



SASKATOON'S
ARTS & CONVENTION
CENTRE

May 25, 2018

Governance & Priorities Committee
Office of the City Clerk
City Hall
222 – 3rd Avenue North
Saskatoon, SK
S7K 0J5

Re: Report on Board Governance Review – TCU Place

Enclosed please find TCU Place's report to the Governance and Priorities Committee concerning the request for feedback on the *Governance Review – Controlled Corporations and Statutory Boards – Governance Structure* document. This report was approved by the TCU Place Board of Directors during its regular business meeting on May 24, 2018.

As a result of this report, the TCU Place Board of Directors recommends that the Governance and Priorities Committee recommend to City Council that no changes be made to the governance structure for TCU Place. Management and the Board of Directors would also like to pursue the addition of a dedicated human resource manager for the Organization, and will consult with City Administration on this initiative.

Please do not hesitate to contact me if there are any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Bob Korol".

Bob Korol,
Chief Executive Officer
TCU Place



REPORT ON BOARD GOVERNANCE REVIEW

May 24, 2018

Background & Purpose

On March 29, 2018 the Governance and Priorities Committee (GPC) received a report entitled *Governance Review – Controlled Corporations and Statutory Boards – Governance Structure* and resolved that this report be tabled, and forwarded to the respective Boards for review and comment before further consideration. As a Controlled Corporation of the City of Saskatoon, TCU Place (Centennial Auditorium & Convention Centre Corporation) received a request to provide feedback on this report.

On May 17, 2018 TCU Place held a special meeting of its Governance Committee with participation from the Board of Directors, senior management, and City of Saskatoon representatives; in order to review and discuss the questions posed to the Board in the report. The purpose of this document is to summarize the Board's and management's comments on these questions.

Question 1 – Does the facility require private sector expertise (i.e. a separate Board of Directors and/or staff with specific skills not available internally)? Does the facility require a greater degree of operational flexibility than would be available within the City?

TCU Place operates in a dynamic and fast-changing industry that includes competition from various other private-sector and city-owned entities. As a result, it is important that the organization have support from a Board comprised of various areas of expertise to effectively set the strategic direction of TCU Place. Without Board support in this regard, the organization could not:

- Gain access to qualified outsider knowledge with fresh strategic perspectives
- Respond in a timely manner to deadlines imposed by a competitive environment
- Respond effectively to the rapidly changing competitive environment

The Board believes that TCU Place benefits from the diverse perspectives and community connections provided by the Board of Directors.

Question 2 – Does the facility require a greater degree of financial flexibility than would be available within the City (i.e. potential for funding from other orders of government)? Will the facility require significant additional funding that is unavailable through the City budget?

TCU Place currently receives funding from the City of Saskatoon in the form of an annual operating grant, and contribution to the Civic Building Comprehensive Maintenance Reserve on the Facility's behalf. This funding is imperative to support the programming and community initiatives of the Facility, and TCU Place

also relies on the funding to ensure that required reserve contributions can be met each year for an aging facility.

TCU Place also repays the City of Saskatoon annually for the loan incurred to finance the expansion of the convention centre. Under the current governance structure the Facility is not permitted to take on any debt, and so all borrowing must be executed through the City. TCU Place does also have a Foundation in place that could be used to raise additional funds, and the Organization has also leveraged its Board to secure various sponsorship arrangements for the Facility. Presently there is no need for significant additional funding outside of the existing funding within the City budget.

Question 3 – Are there concerns relating to transparency (i.e. municipal and public awareness of, and input into, key aspects of the facility’s service delivery)? Does the facility require the confidentiality afforded by arms-length governance in order to maintain a level playing field with private business competitors?

TCU Place operates in a highly competitive environment, and therefore it would put the Facility at a significant disadvantage if it were required to publicly disclose all operational decisions and long term strategic plans. Management provides the Board with a detailed review of operations during monthly business meetings, and the Board in turn provides City Council with all key documents as required under the City’s compliance with the Municipal Freedom of Information Act.

Additionally, the TCU Place Board of Directors consists of the Mayor, two City Councillor, the City Manager, and nine representatives from the public. This representation from both the civic and public perspectives ensures that the best interest of Saskatoon citizens is maintained at all times.

Question 4 – Does the facility require a greater degree of human resources flexibility than would be available within the City?

As a city-owned facility, TCU Place follows all City of Saskatoon human resource policies and collective bargaining agreements (CUPE 59 and IATSE). Management of the Facility works closely with the City Solicitor’s Office and the City Human Resources Department to ensure that all human resources practices fall within the appropriate civic guidelines. TCU Place is the only City facility where IATSE members are employed, and therefore these negotiations on behalf of the Organization as the Employer are assisted by the City of Saskatoon Labour Relations Department.

TCU Place does not currently have a dedicated resource to handle its human resource function. Rather, all human resource activities are managed internally and through the City of Saskatoon as part of their general portfolio. At times this arrangement creates a significant disadvantage to the Organization as it provides no opportunity for management to develop or improve its current human resource practices, and it hinders management’s flexibility to effectively respond to changes in business, market and workforce requirements. As TCU Place operates in a highly competitive environment it is important to have a well trained and highly engaged workforce. It is also important to have effective policies around workforce attraction and retention, as TCU Place competes with other facilities for staff.

Given the current situation, management and the Board of Directors would like to pursue the addition of a dedicated human resource manager for the Organization, and will consult with City Administration on developing this initiative.

Question 5 – Does the facility operate in a competitive environment?

TCU Place competes in a very dynamic and competitive environment.

On the Convention Centre side of the business, TCU Place competes with numerous local facilities that offer meeting, banquet, and convention facilities. TCU Place also competes with other convention centres across Canada and North America as it looks to attract outside convention business to Saskatoon.

In the Theatre, TCU Place competes with other local entertainment facilities in Saskatoon. TCU Place also competes with other venues where events that have historically been held in the Theatre can now be held (i.e. convocations) elsewhere. At 50 years of age, it is also getting increasingly difficult to compete with other newer facilities to attract performers, both locally and in comparison to other nearby centers.

Recommendation

Based on these observations the Board of Directors concludes that the existing Governance Structure for TCU Place should be maintained (operate individually as a City Controlled non-Profit Corporation), as it provides the effective oversight needed for an entity operating in a highly competitive environment. Therefore it is recommended that the Governance and Priorities Committee recommend to City Council that no changes be made to the governance structure for TCU Place.