

MEMORANDUM

TO: Ms. Shellie Bryant

FROM: SaskTel Centre Board of Directors and Will Lofdahl, CEO

RE: Report of Governance Structure

DATE: April 25, 2018

Thank you for your email dated March 21, 2018. Your correspondence requested that SaskTel Centre respond to a set of questions pertaining to the governance model of controlled corporations. Below please find our response to those questions. Should you have any queries, please do not hesitate to contact me or Mr. Art Postle (SaskTel Centre Board Chair) at any time.

Question 1

- ***Does the facility require private sector expertise (ie 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?***

Although owned by the City of Saskatoon, SaskTel Centre is operated through a corporation known as Saskatchewan Place Association Inc. This corporation manages in an enterprise oriented fashion as SaskTel Centre operates in a dynamic and ever-changing environment. This environment often requires the need to make decisions in an expedient manner. Although we are a governmental entity, we must compete and operate in a free-market setting. We must vie with our competitors for business. Our negotiations and contracts necessitate confidentiality, for to violate this pledge would place our organization along with our business partners in a disadvantageous position.

It is common practice for organizations operating in a free-market sector to follow a board governance structure. This allows the organization to select members for its board who possess skill sets that are valuable to the strategic direction of the organization. We have worked with City of Saskatoon Administration and City Council to develop a Board of Director Recruitment and Retention Strategy (please see attachment). This strategy has allowed our board and management the latitude to reach out to prospective board members who possess the skill sets that we desire, and recommend candidates to City Council that we believe would bring value to our corporation. By using this model we have recently added several high-impact members to our board. This new strategy will allow our organization to better position itself for future success.

Question 2

- ***Does the facility require a greater degree of financial flexibility than would be available within the City (ie potential for funding from other orders of government)? Will the facility require significant additional funding that is unavailable through the City budget?***

SaskTel Centre is a financially self-sufficient operation. We do not rely on funding from the City of Saskatoon to support our operation. In certain instances, our business requires that we risk money. These instances include the purchasing of entertainment performances that take place

at the venue. We have board approved policies that manage the amount of risk that we can assume at any given time. Through the audit and finance committee of our board, there are periodic reviews of the financial risk that we have undertaken. These reviews ensure that we operate under board approved guidelines. On an annual basis, management prepares a risk report to assess the amount of risk within our environment. This report also identifies measures that have been taken to mitigate risk.

Question 3

- ***Are there concerns relating to transparency (ie 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?***

Although SaskTel Centre operates in a business environment with the details of our business relationships remaining confidential, we do provide to our Board of Directors a transparent view of our operation. We have two City Councillors and the Mayor on our board. They are privy to the details of our business dealings. With transparency between management and the board we ensure that the best interests of the citizens are maintained at all times.

Our Board of Directors had enacted a set of organizational policies and procedures. These measures are reviewed periodically to ensure that they remain a valuable guide in our daily business operations. (A listing of these policies is attached.)

Our Board of Directors has four sub-committees (audit and finance, governance, compensation, and futures advisory). The responsibility of the audit and finance committee is to review our financial statements on a quarterly basis to ensure that generally accepted accounting principles are followed and that we are producing accurate financial statements. Additionally, at year end an audit of our financial statements is conducted by an independent public accounting firm. Our governance committee is charged with the responsibility of keeping abreast of current good governance practices and bringing forth suggestions that would enhance our governance model. The compensation committee focuses on monitoring the employment contract with our Chief Executive Officer (CEO) including the annual performance review of the CEO and consequential impact on the CEO's annual compensation. The futures advisory committee is an ad-hoc committee formed to provide greater community input to support the board in its deliberations about the future of SaskTel Centre.

Question 4

- ***Does the facility require a greater degree of human resources flexibility than would be available within the City?***

As a component of the City of Saskatoon, we follow all applicable human resource policies and collective bargaining agreements. We work closely with the city solicitor's office and the human resources department to ensure that our human resource related practices fall within appropriate guidelines.

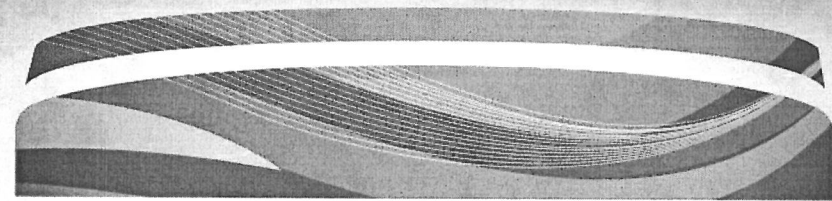
Our business is often-times a seven day a week, around the clock operation. Our workforce consists of permanent, casual, and contracted employees. These groupings are divided into union and non-union employees. On large events, we will have up to seven hundred people working at one time. Our operation can be a deadline driven and high pressure environment.

Question 5

- ***Does the facility operate in a competitive environment?***

Yes, we operate in an extremely competitive environment. We are a self-supporting segment of the City of Saskatoon. We must ensure the proper mix and frequency of high-caliber event programming for the citizens of the region. We compete with other cities across Canada and North America for the finite number of tour stops of major concert and family show productions as well as major national and international events (examples – World Junior Hockey Championships, Tim Horton's Brier). We are an older arena and must compete with newer facilities. Additionally, we are often the smallest community played on many major production tours. These competitive disadvantages require us to work hard to positively position our community and facility in the minds of decision-makers.

Additionally, we are the home of two anchor tenants – the Saskatoon Blades (Western Hockey League) and the Saskatchewan Rush (International Lacrosse League). We work with each of these teams to optimize their success within the community.



SaskTel Centre

BOARD MEMBER RECRUITMENT AND RETENTION STRATEGY

March 2017

Experience
the
ENERGY

PURPOSE

The purpose of this strategy is to ensure effective selection and retention of qualified Board Members with the right values, skills, attitudes and commitments needed for the long-term success of SaskTel Centre. Candidates will be assessed against the skills desired at the Board in order to achieve the corporate vision and mission.

Our Vision

A dynamic world-class facility creating positive memorable experiences

Our Mission

SaskTel Centre provides world class culture, sport, and live entertainment experiences for the social and cultural enrichment of the region.

BOARD MEMBER RECRUITMENT

The following step by step process is designed to work in collaboration with City Clerk's Office to ensure successful recruitment of new Board Members:

A – Needs Identification through Gap Analysis

1. The SaskTel Centre Board (STCB) Governance Committee distributes the **Board Member Skills Competencies Matrix (Appendix A)** once a year to assess retirement dates and identify skills inventory of the current Board Members.
2. The STCB Governance Committee identifies the gaps on the Skills-Competency Matrix and develops a list of specific skills required on the Board. In the case of several vacancies, skills and expertise identified may be mutually exclusive; the goal is to have diversity of background and intellect on the Board while ensuring the skills gaps are addressed.

B – Advertising Strategy

1. The STCB Governance Committee will provide the advertisement highlighting the list of required skills and expertise, to the City Clerk's Office.
2. The STCB Governance Committee will also identify, based on skill gaps, the best mode of advertising. (Example: Newspaper, Online, LinkedIn, CPA SK, Law Society etc.)
3. The City Clerk's Office will place advertisements for the vacancies, highlighting the skills required, in accordance with the timelines for recruitment. The advertisements will be funded by the SaskTel Centre Board.
4. Existing Board Members can also refer individuals or share the vacancy through word of mouth to attract members within their network. All referrals and shoulder tapped candidates must apply through the City Clerk's Office.

C – Screening and Selection

1. The City Clerk's Office will review and forward applications received to the STCB Governance Committee.
2. The STCB Governance Committee in collaboration with the CEO, will review the applicants and schedule 30 minute interviews with short-listed candidates.
3. The STCB Governance Committee will send out **Board Applicants Skills Assessment Questionnaire (Appendix B)** to short-listed candidates to complete and submit to the Committee for review.
4. The STCB Governance Committee will ask 3 to 5 questions of each candidate based on the individually completed Skills Assessment Questionnaire and using a **Board Member Interview Guide (Appendix C)**. The interview process will serve as due diligence in ensuring the right skills, experience, values and attitude are being sought to serve the strategic success of the organization.
5. The STCB Governance Committee will invite the CEO to sit in on the interviews for feedback. Note: The CEO is not a decision maker on the panel.
6. The STCB Governance Committee will complete reference checks using the **Board Reference Check Form (Appendix D)** for the successful candidates. The names of the successful candidates recommended by the STCB Governance Committee will then be forwarded to the Board for review and feedback.
7. If there are no further concerns, the names of the candidates whom the Board recommends as well as those whom the Board does not recommend will be forwarded to the Governance and Priorities Committee through City Clerk's Office and a recommendation made for appointment. The recommendation letter will be sent by the Board Chair.
8. The Governance and Priorities Committee will determine if the recommendations received from the Board are to be approved or rejected and make a recommendation to City Council.
9. All appointments will be made by the Governance and Priorities Committee of City Council.

D – Board Member Notification

1. The City Clerk will notify the Secretary of the SaskTel Centre Board of City Council's final appointments and provide contact information for new Board Members.
2. The City Clerk will write to all successful and unsuccessful candidates.
3. The correspondence from the City Clerk to the successful candidates will include a copy of Policy C01-003 "Appointments to Boards, Commissions, Authorities and Committees along with the Code of Conduct for members of Civic Boards, Commissions, Authorities and Committees.
4. Successful candidates will be required to sign an Acknowledgement of Receipt of the Code of Conduct and return it to the Office of the City Clerk, for safekeeping and inclusion in the file for appointments to the SaskTel Board.

BOARD MEMBER ONBOARDING AND ORIENTATION

Orientation is a one-time event that traditionally takes place within the first few weeks of the beginning of a Board Member's term.

Onboarding, however begins before the new Board Members starts with the Board and can last up to one full year. A successful Onboarding process is intended to strengthen the Board Member's connection with the organization and his or her other fellow Board Members. Upon completion of the Onboarding Process the new Board Member should feel fully integrated into the Board and should become a contributing member at the Board table.

The following **Board Member Onboarding Framework** outlines the pertinent components of successfully engaging and integrating new Board Members into the organization:

BOARD MEMBER ONBOARDING FRAMEWORK

Before First Board Meeting	First 3 Months	First 12 Months
<ul style="list-style-type: none">• Welcome Lunch with Board Chair and CEO• Orientation to Board Manual – See SAMPLE Board Orientation Agenda (Appendix E)<ul style="list-style-type: none">• Overview of Organization• Review of Org Structure• Review of Terms of References• Review of Policies/Bylaws• Review of Strategic Plan, Annual and Financial Reports• Board Calendar	<ul style="list-style-type: none">• Tour of SaskTel Centre• Participate in an event “Behind the scenes at SaskTel Centre”• Completion of Mandatory Governance Training as per policy• Assign a Board Mentor per Board Mentorship Program (Appendix F)	<ul style="list-style-type: none">• Refresher Governance Training for ALL Board Members in conjunction with Annual Strategic Planning session• Conduct Board Member Stay Interview (Appendix G) for feedback from Board Members who have been on the Board for one year• Participate in Board Self-Assessment per Board policy

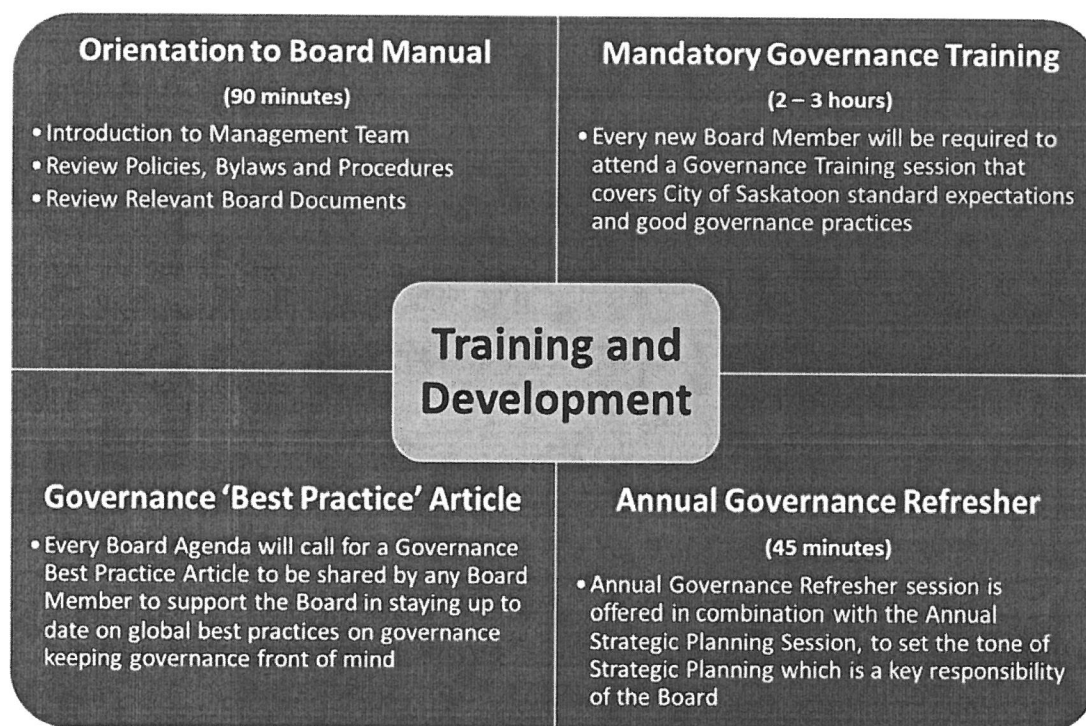
Note: The information above is a guideline for successful onboarding and orientation. The Board can share as much information with new members as they feel is necessary to help them gain a good understanding of Board issues.

BOARD MEMBER DEVELOPMENT

Training and Development of Board Members is essential to help Board Members fulfill their potential through strong and effective governance. The **Board Member Development Framework** below ensures that Board Members understand:

- The relationship of the Civic Boards with the City of Saskatoon;
- The relevant bylaws and policies that this relationship is governed under; and
- The criticality of their role as a Board Member who is responsible for and has been trusted with strategic oversight and good governance for an organization that plays a significant role within the community.

BOARD MEMBER DEVELOPMENT FRAMEWORK



BOARD MEMBER EXPERIENCE

Exit Interviews serve as a great tool to capture Board Member Experience. The purpose of the **Board Member Exit Interview (Appendix H)** is to speak with the departing Board Member in the spirit of continuous improvement, to learn more about:

- His or her personal experience of Board service and based on the feedback determine if the Board should consider changing the way it operates.
- His or her opinion on whether the Board's practices are sound and how well the Board functions as a team.
- Whether the chair is perceived as efficient and adhering to his or her duties.
- Ideas for making the Board more valuable for future Board members and improve effectiveness for the entire Board.



Board Member Skills Competencies Matrix

Skills Competencies		Self-Assessment											
		Board Member 1	Board Member 2	Board Member 3	Board Member 4	Board Member 5	Board Member 6	Board Member 7	Board Member 8	Board Member 8	Board Member 9	Board Member 10	Board Member 11
Date Appointed to Board													
Date of Reappointment													
Date of Retirement													
1	Business /Management Experience												
2	Organizational Performance												
3	Financial Expertise												
4	Legal/Contractual Expertise												
5	Human Resource Management												
6	Board Experience												
7	Public Policy Mandate & Shareholder Objective Experience												
8	Governance and Strategy Knowledge												
9	Risk Management												
10	Government and Community/Business Experience												

Level of Knowledge	
None	1
Limited	2
Substantial	3
Very Substantial	4

Skills Competencies

Board Members must annually self-assess and update the Skills Competencies Matrix based on the following definitions, to ensure successful diversity of skills around the Board table.

	Skills Competencies	Definitions
1	Business/Management Experience	Experience owning or managing a business, or knowledge of business operations and management as an employee; and demonstrates business acumen while providing strategic oversight from a business management perspective.
2	Organizational Performance	Thorough understanding of linkage between strategy and measures and ability to improve performance based on experience.
3	Financial Expertise	Experience in or knowledge of financial accounting and reporting and corporate finance. Preference is given to individuals with a professional designation such as a CA, CMA, CGA, CPA or CFA.
4	Legal/Contractual Expertise	Comprehensive understanding of legal framework, legal aspects of issues, governance and risk management. Preference shall be given to a lawyer licensed in Saskatchewan.
5	Human Resource Management	Understanding of HR principles and practices including employment law, labour standards, succession planning, and compensation strategy.
6	Board Experience	Prior or current experience as a Board member, committee chair, or member of Board executive of a non-profit, charitable or other business organization.
7	Public Policy Mandate & Shareholder Objective Experience	Experience in or knowledge of creating and influencing public policy; and experience with shareholder objectives such as profitability and the creation of value.
8	Governance and Strategy Knowledge	Comprehensive understanding of Board governance, policies and practices; and knowledge of or experience in strategic planning and risk oversight, and the ability to think critically about systemic issues.
9	Risk Management	Ability to think critically about operational and governance issues to ensure the effective management of potential opportunities and adverse effects.
10	Government and Community/Business Relations	Experience in or knowledge of the workings of government at the municipal, provincial and federal levels and ability to promote effective government relations; and experience in or knowledge of government lobbying

Behavioural Competencies

Board Members should demonstrate the following attributes. These attributes enable Board Members to use their knowledge and skills to function well as team members.

	Behavioural Competencies	Definitions
1	Reliability and Commitment to Board	Available to prepare for and participate in Board meetings and at least one sub-committee of the Board as necessary.
2	Ethics and Integrity	Makes sound decisions that support the organizational direction, values and mission. Has a clear understanding of right and wrong and freely admits to errors and takes steps to rectify the situation.
3	Commitment to Continuous Improvement	Participates in training programs for the Board and shares knowledge and information with colleagues. Stays abreast of leading trends and practices in the industry.
4	Critical Thinking	Analyzes the internal and external environment in order to identify current and future opportunities, challenges and risks while reflecting on past experience, board policies and processes.
5	Consensus Building	Effectively builds constructive, friendly, professional relationships and networks within the Board and maintains external partnerships that can provide information, and support.
6	Commitment to Organization's Purpose	Shows commitment to the organizational vision, mission and strategic goals by having a solid understanding of the internal and external environment. Influences the organization's future plans and vision.
7	Positive Impact and Influence	Maintains a professional and positive manner even under changing or uncertain conditions. Works collegially with a wide range of individuals to influence direction.
8	Accountability	Displays a high level of organizational confidentiality and respects the sensitivity of information. Evaluates and responds to complex requirements that support the organizational direction.
9	Strategic Thinking	Participates in strategic planning and anticipates trends in the external and internal environment, including new developments in the economic climate.
10	Flexibility and Open-mindedness	Respects, and relates well to, people of diverse backgrounds and perspectives. Able to respect and listen to opinions that are different from one's own and be flexible in one's decisions.
11	Healthy Skepticism	Probes respectfully with objective questions to gain better understanding of issues while adhering to good governance practices.
12	Ownership of Board's Decisions	Takes ownership and responsibility for supporting the organizational direction. Champions Board's decisions within the community regardless of personal opinion.



Board Applicants Skills Assessment Questionnaire

Contact Information

Name		
Address		
Home Phone	Office	Mobile
Work (if applicable) Company & Address		

Disclosure of Conflict of Interest

A conflict of interest happens when your relationships, actions or interests interfere, might interfere, or even appear to interfere with your duties as a director, should you be appointed to the Board.

Please describe below any relationships, interests and positions that you hold (volunteer or otherwise), and any other circumstances that you believe could contribute to a conflict of interest:

- ☐ I have no conflict of interest to report.
- ☐ I have the following potential conflict(s) of interest to report (please specify other non-profit and for-profit Boards you or your spouse sit on, any for-profit businesses for which you or an immediate family member are an officer, director or a majority shareholder, the name of your employer, and any businesses you or a family member own):

1. _____
2. _____
3. _____

Please list Boards and Committees that you serve on, or have served on: (business, civic, community, political, professional, recreational and social)

Organization	Role/Title	Dates of Service


Skills and Competencies

What skills and knowledge are you willing to bring to our Board? Please indicate your experience in the following areas.	Very Substantial	Substantial	Limited or None
1. Business Management Experience			
2. Organizational Performance			
3. Financial Expertise			
4. Legal/Contractual Expertise			
5. Human Resource Management			
6. Board Experience			
7. Public Policy Mandate & Shareholder Objective Experience			
8. Governance & Strategy Knowledge			
9. Risk Management			
10. Government and Community/Business Relations			

The personal information requested on this form is collected under the authority of Section 24 of The Local Authority Freedom of Information and Protection of Privacy Act and will be used only for the Recruitment Process. If you have any questions about the collection of your personal information please contact 306-975-3155 and ask to be connected to the Board Secretary

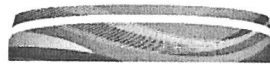


Interview Guide for Board Member

Interview Guide  Board of Directors	Position	Board Member
	Candidate Name	
	Date	
	Time	
	Interviewers	

Questions

1. Why are you interested in serving on the SaskTel Centre Board?
2. Please discuss your experience in providing leadership and direction in a Board setting?
3. What do you think your main challenge will be in this role?
4. How do you define success and how do you measure up to your own definition?
5. We developed a skills matrix for our Board members and we have identified a need for directors with one or more of the following skills. How would you be able to contribute to these needs?
 - a) Finance
 - b) Legal
 - c) Human Resources
 - d) Risk Management
 - e) Governance
6. What are your expectations from the management of the organizations where you've served as a Board Member?



SaskTel Centre

Board Member Reference Check Form

Applicant Information

Applicant's First Name: _____

Applicant's Last Name: _____

Reference Information

Name: _____

Email: _____ Phone: _____

Reference Comments

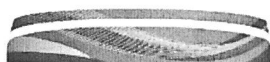
***Note:** Please provide the reference with a brief description of STC.

1. How long have you known the applicant? In what capacity?
2. What are the assets that you believe the applicant would bring to the SaskTel Centre Board?
3. How would you describe their leadership style? How is he or she a visionary? Examples.
4. Can you give an example of how they demonstrated their strategic thinking ability?
5. Do you feel there is any reason the applicant should not be considered for this position?
6. Is there anything else you think we should consider regarding this applicant?



Board Orientation Agenda

Topic	Presenter	Time
Welcome	Board Chair and CEO	
Review of Agenda	Board Chair	
Introductions	Everyone	
STC Introductory Video		
Overview of Organization	CEO shares message, vision, strategic plan and current issues	
Orientation to Board Manual – Summary PowerPoint Presentation	Board Chair leads the process but calls on relevant people to present their area of expertise as necessary	
Roles and responsibilities of governing Board	Board Chair	
Overview of Board structure	Review listing of current committees, and committee chairs	
Policies and Bylaws	Board Chair reviews key points from bylaws and Board policies, Board operations calendar, and sample meeting agenda and minutes	
Review of Strategic Plan and other Board Documents	Board Chair and CEO review format of plan, highlights from the plan and key points about status of implementation of the plan	
Next steps	Board chair poses reminders of upcoming activities and events	
Meeting evaluation	Board Chair	



SaskTel Centre

Board Mentorship Program

Purpose

The purpose of a Board Mentorship Program is to assist new Board Members in their growth and development on the Board. This is done through:

- Offering an experienced Board Member as a resource and enhance peer-to-peer learning.
- Encouraging the sharing of knowledge and experience that supports productive involvement in Board matters.
- Providing a personal learning experience that is not obtained through the boardroom or classroom.
- Facilitating the building of trust and meaningful Board Member relationships.

Guidelines

The Mentor/Mentee relationship is intended to be carried out in a casual setting for the purposes of integrating new Board Members effectively. The following guidelines outline the roles and expectations of the Board Chair, the Mentor and the Mentee.

The Board Chair:

- Will ask the Board Members who have at least 2 years of experience to express their interest in playing the role of Mentor.
- Will match the appropriate Mentor to the appropriate Mentee using his or her discretion.

The Mentor:

- Will provide guidance and support the Mentee during their first year.
- Will be reasonably accessible to the Mentee (in person, phone and email).
- Will respect the confidentiality of the mentorship relationship.

The Mentee:

- Will develop some goals with the Mentor within the first month of the relationship.
- Will be prepared for meetings with the Mentor
- Will be open to advice from Mentors
- Will respect the confidentiality of the mentorship relationship.



SaskTel Centre

Board Member Stay Interview

Purpose

The purpose of a Stay Interview is to check in with a new Board Member at their one year anniversary to see how their experience has been so far and determine what steps can be taken to utilize their skills better while also making their experience on the Board more fruitful and engaging.

Guidelines

Stay Interviews should be conducted within the following guidelines to ensure effective use and follow up by the Board:

- At the discretion of the current Board Chair, Stay Interviews should be conducted by the Board Chair, the Governance Committee, or the Past Board Chair.
- The new Board Member should be made aware that the information collected in the Stay Interview may be shared with the Board in some capacity, in order to allow the Board to make improvements to their Onboarding practices.
- The Interviewer should extend trust to the new Board Member.
- The Interviewer should encourage open dialogue and keep the conversation focused on ensuring engagement of the new Board Member.

Questions

1. What has your experience on the Board been like so far?
2. What do you like best about your current role on the Board?
3. If you could change one thing about your experience so far, what would it be?
4. What skills and abilities do you have that you have not been able to utilize on the Board?
5. Is there anything else you think would be helpful for me to know?



Board Member Exit Interview

Purpose

The purpose of the Exit Interview is to speak with the departing Board Member in the spirit of continuous improvement, to learn more about:

- His or her personal experience of Board service and based on the feedback determine if the board should consider changing the way it operates.
- His or her opinion on whether the Board's practices are sound and how well the Board functions as a team.
- Whether the chair is perceived as efficient.
- Ideas for making the Board more valuable for future Board Members and improve effectiveness for the entire Board.

Guidelines

Exit Interviews should be conducted within the following guidelines to ensure effective use and follow up by the Board:

- At the discretion of the current Board Chair, Exit Interviews should be conducted by the Board Chair, the Governance Committee, or the Past Board Chair.
- The departing Board Member should be made aware that the information collected in the Exit Interview will be shared with the Board in some capacity, in order to allow the Board to make improvements.
- The departing Board Member should have the option to participate in the Exit Interview or decline.
- The Interviewer should extend trust to the departing Board Member.
- The Interviewer should be sensitive to the feedback being received from the departing Board Member and be prepared to hear candid and critical thoughts.

Questions

1. Did you receive adequate orientation? Was your role well explained?
2. What was most rewarding about your service?
3. What did you like least?
4. Did you feel you were needed, appreciated, and able to use your skills?
5. Did you feel everyone's voice was heard?
6. What was your relationship with the Chief Executive Officer?
7. What advice would you offer new Board Members?
8. How would you improve the way the Board functions?
9. Would you consider serving on another civic Board in the future?
10. Do you have any additional comments?

SaskTel Centre Policies

Board

Administrative

Financial Budget Reporting

Cash Handling

Reserve

Workplace Harassment

Respectful Workplace

Employee Conflict of Interest

Contract Management

Management and Staff Expense Accounts

Management Compensation

Privacy of Information

Permanent Displays

Political Advertisements

Contra Sponsorship

Event Ticket Sales

House Seats

Event Booking and Marketing

Charitable Donations

Advance Ticket Purchasing Privileges

Out of Scope Remuneration

Communication