

# Analyst Briefing Notes

## Budget Committee

(January 28, 2008)

### 2008 OPERATING BUDGET

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January 28, 2008

**2008 OPERATING BUDGET****Executive Summary**

- Exhibition Place's September 30, 2007 Variance Report projects a year-end surplus of \$0.1 million net which is \$0.130 million or 433% below the 2007 Approved Operating Budget of \$0.03 million net. The favourable variance is due to cost containment savings arising from deferred spending on advertising, business travel, equipment, and supply costs; as well as higher than projected revenues from the Direct Energy Centre, Exhibition Place operations and the Soccer Stadium.
- The 3-Year Operating Budget supports Exhibition Place's mission to provide a venue for economic growth in the community, as well as maintain Exhibition Place as Toronto's key locale for public celebration while preserving the historically significant structures on the grounds. The 3-Year Operating Budget addresses the Program's objectives to develop/upgrade facilities on the ground through the renovation of the historic Automotive Building to become a Class A Conference Centre; pursue energy self-sufficiency; maintain excellent customer service; develop community use of the grounds; and promote workplace safety. In delivering services, Exhibition Place faces the following challenges:
  - Maximizing occupancy of the grounds facilities with long-term tenants to avoid vacant buildings which incur fixed operating costs;
  - Maximizing attendance at events held at Exhibition Place by presenting a wide variety of programming that consistently attracts the public to stimulate economic development for Exhibition Place and the City;
  - Making provisions for poor weather conditions during the CNE that result in revenue shortfalls which negatively impact the Program's ability to meet budget targets.
- The 2008 Recommended Operating Budget of \$53.997 million gross and \$0.030 million net is in line with the Program's 2007 Approved Operating Budget and meets the 2008 target of a 0% increase.

**Table 1: 2008 Recommended Budget**

	2007		2008 Recommended Operating Budget			Change - 2008 Recommended from 2007 Approved Budget		FY Incremental Outlook	
	2007 Approved Budget	2007 Projected Actual	2008 Base	2008 New / Enhanced	2008 Operating Budget			2009	2010
	\$	\$	\$	\$	\$	\$	%	\$	\$
(In \$000s)									
GROSS EXP.	53,357.8	52,687.2	53,955.1	42.1	53,997.2	639.4	1.2		
REVENUE	53,327.8	52,787.2	53,925.1	42.1	53,967.2	639.4	1.2		
NET EXP.	30.0	(100.0)	30.0	0.0	30.0	0.0	0.0		
Approved Positions	517.5	517.5	517.5	2.0	519.5	2.0	0.4		
TARGET			30.0		30.0				
\$ Over / (Under) Program Target			0.0		0.0				
% Over / (Under) Program Target			0.0%		0.0%				

- The 2008 Recommended Operating Budget for Exhibition Place consists of base funding of \$0.030 million net and new/enhanced service priorities of \$0.042 million gross expenditure and revenues with a zero net cost. Approval of the 2008 Recommended Operating budget will result in the Program's staff complement increasing from 517.5 to 519.5 approved positions.
- The 2008 Recommended Base Budget of \$0.030 million net incorporates the Program's key cost drivers including COLA and other base changes totalling \$4.471 million. These are completely offset by revenue increases and efficiencies.
- To promote the objectives of the Program, the 2008 Recommended Operating Budget includes the addition of two approved positions to the staffing complement to enhance services. The salary and benefit costs for the two positions will be absorbed by the Program through increased fee revenues for a zero net pressure.
- Since opening in April 2007, the National Soccer Stadium (BMO Field) has successfully hosted the 2007 FIFA Under-20 World Cup, 15 Toronto Football Club (TFC) games, 2 Friendly TFC Contests, 2 Canadian Soccer Association games and a Genesis reunion concert. The stadium has also hosted over 2,000 hours of community use. The 2008 Recommended Operating Budget includes \$7.468 million in gross expenditures and \$7.517 million in revenues for a net surplus of \$0.05 million to provide a venue for soccer matches, community use, corporate functions, private parties and concerts at BMO Field during its first full year of operation.
- Exhibition Place continues to implement steps to minimize the financial impact of bad weather on the operating results of the CNE. The Program will defer full expenditures for building operations and other service units until the fourth quarter of the year. If operating results are unfavourable, the other service units of Exhibition Place will forego building operations expenditures to offset the CNE revenue shortfall. If operating results are favourable, the spending on building operations and other services will proceed in the fourth quarter.

- Completed energy efficient projects include the Direct Energy Centre lighting retrofit, Tri-Generation Plant, 5 Building Retrofit program, and the Horse Palace photovoltaic system. The estimated operating savings from these projects are \$0.978 million for 2008. This is sufficient to meet the debt repayment requirements for the capital expenditures on these projects.
- The 2008 Recommended Operating Budget of \$53.997 million gross and \$0.03 million net allows Exhibition Place to deliver services in the following areas:
  - *Canadian National Exhibition* is the largest annual fair in Canada offering a wide variety of programming for all ages and cultural backgrounds. The CNE employs 1,700 youths and attracts more than \$48.0 million to the Toronto area (\$21.9 million gross with an operating surplus of \$0.798 million net);
  - *Exhibition Place Operations & Direct Energy Centre* provides a focus for public celebrations and events such as the Toronto Grand Prix and Toronto Caribbean Festival, while preserving historically significant structures. The Direct Energy Centre (DEC) is the largest trade and consumer show facility in Canada, hosting shows like the Royal Agricultural Winter Fair, the Boat Show, and the One of a Kind Craft Show (\$24.63 million gross and \$0.877 million net); and
  - *National Soccer Stadium (BMO Field)* is home to Toronto FC and the Canadian National Teams. The facility provides a venue for soccer matches, community use, corporate functions, private parties and concerts (\$7.468 million gross with an operating surplus of \$0.05 million net).

**Recommendations**

The City Manager and Chief Financial Officer recommend that:

1. the 2008 Recommended Operating Budget for Exhibition Place of \$53.997 million gross and \$0.03 million net, comprised of the following services, be approved:

<u>Service:</u>	Gross <u>(\$000s)</u>	Net <u>(\$000s)</u>
Canadian National Exhibition	21,899.7	(797.9)
Exhibition Place & Direct Energy Centre	24,629.7	877.0
National Soccer Stadium	7,467.8	(49.1)
Total Program Budget	<u>53,997.2</u>	<u>30.0</u>

## Section A: 2007 Budget Variance Analysis

**Table 2: 2007 Budget Variance Review**

	2006 Actuals	2007 Approved Budget	2007 Projected Actuals*	2007 Appvd. Budget vs Projected Actuals Variance	
(In \$000s)	\$	\$	\$	\$	%
<b>GROSS EXP.</b>	49,113.9	53,357.8	52,687.2	670.6	1.3
<b>REVENUES</b>	46,580.7	53,327.8	52,787.2	540.6	1.0
<b>NET EXP.</b>	2,533.2	30.0	(100.0)	130.0	433.3
<b>Approved Positions</b>	452.0	517.5	517.5	0.0	0.0

Source: \*Projected Actuals Based on the September 30, 2007 Operating Budget Variance Report.

### 2007 Experience

Exhibition Place's September 30, 2007 Variance Report projects, that by year-end, it will under spend its 2007 Approved Operating Budget of \$0.03 million net by \$0.1 million for a favourable variance of \$0.13 million net or 433% below the Program's 2007 Approved Operating Budget. This positive variance is attributed to cost containment savings arising from deferred advertising, business travel, equipment, and supply costs of \$0.05 million; as well as higher than budgeted revenues from rentals, ancillary show services, and parking for the Direct Energy Centre, Exhibition Place operations, CNE and the Soccer Stadium.

### 2007 Cost Containment Savings

Exhibition Place expects to achieve cost containment savings of \$0.05 million in 2007 through the measures listed in the following table.

No 2007 cost containment measures have been recommended to continue into 2008.

Net Cost Containment Savings	2007 (\$000s) Savings	2008 (\$000s) Continued Savings	Comments
<b>Hiring Freeze Savings:</b>			
<b>Service Level Adjustments:</b>			
<b>Discretionary Savings:</b>			
Deferred Conference	2.0		No service level impact / One time savings
Deferred Business Travel	10.0		No service level impact / One time savings
Deferred Equipment Costs	5.0		No service level impact / One time savings
Deferred Supply Costs	5.0		No service level impact / One time savings
Deferred Advertising & Production of Print Material Costs	25.0		No service level impact / One time savings
Other Deferred Miscellaneous Costs	3.0		No service level impact / One time savings
<b>Sub-total</b>	<b>50.0</b>		
<b>TOTAL COST CONTAINMENT</b>	<b>50.0</b>		

**Impact of 2007 Operating Variance on 2008 Recommended Budget**

In the past, the operating results of the CNE have been negatively impacted by poor weather conditions leading to lowered attendance. To mitigate the financial impact on the Program's operating result Exhibition Place will manage costs by deferring expenditures from building operations and in other service areas until the fourth quarter of the year. If weather conditions during the CNE are favourable, the spending will proceed. If the weather is unfavourable, the other service units will forego spending and the savings will be used to offset the CNE revenue shortfall.

Although Exhibition Place is projecting a favourable variance by year end, there are no impacts on the 2008 Recommended Operating Budget. Cost containment measures are one-time and do not continue into 2008. Also, as revenue generation is dependent on the number of bookings and the success of the events, the higher than budgeted revenues in 2007 do not impact the 2008 Recommended Budget.

## Section B: 2008 Operating Budget Overview

### 3-Year Operating Budget Overview

Exhibition Place's 3-Year Operating Budget allows the Program to pursue the following strategic objectives:

- Renovate the existing historic Automotive Building to a Class A Conference Centre and build a hotel on the grounds with a private sector partner;
- Promote environmental initiatives through the continued implementation of the 2010 energy self-sufficiency strategy for energy-efficient upgrades in buildings on the site;
- Achieve outstanding customer service delivery by improving the admission process at the CNE gates through the use of cashless transaction options;
- Develop community use of the grounds by diversifying its target customer group; and
- Promote workplace safety at all levels.

The 2008 Recommended Operating Budget for Exhibition Place is \$0.03 million net which meets the City's 2008 target of a 0% increase. The 2008 Recommended Budget incorporates cost-of-living adjustments (COLA) and other base changes that allow the Program to deliver the 2007 level of services and the full year operation of the National Soccer Stadium.

The 2008 Recommended Budget includes two additional positions to meet the escalating information technology and marketing requirements of Exhibition Place. The Agency's staffing complement will increase from 517.5 to 519.5 approved positions.

The operating outlook for 2009 and 2010 incorporates inflationary increases which are covered by increased revenues from user fees. In other words, there are no incremental changes in the net expenditure forecasted for 2009 and 2010.

### Challenges and Issues

The 2008 Recommended Operating Budget for Exhibition Place includes the resources for the following 3 service areas:

- *Exhibition Place Operations and the Direct Energy Centre (DEC).* This service provides a focus for public celebrations and events, such as the Toronto Grand Prix, CHIN picnic, and Toronto Caribbean Festival, while preserving the 22 architecturally and historically significant structures on the grounds. The Direct Energy Centre is the largest trade and consumer show facility in Canada and the sixth largest in North America with over 1.1 million square feet of contiguous space. DEC management is responsible for maintaining a state-of-the-art facility



which has hosted events and shows such as the Royal Agricultural Winter Fair (RAWF), the Boat Show, the National Home Show, the One of a Kind Craft Show and the Interior Design Show. It is also a world class site for advanced “green” energy technology.

- *The Canadian National Exhibition (CNE)* is the largest annual fair in Canada and the fifth largest in North America. It takes place each summer during the 18 days leading up to Labour Day and offers a wide variety of programming designed for all ages and cultural backgrounds. The CNE directly employs 1,700 young people for the duration of the fair and an economic impact study has stated that the CNE attracts more than \$48.0 million to the Toronto area and more than \$66.0 million to Ontario annually.
- *The National Soccer Stadium (BMO Field)* is home to the new major league soccer franchise team, Toronto FC, and the Canadian men’s and women’s national teams. BMO Field hosted the 2007 FIFA Under-20 World Cup and plans to provide a venue for matches with other soccer leagues. The facility will also provide a venue for concerts and corporate events. In addition, the stadium will be made available for community use: 50% of all operable days are earmarked for community use purposes at competitive market rates and “no cost” days are provided to the City’s Parks, Forestry and Recreation Division to provide programming for the City’s 13 priority neighbourhoods. Revenues from the National Soccer Stadium in 2008 are expected to increase by \$2.27 million.

In delivering these services, Exhibition Place faces the following challenges:

**Maximize Occupancy**

One of the many unique features of Exhibition Place is the variety of permanent tenants who reside and operate on the grounds throughout the year. Toronto FC, Toronto Marlies, Canada’s Sport Hall of Fame, Medieval Times Dinner and Tournament, Royal Agricultural Fair and the Toronto Police Services are only some of the occupants on the grounds. Since vacant facilities do not generate rental revenues, Exhibition Place strives to increase the number of tenants to offset fixed operating costs. Offering competitive rental rates and maintaining the facilities in good condition helps to occupy the facilities with revenue generating tenants.

**Increase Attendance**

Maximizing attendance at events held at Exhibition Place is critical to the success of the Program. The challenge arises in presenting a wide variety of programming that consistently attracts the public which in turn stimulates economic development for Exhibition Place and the City of Toronto.

**Poor Weather Conditions**

Poor weather conditions can create difficulties for Exhibition Place in meeting budgetary targets, since the success of the CNE is highly susceptible to the effects of bad weather during the 18-day fair. In the past, the operating results of Exhibition Place have been affected by the results of the CNE because bad weather negatively impacted attendance revenues.

**Strategic Priorities**

The Program's mission is to provide an opportunity for business stimulation and economic development in the community, as well as maintain Exhibition Place as Toronto's key venue for public celebrations and events while preserving the architecturally and historically significant structures on the grounds. The 2008 Recommended Operating Budget for Exhibition Place addresses the following strategic priorities:

- Develop the facilities on the grounds through the construction of the Conference Centre by renovating the historic Automotive Building and constructing a hotel on the grounds with a private sector partner;
- Promote environmental initiatives and pursue the 2010 energy self-sufficiency plan including the photovoltaic project within the Horse Palace and continue implementation of the strategy for energy-efficiency upgrades for buildings on the site;
- Maintain outstanding customer service delivery through initiatives such as improvements to the admission process at the CNE gates including the continued use of cashless transaction options and to increase CNE admissions to 1.35 million in 2008;
- Develop community use of the grounds by diversifying its target customer group for future shows and events to include more film shoots, religious and cultural events and private functions; and
- Promote workplace safety at all levels.

### Section C: 2008 Recommended Base Budget

**Table 3: 2008 Recommended Base Budget**

	2007 Appvd. Budget	2008 Recommended Base	Change 2008 Recommended Base v. 2007 Appvd. Budget		FY Incremental Outlook	
					2009	2010
(In \$000s)	\$	\$	\$	%	\$	\$
<b>GROSS EXP.</b>	53,357.8	53,955.1	597.3	1.1	0.0	0.0
<b>REVENUE</b>	53,327.8	53,925.1	597.3	1.1	0.0	0.0
<b>NET EXP.</b>	30.0	30.0	0.0	0.0	0.0	0.0
<b>Approved Positions</b>	517.5	517.5	0.0	0.0	0.0	0.0
<b>NET TARGET</b>		<b>30.0</b>			<b>0.0</b>	<b>0.0</b>
<b>\$ Over / (Under) Program Target</b>		<b>0.0</b>			<b>0.0</b>	<b>0.0</b>
<b>% Over / (Under) Program Target</b>		<b>0.0%</b>			<b>0.0%</b>	<b>0.0%</b>

### 2008 Recommended Base Budget

- The 2008 Recommended Base Budget of \$53.955 million gross and \$0.03 million net represents a zero net change over Exhibition Place's 2007 Approved Operating Budget, which meets the City's target of a 0% increase.
- The 2008 Recommended Base Budget maintains the approved staff complement at 517.5 approved positions.
- The additional \$0.597 million (1.1%) in expenditures recommended for the Program's Base Budget is needed to fund cost-of-living adjustments (COLA) for 2008 and other base changes such as increased activity related to the National Soccer Stadium, the Exhibition Place & Direct Energy Centre, and the CNE.
- To offset this expenditure impact, the 2008 Recommended Base Budget includes incremental revenues attributed to the full year impact of the National Soccer Stadium, increased attendance at the CNE, and overall growth in shows and event bookings at the Direct Energy Centre and Exhibition Place.
- The 2008 Recommended Base Budget also includes an administrative reduction in revenues and expenditures of \$3.87 million from the 2007 Approved Operating Budget. This adjustment arises from the 2007 amalgamation of the administrative functions between Exhibition Place Operations and Direct Energy Centre which has a net zero impact.

**2008 Key Cost Drivers and Reduction Strategies**

- Cost-of-living adjustments (COLA) for salary and benefits that average 3.25% for 2008 are non-discretionary outlays that result in additional costs of \$0.94 million.
- Increased utility costs arising from inflationary factors account for a pressure of \$0.22 million.
- The full year impact of operating the National Soccer Stadium is expected to increase expenditures by \$1.82 million and revenues by \$2.27 million.
- The Exhibition Place and Direct Energy Centre anticipate an increase in expenditures of \$1.05 million due to increased show and event bookings for 2008. Expected revenues of \$1.23 million will offset the increased costs.
- The CNE also projects increased attendance in 2008 from 1.3 million to 1.35 million visitors resulting in incremental spending on services totalling \$0.21 million. Associated revenues of \$0.76 million are expected to mitigate the pressure.

**2009 and 2010 Outlook: Net Incremental Impact**

Exhibition Place projects no net incremental increases in its 2009 and 2010 operating budgets.

- The Outlook contains increased utility, equipment, and services and rent costs that average 3% arising from inflationary pressures. In keeping with established practice, Exhibition Place will absorb expenditure increases with incremental revenues from user fees.
- The Outlook also includes the operating impact of capital projects which are offset by projected operating savings from completed energy efficient projects such as the Direct Energy Centre lighting retrofit, Tri-Generation Plant, 5 Building Retrofit program, and the Horse Palace photovoltaic system. Therefore, there will be no net impact on the 2009 and 2010 operating budgets.

As a result, Exhibition Place anticipates that it will maintain its level of net expenditure over the 3-year period. In other words, there will be no incremental changes in net expenditure in 2009 and 2010.

### Section D: 2008 Recommended Service Priorities

**Table 4: Summary of 2008 New / Enhanced Service Priorities (In \$000s)**

Priority	Description	2008 Recommended		Rec. New Positions	Net Incremental Impact	
		Gross Exp.	Net Exp.		2009	2010
		\$	\$	#	\$	\$
(a) Enhanced Service Priorities - Council Approved:						
(b) Enhanced Service Priorities - Program Initiated:						
Additional Staff						
Information Technology Position	32.1	0.0	1.0			
Marketing Position	10.0	0.0	1.0			
Sub-Total Enhanced Services	42.1	0.0	2.0	0.0	0.0	
(a) New Service Priorities - Council Approved:						
(b) New Service Priorities - Program Initiated:						
Sub-Total New Service Priorities	0.0	0.0	0.0	0.0	0.0	
Total Recommended New / Enhanced Service Priorities	42.1	0.0	2.0	0.0	0.0	

#### Recommended Enhanced Service Priorities – Program Initiated:

##### *Additional Staff*

The 2008 Recommended Operating Budget includes the addition of two positions to the permanent complement at a cost of \$0.042 million; one will be effective in January and one in November 2008. The incremental cost is \$0.05 million in 2009. The costs will be absorbed by the Program through salary recoveries from incremental revenues for a zero net effect.

One position is recommended to meet Information Technology requirements to address increasing telecommunication service demands. This position, which was previously a contract position, will allow Exhibition Place to provide professional and consistent telecommunication services to trade and consumer events; as well as the National Soccer Stadium which has opted in to use the Board's

internal PBX grounds system. The Information Technology position will be filled in January 2008. The salary and benefit cost of \$0.032 million per year will be charged back to clients and recovered by the Program; in effect the position will be self-supporting. Not having the permanent position will limit the ability of Exhibition Place to attract qualified personnel and in turn hamper the delivery of service to its clients.

The second position is newly created and fulfills the Marketing needs of Exhibition Place. The Marketing position will provide support in the areas of media relations, advertising, strategic planning, research, and on-line marketing to stimulate economic growth for the Exhibition Place. This position will also be required to work on the marketing material for the Conference Centre, scheduled to open in 2009. To minimize salary costs, the Marketing position will be filled in November 2008. In 2008, the salary cost of this position will be \$0.01 million with an incremental increase of \$0.05 million in 2009. The salary and benefit costs will be absorbed by the Program through increased revenues.

## **Section E: Issues for Discussion**

### **2008 Operating Budget Issues**

#### ***National Soccer Stadium***

The National Soccer Stadium (BMO Field) is home to the new major league soccer franchise team, Toronto FC, and the Canadian National Soccer Team. Since opening in April 2007, the stadium has hosted the 2007 FIFA Under-20 World Cup, 15 Toronto FC games, 2 Friendly Toronto FC Contests and 2 Canadian Soccer Association games. In September 2007 the stadium was the venue for the Genesis reunion concert which was well attended, resulting in favourable financial outcomes. In the past year, BMO Field has also hosted over 2,000 hours of community use. For 2007, the stadium is projecting an operating surplus of \$0.378 million resulting from higher than expected food and beverage, event merchandise, and other ancillary revenues.

In 2008, the Recommended Operating Budget for Exhibition Place includes \$7.468 million in gross expenditures to provide services pertaining to BMO Field in its first full year of operations. The recommended budget also incorporates projected revenues from the National Soccer Stadium of \$7.517 million for an anticipated surplus of \$0.05 million net for the year. In 2008, the facility will continue to provide a venue for soccer matches, community uses, corporate functions, private parties, and concerts.

#### ***CNE Contingency***

In the past, the operating results of Exhibition Place have been affected by the revenue shortfall at the CNE, arising from poor weather conditions that negatively impact attendance. The success of the CNE is highly susceptible to the effects of unfavourable weather so that meeting budgetary targets becomes a challenge for Exhibition Place.

Although the weather during the CNE cannot be controlled, Exhibition Place established a practice in 2007 to mitigate the financial impact of bad weather on the Program's operating budget. Exhibition Place will manage costs by deferring expenditures on building operations and in other service units until the fourth quarter of the year. If the weather during CNE is favourable, the planned spending will proceed. If the weather is unfavourable, the other service units will forego expenditures and the savings will be used to offset the CNE revenue shortfall and minimize any variances from its Approved Operating Budget.

#### ***Energy Efficiency***

The projected operating savings from completed energy efficient projects which include the Direct Energy Centre lighting retrofit, Tri-Generation Plant, 5 Building Retrofit program, and the Horse Palace photovoltaic system, are estimated to be \$0.978 million in 2008. This is sufficient to meet the debt repayment requirements for the capital expenditures on these projects.

## Appendix 1

### Summary of Recommended Base Budget Changes From 2007 Approved Budget

(In \$000s)	Summary of 2008 Base Budget Adjustments				Net Incremental Outlook	
	Approved Positions	Gross Expenditures	Revenues	Net	2009	2010
		\$	\$	\$	\$	\$
<b>2007 Council Approved Operating Budget</b>	<b>517.5</b>	<b>53,381.7</b>	<b>53,327.7</b>	<b>54.0</b>	<b>0.0</b>	<b>0.0</b>
In-year approvals and technical adjustments		(24.0)		(24.0)		
Corporate adjustments due to administrative reorganization.		(3,873.3)	(3,873.3)	0.0		
<b>2007 Final Operating Budget</b>	<b>517.5</b>	<b>49,484.4</b>	<b>49,454.4</b>	<b>30.0</b>	<b>0.0</b>	<b>0.0</b>
Prior year impacts		1,817.2	2,265.9	(448.7)		
Zero base items				0.0		
Economic factors		1,156.9		1,156.9		
<b>Adjusted Base Budget</b>	<b>517.5</b>	<b>52,458.5</b>	<b>51,720.3</b>	<b>738.2</b>	<b>0.0</b>	<b>0.0</b>
Other base changes		233.9	213.6	20.3		
Base revenue changes		1,262.7	1,991.2	(728.5)		
<b>2008 Base Budget Request</b>	<b>517.5</b>	<b>53,955.1</b>	<b>53,925.1</b>	<b>30.0</b>	<b>0.0</b>	<b>0.0</b>
Recommended Base Adjustments:						
Base changes				0.0		
Service efficiencies				0.0		
Revenue adjustments				0.0		
Minor service impact				0.0		
Major service impact				0.0		
<b>Total Recommended Base Adjustments</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>2008 Recommended Base Budget</b>	<b>517.5</b>	<b>53,955.1</b>	<b>53,925.1</b>	<b>30.0</b>	<b>0.0</b>	<b>0.0</b>
<b>2008 Program Operating Target</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>30.0</b>	<b>0.0</b>	<b>0.0</b>
<b>% Over (Under) Program Target</b>				<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>
<b>% Over (Under) 2006 Approved Budget</b>				<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>



**Appendix 3**  
**Summary of 2008 Recommended New/Enhanced Service Priorities**

## Appendix 4

### Inflows / Outflows to / from Reserves & Reserve Funds

(In \$000s)

Reserve / Reserve Fund Name	Reserve / Reserve Fund Number	Balance as of September 30, 2007	Proposed Withdrawals (-) / Contributions (+)		
			2008	2009	2010
		\$	\$	\$	\$
Sick Bank Reserve	XR1007	59,753.5	54.0		
Insurance Reserve	XR1010	24,027.8	486.2		
Vehicle Reserve - Exhibition Place	XQ1702	365.0	350.0		
<b>Total Reserve / Reserve Fund Draws / Contributions</b>			<b>890.2</b>	<b>0.0</b>	<b>0.0</b>