

## **GOVERNANCE REVIEW FOR CALGARY COMBATIVE SPORTS COMMISSION**

---

### **EXECUTIVE SUMMARY**

The Calgary Combative Sports Commission (CCSC) and Administration are requesting Council approval to engage the services of an independent governance consultant to conduct a systemic review of the CCSC structure, budget and membership. The review would consist of a comprehensive analysis of past and current governance models including best practices from other jurisdictions in order to ensure the CCSC and Administration continue to improve and achieve the mandate of regulating combative sports in the city of Calgary.

### **ADMINISTRATION RECOMMENDATION(S)**

That the Priorities & Finance Committee recommends that Council:

1. Direct Administration (in consultation with the Calgary Combative Sports Commission,) to engage the services of an independent governance consultant to undertake a governance review of the Calgary Combative Sports Commission.
2. Report back 2014 Q4 to the Priorities & Finance Committee with the results of the governance review and any recommendations for change arising from the review.

### **PREVIOUS COUNCIL DIRECTION / POLICY**

None

### **BACKGROUND**

On 2006 November 13, Council approved Bylaw 53M2006 which included the organizational structure and governance for the CCSC. In approving the report, City Council approved the CCSC Bylaw 53M2006 which sets out the operating requirements and standards of combative sport events. Prior to Bylaw 53M2006 coming into force in 2006, the CCSC was known as the 'Calgary Boxing and Wrestling Commission' established as a Commission of Council for over 100 years.

The Combative Sports Commission is established under Bylaw 53M2006. The purpose of the CCSC and bylaw is to regulate, govern and control professional combative sporting events and contestants within the city of Calgary. The Commission establishes rules and regulations and provides recommendations for the issuance of licences for events involving professional boxing, professional kickboxing, professional muay thai, and both amateur and professional mixed martial arts.

Pursuant to the Municipal Government Act, Council of The City of Calgary may pass bylaws respecting the safety, health and welfare of people and the protection of property. The Commission sanctions and monitors these events under these legislative requirements using the licensing system as a mechanism to regulate combative sport in Calgary.

Following is a summary of the major reviews undertaken over the course of the Commissions operations dating back to 1988;

- 1988 May, Resolution of Council – review Terms of Reference

## **GOVERNANCE REVIEW FOR CALGARY COMBATIVE SPORTS COMMISSION**

---

- 1990 July 23, Resolution of Council - That Aldermanic representation on the Calgary Boxing and Wrestling Commission be eliminated.
- 1997 – Resolution of Council – Organizational review of the Boxing & Wrestling Commission
- 2005 – 2006 Bylaw/governance review and restructure of the repealed Boxing & Wrestling Commission Bylaw (14M86) and coming into force the Calgary Combative Sport Commission Bylaw (53M2006).

### **INVESTIGATION: ALTERNATIVES AND ANALYSIS**

The current Commission structure consists of seven (7) members who meet the eligibility criteria set out in the bylaw, and the Chief Licence Inspector who is a non-voting member. Members appointed by resolution of Council are eligible for re-appointment for a maximum of four (4) consecutive terms but may be more with a Council resolution with 2/3 majority. Each term shall not exceed two (2) years. Quorum shall be at least four (4) voting members. Meetings are held on the first Tuesday of every month.

The mandate of the CCSC is to ensure combative sports events are conducted in a safe environment for the participants, officials and spectators. In order to assume this responsibility an effective framework for sanctioning these events must be achieved.

The overwhelming workload for the volunteer Commission has caused challenges for the Commission to meet its obligations responsibly, effectively and efficiently within the current governance; in addition, the existing budget structure requires examination to ensure long term sustainability is achieved.

There has been remarkable growth in the combative sports industry, due to the popularity of Mixed Martial Arts (MMA) events, which has created exceedingly high demands on the effort of volunteer Commission members. The present time commitment which Commission members are expected to make, and the present volume of work which Commission members are expected to perform exceed reasonable expectations of a volunteer Commission.

The Commission is intended to be self-supporting paying for its operations solely based upon gate fees collected from the events it regulates. The Commission receives either five (5) percent of the total gate fee or a potentially lesser amount of \$300.00 per professional bout when the event consists of both a professional and amateur fight card. This current budget structure is highly dependent on the number, size and success of events; making it difficult to ensure future financial stability.

The Commission has funds in its account due to the unique experience of having the Ultimate Fighting Championship (UFC) put on a Combative Sport event in Calgary in July 2012. The UFC gate fees are much higher than what is normally experienced when local promoters have an event. If these funds are used to retain a governance consultant then the Commission is concerned that it will deplete these funds and perhaps require taxpayer support for the Commission which is currently funded through gate and licence fees.

## **GOVERNANCE REVIEW FOR CALGARY COMBATIVE SPORTS COMMISSION**

---

Events dating back to 2008 are as follows;

- 2008 - 17 events – 8 Mixed Martial Arts (MMA), 4 boxing, 5 Muay Thai
- 2009 - 9 events – 5 MMA, 1 Boxing, 3 Muay Thai
- 2010 - 19 events – 7 MMA, 7 Boxing, 5 Muay Thai
- 2011 - 17 events – 7 MMA, 5 Boxing, 5 Muay Thai
- 2012 - 18 events – 10 MMA, 3 Boxing, 5 Muay Thai
- 2013 year to date - 4 MMA, 2 Boxing, 3 Muay Thai

It is important to identify potential solutions to the challenges experienced by the Commission in performing its governance duties and managing its operational and administrative functions.

### **Stakeholder Engagement, Research and Communication**

All affected internal stakeholders including the Law Department, Development & Building Approvals as well as external industry stakeholders will be consulted to ensure the complete spectrum of options is fully evaluated. In addition the governance review will look at the benefit of doing this type of engagement and research by reviewing what other jurisdictions are now doing to regulate combative sport with analysis of trends and ensuring those trends fit in a governance model that is able to adapt to any market industry changes.

### **Strategic Alignment**

The proposed Governance Review supports the Planning Development and Assessment business plan outcome;

- 3B PDA facilitates business success

The purpose of the Calgary Combative Sports Commission is to regulate, govern and control professional combative sporting events and contestants within the city of Calgary and in consultation with the City of Calgary Administration. The proposed governance review will assist in establishing safe operations of these events continue in our community and that 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)**

#### **Social**

Combative sports continue to be a valuable source of entertainment to a large segment of Calgarians. Volunteers from within the industry occupy and support the roles associated with combative sports events. A volunteer commission has been identified as a valuable community resource to ensure the future success of combative sports within the City of Calgary.

#### **Environmental**

None

## **GOVERNANCE REVIEW FOR CALGARY COMBATIVE SPORTS COMMISSION**

---

Economic (External)

Combative sports events add value to the local economy.

### **Financial Capacity**

#### **Current and Future Operating Budget:**

No impacts to operating budgets have been identified. Administration recommends that the third party consultant costs can be accommodated within the current budget held by the Commission of \$178,000.00. Early supposition suggests we proceed with the single source goods and services vendor not exceeding \$75,000.

#### **Current and Future Capital Budget:**

Should Council elect not to support funding for the governance review to come from current CCSC budget, Administration recommends other fund contributions be made from council's discretion. With Compliance Services leaving DBA (PDA) and joining ABS in CS&PS at yearend, there will be no funding opportunity to be considered from neither DBA revenues nor does Compliance Services have the capacity to absorb from current budget.

### **Risk Assessment**

Combative sports such as those sanctioned by the CCSC carry inherent risks to competitors. It is the responsibility of the CCSC and Administrations to minimize these risks where ever possible, improving the governance model will ensure the CCSC and Administration remain current with industry standards.

#### **REASON(S) FOR RECOMMENDATION(S):**

A review of the CCSC governance model by an independent consultant would add significant value to the ongoing process of the effectiveness and efficiency of the CCSC and Administrations role in regulating combative sports.

### **ATTACHMENT(S)**

None