



West Kelowna Economic Development Corporation  
January 2023

## CORPORATION CHARTER

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- NAME:** West Kelowna Economic Development Corporation
- PURPOSE:** The West Kelowna Economic Development Corporation is the strategic business development agency created by the City of West Kelowna to lead efforts aimed at building West Kelowna's economy.
- MANDATE:** The West Kelowna Economic Development Corporation has the following responsibilities:
- > to develop and keep current a *West Kelowna Economic Development Strategy*
  - > to attract businesses, employers and investment to West Kelowna
  - > to develop appropriate branding aimed at identifying West Kelowna as a distinct community within the Central Okanagan, British Columbia and Canada
  - > to coordinate sector-specific and broader economic development activities undertaken by or in collaboration with business and development agencies
  - > to develop and support programs aimed at retaining and expanding existing businesses
  - > to advise the City on the development of services, infrastructure, bylaws, policies and regulations to support business growth and expand the non-residential assessment base
- LEGAL STRUCTURE:** The West Kelowna Economic Development Corporation is a City of West Kelowna local government corporation, created pursuant to section 185 of the *Community Charter*. The Corporation is incorporated under the British Columbia *Business Corporations Act*, and qualifies as a non-profit corporation under the *Income Tax Act* of Canada, exempt from paying income taxes.
- SHAREHOLDER:** The West Kelowna Economic Development Corporation is an arm's-length entity established and owned by the City of West Kelowna. The City is the

sole shareholder in the Corporation with one (1) share.

**SHAREHOLDER DECISIONS:**

Key decisions related to the mandate, ownership, governance, expansion, and funding of the Corporation are made by the City of West Kelowna Council in its capacity as the governing body of the Corporation's sole shareholder.

Council makes decisions on matters related to:

- > the Corporation's purpose, mandate and name
- > the composition of, and method of appointment to, the Corporation's Board of Directors
- > the Corporation's funding model, including the definition of costs that fall under base funding
- > the inclusion of additional shareholders, including governments, First Nations, not-for-profit entities and others
- > the lending of municipal funds to the Corporation
- > the imposition of any limits to the Corporation's authority to borrow funds and hold debt without shareholder approval
- > the appointment of an independent auditor to prepare the Corporation's annual financial statements
- > the imposition of any limits to the Corporation's authority to enter into contracts and agreements
- > the transfer of municipal assets to the Corporation
- > the disposal by the Corporation of assets previously transferred to the Corporation by the municipality
- > the dissolution of the Corporation

**BOARD OF DIRECTORS (Composition):**

The West Kelowna Economic Development Corporation exists as an autonomous, arm's-length local government corporation, governed by its own Board of Directors.

The Board is comprised of seven (7) voting Directors and two (2) non-voting Directors, all of whom are appointed by Council. The seven (7) voting Directors on the inaugural Board of are selected from among persons who apply to the City through a public call for applications. In selecting Directors, Council takes into consideration:

- > existing and targeted economic sectors and industries in West Kelowna, including wineries and viticulture, tourism and hospitality, construction, agriculture, manufacturing, forestry, post-secondary education, and digital enterprises
- > the skills and experience necessary for effective corporate governance

Subsequent appointments (i.e., beyond the inaugural Board) of the seven (7) voting Directors are also made by Council, but are nominated for Council consideration by the Board of Directors based on the Board-adopted recommendations of the Board's Governance & Nominations Committee. The Governance & Nominations Committee selects its nominees from among persons who apply through a public call for applications.

The two (2) non-voting Directors include one (1) member of the City of West Kelowna Council, and one (1) senior manager from the City. Whenever possible the Mayor and the Chief Administrative Officer, respectively, are appointed by Council to these positions.

**BOARD OF  
DIRECTORS  
(Term of Office):**

Each voting Director is appointed for a term of two (2) years, and may be reappointed by the shareholders for two (2) consecutive additional terms, for a maximum period of six (6) years. Additional rules on term of office intended to promote continuity in Corporation governance are as follows:

- > Four (4) of the seven (7) voting Directors of the inaugural Board are appointed for a three (3) year term; these Directors may be re-appointed for an additional two (2) consecutive terms, each of which is two (2) years in duration.
- > Directors are appointed (or reappointed, as the case may be) on a staggered basis beginning at the end of the second year when three (3) voting Director positions become open.

**BOARD OF  
DIRECTORS  
(Officers):**

At the first Board meeting of every second calendar year the Board of Directors elects from among its numbers a Chair and Vice Chair, both of whom serve two (2) year terms. The duties of the Chair include:

- > presiding at all meetings of the Board, and ensuring that the Board follows its own rules of order and rules imposed by legislation
- > setting agendas for Board meetings, with the assistance of the Corporation's Chief Executive Officer
- > providing leadership to the Board, including by recommending resolutions
- > ensuring that the Board has the information necessary to make decisions on matters within its mandate
- > providing on behalf of the Board general direction to the Chief Executive Officer
- > acting as the Board's chief liaison with the City, stakeholders and partners, the media, and external agencies
- > signing contracts and other legal documents in accordance with Board decisions
- > carrying out other duties assigned by the Board

The Vice Chair acts in place of the Chair when the Chair is absent.

**BOARD OF DIRECTORS (Remuneration):**

All Board members serve without remuneration. Expenses incurred to conduct business of the Corporation may be claimed in accordance with Board policies.

**BOARD OF DIRECTORS (Duties):**

The Board of Directors is an autonomous decision-making body, appointed to direct and oversee the activities of the West Kelowna Economic Development Corporation. The Board's duties include:

- > setting strategic priorities for the Corporation, and adopting and keeping current the Corporation's *Strategic Plan*
- > defining, within the context of the *Service Agreement* with the City of West Kelowna as well as the Corporation's *Articles of Incorporation* and *Bylaws*, the Corporation's mission, values and guiding principles
- > establishing policies and protocols necessary to govern the Corporation effectively, including providing the direction and oversight necessary to plan, budget, assess and report on performance, manage risk, communicate and advocate, recruit and develop Board Directors, and attend to other matters
- > initiating and leading, on behalf of the City, the development of a *West Kelowna Economic Development Strategy*
- > securing adequate funding, in addition to that which is provided by the City (i.e., base funding), to pursue the strategic priorities and achieve objectives
- > approving the Corporation's annual operating and capital budgets
- > hiring the Chief Executive Officer to manage the Corporation
- > annually reviewing the performance of the Chief Executive Officer against objectives set by the Board in collaboration with the Chief Executive Officer
- > entering into agreements and contracts, and terminating agreements and contracts as necessary
- > initiating projects and programs to implement the Board's *Strategic Plan*
- > establishing standing and select advisory committees, including those required by statute
- > appointing Directors and non-Directors to serve on committees
- > reporting to the City of West Kelowna annually on the services provided by the Corporation, and on the use of City funds pursuant to the *Service Agreement*

All voting Directors vote on all decisions of the Board; each Director including the Chair holds one vote. Decisions in favour of a resolution require a straight majority of voting Directors present. A quorum of five (4) voting members is required for meetings to be held and voting to occur.

**BOARD OF DIRECTORS (Committees):**

The Board of Directors establishes advisory committees to provide advice on new and ongoing initiatives, to attend to the business of the Board, to meet statutory requirements and to involve stakeholders in Corporation governance. The list of specific committees is determined by the Board, but includes at a minimum the following two (2):

- > Audit & Finance Committee (audit committee is required by section 224(1) of the *Business Corporations Act*)
- > Governance & Nominations Committee

All committee members are appointed by the Board as a whole. Non-Directors may be appointed by the Board in an effort to include stakeholders in economic development decisions, and to provide specialized input into the development of recommendations to the Board. The Board appoints a Chair and Vice Chair for each committee.

**BOARD OF DIRECTORS (Reporting):**

The Board is accountable to the City of West Kelowna — the Corporation's sole shareholder — and, through the City, the residents of West Kelowna for the operation and performance of the West Kelowna Economic Development Corporation. Accountability is achieved through:

- > the presentation to City Council of annual financial statements prepared by an independent auditor
- > the presentation to Council at the Annual General Meeting of an *Annual Report* that:
  - reports on the service initiatives and programs undertaken pursuant to the *Service Agreement* with the City
  - assesses the Corporation's past year performance using specified progress measures
  - sets out important initiatives and events that are planned for the upcoming year, within the context of the *Service Agreement*, the Corporation's *Strategic Plan* and any *West Kelowna Economic Development Strategy* in place
- > semi-annual briefings to Council
- > other means, formal and informal, that the City of West Kelowna may request

**FUNDING MODEL (Base Funding):**

Base funding for the West Kelowna Economic Development Corporation is in place to provide the support and certainty required by the Corporation to function effectively, particularly during its early years. Base funding is intended to cover:

- > staffing costs
- > the operation of the Board of Directors

- > office expenses including rent
- > an amount for marketing, investment attraction, business development and other initiatives aimed at attracting business and investment to West Kelowna
- > the annual audit and preparation of financial statements
- > other costs identified by the Board and approved as "base funding" by the City of West Kelowna

The City of West Kelowna, as the sole shareholder, provides all annual base funding each year for a five-year renewable period, pursuant to the terms of the *Service Agreement*.<sup>1</sup>

**FUNDING  
MODEL  
(Projects):**

Project funding is provided in the form of initiative-related grants from governments, public not-for-profit agencies and businesses. Funding may also be raised by the Corporation through fundraising efforts, and in the form of returns on Corporation initiatives. In identifying the need for project funding, and in pursuing sources of funds, the Corporation is guided by the *Service Agreement* with the City, the Corporation's *Strategic Plan* and the *Economic Development Strategy*.

**CHIEF  
EXECUTIVE  
OFFICER:**

The responsibility and authority for administering the West Kelowna Economic Development Corporation is assigned by the Board of Directors to a Chief Executive Officer. The Chief Executive Officer is hired by and accountable to the Board. The Chief Executive Officer has a number of responsibilities, including:

- > preparing and presenting, for approval by the Board, the Corporation's annual operating and capital budgets
- > reviewing and approving all expenditures as approved in the budgets
- > working with the Board to establish strategic priorities within the context of the *Servicing Agreement* and *Economic Development Strategy*
- > directing the initiatives and programs of the Corporation
- > monitoring initiatives and programs to ensure value and impact
- > supporting the Board and its committees in their work
- > presenting monthly reports to the Board
- > directing and overseeing the work of Corporation staff, contractors, and consultants
- > recommending to the Board the development of new staff and contract positions
- > creating and fostering relationships with businesses, associations, agencies and stakeholders

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<sup>1</sup> *Attachment I* provides estimates of the annual base costs funded by the City, as well as the costs the Corporation would incur at start-up.

- > liaising with senior staff at the City of West Kelowna, as well as key representatives of stakeholders and partners
- > representing the Corporation at various events inside and outside of West Kelowna

**OPERATIONS:**

The West Kelowna Economic Development Corporation leases its own office space in Westbank Centre. The Corporation attends to its own operational needs, including those related to financial management and accounting, legal matters, human resources, purchasing, information technology, and others.

Where cost-effective and practicable, the Corporation may contract the City of West Kelowna to provide corporate and other services required for the Corporation's operations.

**FIVE-YEAR REVIEW:**

The City of West Kelowna is committed to the long-term success of the West Kelowna Economic Development Corporation. The City understands the need for certainty in the Corporation's base funding, for a high degree of autonomy in the Corporation's governance and operations, and for the ongoing support by Council and staff. To that end, the City guarantees to provide adequate base funds for the Corporation for a five-year renewable term, pursuant to the *Service Agreement*.

In the second half of the fifth year of the *Agreement*, the City will initiate and fund an independent review of the Corporation that:

- > examines the Corporation's mandate, structure, funding, performance, and other factors that, taken together, help to assess the effectiveness and success of the Corporation in fulfilling its purpose
- > assesses the level of community and stakeholder support for the Corporation
- > identifies changes to the Corporation, its mandate, structure or other attributes for consideration by the City

Changes identified will inform the development of the second five-year *Service Agreement* and adjustments to the model.



West Kelowna Economic Development Corporation  
Attachment I

## COST ESTIMATES

### Annual Base Costs

Under the funding model the City of West Kelowna would provide annual funding to the WKEDC, under the terms of the *Service Agreement*, to cover all base operating costs for a period of five years (renewable). Figure AI.1 presents an estimate of these costs (2023 dollars).

**Figure AI.1**  
**Estimated Annual Base Costs (2023 Dollars)**

Annual Costs	Estimate	Comments
Salaries & Benefits	\$250,000	– Chief Executive Officer and Bus. Dev. Coordinator
Office Administration	\$20,000	– shared reception and administration
Office Lease	\$18,000	– reception, offices, boardroom (shared)
Telephone / Internet	\$6,000	– VOIP office lines, unlimited data, mobiles
IT Support / Web Hosting	\$5,000	– potential to contract City in start-up
Software Licences	\$1,500	– office, accounting, CRM, other
Office Supplies / Board Support	\$7,000	
Accounting	\$7,500	– preparation of annual financial statements
Memberships & Education	\$2,000	
Insurance (Commercial)	\$5,000	– general liability, non-owned /rented vehicles, E&O
Insurance (Directors & Officers)	\$6,000	
WorkSafe BC & Business Licence	\$2,000	
Travel	\$5,000	
Marketing	\$25,000	– general marketing (not as part of projects)
Professional Costs	\$20,000	– legal and other
Contingency	\$20,000	
<b>Total Estimate</b>	<b>\$400,000</b>	



### Start-up Costs

The WKEDC would face certain start-up costs, in addition to the annual base costs, that the City would be expected to fund. Figure AI.2 presents an estimate of these costs. Costs incurred by the City directly (e.g., legal framework costs) are not included. Also not included is the cost to create a *West Kelowna Economic Development Strategy*. It is expected that while the new WKEDC would lead the development of the *Strategy*, the City would fund the *Strategy* as a separate project.

**Figure AI.2**  
**Estimated Start-up Costs (2023 Dollars)**

Annual Costs	Estimate	Comments
CEO Recruitment	\$30,000	– recruitment firm
Office Furniture	\$15,000	– three individual offices, storage, other
Office Equipment	\$10,000	– computers, printer
Office Update	\$20,000	
Identity / Brand	\$12,500	– logo, theme, fonts, stationery design, templates
Website Development	\$12,500	– VOIP office lines, unlimited data, mobiles
Board Recruitment & Training	\$15,000	– orientation and materials
WKEDC Strategic Plan	\$20,000	– strategic plan by the Board and CEO for the WKEDC
Contingency	\$15,000	
<b>Total Estimate</b>	<b>\$150,000</b>	