



KEYSTONE AGRICULTURAL & RECREATIONAL CENTRE INC.

REGULAR MEETING

Thursday, November 23, 2023

6:30 PM Meeting Start – Keystone Main Board Room

Agenda

1. Call to Order
2. Adoption of Agenda
3. Confirmation of Minutes
 - a. Adoption of the Minutes of the regular meeting of the Board of Directors held October 25, 2023.
4. Hearing of Presentations and Delegations.
5. Communications & Petitions
 - a. Ron Cornell – Brandon Pickleball Association.
 - b. Morris Mott – Manitoba Hockey Hall of Fame Ceremony (December 20, 2023).
6. In-Camera (Committee of the Whole)
7. Administrative Reports
 - a. Director of Finance.
 - b. Acting GM.
8. Reports of Committees
 - a. Executive Committee.
 - b. Finance & Administrative Affairs.
 - c. Governance & Nominating Committee.
9. Enquiries
10. Old Business
 - a. Master Site Plan Update.
 - i. Update on progress.
 - ii. Phase One Environmental Assessment (Motion to undertake).

- iii. Motion to send a Letter to Province of Manitoba requesting a Memorandum of Understanding from Members to move forward with exploring land usage opportunities.

11. New Business

- a. Sodexo agreement – information on current management arrangement.
- b. Motion to transfer \$500,000 from capital account to operating account to cover overdraft.
- c. Letter to Province of Manitoba and City of Brandon requesting extension of Line of Credit \$2 million.
- d. Motion to cost-share (1/3 to Keystone Centre) roof replacement at Trade Fair Building with the Provincial Exhibition of Manitoba and to hold joint fund-raising event.
- e. Motion – Establishment of Committee – attachment of Rationale for Financial and Operational Analysis
- f. Recommendation to Members for three at-large Board positions (all two-year terms).
- g. Recommendation to the Board of Directors for Chair of Finance & Administrative Affairs Committee and Chair of Governance & Nominating Committee Chair for 2024 (Term from January 26, 2024 to January 23, 2025).

12. Giving of Notice

13. Announcements

- a. Special Meeting of Board of Directors on Saturday, December 16, 2023. Time(s) and Venue TBD.
- b. Annual General Meeting is Thursday, January 11, 2024 at 7:00 p.m. in Assembly Hall.
- c. Next meeting of the Keystone Centre Board of Directors is Thursday, January 25, 2024, at 6:30 p.m.

14. Adjournment



KEYSTONE AGRICULTURAL & RECREATIONAL CENTRE INC.

**REGULAR MEETING
Wednesday, October 25, 2023
6:30 PM Meeting Start – Keystone Main Board Room**

Minutes

Present:	Bruce Luebke, Jordan Trotter, Barry Cooper, Kathy Cleaver, Greg Malazdrewicz, , Jaime Hall, Spencer Day
Staff:	Connie Lawrence, Dan Robertson
Guests:	
Via Teams:	Javier Vargas
Regrets:	Katie Kerkowich, Clarke Swain,

Call to Order **Bruce Luebke** called the meeting to order at 6:30pm

1. Adoption of Agenda

Motion: Glen Parker/Jordan Trotter to adopt the Agenda. Carried

2. Confirmation of Minutes

- i) Adoption of the Minutes of the regular meeting of the Board of Directors held September 28, 2023.

Motion: Jordan Trotter / Greg Malazdrewicz to approve the minutes of the September 28th, 2023 Board Meeting as presented. Carried

3. Hearing of Presentations and Delegations – **None**

4. Communications & Petitions

- i) Tim Reid (OC Leadership) – Master Site Plan Update.
 - a) Timeline. – discussed timeline for members meeting and public consultation
 - b) Potential Development Partner. Luebke indicated that a possible development partner had expressed interest

- c) Environmental Site Assessment (Parcel A (6.22 acres) and Parcel B (5.76 acres).
Nothing at this time
 - ii) David Swayne (Meighen Haddad LLP) – Canad Inns Lease Assessment. Nothing at this time
 - iii) Funding Agreement Implementation Working Group (Members) Meeting. Meeting held with the Members on October 23. Discussions related to Master Site Plan, Capital Plan and operating financial position.
- 5. In-Camera (Committee of the Whole)- **Jordan Trotter / Greg Malazdrewicz**
Both representatives of staff left the room for the human resources part of the discussion.
- 6. Administrative Reports
 - i) Director of Finance.
 - Dan Robertson gave report
 - Update on 2023 financials.
 - Update regarding on-going and planned capital projects.
 - ii) Acting GM.
 - Connie Lawrence gave CEO & GM report.
 - Jeff Schumacher last day October 13th , Chris Cels October 18th
 - Connie attended IEBA conference with Jeff Schumacher
 - Foreigner confirmed for Tuesday May 14th
 - Volt Hockey to be located in City Square
 - Stage project underway
- 7. Reports of Committees
 - i) Executive Committee.
 - Update on GM search. Position to be advertised until October 20th, screenings in late October/early November, final candidates to be interviewed in December
 - ii) Finance & Administrative Affairs.
 - Greg Malazdrewicz gave report and talked about the operating statements and capital plan review
 - iii) Governance & Nominating Committee.
 - Kathy Cleaver reported that there are three Board of Directors members at large who have terms expiring in January 2024. The Governance & Nominating Committee will advertise for interested parties and ask the incumbent members if they would like to have their names stand for another term.
- 8. Enquiries
 - None.
- 9. Old Business
 - i) Revised 5-year capital plan. -Dramatic change would lead to revisit - **Glen Parker and Kathy Cleaver. Carried**
- 10. New Business
 - None.

11. Giving of Notice - **amend terms of reference in regards to chair appointment** for the Committee
12. Announcements.
 - i) Next meeting of the Keystone Centre Board of Directors is Thursday, November 23, 2023, at 6:30 PM.
13. Adjournment – **Glen Parker and Kathy Cleaver – 7:41pm**

Keystone Centre

Financial Report – November 2023

September 2023 Financial Statements

You may notice some slight changes to the September financial statements, and I will highlight those changes along with the significant highlights in September as well as additional information that has come to light since the date of the statements.

It appears to me that the committee and board have been receiving a balance sheet or Statement of Financial Position for the current year only. I have taken the liberty of updating the statement to provide the committee and board with a comparative balance sheet for the current period compared to the same period in the previous year. This gives the reader an opportunity to identify any changes from year to year that may indicate financial risks or exposure.

Some changes have been made to the income statement to reclassify some revenues and expenses to more appropriate classifications.

Comments on the Statement of Financial Position

Operating Cash – is negative as we were into our line of credit in late September. Operating line of credit as of November 1st is (\$207,267). The significant variance from the previous year is the timing of a transfer of capital fund from the general account to the capital account and the timing of the receipt of operating funding.

Capital Cash – as noted above is the timing of the transfer of capital funding from the operating account to the capital account.

Capital Assets – the increase in capital assets is due to capital projects undertaken over the course of the past year.

Accounts Payable and Accruals – due to timing of payments on significant capital projects in the prior year. Most significantly the paving of the east parking lot.

Deferred Revenue – is lower in 2023 due to the timing of payments received for private suite rental contracts and our pouring rights agreement with Pepsi.

All other balance sheet accounts are within normal fluctuations year over year.

Comments on Income Statement

Gross Margin Food and Beverage Operations – year to date gross margin of \$116,249 exceeded budget of \$91,468 by \$24,781 primarily because of increased sales. COGS were also higher than budgeted also partly due to increased sales but as a percentage of sales they are about 4% higher than budgeted. Efforts are ongoing with our partner Sodexo to reduce the cost of sales.

Net Income/(Loss) from Food and Beverage Operations – a year to date net loss of (\$134,881) is the result of increased staffing levels at Sodexo, partly because of the increased activity but also significantly

due to inefficiencies is staff scheduling and the relative inexperience in the Sodexo management team. Keystone Centre management is making every effort to help Sodexo improve the efficiency of its operations, by taking an unprecedented active role in assisting the management team.

Sales Revenue – is significantly behind budget expectations, which I suspect is the result of some misclassification of revenues; however at the date of this report time was not available to further investigate. This will be followed up on.

Cost of Goods Sold – as above.

Rental Revenue – we are beginning to go into our busiest time of the year and rental revenue is tracking in line with budgeted expectations.

Net Revenue – of \$225,646 is lagging a budget of \$332,507 and leaving an unfavorable variance of (\$106,861) owing partially to the unfavorable variance from food and beverage as well as issues outlined earlier in the sales revenue for Ag and Convention Services which will be investigated in due course.

Departmental Expenses – are just slightly over budget and are just related to minor differences in the time of some spending as well as some additional costs related to training of new staff.

Net Income/(Loss) – for the month is (\$512,598) as compared to a budgeted loss of (\$380,520). AS we start into the next three to four month the facility bookings have increased significantly and we are hoping that additional efforts to support Sodexo will assist in them being able to start contributing positively to the net income and help reduce the over all operating loss to be more in line with budget.

Capital Projects

The capital project budget information remains unchanged at this time.

Of note, the Keystone Centre has been granted \$25,000.00 by the Brandon Area Community Foundation as part of the funding to upgrade the UCT Pavilion washrooms. Additionally, we have been in conversation with Efficiency Manitoba and there is a possibility that some of the arena lighting projects that we had applied for funding for may be eligible for additional funding.

As more information becomes available, I will keep the committee informed.

Respectfully submitted;

Dan Robertson, BA, CPA-CGA

Director of Finance

KEYSTONE CENTRE

Statement of Financial Position September 30, 2023 and September 30, 2022 Unaudited

	Current Year	Previous Year	Variance
	\$	\$	
<u>ASSETS</u>			
Current Assets			
Operating Cash	(88,948)	1,546,359	(1,635,308)
Capital Cash	1,517,784	517,254	1,000,530
Accounts Receivable	303,922	169,438	134,484
Inventory	9,602	9,602	-
Prepaid Expenses	174,776	175,589	(813)
Total Current Assets	1,917,135	2,418,242	(501,107)
Investments	39,718	39,718	-
Capital Assets	17,559,808	16,545,958	1,013,850
Total Assets	\$ 19,516,660	\$ 19,003,918	\$ 512,743
<u>LIABILITIES</u>			
Current Liabilities			
Accounts Payable and Accruals	582,944	1,078,385	(495,441)
Deferred Revenue	630,003	716,006	(86,003)
Box Office Liabilities	543,507	572,196	(28,689)
Total Current Liabilities	1,756,454	2,366,587	(610,134)
Deferred Revenue - Capital Funds	-	-	-
Long-Term Debt	-	-	-
<u>EQUITY</u>			
Operating Fund			
Operating Surplus/(Deficit)	2,169,717	1,083,830	1,085,888
Net Income for the Period	(512,598)	(549,586)	36,988
Capital Fund			
Capital Surplus	16,103,087	16,103,087	-
Total Equity	17,760,207	16,637,330	1,122,876
Total Liabilities & Equity	\$ 19,516,660	\$ 19,003,918	\$ 512,743

KEYSTONE CENTRE

Statement of Earnings

For The 2 Months Ending September 30, 2023

Unaudited

	Current Month		Current Month Budget		Actual YTD		Budget YTD		Prior YTD	
	\$		\$		\$		\$		\$	
Food and Beverage Operations										
Concessions	56,686		36,398		77,196		46,923		39,737	
Beverage Services	49,684		33,957		49,984		42,957		35,166	
Banquets	34,114		36,852		52,644		42,852		34,700	
Subtotal Food & Beverage	140,484		107,207		179,824		132,732		109,602	
Food and Beverage Cost of Goods Sold										
Concessions	19,174	34%	11,564	32%	27,202	35%	14,902	32%	12,749	32%
Beverage Services	10,601	21%	10,072	30%	10,422	21%	12,573	29%	10,456	30%
Banquets	12,072	35%	12,232	33%	25,951	49%	13,789	32%	15,209	44%
Subtotal Food & Beverage COGS	41,846	30%	33,868	32%	63,575	35%	41,264	31%	38,414	35%
Food and Beverage Gross Margin	98,637	70%	73,339	68%	116,249	65%	91,468	69%	71,189	65%
Food and Beverage Departmental Expenses										
Operating Expenses	131,519		105,945		241,874		184,950		177,151	
Revenue Share	9,256		5,240		9,256		5,240		5,303	
Net Income from F & B Operations	(42,137)		(37,846)		(134,881)		(98,722)		(111,265)	
Sales Revenue										
Agricultural Services	7,790		11,500		22,695		23,700		25,358	
Box Office	2,298		39,172		2,704		97,110		6,137	
Convention Services	17,484		17,550		21,234		20,250		21,517	
Total Sales Revenue	27,572		68,222		46,633		141,060		53,011	
Total Cost of Goods Sold	32,892		49,297		81,957		113,285		106,231	
Rental Revenue										
Display Rooms	18,108		21,913		27,463		27,758		41,980	
Ag Centre	43,165		47,773		100,898		87,154		73,858	
Sports Facilities	53,455		47,000		99,917		109,000		31,023	
Arabian Show	-		-		-		-		21,905	
Advertising Properties	45,056		46,388		90,137		92,776		91,640	
Major Tenants - Other/Grants	-		238		-		238		-	
Major Tenants - Wheat Kings	-		9,120		-		9,120		5,700	
Major Tenants - Private Suites	9,021		10,646		18,042		21,293		17,431	
Major Tenants - Canad Inns	20,200		20,200		40,400		40,400		40,400	
Other Income	10,701		10,658		18,996		15,717		19,752	
Total Rental Revenue	199,706		213,936		395,852		403,455		343,689	
Net Revenue	152,249		195,016		225,646		332,507		179,204	
Departmental Expenses										
Agricultural Sales	6,492		7,751		13,851		14,903		30,821	
Board of Directors	920		2,107		1,577		2,764		3,034	
Box Office	6,285		7,184		9,622		8,754		8,749	
Business Office	99,917		88,153		168,377		168,680		190,969	
Convention Services	23,111		36,684		59,700		61,990		67,700	
Finance & Human Resources	31,750		32,071		53,117		55,428		48,996	
Marketing	12,477		16,376		27,369		27,922		36,473	
Operations - Engineering	110,830		104,981		195,839		198,365		185,662	
Operations - Maintenance	186,923		172,920		333,793		299,223		281,204	
Total Departmental Expenses	478,706		468,227		863,244		838,028		853,609	
Gain/Loss on Foreign Exchange	-		-		-		-		181	
Income (Loss) before Oper. Grants	(326,457)		(273,211)		(637,598)		(505,520)		(674,586)	
Government Operating Grants	62,500		62,500		125,000		125,000		125,000	
Net Income (Deficit) from Operations	\$ (263,957)		\$ (210,711)		\$ (512,598)		\$ (380,520)		\$ (549,586)	

**Interim General Manager Report
Keystone Centre Board of Directors
November 23, 2023 – Keystone Board Meeting**

Contracts, leases or other in-camera:

- N/A

Miscellaneous:

- Media Release for Westman Christmas Dinner on November 14th , which will be held at the Keystone again this year
- Met with Murrays to bring back the Indoor Car sale – booked for December
- Met with Sioux Valley and new Board members to discuss upcoming Winterfest
- Held 2- day Master Site Plan Engagement Session – November 19th and 20th
 - Invited Wheatkings, Provincial Exhibition, City of Brandon, Hockey Brandon, AMM, Chamber of Commerce and Ag Days
- Call with Venue Coalition to get and update on touring shows for 2024/25
- Found money! - Efficiency Manitoba- Upon their initial criteria of what they were willing to fund – we would have received approximately \$6,600.00. However, internally they reviewed and found that the Curling Club project meets a whole different level of what they will fund – including the labour. Instead of the funding amount of \$6,600 it has been reclassified to be funded at 100%. Which means we should expect a payment of over \$43,300.00.
- Have applied to Efficiency Manitoba Arena Lighting program, which will cover lighting in arenas associated with ice sheets - possibility of \$251,000.00 reimbursement
- Update on pool, demo is completed, final grating to happen in spring
- West door – construction continues - Front doors - finishing work to be completed still
- BACF Grant \$25,000 – towards upgrades to the UCT bathroom
- Seat removal to begin June 17th west side, will commence June 29th after all grads are complete. Jared McKenzie introduced a new program Kulture City – sensory awareness training for all managers
- Signage Changes are underway with new logo
- Air Conditioning and Dehumidification - work to begin in the new year

Touring/Special Event update:

- Brandon Wheat Kings – November 17/18, December 1,5,8,9,13,16,27 & 29th
- Remembrance Day Ceremony – well attended approximately 2300
- John Dore – Comedy show – November 19th
- Foreigner - pre- sale November 15- tickets to date 1504
- PBR – pre-sale November 22nd

- Stars On Ice Holiday Show – Dec. 17th – 700
- Robb Nash – Tentative – March 6th -www.robbynash.com
- BuckCherry/Skidrow – rescheduled for March 17th - 1300
- Sawyer Brown/Diamond Rio - Dates held end of October 2024
- Chris Young - working on offer for late 2024

Confirmed Sales Department upcoming events:

- Garba – November 4
- Yoga Retreat – November 4th
- Big Daddy Tazz – comedy show – November 5th
- John Dore – Comedy Show November 19th
- Sunrise Christmas Party – November 18
- AMM – November 28th-30th
- Burns Maendel – November 24th
- Behlen Female Hockey Challenge – November 17-20
- Mazer Meeting – November 13-17th
- Apple n Pine Markey – November 25
- Rocky Mountain – December 2nd
- Killarney Dental – Christmas Party – December 9th
- Behlen December 16th – Christmas party
- Koch kids Christmas party – December 3rd
- Koch Adult party December 2
- Co-op Christmas party December 9th
- City of Brandon Christmas party – December 7th
- Four Seasons Christmas party – December 9th
- Chamber lunch December 7th
- Hog Days – December 12th- 13th
- Big buck December 10th
- Gun show December 16th-17th
- Manitoba Watershed Convention 3-5th
- Sioux Valley – Christmas party December 18th
- Shades of the prairies December 7th-10th
- Murrays Indoor Car show – December 14th-20th
- Simmental sale – December 4th and 5th
- High school Hockey Tournament – December 1st-4th

SUBJECT:	Motion to Cost-Share Roof Replacement at Trade Fair Building with Provincial Exhibition of Manitoba.			
TO MEETING:	<u>11</u> Month	<u>23</u> Day	<u>2023</u> Year	<u>Motion</u> Agenda Item
Public Session In Camera Session	<input checked="" type="checkbox"/>			
PREPARED BY:	Bruce Luebke			
SUBMITTED BY:	Bruce Luebke			
COMMITTEE SUPPORT:	Keystone Centre Board of Directors			
	<input type="checkbox"/>			

RATIONALE:

The Keystone Centre is entitled to approximately one-third of the total square footage of the Trade Fair Building for our own storage purposes. As such, it seems fitting the Keystone Centre would pay one-third of the cost for roof replacement on the building.

MOTION:

“The Keystone Centre Board of Directors approve payment of one-third of the cost of the roof replacement of the Trade Fair Building to a maximum of \$60,000, contingent on the Provincial Exhibition of Manitoba:

- a) Providing a written request to the Keystone Centre Board of Directors, including verified quote(s) for the project.
- b) The Provincial Exhibition of Manitoba entering into an agreement to hold a joint fundraiser or fundraisers to help defray costs for both organizations.

MOVED:

SECONDED:

ADDITIONAL INFO:

SUBJECT:	Motion for Keystone Centre Board of Directors to request the Province of Manitoba, City of Brandon and Provincial Exhibition of Manitoba complete a Memorandum of Understanding regarding future land usage of the Keystone Centre property.			
TO MEETING:	<u>11</u> Month	<u>23</u> Day	<u>2023</u> Year	<u>Motion</u> Agenda Item
Public Session	<input checked="" type="checkbox"/>			
In Camera Session	<input type="checkbox"/>			
PREPARED BY:	Bruce Luebke			
SUBMITTED BY:	Bruce Luebke			
COMMITTEE SUPPORT:	Keystone Centre Board of Directors			
	<input type="checkbox"/>			

RATIONALE:

The Keystone Centre’s is currently undertaking Master Site Planning, with a goal of having a comprehensive report provided by our consultant, OC Leadership, to the Keystone Board of Directors early in 2024.

The Board of Directors may wish to take action from the report including possible usage of land for commercial developments, recreational development, or other possible improvements to the Keystone Centre land.

Under Section 7.1 (f) of the Unanimous Members Agreement, written consent of all the Members is necessary for ‘lease of 30 or more days for a period of seven (7) year or more of any of the Corporation’s land or building (whether through one or more leases or through the granting of renewals or extensions or otherwise); or’

As such, it is advisable that a Memorandum of Understanding by negotiated and signed by the Members so that progress on land usage can proceed without unnecessary bureaucratic delays.

MOTION:

“The Keystone Centre Board of Directors request the Province of Manitoba, City of Manitoba and Provincial Exhibition of Manitoba enter into a Memorandum of Understanding to allow land usage opportunities, which will be determined by the Keystone Centre Board of Directors.”

MOVED:

SECONDED:

ADDITIONAL INFO:

SECTION 7 - RESTRICTIONS OF MANAGEMENT OF THE CORPORATION

- 7.1 Except with the written consent of all the Members, no action will be taken by or on behalf of the Corporation or with respect to any of the following:
- (a) the enactment, amendment or repeal of any by-law of the Corporation;
 - (b) sale of all or substantially all of the property and assets of the Corporation;
 - (c) the dissolution or winding up of the Corporation;
 - (d) carrying on of any business other than the business described in subsection 3.3 of this Agreement;
 - (e) sale of any of the Corporation's land or buildings;
 - (f) lease of 30 or more days for a period of seven (7) years or more of any of the Corporation's land or buildings (whether through one or more leases or through the granting of renewals or extensions or otherwise); or
 - (g) any action or transaction not in the ordinary course of the business of the Corporation.

SUBJECT:	Motion for Keystone Centre to undertake Phase One Environmental Assessment.			
TO MEETING:	<u>11</u> Month	<u>23</u> Day	<u>2023</u> Year	<u>Motion</u> Agenda Item
Public Session In Camera Session	<input checked="" type="checkbox"/>			
PREPARED BY:	Bruce Luebke			
SUBMITTED BY:	Bruce Luebke			
COMMITTEE SUPPORT:	Keystone Centre Board of Directors			
	<input type="checkbox"/>			

RATIONALE:

As part of the Keystone Centre’s ongoing Master Site Planning, we should have as much information as possible to prior to deciding future plans for the Keystone Centre property.

As such, it is advisable to have a Phase One Environmental Assessment undertaken on Parcel ‘A’ and Parcel ‘B’, located in the Southwest corner of the Keystone Centre property.

MOTION:

“The Keystone Centre Board of Directors approve expenditure of up to \$10,000 to have a Phase One Environmental Assessment undertaken on a portion of the Keystone Centre property known as Parcel ‘A’ and Parcel ‘B’ as outlined in Additional Info below.”

MOVED:

SECONDED:

ADDITIONAL INFO:

KEYSTONE CENTRE
EXISTING SITE



SUBJECT:	Motion to request to the Province of Manitoba and City of Brandon to extend the Keystone Centre’s Operating Line of Credit.			
TO MEETING:	<u>11</u> Month	<u>23</u> Day	<u>2023</u> Year	<u>Motion</u> Agenda Item
Public Session	<input checked="" type="checkbox"/>			
In Camera Session	<input type="checkbox"/>			
PREPARED BY:	Bruce Luebke			
SUBMITTED BY:	Bruce Luebke			
COMMITTEE SUPPORT:	Keystone Centre Board of Directors			
	<input type="checkbox"/>			
	<input type="checkbox"/>			

RATIONALE:

The Keystone Centre is projected to be in a deficit operating position for much of the 2023-2024 fiscal year. It is expected we will need to exceed our existing \$1 million line of credit in the spring of 2024, once payment for capital projects become necessary.

There may be some time needed for the request to work through the Province of Manitoba and City of Brandon channels and, as such, the request to extend the operating line of credit should be proactive and not reactive.

MOTION:

“The Keystone Centre Board of Directors make a request to the Province of Manitoba and City of Brandon to increase the operating line of credit with our financial institution to \$2,000,000.”

MOVED:

SECONDED:

ADDITIONAL INFO:

Pursuant to Section 5.2 Borrowing, Etc. of the Unanimous Members Agreement,

- (a) Unless otherwise agreed by the City of Brandon and the Province of Manitoba in writing, the Corporation shall borrow only pursuant to an operating line of credit with a financial institution and the aggregate

debt outstanding in connection with such operating line of credit at any time shall not exceed \$1,000,000.00.

- (b) The Board may not:
- (i) borrow money upon the credit of the Corporation;
 - (ii) issue, re-issue, sell or pledge debt obligations of the Corporation;
 - (iii) mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the Corporation, owned or subsequently acquired, to secure any debt of the Corporation;
or
 - (iv) give a guarantee on behalf of the Corporation to secure performance of an obligations of any person,

except with the written consent of the City of Brandon and the Province of Manitoba.

SUBJECT:	Motion to transfer \$500,000 from Keystone Centre's capital account to operating account.			
TO MEETING:	<u>11</u> Month	<u>23</u> Day	<u>2023</u> Year	<u>Motion</u> Agenda Item
Public Session In Camera Session	<input checked="" type="checkbox"/>			
PREPARED BY:	Bruce Luebke			
SUBMITTED BY:	Bruce Luebke			
COMMITTEE SUPPORT:	Finance & Administrative Affairs			
	<input type="checkbox"/>			

RATIONALE:

The Keystone Centre's operating account is currently in overdraft in excess of \$300,000. By transferring funds from our capital account to the operating account, we will avoid costly overdraft fees and interest. The Keystone Centre management team will track the funds transferred for replacement at a future date.

MOTION:

"The Keystone Centre Board of Directors approves the transfer of \$500,000 from the Keystone Centre's capital account to the Keystone Centre's operating account."

MOVED:

SECONDED:

ADDITIONAL INFO:

SUBJECT:	Motion for Members to appoint Keystone Centre Board of Directors Members-at-Large candidates.			
TO MEETING:	<u>11</u> Month	<u>23</u> Day	<u>2023</u> Year	<u>Motion</u> Agenda Item
Public Session In Camera Session	<input checked="" type="checkbox"/>			
PREPARED BY:	Bruce Luebke			
SUBMITTED BY:	Bruce Luebke			
COMMITTEE SUPPORT:	Keystone Centre Board of Directors			
	<input type="checkbox"/>			

RATIONALE:

Under Section 5 – Directors, By-Law No. 4, five (5) directors at large are to be elected by the members from among a list of persons nominated by the Board or a member.

MOTION:

“The Keystone Centre Board of Directors recommends to the members the appointment of the following Members-at-Large to the Keystone Centre Board of Directors.

- Jamie Hall (January 2024 – January 2026)
- Javier Vargas (January 2024 – January 2026)
- Greg Malazdrewicz (January 2024 – January 2026)

MOVED:

SECONDED:

ADDITIONAL INFO:

The other two Members-at-Large were approved by the Members at the 2023 AGM. They are:

- Jordan Trotter (January 2023 – January 2025)
- Barry Cooper (January 2023 – January 2025)

In addition, each Member appoints two people to the Board of Directors. These are at the discretion of the Members.

SUBJECT:	Motion to establish committee to investigate and contemplate questions relating to corporate vision posed by Greg Malazdrewicz to the Executive Committee on October 29th, 2023			
TO MEETING:	<u>11</u> Month	<u>23</u> Day	<u>2023</u> Year	<u>Motion</u> Agenda Item
Public Session In Camera Session	<input checked="" type="checkbox"/>			
PREPARED BY:	Jordan Trotter			
SUBMITTED BY:	Jordan Trotter			
COMMITTEE SUPPORT:	Keystone Centre Board of Directors			
	<input type="checkbox"/>			

RATIONALE:

The Keystone Centre has engaged OC Leadership to prepare a Master Site Plan. It is critically important that the Master Site Plan aligns with the Keystone Centre’s corporate vision. The establishment of a committee to investigate and contemplate propositions relating to corporate vision and provide a report/recommendation to the Board to be considered and reconciled with the Master Site Plan is a significant act of stewardship.

MOTION:

“The Keystone Centre Board of Directors approve the establishment of a committee to investigate questions relating to corporate vision posed by Greg Malazdrewicz to the Executive Committee on October 29th, 2023 and provide a report/recommendation to the Board for consideration. This report/recommendation would then be reconciled with the Master Site Plan.”

MOVED:

SECONDED:

ADDITIONAL INFO:

Rationale for an In-depth Financial and Operational Analysis

Yes, I have a lot of questions.

My considerations for questions around a deeper understanding of our operations and financials I believe are essential as we continue to move forward with the Site Master Plan. I won't refer to it as a Board Strategic Plan as I don't think we've done the deep dive yet into what is our Vision for the Keystone Centre. That was painfully evident at the Board meeting this past Wednesday.

I try to let little slip by me, but typically do not respond in the moment until I've had some time to process the information, the context, possible ramifications and ultimately the questions that arise as a result of that with regard to imminent or upcoming decisions. I've always believed that decisions made in haste are predictably shaky unless one already has significant information and experience against which the decision can be framed.

Examples of recent comments that have given me cause for concern include:

- At the Strategic Planning session, Tim Reid commented that to engage the community we need to “tell the Keystone Centre’s story”.
- Tim also posed the question, “How do we define profit/loss? As a facility or as a community?”
- Brian Bengert commented that our administration was likely reporting to the Board on facility utilization by room/space to keep us informed.
- During Chris Cels’ presentation at the Strategic Planning session, Tim Reid commented that the small profit from the Wheat Kings operation (about \$30K) would be impacted by what had been selected to be charged against that operation; this perspective was repeated recently by Dan Robertson as well.
- Kathy Cleaver, in conversation with me, commented that the Provincial Ex had flown the idea of moving the Summer Fair away from the Keystone to land owned by Waywayseecappo.
- Glen Parker commenting that Community Centres adequately meet the access or service needs of the community.

While innocuously presented in each of their contexts, upon thought, I believe collectively they point out that we have little to no significant information or insight on our operation beyond bottom line and total event days; two items that reflect little beyond “busyness” and “fiscal hopelessness”.

As a Board it is our responsibility to ask the *right questions* to ensure that we have substantive information to make the decisions for which we are responsible, and additionally those same questions should intrinsically facilitate and direct the work of our administration as the questions should flow from our Board’s vision. Simply stated our oversight role is “Nose in, Hands out”.

I’ve pulled out and reviewed my notes from the Board Strategic Planning Event, current Keystone Centre Operating and Capital Budgets, the 5 Year Capital Funding Agreement, the Altus Market Rent Survey, the recent Master Site Plan Project Update, as well as my physical copies of Keystone documents (2018 Asset Management Plan, 2019 Business Plan, and 2018, 2019, 2021 Annual Reports). I also spent some time

reviewing the reporting documents for the Regina Exhibition Association Limited (R.E.A.L) to expand my understanding. As a result of my review and reflection I have questions and considerations.

- ***How can we tell our story?***

For our community audience, we need to go beyond the internal perspective of bottom line and a busy building. These numbers mean nothing to the community other than if it's so busy, why do you always need government support?

I would suggest that we begin to analyze and report our activities in some broad areas that might connect with the community more effectively (e.g. Sports, Agribusiness, Corporate, Social and Cultural events...numbers of event days, participant numbers). The R.E.A.L. reports show some interesting and creative reporting that reflects a significant sharing of information from clients with the organization. We need to cull out or start collecting similar, applicable types of information to enhance the richness of the Keystone Centre's story.

For our Membership, we need to reflect targeted analysis of revenues, costs as well as effectiveness and efficiency in the operation of the facility. We also should be reflecting trends impacting the future, positive or negative.

For Board/Administration, through reports to the Board we must have insight on facility utilization (event days) broken down by room/space in relation to revenues/expenses. Additionally, accumulated data on who is using the space and when, which would provide additional depth.

The information I'm seeking would also be of use to Administration in terms of targeting bookings for under used rooms and highlighting what our needs are for future facility development to expand resources in busy and profitable areas. In too many budget meetings the comments tend to be focused on a targeted percentage increase without a link to a plan for how it will be attained.

- ***How do we define profit/loss?***

We need to contextualize our recording and reporting of our operation clearly to be able to analyze income/expense streams to truly understand what is happening in our organization. Our administration should be able to present this to us to assist us to "tell the story."

What revenues, expenses, and profits are affiliated with significant clients and are we reporting in a responsible fashion? We should be able to honestly characterize our business operations with key clients as part of our public reporting in such a fashion to not jeopardize their business operations but also reflect our significant involvement with them.

Further to this understanding, if we no longer were able to partner with the Provincial Ex on a project or the Wheat Kings, what impact would there be on our organization beyond the bottom

line (e.g. permanent staff levels, facility requirements, etc.) This depth of understanding is essential in that we do not know the impact if in our rush to develop our property we lose a key income stream and/or further jeopardize our operation. As such, financial profiles of these key relationships should be part of our reporting in some fashion (annually, quarterly, or after event reconciliation).

- ***Do we have adequately detailed financial reporting?***

As a Board we currently do not know how our operational costs are broken down in a detailed critical fashion. We have high level numbers, but for example in the area of labour costs we do not know how many permanent full-time staff (FTE) are in departments making up our base costs and how many casual staff support events that also contribute to those costs. We have no way to critically review budget changes on an annual basis (are there more staff or are they just costing more).

We know the historical impact of carbon tax, insurance, energy and utility costs on our budget, we know nothing about forecasts in each of those key areas nor can we speak clearly with external stakeholders about our needs.

My reading/interpretation of the Market Survey indicates that even if we lease out, we would still be \$250K short based on current budgets and potentially put an income strand at risk (Summer Fair).

- ***What indeed is our vision of community?***

If we have a role in “community” then we have a responsibility to explore projects that enhance our community, not just our profitability.

If our property is such a significant asset, then why are we not developing portions of it with walking/biking paths that connect externally to city routes or to under used parking spaces within our core framework. The areas should have seating and horticultural components that contribute to the lives of seniors across the street from our property.

While community centres may be seen as providing services, we have much of what they do not. Here I refer to property to provide an active living infrastructure and an economic engine to develop and support activities in that space.

We should have a contemporary Economic Impact Study in hand and referred to regularly in our external communications with the community and funders to expand our definition of “profitability” in a larger community sense to properly contextualize municipal and provincial supports.

I believe that our stewardship role as a Board requires us to address these aspects, but as a Board is stewardship even part of our Vision?