



BRIEFING NOTE

Item 10.1.1
GLB2021-0851

ISC: UNRESTRICTED

Governance & HR Committee to Green Line Board

May 28, 2021

Payment for Assignment of Executive Responsibilities

PURPOSE OF BRIEFING

On February 18, 2021, the Board approved GLB2021-0283 – Assignment of Executive Chair Responsibilities (included as attachments 1 and 2). The Green Line Board (the “Board”) determined that the Green Line Program requires additional support during the transition period initiated by the current General Manager of Green Line moving into a different role within The City. The Board believes it can best fulfil its obligations by temporarily enhancing its involvement as part of the leadership of the Green Line Program Team and provide additional accountability and additional risk management for the Green Line Program through the assignment of executive responsibilities to the Board Chair during this transition time.

This briefing addresses the temporary incremental compensation to be provided to the Board Chair commencing February 18, 2021 and continuing through to completion of the transition of duties to a new CEO. Once a new CEO has been transitioned into the role, the additional executive responsibilities of the Chair would be discontinued along with the temporary incremental compensation.

SUPPORTING INFORMATION

In Section 24 of the Green Line Bylaw, Council has given the Board authority over senior executive recruitment and compensation. In keeping with this provision, the Board has authority to secure the executive resources it needs, and the assignment of executive responsibilities to the Board Chair was approved by the Board to provide additional direction, engagement and continuity through the sensitive period associated with a transition to a new CEO.

Under the same section of the bylaw, the Board has authority to establish compensation for that work. In this case, in addition to the annual retainer for the Board Chair, an additional \$10,000 per month is recommended as compensation to the Board Chair for assuming the additional executive leadership responsibilities. Regular meeting fees for Board and Committee meetings attended would also be earned during this time period.



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In order to establish this rate, an executive compensation consultant was asked to perform a review of compensation for other comparable “executive chair” roles but no comparable roles were identified. In lieu of external guidance, several other factors were considered in the establishment of the rate. The estimated incremental hours per month required to fulfill the executive chair responsibilities (60-80 hours), the current pay band for General Managers at The City, and previous consulting rates were all considered and ultimately a reasonable rate was negotiated. The \$10,000 payment per month for an estimated 60-80 hours of work is equivalent to approximately \$142 per hour if the payment is averaged over the estimated hours of work. This rate is viewed to be very reasonable given the senior executive level experience of the Board Chair.

The assignment of executive responsibilities to the Chair of the Board will provide additional risk mitigation related to the impact on the Green Line Program and the Green Line Program Team during a significant period of transition for the Green Line Program Team.

RECOMMENDATIONS:

That the Green Line Board:

1. Direct payments of \$10,000.00 per month be made on a temporary basis to the Chair of the Green Line Board for the performance of executive responsibilities assigned to the Chair by the Green Line Board on February 18, 2021 in Report GLB2021-0283, such payments to begin at the date the executive responsibilities were assigned and continuing until a new Chief Executive Officer for the Green Line Program has been retained and transitioned into their role by the Green Line Board.
2. Direct that this Report remain confidential pursuant to Sections 17 (Personal privacy) and 24 (Advice from officials) of the Freedom of Information and Protection of Privacy Act until the Green Line Board rises and reports.
3. Direct that the Closed Session discussion remain confidential pursuant to Section 17 (Personal privacy) of the *Freedom of Information and Protection of Privacy Act*.

ATTACHMENT(S)

Attachment 1 – Report - GLB2021-0283 - Assignment of Executive Chair Responsibilities

Attachment 2 – Report - GLB2021-0283 – Attach# 1

Assignment of Executive Chair Responsibilities**RECOMMENDATION:**

1. The Green Line Board assigns executive responsibilities to the Chair of the Green Line Board as described in detail in Attachment 1 (the "Executive Chair Responsibilities") during the current transition period, and may assign the Executive Chair Responsibilities to the Chair of the Green Line Board from time to time as may be determined by the Green Line Board.

BACKGROUND

- Bylaw 21M2020, the Green Line Board Bylaw (the "Bylaw") establishes the mandate, duties and responsibilities of the Green Line Board (the "Board"). The mandate of the Board "is to use its collective expertise to govern and oversee the successful Delivery of the Program, and to carry out Council direction provided to administration and to the Board related to Delivery of the Program". Schedule A – Terms of Reference (the "Terms of Reference") of the Bylaw describes in detail the duties and authority of the Board to oversee and ensure best practices are implemented by the Green Line Program Team.
- The current General Manager, Green Line (the "GM-GL") is transitioning out of his role to take on the new role of General Manager, Infrastructure and Engineering Services at The City of Calgary ("The City").
- During this transition period, and while the Board is recruiting for a senior executive to fill the role left vacant by the transition of the GM-GL to a new position, the GM-GL and the Green Line Program Team require additional temporary support. The Board has considered that it can assist the GM-GL and Green Line Program Team during this period by enhancing its involvement and participation as part of the leadership of the Green Line Program Team.
- The assignment of Executive Chair Responsibilities to the Chair of the Board, as described in detail in Attachment 1, fulfils the Board's obligations of oversight as described in the Bylaw and provides accountability and additional risk management for the Green Line Program and The City.

DISCUSSION

The members of the Green Line Board were appointed by Council on December 14, 2020 in Report C2020-1433. Following their appointment, the Board participated in five onboarding sessions where they became familiar with the key aspects of the Green Line Program. During this time, the Board learned that the current GM-GL is transitioning out of his current role to take on the new role of General Manager, Infrastructure and Engineering Services. The Board also learned that the role of Program Director for the Green Line Program has not been filled. The Recruitment Committee is working with an external recruiting firm to search for candidates to fill these two positions and it is expected that the searches will require a minimum of 16 weeks to complete. Thereafter, a transitional onboarding period will be

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required for the new hires.

In the course of reviewing its mandate, duties, and authority to implement best practices, the Board has determined that the Green Line Program requires additional support during this transition period wherein the following opportunities lie ahead for the Green Line Program:

1. Recruitment of a senior executive to take on the role left open by the transition of the GM-GL to his new position of General Manager, Infrastructure and Engineering Services at The City;
2. Recruitment of an executive for the Program Director position for the Green Line Program;
3. The resolution of the review of the Green Line Program by the Province of Alberta; and
4. Supporting the development of an organizational structure and culture that can effectively deliver the Green Line Program.

In order to fully benefit from the foregoing opportunities during this period of transition, and in order to fulfil its mandate and obligations of oversight and accountability to The City as described in the Bylaw, the Board believes it can best fulfil such obligations by temporarily enhancing its involvement as part of the leadership of the Green Line Program Team and provide additional accountability and additional risk management for the Green Line Program.

The Executive Chair Responsibilities described in Attachment 1 temporarily enhance the Board's duties of oversight and accountability as described in the Bylaw and the Bylaw's Terms of Reference during this period of transition. The Executive Chair Responsibilities closely align with the duties and authority of the Board as described in the Bylaw and the Bylaw's Terms of Reference, such as establishing the composition of the Green Line Program Team and developing a strong organizational structure, and developing strategies with respect to procurement, land acquisition, risk management, and stakeholder engagement.

The assignment of the Executive Chair Responsibilities to the Chair of the Green Line Board allow the Board to fulfil its mandate and comply with its duties and obligations as described in the Bylaw and mitigate risk for The City during this period of transition.

STAKEHOLDER ENGAGEMENT AND COMMUNICATION (EXTERNAL)

Not applicable.

IMPLICATIONS

No social, environmental, or economic implications.

Financial Implications

The financial implications are minimal, involving the additional cost for payment of the Executive Chair Responsibilities. These financial implications are more than offset by the risk

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management benefits gained by assigning the additional Executive Chair Responsibilities to the Chair of the Green Line Board during this period of transition.

RISK

The assignment of Executive Chair Responsibilities to the Chair of the Green Line Board will mitigate risks related to the impact on the Green Line Program and the Green Line Program Team during a period of transition for the Green Line Program Team and the evolution of the Green Line Program.

ATTACHMENT(S)

1. Attachment 1 – Executive Chair Responsibilities

Executive Chair Responsibilities

The following additional executive responsibilities are assigned to the Chair of the Green Line Board:

1. Provide support to the General Manager, Green Line (GM-GL) in providing leadership and managing the Green Line Program.
2. Assist the GM-GL in decision-making concerning areas of material impact to the Green Line Program.
3. Work closely with the GM-GL in the development and review of the Program Plans and key performance indicators for achieving Delivery* of the Green Line Program.
4. Work closely with the GM-GL in the development and execution of strategies for material aspects of the Green Line Program, including with respect to procurement, land acquisition, policy development, risk management, contingency planning, safety matters, environmental and sustainability performance, governance partner and stakeholder engagement, and communications and public relations.
5. Support the GM-GL in ensuring the Green Line Program has in place an effective organizational and leadership structure and culture for carrying out the Green Line Program within the parameters set out in the Program Plans and operational policies approved by the Green Line Board and The City.
6. Provide support to the GM-GL in developing effective recruitment, compensation, performance management, and succession plans for the Green Line Program Team.
7. In the event of a situation requiring replacement of the GM-GL or equivalent position, support the Green Line Board in ensuring a smooth transition that minimizes disruption to the Green Line Program and its governance partners and stakeholders.
8. Perform such additional executive duties as may be delegated by the Green Line Board.

*Note: "Delivery" has the same definition as in the Green Line Board Bylaw: "*Delivery* means the design-development, procurement, construction, and commissioning of the Program."