



ADMINISTRATIVE REPORT

Report Date: October 05, 2015
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VanRIMS No.: 08-2000-20
Meeting Date: October 20, 2015

TO: Vancouver City Council
FROM: Acting City Manager
SUBJECT: Pacific National Exhibition By-law - Minor Housekeeping Amendment

RECOMMENDATION

THAT Council approve the minor house-keeping amendment to Section 4.23 of the Pacific National Exhibition (PNE) By-laws, substantially in the form set out below in "Report Summary".

REPORT SUMMARY

This report recommends that Council approve a minor house-keeping By-law amendment for the Pacific National Exhibition (PNE). A new set of PNE By-laws was approved on June 10, 2015 at a meeting of the Standing Committee on Finance and Services. Subsequent to June 10, 2015, a technical misalignment was noted between *Article 4.23 Remuneration and Expenses* of the PNE By-laws and *Article 8.2 Eligibility for a Class C Gaming License* (GPEB Article 8.2) for a fair or exhibition through the Gaming Policy and Enforcement Branch (GPEB) of the Provincial Government. As such, this report recommends that Council approve a minor house-keeping amendment to Article 4.23 of the PNE By-laws.

The following language is recommended to replace the existing language of Article 4.23 (a) and (b) of the Pacific National Exhibition By-laws:

SECTION 4.23 REMUNERATION AND EXPENSES

Under no circumstances will the Directors be entitled to be paid any remuneration for their services. Subject to any limits or conditions imposed by City Council, the

directors may be entitled to reimbursement for expenses properly incurred by them in attending board meetings, committee meetings, appointments, and official events in a manner as the board may from time to time determine by resolution of the board.

COUNCIL AUTHORITY/PREVIOUS DECISIONS

On June 10, 2015 at a meeting of the Standing Committee on Finance and Services, Council approved an updated version of the By-laws for the Pacific National Exhibition. This significant update was required as the current By-laws dated from 1995, at the time when the PNE was a Provincial Crown Corporation.

CITY MANAGER'S/GENERAL MANAGER'S COMMENTS

The City Manager recommends APPROVAL of the foregoing.

REPORT

Background/Context

Hastings Park was granted to the City of Vancouver by the Province of British Columbia in 1889. At 62 hectares or 154 acres, it is one of Vancouver's premier recreational attractions, drawing visitors from across the region. Hastings Park is a community, city wide and regional asset and year-round destination.

The PNE was operated by the Province of British Columbia, as a Provincial Crown Corporation, from 1973 to 2003. The PNE hosts a 15-day annual summer Fair, and operates Playland from April to October each year. Over the years the mandate of the PNE and Hastings Park has expanded to include a more comprehensive array of activities contributing to economic development particularly in the creative sector with year-round exhibitions and various cultural, entertainment, parks and recreation activities - all occurring within the overall precinct of Hastings Park.

Transfer of the ownership and management of the PNE to the City of Vancouver from the Province became effective on January 1, 2004. The PNE is a non-profit organization and wholly-controlled subsidiary of the City of Vancouver. The PNE manages and operates Hastings Park on behalf of the City, with the exceptions of: the racetrack which is operated through a long term lease with the City by the Great Canadian Gaming Corporation, and Empire Fields and Plateau Park which are maintained and operated by the Park Board on behalf of the City.

In January 2013, the City retained KPMG Management Consultants to undertake the governance review. KPMG and staff from across the City, including Park Board, worked collaboratively to conduct the governance review. A three-stage public consultation process was undertaken for the development of the governance structures.

The results of this process were reported back to Council (RTS 10078, June 18, 2013) who provided direction to staff at a Special Meeting of Council on August 1, 2013. At

that meeting City Council approved the implementation plan outlined in the report from staff entitled "Hastings Park/ PNE Governance Review" which described a new governance structure for Hastings Park and the PNE.

As an outcome of this report, Council directed staff to update the By-laws of the PNE and the Terms of Reference for the Board in order to appropriately reflect the changed governance model.

On June 10, 2015 City Council approved the updated By-laws for the PNE, and received for information an updated Terms of Reference for the Board and the Multi-Party Operations Policy.

Subsequent to June 10, 2015, a misalignment was noted between *Article 4.23 Remuneration and Expenses* of the PNE By-laws and *Article 8.2 Eligibility for a Class C Gaming License (GPEB Article 8.2)* for a fair or exhibition through the Gaming Policy and Enforcement Branch (GPEB) of the Provincial Government.

Specifically, the recommended amendment to *Article 4.23 Remuneration and Expenses* section of the current PNE By-laws is required in order to properly align with *Article 8.2 Eligibility for a Class C Gaming License* for a fair or exhibition through the Gaming Policy and Enforcement Branch (GPEB) of the Provincial Government. It is a requirement under GPEB Article 8.2, that the eligible organization (i.e. PNE) "*Have board members that do not receive remuneration or other financial benefit for their services as an executive member;*". As the current By-laws allow for remuneration for Board members, the proposed amendment will instead state that remuneration is not allowed.

The current practise of remuneration for each eligible PNE Board member is intended to off-set expenses related to board duties and, as such, is of a nominal amount (\$150 per month for eligible Directors, \$187.50 per month for Chairperson). However, although the intent and recent practise since the City assumed control is aligned with GPEB guidelines, the specific language in the PNE By-laws is not. With this proposed amendment, both the By-laws and the practise will expressly allow for reimbursement (as opposed to remuneration) for eligible board members' expenses related to their board duties in a manner as the board may from time to time determine by resolution of the board.

By way of further background, the prior version of article *4.23 Remuneration and Expenses* also expressly allowed for remuneration when the organization was owned by the Provincial Government and functioned as a Crown Corporation. Since *GPEB Article 8.2* has existed since the inception of the guideline for applying for a Class C Gaming Event Licence for a fair or exhibition, the previous (Provincial Government) PNE By-laws were also technically misaligned with *GPEB Article 8.2* for many years and was simply missed in error when the update By-laws were compiled and subsequently approved by Council on June 10, 2015. In order to bring them into technical alignment, it is recommended that Council approve this minor amendment to the PNE By-laws.

Strategic Analysis

Financial

There are no financial implications.

Legal

The legal changes to the PNE's corporate governance by-laws will, upon approval by Council, be included as the new version of Section 4.23 of the PNE By-laws substantially in the form set out under "Report Summary" above.

CONCLUSION

This minor house-keeping amendment will remedy a technical misalignment that existed in the Provincial Governments By-laws for the PNE and that was not corrected in the recently updated and approved version that was adopted by Council on June 10, 2015. This amendment will bring the current By-laws into technical alignment with *Article 4.23 Remuneration and Expenses* of the current PNE By-laws and *Article 8.2 Eligibility for a Class C Gaming License*.

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