

LATE DISTRIBUTION FOR CS&B - May 21, 2009

Supports Item No. 4
CS&B Committee Agenda
May 21, 2009



ADMINISTRATIVE REPORT

Report Date: May 7, 2009
Contact: James Ridge
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Meeting Date: May 19, 2009

TO: Standing Committee on City Services and Budgets

FROM: Deputy City Manager

SUBJECT: Pacific National Exhibition (the "PNE"):
Proposed Changes to the Governance Model

RECOMMENDATION

- A. THAT Council approve the dissolution of the Interim Board of Directors effective upon Council's appointment of these members to the Board of Directors of the PNE:
 - i. One Council member
 - ii. One Park Board Commissioner
 - iii. Four City Staff positions
 - (a) General Manager, Community Services
 - (b) General Manager, Financial Services
 - (c) General Manager, Human Resources
 - (d) General Manager, Vancouver Park Board
- B. THAT Council appoint a Council representative.
- C. THAT Park Board nominate a Park Board representative for appointment by Council.
- D. THAT Council extend the term of the Interim Advisory Committee until August 30th, 2009 or until the nomination and appointment process to the Board is concluded for the Community and Business representatives.
- E. THAT Council approve, in principle, the new governance model as described in the report dated May 7, 2009 entitled "Pacific National Exhibition (the "PNE"): Proposed Changes to the Governance Model" subject to compliance with the Business Corporations Act of British Columbia (the "Act") and direct the Director of Legal Services to prepare amendments to the PNE's Corporate By-

laws to carry out Council's intentions and to be in compliance with the applicable statutory requirements.

COUNCIL POLICY

In March 2003, Council approved the terms of an agreement between the Province and the City transferring the ownership of the PNE to the City effective January 1, 2004.

Section 7 of the Pacific National Exhibition Incorporation Act (the "PNE Act") provides for the appointment of directors to the PNE Board by the City of Vancouver.

On June 13, 2006, Council renewed the appointments to the Board of Directors and the Advisory Committee for a term of up to eighteen months commencing July 1, 2006.

On July 12, 2007, Council approved the Hastings Park Implementation Plan planning process and work program.

On September 18, 2007, Council approved and renewed appointments to the Board of Directors and the Advisory Committee for a further term, ending on June 30, 2009.

PURPOSE

The purpose of this report is to seek Council approval of proposed changes to the governance model for the Pacific National Exhibition.

BACKGROUND

In March 2003, Council approved the terms of an agreement between the Province and the City for the transfer of the PNE assets and operations to the City, effective January 1, 2004. Council also directed the City Manager to work with the Province to make the necessary legislative changes to enable this transfer to take place. On November 3, 2003, the Province passed the *Pacific National Exhibition Enabling and Validating Act* (Bill 83) and consequential amendments to the *Pacific National Exhibition Incorporation Act*.

The new legislation transferred the ownership and management of the PNE to the City, reflected the current uses on the site, and provided the City with the power and authority to determine future uses and to appoint members to the PNE Board of Directors effective January 1, 2004.

In November, 2003 Council appointed an Interim Board of Directors and an Interim Advisory Committee. The interim governance structure was intended to oversee the day-to-day operations of the PNE on a temporary basis.

In January, 2004 an interdepartmental City and Park Board staff team began a five-month city-wide consultation process to determine a new future for Hastings Park and the PNE.

On June 13, 2006, Council renewed the appointments to the Board, and the Advisory Committee for a period of up to eighteen months, commencing July 1, 2006.

On July 12, 2007, Council approved the updated planning process and work program for the Hastings Park Implementation Plan, as described in the Administrative Report dated June 29, 2007.

On September 18, 2007, Council approved and renewed appointments to the Board of Directors and the Advisory Committee for a further term, ending on June 30, 2009.

DISCUSSION

With the transfer of the PNE to the City in 2003, Council's approval of a new approach to Hastings Park and the PNE, and the approval of the Hastings Park Implementation Plan, the City has solidified ownership and responsibility of the site and associated entities. The current master planning process will realize a new future and implementation will occur over the coming years.

The current Interim Board of Directors, with the assistance of the Interim Advisory Committee, has made significant progress through the transition period. This report proposes that the Interim Board be dissolved and replaced with a permanent governance model that can further the planning and ongoing governance with a strong link to the Master Planning process for Hastings Park.

Number of Directors and Term of Office

Subject to making the necessary amendments to the PNE's Corporate By-laws, the proposed governance model would consist of an eleven member Board of Directors, with each director having voting rights. The proposed makeup of this Board would include:

1.) Two Elected representatives for their three year term of Office; the term to end on the first Monday following December 1st in the year of a local election:

- One Council member - appointed by Council
- One Park Board Commissioner - nominated by the Park Board and appointed by Council

2.) Four City Staff positions to serve as directors of the Board as long as they hold the following respective positions:

- General Manager, Community Services
- General Manager, Financial Services
- General Manager, Human Resources
- General Manager, Vancouver Park Board

3.) Two representatives from the Community appointed by Council for two-year staggered terms through the Council appointment process. The representatives are to include:

- One local area resident representative from the Hastings Sunrise Community, bound by Boundary Road, Nanaimo Street, Burrard Inlet, and Broadway.
- One resident representative of the City of Vancouver.

In order to establish staggered two-year terms of the two community representatives, the initial term for the Vancouver resident representative is to be one year. Each subsequent term will be for two years.

4.) Three representatives from the Vancouver business community appointed by Council for two-year staggered terms through the Council appointment process. The business representatives are to include:

- One representative nominated by the Vancouver Board of Trade;
- One representative nominated by Tourism Vancouver; and,
- One representative from Vancouver's Business Community.

In order to establish staggered two-year terms of the three business representatives, the initial term for the Vancouver Board of Trade representative is to be one year. Each subsequent term will be for two years.

Director Qualification

A person shall be qualified for election as a director if he/she is more than 18 years of age, if he/she is of sound mind, is an individual and is not bankrupt.

Chair

It is proposed that the Chair of PNE Board of Directors be the Council Member appointed by Council and that the Vice-Chair be elected by the Board.

The Chair at each meeting of the Board is to be:

- a) The Chair of the Board.
- b) In the absence of the Chair of the Board, the Vice-Chair of the Board.
- c) In the absence of the Chair and Vice-Chair of the Board, the director chosen by the Board members present to chair the meeting of the Board.

The existing Section 6.1 of the PNE By-laws provides that the board shall from time to time appoint a president, a general manager, a vice-president, a secretary, a treasurer and may appoint such other officers as the board may determine, including one or more assistants to any of the officers so appointed. Section 6.2 provides that the board may from time to time also appoint a chair of the board who shall be a director. During the absence or disability of the chair, the duties shall be performed and powers exercised firstly by the president or secondly by the general manager.

The proposed changes will need to be approved by the newly appointed Board and then the By-laws will need to be changed to coincide with these intentions.

Committees

It is proposed that the Board may appoint a committee of directors and delegate to the committee any of the powers of the board except those powers which the committee of directors has no authority to exercise.

The existing Section 5.1 of the PNE By-laws provides for this proposal.

Transitional arrangements

Since Council's nomination and appointment process for the Community and Business representatives is expected to take place over the next 8 - 10 weeks, it is proposed that the term of the Interim Advisory Committee be extended to August 30th, 2009, or until the nomination and appointment process is concluded, in order to provide PNE planning and operations continuity.

With this new governance model, changes will be necessary to the PNE's existing Corporate By-laws. As such, it is proposed that the Director of Legal Services be directed to prepare the appropriate By-law amendments and complete all statutory filings with the Registrar of the Corporations Branch to ensure compliance with the applicable legal provisions of the Act.

FINANCIAL IMPLICATIONS

There are no financial implications.

CONCLUSION

This report recommends the dissolution of the Interim Board of Directors, the appointment of Council's representative, the extension of the term for the Interim Advisory Committee and the approval in principle of the new Governance model for the PNE, subject to compliance with the Business Corporations Act of British Columbia (the "Act") and direct the Director of Legal Services to prepare amendments to the PNE's Corporate By-laws to carry out Council's intentions and to be in compliance with the applicable statutory requirements.

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