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OTTAWA CONVENTION CENTRE CORPORATION

ANNUAL BUSINESS PLAN 2023/24

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1. EXECUTIVE SUMMARY

As we close the 2022 calendar, the Ottawa Convention Centre (OCC) will have completed its busiest fall since opening its doors in 2011, both in event load and revenue. Although we will not be back to 2019 business levels until 2023/2024, there is optimism about returning to managing and hosting in-person events.

Human resources will be the greatest challenge facing the tourism, hospitality, and business events sectors in 2023/24. The staff shortage is a global phenomenon, and the OCC has focused strategic advertising toward the university and adult student population, positioning the OCC and the events industry as a great place to work. We continue ramping up our management team to pre-Covid levels; however, we find recruitment is a considerable challenge moving forward.

The OCC has placed a great deal of emphasis on sales and marketing, and our business pipeline is an indication of success. While we have soft periods in future years beyond 2024, this is due to the hesitation of many meeting planners to commit to contracts far into the future. A successful strategy continues to provide incentives for multi-year contracts, as seen by the three-year commitment by APEX and a multi-year contract for SAAS North. While experiencing high demand in the group market segment, the hotel community struggles with mid-week transient business travel as many federal government employees continue to work remotely. We continue to see wins in our international market populating July and August, typically considered the “soft season” in our calendar.

We continue to work hand-in-glove with our strategic partner, Ottawa Tourism, in all convention segments and will continue to be in-market in Toronto and Montreal. The national corporate market is an area of growth opportunity, and the OCC had great success hosting Pet Valu, APEX and Toyota during the fall of 2022. Typically drawn to larger cities such as Vancouver, Montreal and Toronto, the corporate segment seeks new experiences, and Ottawa provides this in many ways. While the OCC neither solicits nor spends marketing resources on local business, this segment continues to fill the gaps between major events. It is a significant revenue source for room rental and food and beverage.

Installation of the second-floor signage will bring new revenue streams to the OCC as event planners look to digitize their on-site marketing activations. In 2023 we will look to secure a new automotive partner, recognizing that the inventory shortage requires a creative approach as we all struggle with supply chain challenges. Discussions with Shaw Communications remain ongoing as the Rogers/Shaw takeover evolves, and this risk will be recognized in the OCC’s next three-year business plan. A significant risk in 2023 will be the negotiation of both of our collective agreements. As the Treasury Board now mandates controls and wage increases, their maximum wage increases may not align with our Union’s expectations.

In the spring of 2022, a provincial election resulted in the announcement of a new Minister of Tourism, Culture and Sport. We look forward to working with Minister Lumsden, showcasing our beautiful city and Centre, and executing our mandate to deliver economic impact. We wish to take this opportunity to thank the Ministry and staff for their ongoing support of the OCC through stabilization funding, which allowed for operations to continue when permitted by Public Health and to continue working with postponed conventions on securing new dates.

The initiatives detailed in this business plan will reflect all activity, including strategic partnerships and sponsorships, as we look to complete the final year of our five-year strategic plan. We acknowledge our accountability to the Ministry and our Board of Directors. We thank our Board of Directors for providing strategic guidance and oversight as we continue to build on our successes, leading into our 13th year of operations, and recognize the new challenges ahead. We acknowledge our accountability to our shareholders and value their ongoing support and guidance.

We also want to express gratitude to our closest partners, Aramark Entertainment Services Canada Inc. and Encore Canada. Our established and well-grounded vision of *Inspired People Creating Extraordinary Events* remains part of our OCC culture and DNA. We also wish to thank our colleagues' ongoing commitment to customer service and delivering excellence. As we work through supply chain challenges and with event planners new to the industry, we continue to receive high customer satisfaction scores. Our colleagues are the lifeblood of our business, no matter how busy they are; they make magic happen every day and help the OCC continue to be a genuinely wonderful workplace!

2022/2023 RESULTS

The Centre experienced a global resurgence of the Covid-19 Omicron variant in January, bringing events to a halt. Coupled with the Truck Convoy's Ottawa occupation from late January to mid-February, our fourth quarter was dismal.

Spring was more promising, with conventions returning to the city and graduations and proms taking place once again in late June. We installed new carpeting in the summer. In August, we welcomed three city-wide conventions: the Association of Municipalities of Ontario, the International Association of Firefighters and the International Biomechanics Conference.

We recognize the difficulty in forecasting revenues for 2022/2023 and underestimated the demand for in-person events, resulting in exceeding our revenue targets by \$5.6M.

We increased our marketing efforts promoting our "back to business" messaging and safety protocols to human resources and sales activities. We introduced new marketing initiatives to promote the OCC as a great place to work for students and to build our staff's ongoing pride in working for a world-renowned convention centre.

LOOKING AHEAD TO 2023/2024

2023/2024 is looking strong, with our sales team delivering a robust calendar of convention business. The OCC is forecasting to host 45 conventions, 13 of which are expected to fall within the summer months.

Convention Pace 2023/2024

Year	Conventions	On The Books	PACE Goal	Variance
2023-24	41	\$8,596,223	\$7,107,615	\$1,488,608
2024-25	15	\$3,090,835	\$3,910,790	(\$819,955)
2025-26	9	\$1,922,960	\$2,883,934	(\$960,974)
2026-27	4	\$656,446	\$2,117,095	(\$1,460,649)
2027-28	2	\$445,557	\$550,000	(\$104,443)

2. MANDATE AND VISION

VISION

Inspired people creating extraordinary events.

Our vision is supported by four pillars:

1. Generate economic impact through incremental growth from the external visitor economy
2. Deliver extraordinary customer experience
3. Regain post-pandemic financial sustainability
4. Resume environmental sustainability focus

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 to experience Ottawa, Canada's capital, to learn and grow by sharing their knowledge, views, and practices.

ECONOMIC MANDATE

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

DIVERSITY, EQUITY AND INCLUSION

The OCC values, celebrates, and welcomes individuality. We strive to provide a professional environment where everyone is treated with dignity, regardless of gender, age, race, religion, ethnicity, nationality, disability, appearance, or personal orientation. The OCC promotes a culture of respect and continuous learning to benefit from our colleagues' diverse cultural perspectives.

SHARED VALUES

WE celebrate **cultural diversity** and **inclusion**

WE encourage and promote **innovation** and **initiative**

WE foster good **governance** and **compliance**

WE are responsive to our **community** and **environment**

WE contribute to our **shared success** as a **team**

WE go the **extra mile** to deliver **extraordinary experiences**

LEGISLATIVE AUTHORITY AND MANDATE

The Ottawa Convention Centre (OCC) is an agency of the Government of Ontario, governed by the *Ottawa Convention Centre Corporation Act (R.S.O. 1990)*. The OCC is an operational enterprise agency of the Ministry of Tourism, Culture and Sport, with its legislative mandate to “operate, maintain and manage an international-class convention centre in a manner that will promote and develop tourism and industry in Ontario.”

The OCC is led by a twelve-member board of directors with nine provincial and three municipal appointees. The Memorandum of Understanding (MOU) between the OCC and the Ministry of Tourism, Culture and Sport outlines the accountability and governance framework:

- a) The Minister is accountable to the legislature and Treasury Board/Management Board of Cabinet 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 Chair is accountable to the Minister 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, MBC directives and the MOU.
- c) The Deputy Minister is accountable for advising and assisting the Minister regarding the Minister’s responsibilities for the Agency.
- d) The OCC President & CEO is accountable to the Chair 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, MOU, and other relevant legislation.
- e) Employees of the Centre are accountable to the President & CEO for carrying out the roles and responsibilities as assigned to the staff by the President & CEO

The OCC is committed to providing excellent, high-calibre bilingual customer service and ensuring that services are timely, responsive, accessible, and accountable.

3. ENVIRONMENTAL SCAN

GENERAL OBSERVATIONS

Research conducted by Destination Canada suggests that business events in Canada overall will not return to pre-pandemic levels until 2025/2026. Our 2023/2024 pipeline is healthy and includes a busy summer of international and national conventions.

This plan outlines the OCC's revenue opportunities, financial projections and strategic and tactical sales and marketing plans for the year. Initial forecasts indicate a rebound of conventions and significant events to reflect 2019 pre-pandemic times. A poll conducted by the Convention Centres of Canada at its annual meeting in September 2022 indicates that this is the case for most cities except western cities such as Regina and Saskatoon.

As we enter our 13th year of operation, we will have addressed our growing need to replace capital, furniture, fixtures, and equipment to ensure the stewardship of our facility and the competitiveness of our offerings. The exterior staircase to the Mackenzie King Bridge remains out of service while we assess the deficiencies and costs involved with its repair. We continue working with the Ministry to establish and prioritize projects to address any health and safety risks.

In September 2022, we resumed our international efforts by participating in Canada-London Week with our Destination Canada and Ottawa Tourism partners. We participated in IMEX America, assessing this as the best IMEX event the Centre has attended. Seventeen meetings with qualified leads resulted in several proposals and continuous follow-up on the horizon. ThinkOttawa is currently on pause; however, we realize that neglecting this market, given its long lead time, will not serve us well in future. While ThinkOttawa is on hiatus, we continue to work with Ottawa Tourism and Destination Canada to rebuild our presence. Tradeshow booth space managed by Destination Canada is offered to partners on a complimentary basis, representing significant cost savings from previous years and allowing in-person attendance. The OCC's economic mandate is to operate profitably and, in cooperation with our tourism industry partners, generate positive economic impact for all three levels of government. While generating an operating surplus, exempt from stabilization funding, will not be realized until 2023/2024, it is crucial to revisit in-person events to support this mandate.

We will work with Ottawa Tourism to rebuild Ottawa's appeal to the highly lucrative and economic impact-generating international market. The pandemic also caused the discontinuation of several direct international flights to Ottawa, placing us in a less favourable position when competing against other Tier 1 and 2 cities. As large conventions and events start to build, this will also support the Ottawa Airport Authority's efforts to attract more airlines and routes to the capital.

Our hotel partners are seeing a slow rebound in overnight guests; however, they continue to yield occupancy numbers well below pre-pandemic, resulting in lower contributions to the Municipal Accommodations Tax. While group business is strong, our hotel community struggles with staffing and the lack of the mid-week business traveller while federal government employees continue to work from home. Marketing efforts and incentive offers through Ottawa Tourism utilizing a healthy convention development fund will target key opportunities in our collective calendars to draw more visitors to our destination in 2023 and 2024.

4. RISK ASSESSMENT STRATEGIES 2022 -2023

Risk category: Operational	
Health & Safety (Guests & Staff)	
Description	The OCC recognizes its obligation to provide and maintain a safe, healthy, and secure workplace for our employees and other individuals visiting the facility, such as clients, delegates, third-party suppliers, contractors and the general public. We must have solid processes and procedures to protect the facility and our tangible and intangible assets and resources. Our goal is to function efficiently, mitigate risks and reduce liability.
Related strategic priority	Financial Sustainability
Impact and scope	Medium The impact is risk to our reputation and financial stability, health risk, risk of injury and/or damage to assets and the facility.
Mitigation	Continually ensure health and safety are prioritized by remaining compliant with all government legislation, standards, and acts. Provide refresher training for Occupational Health & Safety, Emergency Response & Fire, Life, Safety, and all department-specific standard operating procedures. Review processes annually, updating as required with current data and new requirements. Monitor and update policies to align with public health guidelines, including training, visual aids, and signage. Implement on recommendations from the Health and Safety Committee. Continue to schedule quarterly facility walks with the OCC's executive leadership team. When available, participate in food quality and safety audits, monitored through a safety portal, and reviewed and audited by a third party. Provide training on camera software to all colleagues with access.

Risk category: Operational	
Emergency & Crises	
Description	The OCC has a comprehensive Emergency Preparedness Plan shared with our clients. A convention centre's strength has been and continues to be the safety and security of the asset, its contents, and, most importantly, its guests and personnel. Clients, guests, and colleagues expect us to 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 procedures to resume business as quickly as possible if an emergency occurs.
Related strategic priority	Client & Colleague Satisfaction
Impact and Scope	Moderate It is impossible to predict an emergency or the intensity of the occurrence; however, planning and preparation to manage an issue are essential to minimize the threat and build leadership skills to take control of the issue and ensure business continuity.
Mitigation	We continually improve our emergency preparedness planning by reviewing and updating our information and procedures. We deliver floor warden training to ensure everyone has the knowledge and confidence to respond effectively to all emergencies. We conduct regular risk assessments of the facility and our practices to ensure we minimize the impacts of an emergency and respond effectively. We will also continue our collaborative efforts with our neighbouring facilities (Westin Ottawa, the Rideau Centre, and TD Place) to assist each other during emergencies. Whenever possible, our team will participate in training offered by the City of Ottawa Emergency Management division and other outside organizations.

Risk category: Information Technology & Infrastructure	
Cyber Risk	
Description	Cyber Risk is any risk of financial loss, disruption, or damage to an organization's reputation from a failure involving its technology systems. The most common cyber threats we currently face are e-mail spam, phishing, and spoofing. The hacker impersonates a manager to obtain funds through a wire transfer, infection through a virus through downloadable content, or asking for account information.
Related strategic priority	Financial Stability, Client & Colleague Satisfaction
Impact and Scope	Low
Mitigation	Our IT providers perform daily onsite, weekly Cloud, and monthly offsite backups. Off-site Cloud backups reduce risk in case of a structural event and help protect against viruses and ransomware. CrowdStrike/Falcon Complete has been implemented on all systems to protect from viruses and Ransomware. This service also includes monitoring from the manufacturer to help report any suspicious activity and quick action response in cases where a server could be compromised. Employees completed an online security course, and frequent mock phishing attempts are sent to test employees and ensure compliance.

Risk category: Operational	
BUSINESS RECOVERY	
Description	The OCC is seeing positive results in our business recovery; however, we understand that health and safety remain a top priority, and our business will remain vulnerable to any future health advisories which can quickly affect our operations.
Related strategic priority	Financial Sustainability
Impact and Scope	The pandemic has affected the business events sector. Although the association market continues to meet annually, it has dramatically reduced operating budgets, with significant revenue decline and exhibition restrictions, which can be an essential revenue source for the association. The corporate sector will likely rebound somewhat faster with a need to re-engage with its workforce and customer base.
Mitigation	Sign multi-year contracts with the association market to ensure a strong sales pipeline. Develop a sales and marketing offer with Ottawa Tourism to incent meetings and conventions to stay in Ottawa rather than circulating across the country.

5. ANNUAL GOALS & METRICS

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

Strategic Goal #1: Financial	
Goal	<p>The OCC's long-range financial imperative is to generate revenues to support a surplus and maintain cash flows sufficient to provide for lifecycle requirements.</p> <p>The OCC's mandate is to generate economic benefits for the City of Ottawa and the Province of Ontario.</p> <p>The OCC will generate the following financial results in 2023/24:</p> <ul style="list-style-type: none"> • Gross revenue of \$ 20.2M • Economic impact of \$ 170M • Booking pace target of \$ 18.6M • Net operating surplus of \$ 1.26M
Strategies	<p>The OCC will manage financial targets according to the Board-approved budget. Our strategy focuses on revenue generation. Our sales team will focus on multi-year contracts, and the Centre will continue to work closely with Ottawa Tourism to promote Ottawa as a top destination for international events.</p> <p>The OCC's Director of Sales has assembled a solid, motivated team with renewed energy on marketing and driving revenue by concentrating efforts on large pieces of convention business.</p>
Performance measures	<p>The OCC will monitor progress through financial statements and internal reports reviewed monthly with senior management and quarterly with the OCC's Board of Directors and Finance & Audit Committee.</p>

Description	Actual 2021-22	Forecast 2022-23	Budget 2023-24	Plan 2024-25	Plan 2025-26
Economic impact ¹ (\$M's)	0	122	170	142	152
Gross revenue (\$M's)	1.9	13.9	20.2	19.3	21.0
Net operating income (\$M's)	(4.29)	(0.64)	1.26	0.92	2.0
Booking pace (\$M)	10	12.4	18.6	19.5	21.0

¹ Economic impact estimate is based only on convention business. Conventions will peak in 2023/24 and decline in 2024/25.

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. In ordinary circumstances, full occupancy at the OCC would be approximately 70%.				
Strategies	The convention business is pacing well into 2023/24. To further generate occupancy, the OCC will rely heavily on the local market to fill in gaps. Recent initiatives to drive business into 100-level meeting spaces and more non-traditional mid-week use of the Trillium Ballroom will position the OCC to drive occupancy this year.				
Performance measures	Occupancy is tracked for each event, then summarized and reported quarterly.				
Description	Actual 2021-22	Forecast 2022-23	Budget 2023-24	Plan 2024-25	Plan 2025-26
Occupancy rate	11%	38%	47%	45%	47%

Strategic Goal #3: Customer Service					
Goal	<p>Customer service is an integral component of business success. Our goal is to maintain a client satisfaction score of 4.5 and to remain aligned with our vision of <i>“Inspired People Creating Extraordinary Events.”</i></p> <p>The post-pandemic labour shortage has impacted our ability to staff operations, which has in turn, affected customer service levels. Available candidates often lack the requisite experience and skills. Resources and productivity will continue to be challenging.</p> <p>Furthermore, the pandemic altered the work landscape as peoples’ values and motivations changed to prioritize work-life balance, flexibility, and protection.</p> <p>With the pre-pandemic approval of capital funds, we have increased equipment inventories and invested in new equipment to remain an innovative and leading-edge facility. This has positioned us favourably.</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. We will continue to build a customer service culture with campaigns to deliver the extraordinary through employee engagement.</p> <p>We will chart a new post-pandemic work plan elevating training and changing processes to align with labour resources and to support productivity.</p> <p>We are updating our client survey with recent questions to monitor occupants’ experience and confidence levels in this changing environment.</p>				
Performance measures	<p>Electronic client satisfaction surveys are sent following each event in the building. Results are reviewed by the General Manager and Director of Events and then circulated to the management team weekly for review and action as required. We will develop metric goals for the new delegate survey once launched.</p>				
Description	Actual 2021-22	Reforecast 2022-23	Budget 2023-24	Plan 2024-25	Plan 2025-26
Overall satisfaction	4.7	4.5	4.5	4.5	4.6
Response rate	29%	23%	23%	25%	30%

Strategic Goal #4: Human Resources					
Goal	<p>We are committed to maintaining a healthy and positive environment for our OCC colleagues. We strive to create a workplace culture that values and leverages our many differences and drives innovation through inclusion. Our goal is to hire, retain, and develop people with different backgrounds reflecting the communities we serve.</p> <p>All employees have returned to consistent hours since the pandemic layoffs, but transitioning back to work has been challenging, requiring colleagues to be more adaptable. The shuffling workforce, labour shortages and lack of skilled recruits have impacted our current employees and their workloads. Furthermore, personal values have changed, seeking flexibility and balance. It is challenging to be as productive and provide the same level of service seen in the past.</p> <p>As we look to move forward positively, the OCC will make pronounced efforts on employee engagement, which is the foundation for a positive and healthy workplace. Employee engagement produces greater productivity, leading to higher retention rates and increased customer satisfaction.</p> <p>In years past, we issued a colleague survey to gain employee perspectives and understand their engagement levels. The colleague survey will be updated to reflect our current environment and relaunched in Spring 2023.</p>				
Strategies	<p>The ELT will keep a finger on the Centre’s pulse. Employee check-ins, open-door policies, feedback, and staff events are all ways we will stay in touch with our staff. Employee Assistance Programs will be available for those who require help.</p> <p>We will continue consistent communication to ensure our colleagues remain knowledgeable. The OCC will redefine expectations and provide transparency on the future of our business. Strong employee engagement will enhance the Centre's commitment levels as we move our business forward.</p> <p>The OCC’s new Human Resources Manager is committed to developing positive employee relationships and with a fresh perspective to improve current HR practices.</p>				
Performance measures	<p>The OCC conducts the colleague survey biennially. We postponed the 2021-22 survey through the pandemic and intend to deliver the next one in spring 2023.</p>				
Description	Actual 2021-22	Plan 2022-23	Budget 2023-2024	Plan 2024-25	Plan 2025-26
Overall satisfaction	Postponed	Postponed	6/10	No Survey	7/10

Strategic Goal #5: Corporate Social Responsibility

Goal	<p>The 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 take ongoing corporate responsibility and maintain a positive community interface. While many organizations now practice some form of social responsibility programs, the OCC has decided to make it a core of our operations. Undertaking socially responsible initiatives not only allows us to appeal to socially conscious consumers but also makes a tangible difference in the world.</p>
Strategies	<p>We continue to 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 the less fortunate in our neighbourhood, but they are also aimed at reducing waste destined for landfills.</p> <p>Leave a Legacy Program: clients may donate anything left after their event including obsolete marketing collateral, promo items, and non-perishable food.</p> <p>Mealshare: clients can help put an end to youth hunger by donating a lump sum to Mealshare. In exchange, the OCC will create tent cards to share how many meals the donation provided to youth in need.</p> <p>FoodRescue.ca: allows us to donate unused food to charities such as the Ottawa Mission which distributes the surplus to people in need.</p> <p>To reduce our requirement for green bins, the OCC uses ORCA (Organic Refuse Conversion Alternative). ORCA takes all organic waste and breaks down compost waste into environmentally safe grey water, which then flows out to the sewage system. We upgraded our cardboard baler and continue with our waste program and recycling wall. The OCC continues to be part of Ottawa Green Business Hub, a network of Ottawa businesses committed to working towards greenhouse gas reduction. This program provides us with educational support and direction as the OCC keeps sustainability top of mind.</p> <p>Going forward, our focus will be to remind and re-educate occupants and colleagues of the importance of diversion and the impact it has on our environment through updated marketing and elevated training.</p>
Performance measures	<p>Review participation in the three abovementioned CSR programs at year-end. The OCC participates in a rigorous food waste program and monthly food quality audits whereby the entire kitchen area is critiqued with results reviewed by senior leadership. Waste diversion reports are produced and reviewed monthly, and any anomalies are addressed immediately.</p>

Description	Actual 2021-22	Reforecast 2022-23	Budget 2023-24	Plan 2024-25	Plan 2025-26
Waste diversion	43%	45%	50%	50%	55%

7. BUDGET SUMMARY

STATEMENT OF OPERATIONS

	Actual 2021-2022	Reforecast 2022-2023	Budget 2023-2024	Plan 2024-2025	Plan 2025-2026
Food & Beverage	783,025	7,468,928	12,224,700	11,347,245	11,871,329
Facility Rental	356,582	4,156,431	5,481,990	5,404,538	5,867,785
Commissions	186,301	1,556,103	1,593,602	1,507,660	2,102,085
Advertising	477,799	527,608	625,569	700,732	734,353
Other Income	5,408,523	2,360,239	306,452	301,788	396,828
TOTAL GROSS REVENUE	7,212,230	16,069,309	20,232,313	19,261,963	20,972,381
Revenue Growth	20.09%	122.81%	25.91%	-4.80%	8.88%
COST OF SALES	587,283	5,601,501	8,888,935	8,378,613	8,768,833
NET REVENUE	6,624,947	10,467,808	11,343,378	10,883,350	12,203,548
Net Revenue Growth	10.49%	58.01%	8.36%	-4.06%	12.13%
EXPENSES					
Facilities	2,680,141	4,332,774	5,196,723	5,192,086	5,282,603
Utilities	621,614	1,002,458	1,138,000	1,180,350	1,224,527
Sales & Marketing	775,533	1,672,122	1,815,740	1,606,939	1,643,879
General & Administration	1,551,681	1,895,335	1,929,799	1,984,611	2,041,428
TOTAL EXPENSES	5,628,969	8,902,689	10,080,262	9,963,986	10,192,437
Percent of Gross Revenue	78.0%	55.4%	49.8%	51.7%	48.6%
OPERATING SURPLUS	995,978	1,565,119	1,263,116	919,364	2,011,111
Percent of Gross Revenue	13.81%	9.74%	6.24%	4.77%	9.59%
Interest expense	(1,043,879)	(1,034,996)	(1,025,687)	(1,015,934)	(1,005,716)
Amortization of deferred contributions	3,344,254	3,512,456	3,656,673	3,902,540	4,337,430
Gain on Debt restructuring					
Amortization of property, plant and equipment	(4,882,469)	(5,175,856)	(5,367,696)	(5,679,705)	(5,887,939)
Excess of revenue over expenses	(1,586,116)	(1,133,277)	(1,473,594)	(1,873,735)	(545,115)

STATEMENT OF FINANCIAL POSITION

	Actual as at Mar 31, 2022	Reforecast as at Mar 31, 2023	Budget as at Mar 31, 2024	Plan as at Mar 31, 2025	Plan as at Mar 31, 2026
ASSETS					
Current					
Cash	5,503,023	6,122,561	5,988,935	5,840,351	6,313,268
Accounts receivable	804,450	804,450	977,970	1,078,723	1,478,583
Prepaid expenses	126,412	126,412	126,412	126,412	126,412
Total Current Assets	6,433,885	7,053,423	7,093,317	7,045,487	7,918,263
Property, Plant & Equipment	129,523,631	126,315,774	124,784,899	125,345,388	123,622,154
Total Assets	\$ 135,957,517	\$ 133,369,197	\$ 131,878,216	\$ 132,390,875	\$ 131,540,418
LIABILITIES & NET ASSETS					
Current					
Accounts payable and accrued liabilities	1,954,246	2,238,664	2,518,070	2,681,515	2,672,928
Deferred revenue and customer deposits	2,822,929	2,919,260	2,646,634	2,745,995	2,946,250
Current portion of long term debt	195,005	204,311	214,062	224,282	-
Total Current Liabilities	4,972,179	5,362,235	5,378,766	5,651,792	5,619,178
Deferred revenue and deposits	746,331	650,000	650,000	650,000	550,000
Long-term debt	28,225,898	28,021,588	27,807,523	27,583,239	27,583,239
Deferred Contribution - capital assets	91,645,909	90,101,452	90,281,599	92,619,250	92,446,522
Total Liabilities	120,618,138	118,773,040	118,739,122	120,852,489	120,579,761
Net Assets (deficit)	10,367,200	9,233,921	7,760,328	5,886,593	5,341,478
Total liabilities and net assets	\$ 135,957,517	\$ 133,369,196	\$ 131,878,216	\$ 132,390,874	\$ 131,540,418

STATEMENT OF CASH FLOW

	Actual as at Mar 31, 2022	Reforecast as at Mar 31, 2023	Budget as at Mar 31, 2024	Plan as at Mar 31, 2025	Plan as at Mar 31, 2026
Cash flows provided by (used in)					
Operating Activities					
Excess of expenses over revenue for the year	(1,586,116)	(1,133,277)	(1,473,594)	(1,873,735)	(545,115)
Items not affecting cash					
Amortization of property, plant and equipment	4,882,469	5,175,856	5,367,696	5,679,705	5,887,939
Amortization of deferred contributions related to property, plant and equipment	(3,344,254)	(3,512,456)	(3,656,673)	(3,902,540)	(4,337,430)
Gain on debt extinguishment					
Capitalization of interest to long-term debt					
	(47,901)	530,123	237,429	(96,570)	1,005,394
Net changes in non-cash working capital	2,378,467	464,438	(166,741)	162,050	(308,195)
	2,330,566	994,560	70,688	65,480	697,199
Capital Activities					
Purchase of property, plant and equipment	(1,866,351)	(1,757,515)	(3,836,820)	(6,240,192)	(4,164,702)
Deferred costs	1,646,718	1,577,498	3,836,820	6,240,192	4,164,702
	(219,633)	(180,017)	-	-	-
Financing Activities					
Increase (decrease) in long-term debt	(186,120)	(195,005)	(204,314)	(214,064)	(224,282)
Line of Credit					
Contribution Payment to Ministry of Tourism					
	(186,120)	(195,005)	(204,314)	(214,064)	(224,282)
Net cash inflow (outflow)	1,924,813	619,539	(133,626)	(148,583)	472,917
Cash April 1	3,578,209	5,503,022	6,122,561	5,988,935	5,840,351
Cash, March 31	5,503,022	6,122,561	5,988,935	5,840,351	6,313,269

8. HUMAN RESOURCES

SUMMARY OF STAFF NUMBERS

With exception of management and administrative staff, the OCC has been unionized since December 1995, represented by the United Steelworkers of America (Locals 8327 and 5297).

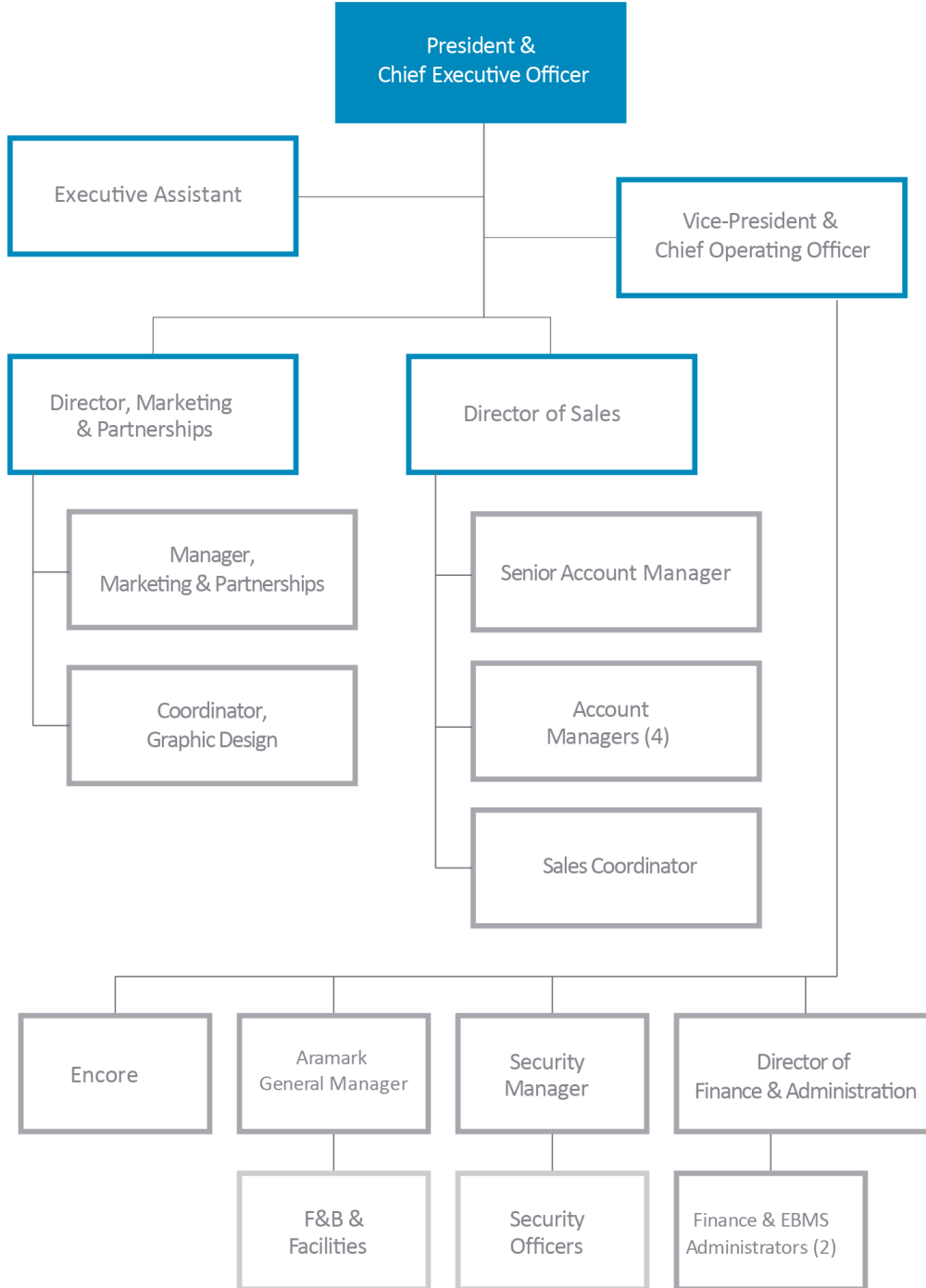
The collective agreement for Local 8327 expired on September 30, 2020. Due to the pandemic, it was rolled over in September 2020 and then again in September 2021. Bargaining will commence for this Local in winter of 2022. Local 8327 represents service personnel and reports to the Facility Services Provider, Aramark Entertainment Services Inc.

Local 5297 represents security personnel and reports to the OCC. The collective agreement for Local 5297 expired on September 30, 2022. Bargaining for this local will commence in early 2023. Local 5297 represents the security guards and reports to the OCC.

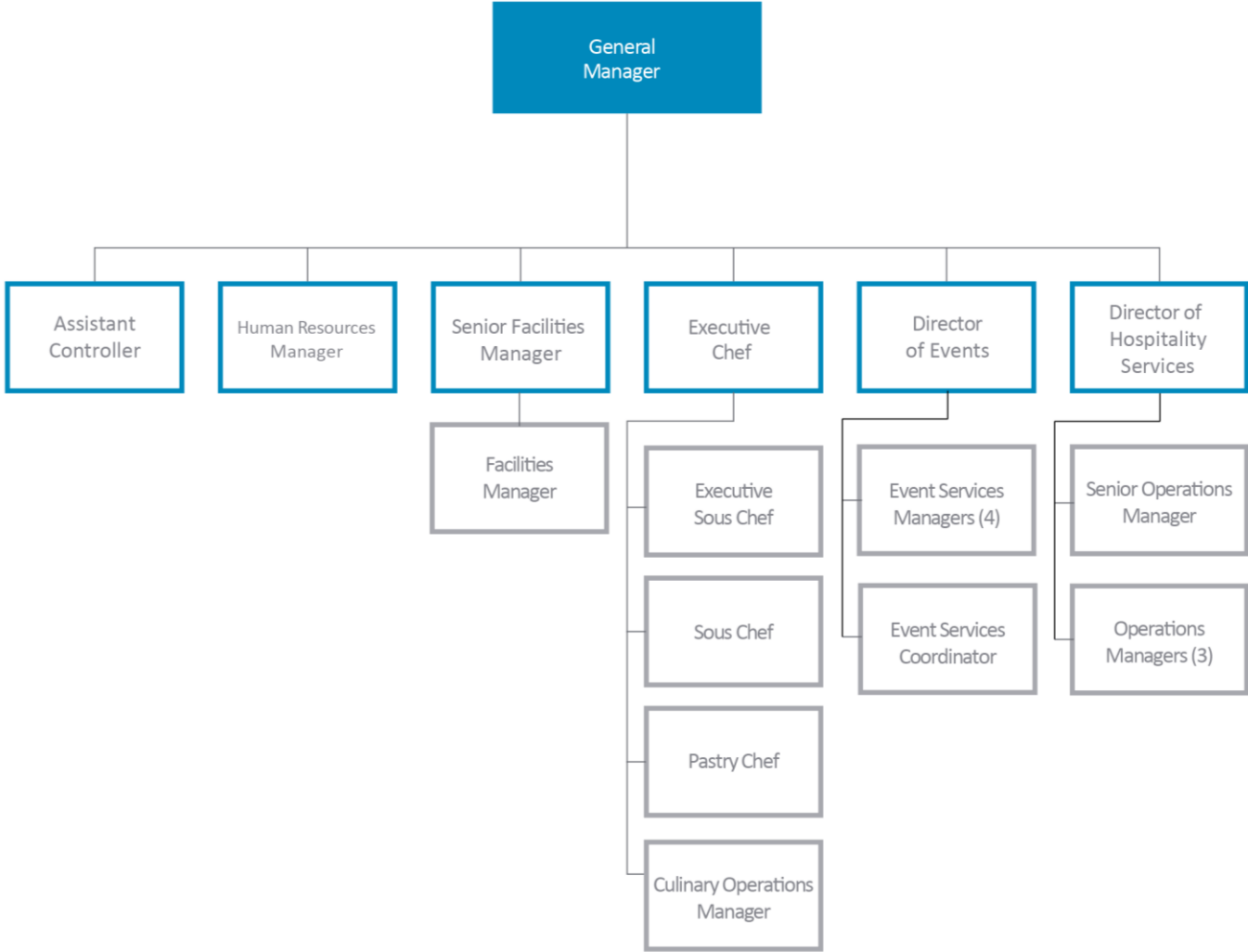
The following is a current overview of personnel as of November 2022.

CLASSIFICATION	OCC	ARAMARK	TOTAL
Fulltime union	6	5	11
Part time union	1	111	112
Casual union	4	52	56
<i>Subtotal union personnel</i>	<i>11</i> <i>(Local 5297)</i>	<i>168</i> <i>(Local 8327)</i>	<i>179</i>
Fulltime non-union	16	24	40
Part time non-union	0	2	2
<i>Subtotal non-union personnel</i>	<i>16</i>	<i>26</i>	<i>42</i>
TOTAL	27	194	221

OTTAWA CONVENTION CENTRE ORGANIZATIONAL STRUCTURE



OCC FACILITY SERVICES PROVIDER ORGANIZATIONAL STRUCTURE



9. 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 are scarce, and the competition emerging from COVID-19 will be fierce. Re-emergence from this pandemic requires new and innovative approaches to safe meetings and the path forward.

With hotel occupancy not yet returned to pre-pandemic levels, the Municipal Accommodations Tax will generate lower revenues for Ottawa Tourism. Collectively, we are seeing a faster rebound in the national corporate and local markets. The OCC is experiencing heightened interest from the international congress market; however, we recognize that this sector takes longer to move through the sales cycle.

Based on our current resources, we will work closely with Ottawa Tourism to ensure we are not duplicating efforts and utilizing our assets wisely. Sales activities will move predominantly from virtual touchpoints to in-person meetings, ultimately supporting the premise for which the Centre was built; in-person meetings. The requirement to ramp up human resources will be top of mind as we look to rebuild our business. Staff retention has been challenging, with employees looking to industries and sectors less affected by the pandemic. ThinkOttawa has been paused, to be reviewed in late 2023/24 however remains an active program by Ottawa Tourism.

ARAMARK – FACILITY SERVICE PARTNERSHIP

In 2010, the OCC and Aramark entered a 15-year partnership, in which Aramark provides comprehensive support services for the Centre. The OCC's reputation as a world-class convention centre is strengthened by our extraordinary customer service delivery and exceptional product offerings managed by Aramark. An integral 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. Aramark continually delivers quality and consistency in an industry held to exacting standards.

Aramark's commitment to client service and operational excellence played a significant part in the OCC's winning the "Best Convention Centre in the World" award through AIPC. Our collective challenge is to maintain these scores as the post-COVID meetings, and events marketplace has changed clients' expectations of the Centre. With many experienced people in the hospitality sector leaving the industry, we are now dealing with many inexperienced meeting planners and companies who no longer have- or contract - professional meeting planners. Clients are challenged to provide necessary information to us on a timely basis to plan and execute their events successfully. We are constantly dealing with delayed information and last-minute, on-the-floor changes to client events to accommodate the client's lack of knowledge and planning. The labour shortage and difficulty in attracting labour puts extra pressure on our employees to perform at elevated levels. We will need to explore operational and possible policy changes to accommodate this change in the client's behaviour and demands.

The OCC and Aramark are recognized for having comprehensive service recognition programs, such as the “Encore! Encore!” and “WEST” (Welcome, Engage, Smile, Thanks) programs. Our highly regarded client service acknowledgement Golden Pin and Star programs complement these programs. The OCC continues to rate 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 the OCC and Aramark. With this in mind, Aramark, with the support of the OCC, is providing developmental leadership opportunities for managers and supervisors across its “sister” properties to gain valuable experiences in much larger facilities than the OCC or in producing events of a larger scale than would be accommodated in Ottawa. It is a reciprocal opportunity as the OCC occasionally borrows managers and supervisors from other “sister” facilities where additional requirements are necessary due to heavy event demand.

ENCORE – AUDIO VISUAL, INFORMATION & COMMUNICATIONS TECHNOLOGY, RIGGING & ELECTRICAL

Also in 2010, the OCC and Encore entered a 15-year partnership in which Encore provides our events' primary event service offerings, including audiovisual (AV), information communications, and technology (ICT). In January 2019, The Freeman Company (Encore’s former parent company) and PSAV entered into a purchase agreement for PSAV to acquire Encore Event Technologies, including Encore AV Canada. In October 2019, the deal was approved and is now finalized. While this represents no current change to the relationship between the OCC and Encore, we anticipate that this merger and acquisition will enhance on-site technology options. On March 1, 2021, Encore was awarded the Rigging and Electrical contract adding to its broad range of “one-stop” service offerings at the OCC, which now include internet, telecom, digital signage, audiovisual, virtual & hybrid offerings.

Technology is a critical factor in securing conventions. It is highly competitive, and there is a high demand for bookings. Encore provides a turnkey service for conventions and events, and the OCC earns a commission on service sales, 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 at such a professional level, our ability to sell events in the facility would be impaired. Encore has provided our clients with audiovisual and ICT necessities of event production since April 2011. On average, they serve 95% of the facility's events. Our partnership objectives are two-fold: i.) to maximize Encore's market share of events and increase revenues, and ii.) maintain client service levels and standards.

To address market share and, more importantly, increase the share of events currently using our service partner, the OCC and Encore have engaged in a collaborative sales and service cycle. This collaborative sales approach allows Encore to serve 95% of our clients.

Attending to the ever-changing needs of our clients is a key tenet of our partnership with Encore. There are shorter booking windows, more detailed and vigorous negotiations, greater technology demands and higher quality and service expectations. As a result of our agreement, Encore can easily step outside a rigid proposal system to provide flexible risk-appropriate offerings to exceed client needs that are domestic and international in scope. This is a healthy approach, conducive in an environment where being seen as easy to do business with is essential in fostering a solid reputation.

Encore continually innovates to provide cutting-edge solutions to its customers and venue partners. It recently launched a global customer relationship management software, Compass, allowing the venue and Encore's global teams to work seamlessly by integrating the venue business system to a robust sales funnel functionality to provide integration, visibility, and reporting levels unique to our industry. This exclusive tool is a collaborative technology solution currently used by Encore and the OCC to grow mutual revenues and market share and has been funded solely by Encore. Encore has recently developed and integrated a new event operating sales system, Polaris, fully integrated with Compass. This will provide real-time two-way data, financial reporting, and customer insights from the start of the sales cycle to the post-event follow-up.

Encore also provides a series of virtual and hybrid platforms. Regardless of global travel restrictions or personal circumstances, Encore can help the show go on even if a critical presenter or some attendees cannot attend in person. Chime Live, Content1, and Cvent Attendee Hub, are solutions that help everyone stay connected without losing audience engagement and interaction. In fact, virtual and hybrid events offer many benefits, including sponsorship opportunities and increased ability for audience engagement. With the high demand for internet connectivity related to virtual and hybrid events, Encore, with approval from the OCC, recently upgraded the Telco backbone service from 500Mbps to a 1Gigabit service with a 1Gigabit redundancy.

Encore's full-time on-site management team has returned to 2019 levels, with newly-created director roles aligning with the OCC's director roles, namely Director of Sales, Director of Operations, I.T. Manager, and Director of Event Technology. Each director works closely with each of the OCC's directors to better align approaches, streamline two-way communications and provide business unit collaboration.

Encore has recently worked with sales and marketing to align all sales and operational client-facing documents to meet the OCC's marketing brand. Encore has a national creative team that can now support the OCC when called upon for creative design or support for any project requiring higher expertise or complexity.

Due to our aging technology, there is a growing need to expand the scope of IT support in the facility. Much of the work anticipated for the next year will be the planning process for software upgrades and technology changes. We are looking into sharing a resource with Encore by hiring a third IT professional to support the growing business needs. This hire will provide further assistance in all aspects of technology in the building, including security camera issues, access controls (C-Cure), lighting and HVAC systems.

SHAW COMMUNICATIONS – NAMING RIGHTS PARTNER

On October 16th, 2014, The OCC 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 Wi-Fi, to clients and guests. Visitors to the Shaw Centre have access to Shaw Go Wi-Fi – Shaw’s carrier-grade Wi-Fi network – throughout the building, with complimentary access available to all guests in the Level 1 foyer and Trillium Ballroom. This relationship will continue to position the OCC/Shaw Centre and our city for growth in the lucrative national and international meetings and conventions marketplace. The OCC 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.

On March 15, 2021, Shaw Communications and Rogers Communications announced an agreement for Rogers Communications to purchase Shaw Communications. This merger requires regulatory approval before the deal closes. At this time, we are uncertain as to when or if this merger will be approved.

10. MARKETING AND COMMUNICATIONS STRATEGY OVERVIEW

With the industry returning to pre-pandemic levels, we can now focus on initiatives sidelined during the pandemic's height. We will use analytics gathered during the year to execute strategic brand awareness campaigns. These campaigns will utilize our current title of "World's Best Convention Centre," awarded by the International Association of Convention Centres (AIPC), based on customer service feedback scores. They will also highlight our facility's distinctive features, superb staff, and benefits to our target market segments. To supplement these campaigns, we will continue to engage with our existing customers, through various communications channels, including but not limited to social media platforms, blogs, and newsletters.

We will apply various relationship-building tactics to turn-key stakeholder groups into brand ambassadors. Our stakeholder focus includes employees, suppliers, advertisers and sponsors, customers, industry colleagues, neighbours, government partners, media and the general public.