

GOVERNANCE UPDATE - CALGARY COMBATIVE SPORTS COMMISSION

EXECUTIVE SUMMARY

The Calgary Combative Sports Commission has been working closely with Administration to address the recommendations made at the 2014 May 20 Priorities and Finance Committee (PFC) meeting. The recommendations from report PFC2014-0418 fall into four categories: 1) Transitioning administrative functions and record keeping from the Commission to Administration in order to allow members of the Combative Sports Commission to focus on managing events; 2) Bylaw amendments and standardized procedures to streamline information access and allow for increased Commission flexibility in managing day to day operations such as running events and promotions; via an amendment to Bylaw 53M2006; 3) Ensure financial sustainability of the Commission by adjusting the fee schedule in order to ensure sufficient financial resources; and, 4) Investigate the acquisition and use of technology to create efficiencies within the Commission.

ADMINISTRATION RECOMMENDATION(S)

That Priorities and Finance Committee recommends that Council:

1. Give three readings of the proposed bylaw amending the Calgary Combative Sports Commission Bylaw 53M2006 (Attachment).

RECOMMENDATION OF THE PRIORITIES AND FINANCE COMMITTEE, DATED 2014 SEPTEMBER 30:

That Council give three readings to **Proposed Bylaw 67M2014**.

PREVIOUS COUNCIL DIRECTION / POLICY

At the 2014 June 09 combined meeting of Council report PFC2014-0418 was approved. This report directed Administration to:

1. Direct that the administrative functions of the Calgary Combative Sports Commission as described in Appendix A (the "Administrative Functions") be transferred to Administration;
2. Direct Administration to create a FTE position to carry out the Administrative Functions of the Commission based on an overall cost recovery model;
3. Direct Administration to work with the Commission Chair (the "Chair") to transfer the Administrative Functions and all records of the Commission to Administration;
4. Direct Administration to work with the Chair to develop written and electronic materials to standardize Commission procedures and processes;
5. Direct Administration to work with the Chair to determine and acquire the technology needed to increase the efficiency and effectiveness of the Commission;
6. Direct Administration to include an operations budget for the Commission in Action Plan 2015-2018 which ensures the Commission has sufficient financial resources to effectively carry out its duties;
7. Direct the Commission to provide an annual report to the Priorities and Finance Committee in accordance with the corporate governance framework; and
8. Direct Administration and the Commission to complete their bylaw review by the end of the third (3) quarter of 2014 and present the new bylaw for Council's review.

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BACKGROUND

The Commission was established over 100 years ago as a Commission of Council with the mandate to ensure combative sports events were conducted in a safe environment for the participants, officials and spectators. Its duties and governance have evolved as combative sports and society have evolved over time, and as such, there have been periodic reviews and reforms of the Commission in order to align. The last review and reform occurred in 2006, and resulted in the current *Combative Sport Commission Bylaw*.

Over the last few years, there has been a consistent increase in the number and size of combative sports events and the workload for the members of the Commission, all of whom are volunteers, has become unsustainable. To better manage the workload, the Calgary Combative Sports Commission and Administration presented a report (PFC2013-0720) to Priorities and Finance Committee. PFC referred the matter to the Mayor's Office and a report was brought to the 2014 June 09 combined meeting of Council, at which time a number of recommendations were made.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

The Calgary Combative Sports Commission and Administration have been working together to respond diligently and efficiently to the 2014 June 09 direction provided by Council, and arising from PFC2014-0418. The following is a list of the key changes based on these recommendations, categorized into four areas: 1) Administrative Functions & Record Keeping; 2) Bylaw Amendments; 3) Fiscal sustainability; and 4) Technology.

1) Transition of Administrative Functions & Record Keeping

Through PFC2014-0418, Council directed Administration to transition Commission administrative functions to The City through the creation of a full time equivalent position (FTE), as a means of ensuring the Commission itself could focus its efforts on overseeing the regulation of combative sports events (recommendations 1, 2, and 3).

The additional FTE is currently being funded within the existing Commission budget, however moving into 2015-2018, this position would be covered within the cost recovery fees established by the proposed amended bylaw (see #3 below).

This position has now assumed responsibility for the administrative functions of the Calgary Combative Sports Commission, including preparing all materials for Commission meetings, recording of minutes; management of all Information Technology assets of the Commission; website oversight; and, coordinating all materials and administrative paperwork necessary for the Commission to undertake overseeing of weigh-ins and sporting events. In addition to allowing the Commission to focus on event organization and coordination, this transition also ensures processes will be consistent during future Commission turnover, and will also ensure records compliance with the Freedom of Information and Protection of Privacy Act (FOIP).

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2) Bylaw Amendments / Standardized Procedures

The Combative Sports Commission Bylaw (Bylaw 53M2006), originally developed in 2006, sets out the operating requirements and associated standards for combative sports events. The bylaw was reviewed by Administration in collaboration with the Calgary Combative Sports Commission, and it was determined that the current governance structure for the Commission was overly restrictive and provided for limited Commission flexibility in managing day to day operations. Additionally, the review identified opportunities to streamline the bylaw to enhance clarity and ease of implementation. Subsequently, Administration, in collaboration with the Calgary Combative Sports Commission, is proposing several amendments to the Bylaw (Attachment) which will address these issues, as well as updating the bylaw based on recent federal legislative changes (referenced in PFC2014-0418) which relate to rules for mixed martial arts and boxing events.

In addition to the proposed bylaw Administration and the Commission have been jointly focusing on standardizing procedures and practices through the development of an extensive rules and regulation manual that outlines the specific rules and regulations that will be used by the Commission to govern the various combative sports events (recommendation 4 and 8). This document will ensure consistency in Commission practices and further enhance event organization and efficiency. Further, as a means of supporting this focus on effective Commission governance practices, the Commission will report annually to the Priorities & Finance Committee (PFC), in the third quarter of each year (recommendation 7).

3) Fiscal Sustainability

The Calgary Combative Sports Commission is intended to be self supporting, however with the majority of funding coming from event gate fees, this model is currently unsustainable. At present, fees barely cover the cost of regulating a combative sporting event and do not address the additional administrative costs associated with weigh-ins and Commission meetings. To address the financial sustainability issue, a review was conducted on the fees charged and an adjusted fee schedule is recommended (Schedule B of the attachment).

The new recommended fee schedule is based on best practices in other jurisdictions including Edmonton's Combative Sports Commission, British Columbia's Provincial combative sports governing body, Ontario's Provincial Commission, the Nevada State Athletic Commission along with the California State Athletic Commission. The recommended fee schedule will effectively cover the costs of the Commission and ensure a full cost recovery model.

The new fee schedule would have a standard event fee assigned based on the facility capacity and, ultimately event size; whereas the old fee structure had licence fees based strictly on the type of event (boxing and non-boxing). This change provides more fairness in event costs, factoring in event size; while also enhancing revenue potential. Another key change of the fee schedule is that instead of fees charged for officials based on the type of events and the number of bouts, there is now a standard, flat fee for each type of official needed at the event; which results in cost savings to the Commission.

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4) Technology

As per Council direction, the Commission is reviewing opportunities to incorporate additional technology enhancements into its practices and procedures (recommendation 5). This includes the use of mobile technology at weigh-ins, sporting events, and Commission meetings to streamline operations and support customer service. Further, the Commission is also examining options to enhance its website content, with a focus on increased accessibility of information. This work is currently underway in collaboration with Information Technology and additional Administration partners. Any costs associated with acquiring technology will be covered within the existing Commission budget.

Additionally, Action Plan 2015-2018 includes the operating budget of the Commission as part of the Animal & Bylaw Services Business Unit (recommendation 6).

Stakeholder Engagement, Research and Communication

The revised Bylaw was provided to stakeholders throughout the revision process and was given the opportunity to submit comments. Administration and the Commission have a good working relationship and have been consistently working together. Administration will continue to support the Commission through the assigned administrative function FTE held within the Compliance Services area.

Strategic Alignment

The recommendations align with the purpose of the Calgary Combative Sports Commission; to regulate, govern and control professional combative sporting events and contestants within the city of Calgary in consultation with the City of Calgary Administration. The proposed governance changes will assist in establishing safe operations of these events to continue in our community and those new opportunities for business success support the vitality of the Combative Sports industry in Calgary and within a framework that will remove the burden of extensive workload on volunteers.

Social, Environmental, Economic (External)

Council, over 100 years ago, decided that combative sports are part of a vibrant and diverse sporting environment. Today, combative sports continue to be a valuable source of culture and entertainment to a large segment of Calgarians. A volunteer Commission has been identified as a valuable community resource to ensure the future success of combative sports within Calgary and all of Alberta.

Financial Capacity

Current and Future Operating Budget:

Due to the self supporting nature of Compliance Services, Business Licence, and the full cost recovery model of the Commission, there is no additional funding being requested to pay for the additional FTE that has been hired to help with the administrative work. The Commission members are volunteers and therefore no funding is requested for them to continue their work.

Current and Future Capital Budget:

Not applicable.

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Risk Assessment

Combative Sports, such as those sanctioned by the Calgary Combative Sports Commission, carry inherent risks to competitors. It is the responsibility of the Commission and Administration to minimize these risks wherever possible. Improving the bylaw and governance will ensure that the Commission and Administration remain current with industry standards.

REASON(S) FOR RECOMMENDATION(S):

The Calgary Combative Sports Commission has been working closely with Administration to address the 2014 June 09 direction provided by Council. These changes are addressed through the following categories: 1) Transitioning administrative functions and record keeping from the Commission to Administration in order to allow members of the Combative Sports Commission to focus on managing events; 2) Bylaw amendments and standardized procedures to streamline information access and allow for increased Commission flexibility in managing day to day operations such as running events and promotions; via an amendment to Bylaw 53M2006; 3) Ensure financial sustainability of the Commission by adjusting the fee schedule in order to ensure sufficient financial resources; and, 4) Investigate the acquisition and use of technology, to create efficiencies within the Commission.

ATTACHMENT

Proposed Bylaw 67M2014