



COUNCIL REPORT

To: Mayor and Council

Date: December 12, 2023

From: Paul Gipps, CAO

Subject: **West Kelowna Economic Development Corporation – Next Steps**

Report Prepared by: Trevor Seibel, Deputy CAO

PURPOSE

To seek Council's direction on the next steps for the incorporation and set up of the West Kelowna Economic Development Corporation (WKEDC).

RECOMMENDATION to Consider and Resolve:

THAT Council approve Option #1 for the process to Incorporate the West Kelowna Economic Development Corporation, as outlined in the report titled "West Kelowna Economic Development Corporation – Next Steps" dated December 12, 2023;

AND THAT Council approve Councillor Tasha Da Silva and Deputy CAO Trevor Seibel as the First Directors of the West Kelowna Economic Development Corporation;

AND FURTHER THAT Council authorize staff to proceed with the incorporation of the West Kelowna Economic Development Corporation.

Alternate Recommendation to Consider and Resolve

Should Council wish to proceed with Option #2 noted in the report, the following resolution would be required:

THAT Council approve Option #2 for the process to Incorporate the West Kelowna Economic Development Corporation, as outlined in the report titled "West Kelowna Economic Development Corporation – Next Steps" dated December 12, 2023;

AND THAT Council approve Councillor Tasha Da Silva and Deputy CAO Trevor Seibel as the First Directors of the West Kelowna Economic Development Corporation;

AND FURTHER THAT Council authorize staff to proceed with the incorporation of the West Kelowna Economic Development Corporation.

CoSTRATEGIC AREA(S) OF FOCUS

Pursue Economic Growth and Prosperity – We will work with stakeholders throughout the region to advocate for and support efforts aimed at helping West Kelowna businesses prosper. With a focus on the future, we will advance opportunities to expand our economy, increase employment, and develop the community in ways that contribute towards prosperity for all.

DISCUSSION

At the November 14, 2023 Regular Meeting of Council, direction was provided to staff on the 2024 Budget for WKEDC. The next step is to outline the process, and options, of the initial set up post incorporation, appointing the Board of Directors and hiring the Chief Executive Officer.

On September 14, 2023 the City received approval from the Inspector of Municipalities to incorporate WKEDC. This letter was provided to Council on November 14, 2023. With the approval now in place, Administration has started to map out the next steps of the process. Pursuant to the Articles of Incorporation, which were previously provided to Council, the corporation must have a December 31 year end to be consistent with the City. To prevent additional reporting requirements, the WKEDC corporation would be incorporated in early 2024.

Neilson Strategies, who has been working the City on this project, has provided a summary of the legal, governance and administrative requirements going forward (Attachment 1). There are a couple of key items that must be in place before incorporation can proceed most notably the need for the First Directors and Council approval to proceed with Incorporation.

OPTIONS

There are two options for Council to consider at this time in relation to how Council wants to move forward with Incorporation.

Option #1: Appoint First Directors, Hire CEO, Set up Board

With this option, Council would appoint the First Directors of the Corporation. These directors would be on an interim basis to facilitate the necessary incorporation processes. The First Directors would be the Council appointee and the Deputy CAO (these directors would be voting members initially until the full board is appointed then become non-voting members). This would allow the Incorporation process to commence and initiate the legal requirements outlined in Section 2.1 of the attached document. The First Directors would then hire a consultant with the specific and specialized skills to properly set up the corporation for future success. The consultant would establish the necessary policies, procedures, job descriptions (Board and CEO). The consultant, working with the First Directors, then hire the CEO to oversee

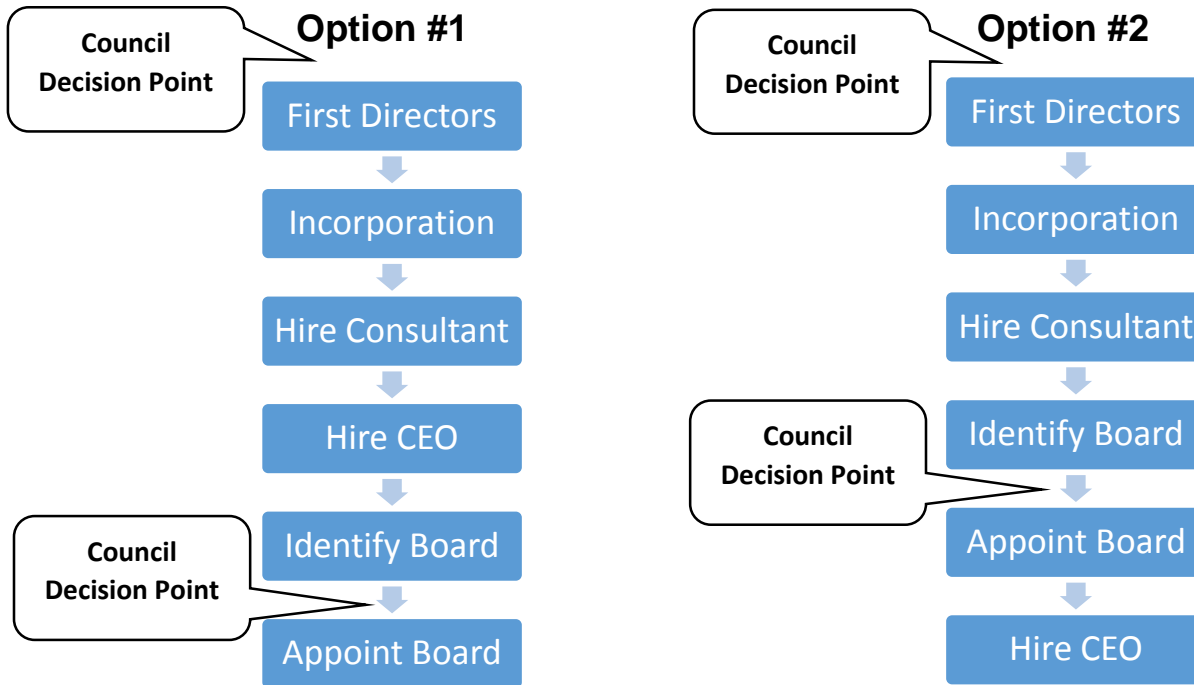
administration of the organization. The CEO would then establish all the Board supported processes (orientation, board structure, committees, reporting structure, etc.). At that point, Council would then have a further decision point on how to institute the full Board. Either through appointment or through a public process. An appointed Board would require the identification of specific individuals to fulfill the necessary term. A public process would require recruitment/posting of the availability of director positions. Once the potential candidates have been identified, Council would then appoint the Board. The Board would then carry on with establishing its mandate, consistent with Council's direction.

Option #2: Appoint First Directors, Set up Board, Hire CEO

With this option, Council would appoint the First Directors of the Corporation. These directors would be on an interim basis to facilitate the necessary incorporation processes. The First Directors would be the Council appointee and the Deputy CAO. This would allow the Incorporation process to commence and initiate the legal requirements outlined in Section 2.1 of the attached document. The First Directors would then hire a consultant with the specific and specialized skills to properly set up the corporation for future success. The consultant would establish the necessary policies, procedures, job descriptions (Board and CEO). The consultant would work with the First Directors to establish all the Board supported processes (orientation, board structure, committees, reporting structure, etc...). At that point, Council would then have a further decision point on how to institute the full Board. Either through appointment or through a public process. An appointed Board would require the identification of specific individuals to fulfill the necessary term. A public process would require recruitment/posting of the availability of director positions. Once the potential candidates have been identified, Council would then appoint the Board. The consultant, working with the new Board of Directors, would then proceed with the recruitment process for the new CEO. The new CEO would then oversee the administration of the organization and the Board would then carry on with establishing its mandate, consistent with Council's direction.

With either option, the timeline to complete will be driven largely based on the method chosen to implement the new Board. The First Directors, Incorporation and the Consultant can take place very quickly (30-60 days). The Board implementation process could take anywhere from (60-120 days).

The following graphic illustrate the process flow for each option.



FINANCIAL IMPLICATIONS

At the November 14, 2023 Regular Meeting of Council, Council approved the 2024 Budget for WKEDC in the amount of \$335,810. The annual detailed budget will be the responsibility of the new Board and CEO (arm’s length from Council) and they will report to Council through the “to be established” reporting protocols.

There are two budgets to be considered. There are the start-up costs and then the annual budget. The sample budgets are shown in Attachment 2.

For 2023, based on the two options presented for Council, it is anticipated that the 2024 budget would consist of the start up costs (\$150,000) and up to 50% of the Annual Budget (\$200,000). Ultimately, they would be working within the \$335,810 allocated for 2024. The rationale being that by the time the Board is appointed and becomes functional (after all the necessary orientation, training and strategic planning) WKEDC would be well into the 2nd half of 2024.

COUNCIL REPORT / RESOLUTION HISTORY

Date	Report Topic / Resolution	Resolution No.
November 14, 2023	THAT Council endorse Option #1 for the 2024 Budget for the West Kelowna Economic Development Corporation (WKEDC)	C375/23
June 13, 2023	THAT Council approve the formation of a West Kelowna Economic Development Corporation, created pursuant to section 185 of the Community Charter as a municipal corporation wholly-owned by the City of West Kelowna; THAT Council direct the Director of Legal Services and Risk Management to request and obtain the approval of the Inspector of Municipalities to establish the Corporation; and THAT Council direct staff to report back with confirmation of the approval from the Inspector of Municipalities, and outline next steps in establishing the Board of Directors.	C228/23

REVIEWED BY

Corinne Boback, Legislative Services Manager / Corporate Officer

APPROVED FOR THE AGENDA BY

Paul Gipps, CAO

Powerpoint: Yes No

Attachments:

Attachment 1 – Neilson Strategies–Economic Development Corporation–Startup Tasks
Attachment 2 – Start-up and Annual Operating Budget Estimates