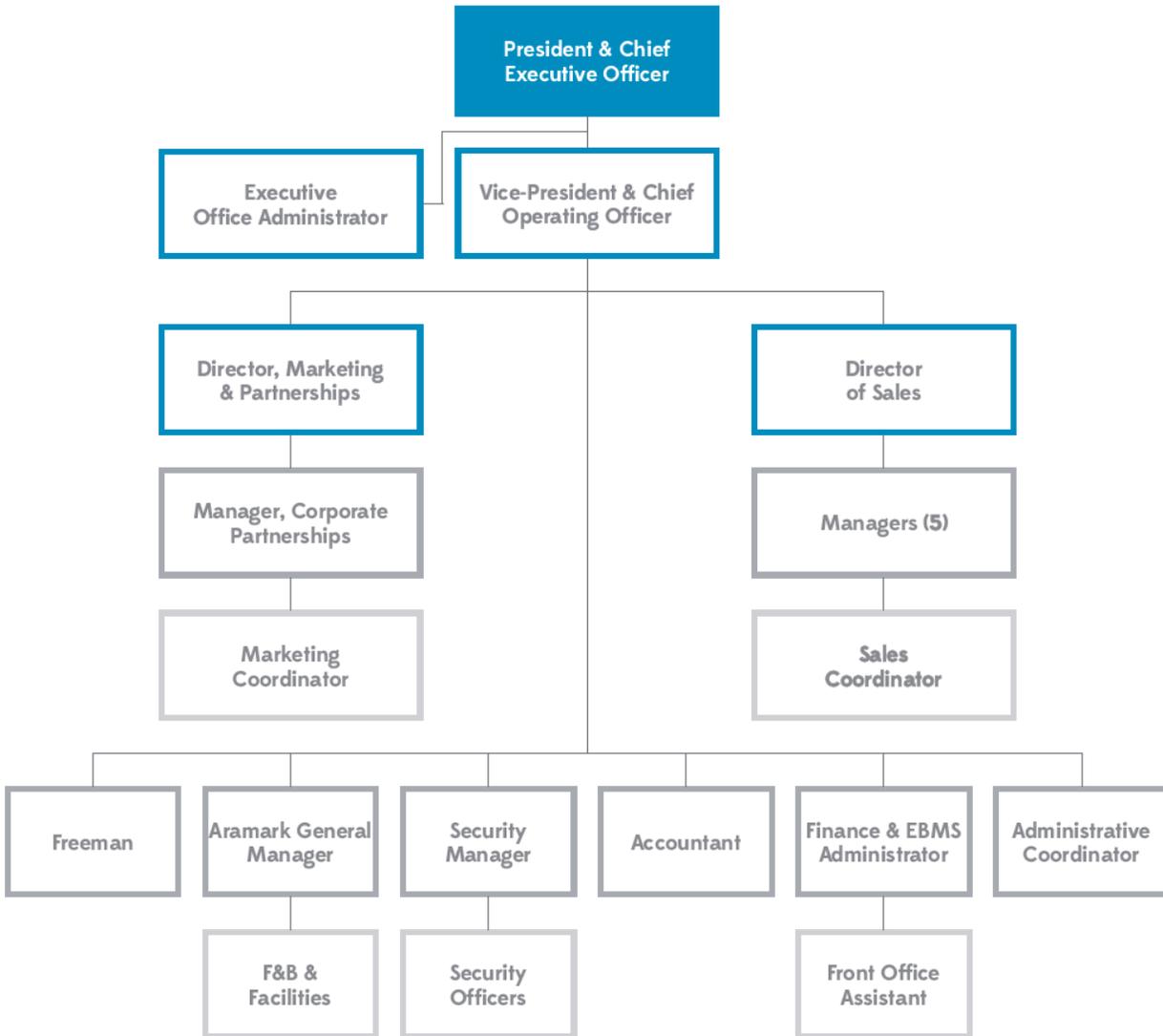
SUMMARY OF STAFF NUMBERS

With exception of management and administration staff, OCC has been unionized since December 1995, represented by the United Steelworkers of America (Locals 8327 and 5297). The collective agreement for local 8327 expired on September 30, 2017 and was ratified on February 2, 2018 for a three-year period. Local 8327 represents service personnel and reports to the Facility Services Provider, ARAMARK. Local 5297 represents security personnel and reports to OCC. Following is a current overview of personnel as of December 2018.

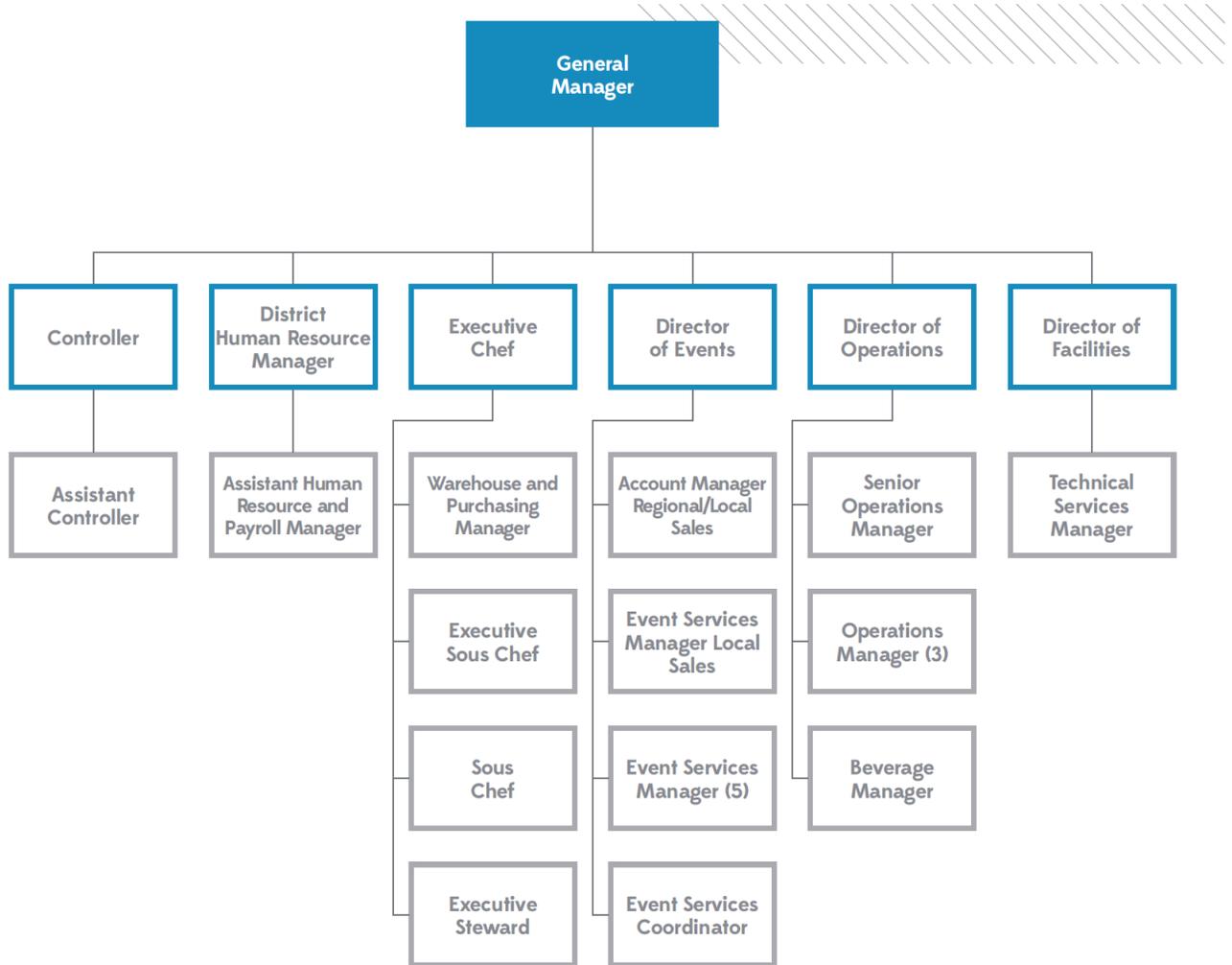
CLASSIFICATION	OCC	ARAMARK	TOTAL
Fulltime union	9	76	85
Part time union	0	97	97
Casual union	8	97	105
<i>Subtotal Union personnel</i>	<i>17</i> <i>(Local 5297)</i>	<i>270</i> <i>(Local 8327)</i>	<i>287</i>
Fulltime non-union	17	34	51
Part time non-union	0	7	7
<i>Subtotal non-union personnel</i>	<i>17</i>	<i>41</i>	<i>58</i>
TOTAL	34	311	345

Our compensation and benefit strategy for our non-union workforce is established based on industry comparatives in the Ottawa marketplace and relevant experience. We have a grid structure on job skill classifications and band ranges.

OTTAWA CONVENTION CENTRE ORGANIZATIONAL STRUCTURE REVISED



OCC FACILITY SERVICES PROVIDER ORGANIZATIONAL STRUCTURE



8. INITIATIVES INVOLVING THIRD PARTIES

STRATEGIC PARTNERSHIP WITH OTTAWA TOURISM

A cohesive approach between the Destination Marketing Organization (DMO) and the Centre is critical as resources become fewer, expectations higher and competition grows. This relationship will remain even more critical as we look to position our city ahead of Quebec City in rankings of Canada's top cities to host conventions, with the goal of moving us from 5th place to 4th with the "big three" continuing to be Montreal, Toronto and Vancouver.

ARAMARK – FACILITY SERVICE PARTNERSHIP

OCC and Aramark entered into a 15-year partnership in 2010 in which Aramark provides comprehensive support services for the centre. OCC's reputation as a world class convention centre is strengthened by our extraordinary customer service delivery and exceptional product offerings which are managed by Aramark. A key metric in monitoring this outcome is our customer satisfaction survey. The OCC has held steady year over year at 4.6 out of 5 on our key client survey responses related to overall satisfaction, loyalty and value received for price paid. It is clear that OCC continually delivers quality and consistency in an industry held to exacting standards. Our challenge is to maintain these scores and to also ensure a high degree of survey response as the trend is for client survey response submissions to drop off after a few years of operation. Our objective is to maintain a high level of client survey input by employing the use of survey incentives and to conduct person to person interviews to ensure we properly gauge and assess our clients' experiences and feedback.

OCC and Aramark are recognized for having comprehensive service recognition programs, such as the "Encore! Encore!" and "WEST" (Welcome, Engage, Smile, Thanks) programs. These programs are complimented by our highly regarded client service acknowledgement Golden Pin and Star programs. OCC continues to be rated as Aramark's top performer in their North American convention centre business segment.

Mentoring leaders in the hospitality industry is a common goal for both OCC and Aramark. It is with this in mind that Aramark, with the support of OCC, is providing developmental leadership opportunities for managers and supervisors across their "sister" properties in order to gain valuable experiences in much larger facilities than the OCC or in producing events of a greater scale than would be accommodated in Ottawa. This is a reciprocal opportunity as occasionally OCC utilizes managers and supervisors from other "sister" facilities where additional requirements are necessary due to heavy event demand

FREEMAN – AUDIO VISUAL, INFORMATION & COMMUNICATIONS TECHNOLOGY & SHOW SERVICES PARTNER

In 2010, OCC and Freeman entered into a 15-year partnership in which the Freeman Group of Companies provides the primary event service offerings for our events, including audio visual (AV), information communications and technology (ICT), and decor. They are also our partners for material handling, show services, rigging and temporary electrical services. The rigging and temporary electrical services is an 8-year contract which expires March, 2026 and the material handling and show services contract is a 7 year agreement which expires March 2026.

Technology is a critical factor in securing conventions. It is extremely competitive and there is a high demand requirement to obtaining bookings. Freeman provides a turnkey service for conventions and events and OCC earns a commission on service sales which is an important revenue source. The effectiveness of this provided solution is demonstrated through our customer satisfaction surveys and in our negotiated bookings. Without these services being available at such a professional level, our ability to sell events in the facility would be impaired. Freeman AV has provided our clients with audio visual and ICT necessities of event production since April 2011. On average, they service 95% of the events taking place in the facility. Our partnership objectives are two-fold: i) to maximize Freeman market share of events and increase revenues and ii) maintain client service levels and standards.

Our ability to address the ever-changing needs of our client base is a key tenet of our partnership with Freeman. There are shorter booking windows, more detailed and vigorous negotiations, greater technology demands and higher demands of quality and service expectations. As a result of our agreement, Freeman can easily step outside of a rigid proposal system and provide flexible risk appropriate offerings to exceed client needs that are not only domestic but international in scope. This approach is very healthy and conducive in an environment where being seen as easy to do business with is an essential ingredient in fostering a solid reputation.

SHAW COMMUNICATIONS – NAMING RIGHTS PARTNER

On October 16th, 2014 The Ottawa Convention Centre and Shaw Communications Inc. announced a 10-year naming rights agreement. Together with renaming the facility as the Shaw Centre, the partnership also provides the opportunity to showcase Shaw Communications products, such as WiFi to clients and guests. In particular, visitors to the Shaw Centre now have access to Shaw Go WiFi – Shaw’s carrier-grade WiFi network – throughout the building with complimentary access available to all guests in the Level 1 foyer and Trillium ballroom. This relationship will help position the OCC/Shaw Centre and our city for continued growth in the lucrative national and international meetings and conventions marketplace. Over the coming decade, OCC/Shaw Centre will leverage the strength of one of Canada’s leading brands and media organizations to enhance and increase its profile and standing as a world class convention facility.

9. COMMUNICATIONS STRATEGY

OVERVIEW

In 2018/19, mid-way through of our 10-year naming rights agreement, our main communication goal is to establish brand awareness in the marketplace by highlighting our facility’s distinctive features and benefits to our market segments. We did so while continuing to communicate with existing customers, responding to queries, anticipating/answering their needs and engaging them for retention purposes.

In 2019/20, the communication plan will keep its focus on strong brand positioning, in a continuous effort to raise awareness of the Centre and positively influence our clients’ perception of the OCC. We will achieve this using various relationship building tactics targeting key stakeholder groups including employees, suppliers, advertisers and sponsors, customers, industry colleagues, neighbours, government partners, media and the public, with the goal of turning them into brand ambassadors.