

CALGARY TELUS CONVENTION CENTRE GOVERNANCE

EXECUTIVE SUMMARY

On 2013 November 18, Council approved three recommendations aimed at improving governance at the Calgary Convention Centre Authority (the Authority). This report provides an update on the implementation of these recommendations and seeks Council's approval to remove the Authority's vacancies from the Boards, Commissions and Committees advertisement and instead use a robust recruiting process to provide non-binding recommendations to Council. The recommended approach is based on a review of possible options, including Audit report results and processes for other Civic Partner organizations.

ADMINISTRATION RECOMMENDATION(S)

That the SPC on CPS recommends that Council:

1. Approve the removal of the Calgary Convention Centre Authority from:
 - a. the City Clerk's advertisement, recruitment and appointment of the Boards, Commissions and Committees process; and
 - b. the 2015 October 19 Organization Meeting appointment process.
2. Direct the City Clerk to forward all 2015 applications to the Calgary Convention Centre Authority.
3. Receive this report as an item of Urgent Business for the 2015 October 05 Meeting of Council.

PREVIOUS COUNCIL DIRECTION / POLICY

On 2013 November 18, at a Combined Meeting of Council, Council approved a series of Audit Committee recommendations contained in report 'AC2013-0654 Calgary Convention Centre Authority Governance Framework Audit.' Recommendations included:

1. That Council improve the governance framework between Council and the Authority by directing Administration to work with the Authority to: a) Establish and clearly define accountabilities with respect to specific outcomes, and roles and responsibilities. The ten principles outlined in the Framework of Principles for Governance Relationships with the City's wholly owned subsidiaries and current governance initiatives such as the Corporate Secretariat (e.g. model documents) should be considered; and b) Update the Operating Agreement accordingly;
2. Council direct Administration to improve the effectiveness of Council's oversight of the Authority by working with the Authority to: a) Review current reporting processes that support Council's oversight taking into account the observations in this report; b) Determine the appropriate process/processes for the Authority; c) Ensure that reporting processes include performance requirements, actual performance against goals, and information on the stewardship of The City's assets; and d) Consider streamlining reporting processes by excluding the Authority from Civic Partner reporting and continuing to report annually to Audit Committee; and
3. Council direct Administration to work with the Authority to improve board recruiting and vetting by obtaining Council approval to remove Authority vacancies from the Boards, Commission and Committees advertisement and the regular appointment process of Council's Organizational Meeting and develop a robust recruiting and vetting process to bring forward candidates to Council.

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BACKGROUND

The Authority was created through the *Calgary Convention Centre Authority Act* (Alberta) (the Act) in 1974. The Act sets out the powers of the Authority including the power to appoint the General Manager and Council's oversight role, which includes the appointment of ten Authority members.

The Calgary Convention Centre Authority Governance Framework Audit final report was undertaken as part of The City Auditor's 2012 Audit Plan. The Audit assessed the governance relationship between The City and the Authority to provide assurance that there was a comprehensive governance framework in place. Overall, the report determined that there are a number of opportunities to improve the current governance framework between Council and the Authority. As noted above, Council adopted the three recommendations outlined in the report which all related the critical importance of an effective governance framework.

The 2013 Audit Report suggested that the current governance framework between The City and the Authority led to differing interpretations of the Authority's purpose and a lack of clarity with respect to roles and responsibilities.

With respect to recommendations one and two of the Audit report, Administration continues to work with the Authority to improve the governance framework between Council and the Authority to address these issues. The framework for amendments to the Authority's operating agreement is in development and will incorporate the ten principles for governance outlined in the Auditor's report, and clearer information about the accountabilities with respect to specific outcomes, roles and responsibilities. Administration is also working with the Authority to ensure its reporting is streamlined and aligns with The City's Results Based Accountability approach. Information about reporting on performance and assets is also being considered for inclusion in the amendments for the operating agreement. The work is expected to be completed by 2015 Q4.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

With respect to recommendation three, strategic recruiting of Authority members will help ensure the organization has the experience and skills needed to develop strategies that address the complex issues it faces. The Authority has already begun implementation of the recommendation at the operational level including hiring an external consultant to support the development and completion of an experience and skills matrix to assess the complement of experience and skills of its current members and identify gaps to be addressed in recruitment. Outlined in the Attachment is the Authority's approach to recruiting new members and identifies the categories of experience and skills to be assessed.

To enhance the Authority's work to date and move toward full implementation of recommendation 3, Administration has worked with the Authority to develop a revised recruitment process. The process would include the following elements:

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Process
Engage an external search firm to provide expert advice and guidance throughout the recruitment process.
Complete the experience and skills matrix annually or when vacancies arise to identify gaps and determine skills and experience required for prospective members.
Run a public advertisement campaign for member vacancies.
Identify, engage and evaluate potential candidates.
Create a shortlist of potential candidates.
Interview candidates.
Bring forward a report to Organizational Day with potential candidates for Council's consideration and approval.

Using this process, the Authority would recruit members to ensure that the Authority has a full complement of skills and experience needed. Council would retain control through the final approval of appointments. A similar process has been in place for the Calgary Public Library since 2013 and has been successful.

Prior to arriving at this recommendation, Administration explored other options to address the issues identified in the Audit. City Clerk's also identified an alternative process to the CPL that is in place for The Calgary Parking Authority (CPA). CPA advises candidates to submit their applications through the City Clerk's public process and then City Clerk's provides them with the applications they collect. Based on these submissions, CPA brings forward recommendation to Council for approval. To enable this process, CPA obtained Council direction for the applications to be released to them, as the applications are submitted to the City Clerk's Office.

The Authority's preference is to follow the Audit Report's recommendation to be removed from the City Clerk's Boards, Commissions and Committees advertisement and recruitment and instead work with an external search firm to identify potential candidates with specific skills and experience to address gaps through the above-noted process.

During the latter stages of the work leading to this report and recommendations, Council's Legislative Governance Task Force has embarked on a project to review the citizen appointment selection process to boards, commissions and committees. It is anticipated that a new process will be proposed to Council, at Council's 2016 October organizational meeting. Should any new process have implications for the Convention Centre, and the direction recommended in this report, Administration would report back with any consequential matters, and associated recommendations.

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Additionally, the Authority will be presenting to Council at the 2015 November 16 Strategic Session. This session will enable the Authority and Council to discuss the Authority's strategic plans. The Authority will have three vacancies by the 2015 October 19 Organization Meeting. If these vacancies were filled using the new recruitment process after the November strategic discussion, the candidates selected would have the skills and experience required to implement the outcomes of the strategic session. As the City Clerk's advertisement and recruitment process for 2015 has just concluded, Administration has recommended that The City forward all applications to the Authority to ensure that no potential candidates are overlooked.

Stakeholder Engagement, Research and Communication

This report was prepared in consultation with the Authority's management and members.

Strategic Alignment

The strategic recruitment of members for the Authority supports the following priorities from Action Plan 2014-2018

- A Prosperous city: Economic growth and competitiveness
 - Support civic, business and community partners, as well as business revitalization zones, to collaborate and attract local and global investment.

Social, Environmental, Economic (External)

The recruitment of members with expanded skills, knowledge, and diversity of experience will enhance the Authority's effectiveness to govern and lead the implementation of their mandate to manage, market and operate the Calgary TELUS Convention Centre in an efficient and market-competitive manner in order to maximize overall economic benefits to The City of Calgary while maintaining financial performance within an acceptable range

Financial Capacity

Current and Future Operating Budget:

The consulting costs associated with the recruitment process will be accommodated through the Authority's current operating budget.

Current and Future Capital Budget:

There are no capital budget implications associated with this report.

Risk Assessment

Under the Act, vacancies must be filled within 60 days after the vacancy occurs. If this recommendation is approved, vacancies would need to be filled by 2015 December 15. Until the vacancies are filled, the Authority will be operating with seven members and quorum is six members.

REASON(S) FOR RECOMMENDATION(S):

Approving the removal of the Calgary Convention Centre Authority vacancies from the Boards, Commissions and Committees advertisement and the regular appointment process of Council's Organizational Meeting effective immediately will help ensure the Authority's board members have the skills and experience needed to effectively carry out their mandate. Council will continue to approve all candidates.

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ATTACHMENT(S)

Calgary Convention Centre Authority Skills Assessment Information