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Community Services Report to SPC on Community and Protective Services 2019 June 12

2018 Calgary Combative Sports Commission Annual Report

EXECUTIVE SUMMARY

The Calgary Combative Sports Commission (CCSC) has been able to quickly adjust to the rapidly changing combative sports industry by reducing costs while improving regulations. CCSC has the mandate to protect The City's reputation by ensuring combative sports events are conducted in a safe environment. Council has directed CCSC to provide annual reports in accordance with the corporate governance framework. This report presents an overview of safety enhancements undertaken in 2018 and a review of the current operating and financial model. The report also recommends adjusting the Combative Sports Commission Bylaw to accommodate the unique nature of this industry. The proposed amendment would allow contestant, judge or referee an option to obtain a single day licence rather than an annual licence.

ADMINISTRATION RECOMMENDATION:

That the SPC on Community and Protective Services recommend that Council:

1. Give three readings to the proposed amendment to the Combative Sports Commission Bylaw 53M2006 (Attachment 1) to facilitate a reduced fee for one day licence, decreasing the overall cost for hosting a combative sports event.

PREVIOUS COUNCIL DIRECTION / POLICY

A detailed listing of previous reports is included in Attachment 2.

BACKGROUND

CCSC is a sanctioning body that regulates, governs, and oversees combative sports events in Calgary, ensuring that events are conducted in a safe environment for participants, officials, and spectators. Council's direction for CCSC to provide an annual report recognizes the meaningful role CCSC plays in ensuring proper functioning of combative sports.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

The 2018 Calgary Combative Sports Commission Annual Report (Attachment 3) provides an overview of enhancements, a summary of sanctioned events, and a review of the current operating and financial model. The report also presents opportunities for improvements that will further CCSC's mandate to ensure events are conducted in a safe environment, succession planning and a financial overview.

2018 Enhancements

CCSC has created an inspector manual and ringside physician guide aimed at improving safety, regulation, governance and supervision. These documents provide consistent standards for positions that support safety of participants during combative sports events.

Review of Current Model

In 2018, the current operating and financial model of CCSC was reviewed to identify factors that have led to the overall reduction in the number of combative sports events being hosted in

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Calgary. The intent was to increase the number of events and reducing costs while improving safety standards, thereby providing varied sports entertainment options to Calgary's diverse population. A jurisdictional scan was conducted to understand how other commissions operate in comparison to CCSC. Stakeholders were engaged through a survey to fully understand the recent decrease in combative sports events. The survey results showed several reasons for the decrease in events, with a common theme being that the overall cost of hosting a combative sports event contributed to the decline.

Looking Ahead

Based on the survey results, the following three initiatives are being undertaken in 2019:

<u>Cost Saving Measures:</u> CCSC recognizes the impact of economic conditions on promoters and has responded by reducing the cost of promoting combative sports in Calgary, as well as CCSC's overall operational costs. CCSC ensures that all cost saving measures support the cost recovery model and that CCSC finances are managed in a manner that prioritizes sustainability.

<u>Proposed Bylaw Amendment:</u> An amendment to the Combative Sports Commission Bylaw 53M2006 is being proposed, which will allow the contestant, judge or referee an option to be licenced for a single day, rather than the standard term of one year. Many contestants will fight only once in a year, making an annual licence unnecessary.

<u>Provincial Commission:</u> Alberta is the only province without a provincial combative sports commission in Canada. CCSC supports the Alberta Urban Municipalities Association (AUMA) resolution of exploring the feasibility to establish a provincial combative sports commission. The City of Edmonton commissioned a review of combative sports in 2017, following the death of boxer Tim Hague during a match held in Edmonton. Creating a provincial commission was a key recommendation resulting from the review.

CCSC has high standards, however, those standards are not consistent across the province. Due to the complexity of the industry, volunteer members are required to train and acquire the level of expertise and knowledge needed. A provincial commission that can replicate the elite standards of CCSC would ensure consistent safety standards and would provide the prospect of government operational funding.

Administration will continue to advocate for the establishment of a provincial commission to promote consistent safety standards and create an affordable and sustainable model. The AUMA is expected to continue its advocacy efforts to promote a provincial commission with the newly elected provincial government in 2019.

Stakeholder Engagement, Research and Communication

The Association of Boxing Commissions and Combative Sports (ABC) is used to identify combative sports best practices and assists in developing focus areas that ensure CCSC is keeping pace with industry standards. CCSC works closely with other combative sports communities to determine necessary activities that contribute to a well-rounded commission. Additionally, current and past promoters were surveyed to gather their valuable feedback to fully understand the recent decrease in combative sports events in Calgary.

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Strategic Alignment

This report aligns with 2019-2022 Citizen Priorities for One Calgary: A Prosperous City and specifically to 2019-2022 Council Directive (P1): Build a local economy that is more resilient.

Additionally, the report supports Calgary's commitment to being open for business.

Social, Environmental, Economic (External)

Combative sports events support the local economy, as these events trigger visitor and public spending and generate job opportunities. Given the diverse population of Calgary, combative sports support social development by connecting citizens to activities in their communities.

Financial Capacity

Current and Future Operating Budget:

CCSC is funded through cost recovery, charging a standard fee based on the facility capacity of the event. CCSC volunteer members receive an honorarium and a portion of a supporting City staff position is funded as part of CCSC's cost recovery model. Calgary hosted an Ultimate Fighting Championship (UFC) event in 2018, fully covering expenditures and contributing to the contingency fund.

Large events like UFC provide revenue helping CCSC to operate in years when there are fewer events. As Calgary has hosted UFC only two times in the last six years, CCSC cannot rely on these large events for sustainable funding, creating risk in the stability of the current operating and financial model. The future expense and anticipated funding sources are outlined in the 2018 CCSC annual report.

Current and Future Capital Budget:

There are no capital budget implications associated with this report.

Risk Assessment

While there are no significant risks associated with the 2018 CCSC annual report, there is inherent risk associated with any combative sports event. It is the role of CCSC to mitigate these risks by regulation, governance and supervision of combative sports events. Additionally, CCSC duties and authorities are updated regularly to keep pace with the industry.

As per the Combative Sports Commission Bylaw, members shall be appointed for two-year terms, expiring on the day of the Council's Organizational Meeting in the year of the expiry of the member's term. Members may serve a maximum of six consecutive years, which some members have exceeded. CCSC has taken steps to enhance its succession planning strategy.

REASON(S) FOR RECOMMENDATION(S):

Administration is recommending amendments to the Combative Sports Commission Bylaw 53M2006 to allow for a reduced fee for a one-day licence aimed at decreasing the promoter's costs and encouraging more events in Calgary.

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ATTACHMENT(S)

Attachment 1 – Proposed Amendment to the Combative Sports Commission Bylaw 53M2006

Attachment 2 – Previous Council Direction/Policy

Attachment 3 – 2018 Calgary Combative Sports Commission Annual Report