

Letters from Third Parties



Delivered by Email (Lori.Kerr@calgary.ca)

June 27, 2014

Ms. Lori L. Kerr, B.A., LL.B., LL.M.
Manager, Civic Partners
Community & Neighbourhood Services

Dear Ms. Kerr:

This is in response to your letter of June 3, 2014 requesting feedback of impacts and /or risks, including legal, business, financial and privacy to our organization if The City imposes a compensation disclosure policy on Calgary Technologies, Inc.

Calgary Technologies Inc, is of the view that compensation disclosure will potentially harm our organization in a number of areas including:

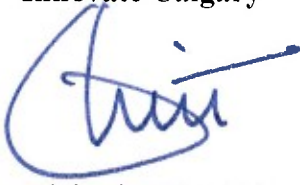
- Hiring and maintaining quality personnel— part of the allure of working at CTI is for the intrinsic reward from helping entrepreneurs and improving the economy of the community. If compensation is publically disclosed, this may reduce our ability to recruit new hires at a compensation level that our Non-Profit organization can sustain.
- Public disclosure may create a motivation for our existing staff to demand to be compensated equally, increasing our salary expense burden.
- The proposed threshold is suggested at a level that make disclosure of personal details for many of our staff, if all types of payments are to be listed. An incorrect message can be given by a “total” compensation number, if a breakdown of component parts of the number are not detailed (bonus, expense reimbursement, base salary, benefits, etc).
- CTI may also lose key personnel if they are not comfortable with the attendant loss of privacy and possible public scrutiny.
- Disclosure may be inconsistent with the policies of organizations with which CTI interacts.

In our view, since the City contributes only approximately 7% of CTI's overall revenue through grant funding, a requirement for public compensation disclosure is intrusive relative to the overall benefit to which the policy is directed.

In conclusion, while CTI operates with and fosters transparency to our shareholders in providing audited financial statements and exercises clear controls over our financial transactions through good governance, we believe that this disclosure requirement will damage our business to a greater extent than the possible benefits which might be derived.

Yours,

Innovate Calgary

A handwritten signature in blue ink, appearing to read 'Whitt', with a large, sweeping initial 'W' and a horizontal line extending to the right.

Michael Whitt, Q.C.
Chair

24 June 2014

Dawn Smytaniuk, CHRP, CEBS
Project Manager – Exempt Job Evaluation, Total Rewards
Human Resources
The City of Calgary Mail code: # 84
dawn.smytaniuk@calgary.ca
P.O. Box 2100, Station M, Calgary AB CANADA T2P 2M5

Dear Ms. Smytaniuk,

PUBLIC SERVICE COMPENSATION AND EXPENDITURE DISCLOSURE

On behalf of the Board of the EPCOR Centre for the Performing Arts, we are pleased to provide feedback in response to your request dated June 3rd for feedback on a potential Public Service Compensation and Expense Disclosure:

- As a private, autonomous corporation, the EPCOR Centre operates under the **Personal Information Protection Act** (PIPA), which precludes us from disclosing personal information, such as an individual's salary without their consent. Therefor we will need employees' consent to disclose any of their personal information, since the Act provides individuals with a right of access to their own personal information. Our employment contracts are confidential, and our employees did not consent to the disclosure of their salaries, benefits or other compensation at the time they were hired. Disclosing any such information would violate the confidentiality of their agreements.
- We operate in an environment where we **compete** for senior talent with Corporate Calgary, where such disclosures are not always required. Having to disclose such information makes us less attractive to prospective employees, who would prefer to work in organizations where their private information is protected.
- Our contractual obligations to our employees are **private and confidential**. Sharing this information publicly will cause unmanageable and unnecessary stresses in our employee human relations, and potentially lead to legal challenges.
- The EPCOR Centre's relationship with The City is guided by our **Lease Agreement and Operating Grant Agreement**, and we operate in full compliance with all the requirements of these agreements, which do not include disclosure of compensation details.
- The City operating grant comprises about 20% of our operating budget, and flows directly through to our **Resident Companies** in the form of a reduction in Operating Costs. Therefor a very small portion of The City's grant goes to support employee compensation directly, and that percentage certainly does not reach the \$100,000 limit for disclosure.

- The general consensus amongst the Civic Partners is that this disclosure would negatively affect our organizations' abilities to successfully operate and fundraise in the community.
- The EPCOR Centre discloses our top level wage ranges annually on our federal T3010 return as a charity (these do not include personal information, and thus does not violate PIPA legislation).

Based on these considerations, we would respectfully be unable to support a City of Calgary policy of compensation disclosure.

Sincerely



JOHANN F ZIETSMAN
President and CEO

24/6/14

Date

HENRY W SYKES QC
Chairman



Date

June 25, 2014

Ms. Dawn Smytaniuk, CHRP, CEBS
Project Manager – Exempt Job Evaluation, Total Rewards
Human Resources
The City of Calgary
P.O. Box 2100, Station M (#84)
Calgary, AB T2P 2M5

Dear Ms. Smytaniuk,

**Re: Public Service Compensation and Expense Disclosure
Your letter of June 3, 2014**

Thank you for the opportunity to comment on the salary disclosure proposal.

Fort Calgary does not have any employees who have a base salary of more than \$100,000 a year and therefore would be beyond the scope of the proposal.

The Fort Calgary Preservation Society is incorporated under the Societies Act and operates Fort Calgary on behalf of the City in accordance with a License of Occupation. The Society is not an agent of the City and operates under an independent Board of Directors.

Presumably, this structure was chosen by the City to provide a degree of independence from the City or else the Fort would simply be operated as a City facility and park. Part of this independence was likely intended to allow the Board to organize and operate Fort Calgary in accordance with its own policies so long as it was in compliance with the Licence of Occupation.

Inclusion in the salary disclosure proposal would be an encroachment on the independent governance of the Fort and the ability of Fort Calgary's Board of Directors to tailor human resources policies to build the team necessary to deliver the mission of the Society.

Generally, disclosure policies have resulted in an upward pressure on salaries as employees see what their colleagues are making, either within a particular organization or

Contact Us

Sara-Jane Gruetzner
403 290 1875 ext. 225
sgruetzner@fortcalgary.com

Fort Calgary Preservation Society

P.O. Box 2100, Station M (#106)
Calgary, Alberta, Canada
T2P 2M5

Charitable Number:
11892 7870 RR0001
fortcalgary.com

in other organizations, and then push to increase their salaries to match those of their perceived peers.

In the non-profit sector, recruitment and retention is already a significant challenge without adding the pressure of having to meet salary expectations created by disclosure. The fact that Fort Calgary has no employee with a base salary in excess of \$100,000 highlights the already significant challenges of getting and keeping good employees in an organization where budget constraints impose a significant discipline on the salary structure.

Thank you again for the opportunity to share our views. If you would like to discuss this further, please contact me.

Regards,



Dr. Cecilia Gossen
Chairman, Fort Calgary Board of Directors

c.c. Ms. Lori L. Kerr, Manager, Civic Partners
Ms. Sara Jane Gruetzner, President & CEO, Fort Calgary
Mr. Chuck Meagher, Senior Legal Counsel, TransAlta Corporation

Contact Us

Sara-Jane Gruetzner
403 290 1875 ext. 225
sgruetzner@fortcalgary.com

Fort Calgary Preservation Society

P.O. Box 2100, Station M (#106)
Calgary, Alberta, Canada
T2P 2M5

Charitable Number:
11892 7870 RR0001
fortcalgary.com



June 2014

Dawn Smytaniuk, CHRP, CEBS
Project Manager - Exempt Job Evaluation, Total Rewards
Human Resources
The City of Calgary | Mail code: #84
dawn.smytaniuk@calgary.ca
P.O. Box 2100, Station M, Calgary, AB Canada T2P 2M5

Dear Ms Smytaniuk,

Further to your request of June 3rd asking for our feedback on the impacts of a potential Public Service Compensation and Expense Disclosure, please find herein, Heritage Park's concerns with such a process:

Privacy/Legal Concerns:

The *Personal Information Protection Act* (PIPA) under which Heritage Park falls, precludes disclosing personal information, such as an individual's salary without their consent. The Act protects individual privacy by requiring organizations to obtain consent for the collection, use and disclosure of personal information, and providing individuals with a right of access to their own personal information.

Heritage Park's employment contracts are confidential. Employees did not consent to the disclosure of their salaries, benefits or other compensation at the time they are hired. In the absence of any legal or regulatory requirements to change our practices, it would be impossible to provide employees with sound justification for violating PIPA legislation by disclosing specific personal income information.

Competitiveness:

Heritage Park struggles to compete for talent in a city with a large oil and gas sector. Disclosure will further impact the Park's ability to recruit senior positions since organizations with no disclosure requirements may be seen as more desirable employers due to the privacy issue.

Heritage Park uses unique performance appraisal processes, business objectives, and compensation strategies, including awarding merit increases for individual achievement of goals. Consequently, there can be great variety in salary amounts that require a much more

detailed understanding of performance and successful achievement of benchmarks. A disclosure of compensation has a very real potential to lead to internal strife between management, staff and unionized employees. As other employees become aware of each other's compensation, they may demand more. Any expectation of increased salary is not sustainable.

Other considerations:

- Heritage Park employees are not City employees, and no part of our 12% operating grant offsets wages and benefits.
- There is no requirement in Heritage Park's operating agreement with the City requiring the Park to divulge such information.
- The public will have no frame of reference for interpreting disclosed salary levels. Organizational size, complexity, budget levels and competitive salary levels for comparable institutions are all factors of which they will not be aware.
- The general consensus among the Civic Partners is that this disclosure would negatively affect our organizations' abilities to successfully operate and fundraise in the community.
- Heritage Park currently meets all of its regulatory obligations and discloses its top level wage ranges on its federal T3010 return as a charity, although these do not include the names or positions of those employees, nor their specific compensation and thus does not violate PIPA legislation.

In conclusion, Heritage Park would not support a City of Calgary policy of compensation disclosure.

Regards,



Gordon K. Case

Chair – Heritage Park Society Board



Joe Anderson

Vice Chair – Heritage Park Society Board

c.c. Alida Visbach – President and C.E.O., Heritage Park Historical Village

BOARD OF GOVERNORS

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June 13, 2014

Lori L. Kerr
Manager, Civic Partners
Community & Neighborhood Services
City of Calgary

Re: Parks Foundation Calgary Civic Partners Public Sector Disclosure
Opinion

Dear Ms. Kerr:

In reference to your letter Notice of Motion Public Service
Compensation & Expense Disclosure, June 3, 2014, we forward the
Opinion of our organization.

The Executive Committee of Parks Foundation, Calgary Board of
Governors, under the leadership of Chairman John R. Houghton
embraces the desire of The City for transparency. However, the Civic
Partner talent pool is small and competitive in the market place and we
believe on balance for each of these non-profit organizations inclusion
in a compensation disclosure policy would serve no public good and
have a negative impact.

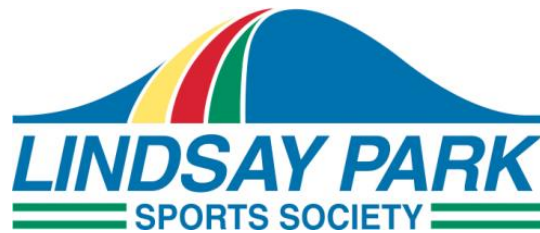
Thank you.

Sincerely,



Myrna Dubé
CEO

CC: John Houghton, Mark Terrill, Rick Nicholson



June 23, 2014

Dawn Smytaniuk, CHRP, CEBS
Project Manager - Exempt Job Evaluation, Total Rewards
Human Resources
P.O. Box 2100, Station M, Calgary, AB T2P 2M5

RE: *City of Calgary Public Service Compensation & Expense Disclosure*

Dear Ms. Smytaniuk,

Thank you for providing Lindsay Park Sports Society (LPSS) and Talisman Centre with the opportunity to reply to the *City of Calgary Public Service Compensation & Expense Disclosure* (NM2014-03) Notice of Motion.

We applaud the efforts of the City to improve accountability, transparency and openness to taxpayers. However, as an organization we have significant concerns with the effect this proposed disclosure will have on Talisman Centre and urge you to reconsider the reach of the proposed disclosure such that it does not apply to civic partners, such as Talisman Centre.

A summary of our concerns are as follows with a detailed account of each attached in the appendices:

1. **Legal** - We have a separate legal existence from the City as a not-for-profit society incorporated under the Societies Act and we are not an agency, board or commission of the City. Therefore it is not appropriate for the City to request Talisman Centre to disclose such details. Further, it is our view that the salary information and employment agreements of our employees are confidential and may not be disclosed.
2. **Privacy** – LPSS and Talisman Centre staff are subject to the *Personal Information Protection Act* (Alberta) as we are not a public body nor do we have any personal information that is in the custody of or under control of a public body.
3. **Business** – adoption of the Notice of Motion will make it more difficult for Talisman Centre to compete for staff with organizations that have greater financial resources, it will impact our ability to attract and retain staff and will create internal strife amongst employees.
4. **Financial** - adoption of the Notice of Motion will likely drive up salaries. We also believe the \$100,000 threshold is too low in today's Calgary market.

In closing, Lindsay Park Sports Society does not support the Notice of Motion and urges those involved to reconsider with an understanding of the negative impact this will place on our, and other like, organizations.

Yours truly,

Nick Walker
Chair, LPSS Board of Governors



APPENDICES

Legal

- It is our view that the salary information of our employees is confidential and may not be disclosed.
- Disclosing salaries may risk the personal safety and financial security of those for whom such disclosure is made whether through robbery, identity theft or other means.
- We have a separate legal existence from the City as a not-for-profit society incorporated under the Societies Act. We are not an agency, board or commission of the City. We operate at arm's length from the City under a contract between us. We note that the Province of Alberta has not extended their disclosure to provincial agencies or commissions, let alone independently-operated organizations that receive financial support from time to time.
- We report to the City as required by the terms of the Management and Operating Agreement between us. Compensation has always been a matter that was to be exclusively addressed by the Society and the agreement contains no requirement to disclose it.

Business

- We compete for employee talent with other sports & recreation centers and similar organizations, locally, provincially and nationally. Some of our competitors are privately funded and/or have significantly greater financial resources than Talisman Centre - – WinSport, the Winter Club, YMCA, Glencoe, etc. Making salary information publicly available would provide an increased likelihood that our senior staff could be recruited away from us in what is already a competitive environment. This is particularly of concern in respect of our CEO. As we are a small organization, the loss of our senior management would be very detrimental to us.
- We believe that such disclosure will adversely affect our ability to attract and retain senior staff who would potentially be subject to such disclosure. Many of the organizations that we compete with do not have such requirements. When faced with a choice of working for an organization that makes the compensation of certain of its staff public versus an organization that does not, all other things being equal, we believe the choice of the vast majority will be to select the organization that keeps this information confidential.
- We believe there is sufficient information within LPSS's annual audited financial statements (such as the surpluses we have historically generated annually) already for taxpayers to make a determination as to LPSS's performance to meet the desired objectives of the Notice of Motion.
- Our audited financial statements and an annual report are made available to all citizens of Calgary. This level of reporting has proven to be satisfactory to our stakeholders. None of our stakeholders have ever requested individual compensation information.
- Salaries of our senior staff are set responsibly by the Board and CEO on the basis of, among other things, an assessment of the market. While we are not at all embarrassed about the salaries we pay, we believe that disclosure will provide a mechanism for criticism (even though it is unwarranted).
- We expect that disclosure will lead to internal strife among members of our organization. Our pay varies on the basis of job description, seniority and other factors. Some staff may be resentful of what others are paid and this could be damaging to our culture, work environment and employee retention.
- Salaries are personal to an individual and not anyone else's business. If our employees wanted to work in the public sector where this information would have been expected to be disclosed, they would have done so.



Financial

- We are concerned that disclosure will lead to an escalation of salaries as this information will be more readily comparable. We appreciate that the reverse is also a possibility, but in our experience, a reduction in salaries is an unlikely result. As a not-for-profit organization, wages are already a significant expense of our organization, which we manage carefully. Further escalation of salaries would be an unwelcome result of this initiative.
- We think the \$100,000 threshold is too low. Calgary has a competitive work environment and is becoming a relatively expensive City in which to live. Salaries of \$100,000 or more are not unusual. In addition to a higher threshold, if this proposal is extended to civic partners, we think the number of affected individuals should also be restricted to senior most leadership of the organization where there is the highest level of accountability.

Privacy

- LPSS and Talisman Centre staff are subject to the *Personal Information Protection Act* (Alberta) as we are not a public body nor do we have any personal information that is in the custody of or under control of a public body. Personal information in respect of our employees may not be disclosed without their consent. Should this proposal be implemented, as a condition to providing the City with this information, we will require amendments to the Management and Operating Agreement with the City to, among other things, provide LPSS with covenants from the City to comply with applicable laws and an indemnity for any claims brought by employees.

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June 26, 2014

The City of Calgary
P.O. Box 2100, Station M
Mail Code #84
Calgary, Alberta
T2P 2M5

Attention: Dawn Smytaniuk, Project Manager, Human Resources

Re: Notice of Motion, Public Service Compensation & Expense Disclosure

Dear Ms. Smytaniuk,

This refers to your letter dated June 3, 2014, which invites feedback from Civic Partners regarding the City of Calgary's Public Service Compensation & Expense Disclosure Notice of Motion.

Please be advised that the Calgary Convention Centre Authority, a body incorporated and created by Private Act of the Alberta Legislature and engaged in a commercial activity, is statutorily bound to protect personal information, pursuant to Alberta's Personal Information Protection Act (PIPA). This personal information includes income, financial, and employment history.

Therefore, unlike the provisions contained in the Freedom of Information and Protection of Privacy Act (FOIP), PIPA does not permit us to use or disclose personal information for any purpose other than that to which consent has been given—except in circumstances where no consent is required.

Yours truly,

Jon Netelenbos
Director, Support and Security Services

Cc: Marcia Lyons, General Manager, Calgary TELUS Convention Centre
JN/es

Smytaniuk, Dawn R.

From: Jennifer Martin [jennifer.martin@sparkscience.ca]
Sent: Thursday, June 26, 2014 1:32 PM
To: Kerr, Lori; Smytaniuk, Dawn R.
Cc: Cameron Bailey; Christy Hood
Subject: Re: Feedback on Notice of Motion - City of Calgary Public Service Compensation & Expense Disclosure for June 27th, 2014

Hi Lori,

Great to see you this morning. Thanks for a good meeting.

Here are the key points that my Board and I have discussed, and would ask you to put forward for consideration. I have copied our Human Resources Committee Chair, and Director on our Society Board, Cameron Bailey. Also copied is our Human Resources Business Partner, Christy Hood. Please contact me if you have any questions or seek clarification.

1. Privacy – All staff of TELUS Spark have their employment agreement with the Calgary Science Centre and Creative Kids Museum Society. These private employment agreements were signed in good faith, and public disclosure of personal information contravenes the Personal Information Protection Act (PIPA).
2. Recruitment & Retention - Strategic senior employees have unique professional skills associated with the work of a science centre or science museum. The competitive pressure to employ effective senior leaders may result in the departure of key staff to jurisdictions where personal information is protected by law. Business objectives, particularly associated with raising private sector donations, are unique to this sector. TELUS Spark cannot sustain or maintain operations if these key leaders resign as a result of this action. Attracting future senior talent would likewise be compromised.
3. Salary Escalation - Research based on the Ontario experience shows that there is a correlation between the public sector salary disclosure and increased in wage rates for the highest paid employees.

To quote an article in the Financial Post (July 8, 2013):

"In a 2010 academic paper, two University of Toronto economists — Rafael Gomez and Steven Wald — analyzed the impact of salary disclosure... [T]hey cite a 2006 comment by Brian Orr, a vice-president of the London Ontario Health Science Centre: 'Employees who learn they are being paid less than peers demand more...'"

"Gomez and Wald called it the 'race to the top.' Wages almost never go down, in part because people never want to give up what they have. But when information about the higher incomes of others becomes public, the incentive to seek higher wages is powerful..."

[Canadian Public Administration, March 2012](#): "When public-sector salaries become public knowledge: Academic salaries and Ontario's Public Sector Salary Disclosure Act," by Rafael Gomez and Steven Wald

Jennifer

Jennifer Martin | President + CEO

TELUS Spark

220 St. George's Drive NE, Calgary, Alberta, Canada T2E 5T2

Smytaniuk, Dawn R.

Subject: FW: Compensation & Expense Disclosure

From: Kerr, Lori
Sent: Wednesday, June 11, 2014 8:47 AM
To: Smytaniuk, Dawn R.
Subject: RE: Compensation & Expense Disclosure

Dr. Clément Lanthier, President & CEO, Calgary Zoo

From: Clément Lanthier [mailto:ClementL@calgaryzoo.com]
Sent: 2014 June 10 11:17 AM
To: Kerr, Lori
Subject: Compensation & Expense Disclosure
Importance: High

Dear Lori,

Here is my response to your request regarding feedback on Notice of Motion - City of Calgary Public Service Compensation & Expense Disclosure.

- Privacy Legislation: The *Personal Information Protection Act* (PIPA) precludes disclosing personal information, such as an individual's salary without their consent. The Zoological Society is a private entity, receiving a relatively small portion of its operating revenues from the City and being managed by its own Board of Trustees. The Zoo falls under PIPA privacy legislation.
- The current City policy applies to "agencies, boards and commissions". The Calgary Zoo is not an agency, board or commission as per the Alberta Public Agencies Act.
- Calgary Zoological Employees are not City employees.
- There is no requirement in the Zoo's *Lease and operating agreement* requiring the Zoo to divulge such information.
- This could affect the Zoo's ability to staff senior positions as organizations with no disclosure requirements could be seen as more desirable employers due to their privacy surrounding salaries.
- Privacy sector employers, like the Calgary Zoo, do not publically disclose compensation. There are unique performance appraisal requirements, business objectives, compensation strategies, etc. that are utilized in the private sector, including rewarding contributions for achievements of goals. Consequently, there can be great variety in salary amounts that do not appear logical at first glance, but require a much more detailed understanding of performance and successful achievement of goals. Thus, a blatant disclosure of salary does not serve a useful purpose.
- The costs to the Zoo to administer Sunshine disclosure is also a significant consideration.
- The rationale for Sunshine disclosure policies is based on a public sector employment scheme funded by the general population through taxes. This is not the case in respect to the Zoo, which is a private sector conservation & tourist destination operation.
- The experience in Ontario will happen in Alberta, namely, disclosure of this information will result in an overall increase in salaries. As other employees become aware of each other's compensation, they will require more. We are a non profit organization with limited resources and increased salary expectations is not a viable objective.
- The general consensus among the Civic Partners is that this disclosure would negatively affect our organizations' abilities to successfully fundraise in our community

In conclusion, the Calgary Zoo does not support the interpretation that will have to subscribe the proposed City of Calgary Public Service Compensation & Expense Disclosure policy.

Regards,

Clément Lanthier