



GEORGE B.CUFF
& ASSOCIATES LTD | MANAGEMENT CONSULTANTS

Report on the “Incident”

Regina Exhibition Association Limited

(REAL)

July 2023

July 7th, 2023

To: Ms. Cathy Warner, Chair, Ad Hoc Committee & Committee Members

From: George B Cuff, FCMC, President, George B Cuff & Associates Ltd.

Re: The "Incident" Review for the Regina Exhibition Association Ltd. (REAL)

The Regina Exhibition Association Limited (REAL) contacted this firm with a request to provide independent and professional consulting expertise and advice in an examination of what has been referred to as the "Incident" (the release of branding/slogan ideas to the public before they had been approved by the organization or Board).

The concepts released were viewed as distasteful and caused a significant backlash in the community, many of whom felt that these were either inappropriate or offensive or both. The request made by the Board was in essence, to determine what happened, why it happened and to advise on those steps necessary to ensure that the opportunity for a repeat was negated.

Our firm, based in western Canada, has been involved in governance/management studies for all three levels of government and associated boards and commissions and have worked in all Provinces and Territories across Canada. We have been incorporated since 1984 and have been consulting since the late 70s. Our previous connection to the Regina (City or REAL) has been minimal with a governance/management seminar in 2018 and a virtual governance seminar in early 2021, both for City Council/management.

This Review was carried out by George B Cuff, FCMC with the assistance of a Senior Associate JR (Rick) McDonald, CMC.

We are appreciative of being awarded this assignment and trust that this Report will assist in bringing closure for all concerned.

Yours very truly,



George B Cuff, FCMC

President

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1.0 Background

The Board of the REAL reached out to the consultant on April 5th, 2023, to determine whether we could assist in conducting a Review of what has been referred to as the "Incident". This request resulted in the consultant agreeing on April 10th, 2023, to conduct the Review in accordance with the terms of reference as provided by the Chair of the REAL Ad Hoc Committee.

1.1 Purpose

We were advised by the REAL Ad Hoc Committee that the purpose of the Review was:

- *to determine what happened through the independent corroboration of the timeline prepared by management;*
- *to determine why it happened through obtaining an understanding of red flags that may have been/should have been identified, the implementation of control processes and approvals, including governance, that were/should have been in place;*
- *to identify recommendations relating to controls and governance processes to mitigate the risk of reputation damage from occurring in the future; and*
- *to provide other information to permit the Board of Directors and City Council to move forward on next steps.*

1.2 Terms of Reference

It has been our standard practice to ensure that both sides are clear as to the guidelines and expectations of such a Review. The terms of reference agreed to are as follows:

- *review the background to the "Incident" leading to this call for an independent assessment and report;*
- *determine the key steps which the client and their contractors took leading up to the "Incident";*
- *assess the appropriateness of approval processes;*
- *determine the relevance of those involved in these processes, including both the role of City Council and the Board of Directors;*
- *assess applicable policies/directives guiding the approval of the end product;*

- *determine if REAL was clear on their mandate for involvement in the approval process, and their requirement to involve City Council;*
- *assess any direction received by those involved in the approval process;*
- *identify any gaps in policies, processes and accountability and the governance mandate of both Council and the Board;*
- *ensure that clear recommendations are provided which guide each party as they move forward.*

1.3 Methodology

Our approach was based on our desire to:

- gain a grasp of the history of the organization (REAL) under review;
- understand the essence of what REAL sees as its core business;
- develop a sense of the overall context through understanding what REAL claims as successes over the past few years;
- identify the background to the current challenges which we are expected to assess; and
- provide our advice as to what changes will be necessary to move forward.

In doing so, we addressed the terms of reference which we agreed to prior to accepting this engagement. Our approach required us to understand the background of REAL including the legislation and bylaws which govern its affairs, its governance structure (e.g., committees) and what role they might have played with respect to the "Incident"; and the organization structure which also bears on this Review given its place in determining who had the responsibility to make certain decisions.

We appreciate and understand that this Review has resulted in additional work for some members of the administration and Board (including the coordinating work of its Ad Hoc Committee). This cooperation has been very helpful.

Our Review included:

- Requesting a series of background documents, meeting packages and minutes, strategic plans, annual reports, organization structure and reports including files related to the "Incident";

- Assessing those files and utilizing that information to ensure that we had a reasonable grasp on the issues leading up to the “Incident”; requesting additional background information on those areas/topics which we felt were pertinent;
- Developing interview guides for the various types of personnel whom we wished to interview;
- Establishing interviews with: REAL Board, Mayor and City Councillors, City Manager (interim and current), REAL Executive members and applicable staff; representatives of stakeholders; representatives of contractors;
- Conducting follow-up interviews as we saw the need or as requested;
- Discussing and meeting with the Chair of the Ad Hoc Committee; and
- Preparing a Report on the “Incident” and applicable information related to it.

1.4 Coordinating Body

The Board of REAL established an ad hoc committee to oversee this review process and ensure the consultant received the cooperation of the organization in conducting this Review. This Ad Hoc Committee consists of Chair, Cathy Warner (Chair of A&F), Wayne Morsky (Board Chair), Tiffany Stephenson (Vice-Chair, Chair of Strategic Initiatives), Ken Budzak (Chair, Governance), David Sinclair (Chair, Human Resources) and Ahmed Malik (Board Member). The Committee (and its chair) have been helpful in terms of enabling the consultants to gain access to the information (and people) as needed and requested and in providing feedback on our Report. REAL staff have also been helpful in scheduling the requested interviews, providing added insights and for that we are appreciative.

1.5 History & Background

We requested some background on REAL so that we understood its beginnings, mandate, connection to the City of Regina and its relationship to the various other organizations which impact the services and programs offered by the Association. Based largely on the REAL Strategic Plan (2020) we found that *“REAL builds on the proud legacy of the Assiniboia Agricultural Society, which was established in 1884 when community-minded citizens organized Regina’s first agricultural fair. It was held in the area that is now Victoria Park in downtown Regina. In time, 50 acres of land was purchased west of*

Elphinstone Street, establishing a permanent home for the Regina Agricultural and Industrial Exhibition Association. The site was approximately half the size of the Evraz Place today. The property's development is summarized in the following timeline:

1884-1895

- *The Assiniboia Agricultural Association's first fall fair brought together 150 community-minded individuals to exchange goods, information and experiences. The two-day event was held near today's Victoria Park, just two years before the introduction of the railway. The fair remained local until 1895 when the Dominion of Canada sponsored the Territorial Exhibition to stimulate interest in the Northwest Territories. The fair's location moved to its present site at Evraz Place to accommodate exhibits and visitors.*

1895-1950

- *The subsequent fair was held in 1899, organized by the newly formed Regina Agricultural Association. From that point, it became an annual event. In 1905, the fair was the center of attention for the nation as the Province of Saskatchewan entered Confederation. In 1907, the Saskatchewan Legislature formally passed the Associations Act of Incorporation, allowing the event to expand to include exhibits of various products and animals, along with entertainment and amusement.*
- *In 1907 the Saskatchewan Legislature passed the Association Act of Incorporation; Regina community leaders incorporated under the name Regina Exhibition Association Limited*
- *The next 40 years saw the growth and construction of permanent facilities and ever-expanding volunteer participation. Midway rides and sideshows were added in the 1920s, as well as automobile racing, professional baseball and horse-pulling competitions. The site became known as Regina Exhibition Park, where events large and small were hosted. Most significant was the two-week World's Grain Exhibition and Conference in 1933, which showcased exhibits from more than 40 countries. The Grain Show Building opened that year as the centerpiece of the show, drawing 200,000 visitors.*

1950-1980

- *The 1950s were a decade of development in which Exhibition Auditorium, Jubilee Building, and paving of the midway were completed. In 1955, the exhibition's theme was a celebration of the province's Golden Jubilee. Fair attendance exceeded 200,000 for the first time. That same year, two-thirds of the Grain Show Building burned to the ground in a raging fire, leaving only the east wing standing.*
- *In 1967 - Canada's centennial year - a citywide celebration called Buffalo Days was born in acknowledgement of Regina's Indigenous roots and our province's pioneer history. In 1978 and 1982, the Buffalo Days Exhibition was named "Major Fair of the Year" by the Canadian Association of Exhibitions. This summer fair, now known as Queen City Ex, continues to be a favourite summer tradition in Regina. Agriculture and trade continued to play an essential role in our organization's history. In 1971 the inaugural Canadian Western Agribition was held, and in 1973 the Air Canada Silver Broom (World Curling Championship) was hosted. The Agridome opened in 1977, and the Western Canada Farm Progress Show (now Canada's Farm Show) was launched in 1978.*

1980-2000

- *The next two decades saw the property make incredible strides towards becoming the largest interconnected complex in Canada. With the additions of Canada Centre and Queensbury Convention Centre, over 152,000 sq. ft. of flexible space was added to host trade shows, conferences, meetings and weddings.*

2000-Present

- *The new millennium has seen considerable changes to the footprint of the REAL campus. In 2005, the AffinityPlex became Regina's premier multipurpose sports facility, home to more than 300 events and an annual 1.3 million local, regional, national and international visitors. From October to April each year, the facility is a hub of activity for Futbol Club Regina, which brings thousands of players and families to the campus to enjoy one of the best indoor soccer facilities in*

Canada. The Co-operators Centre became a reality in 2010. Featuring six regulation-size ice surfaces and a main arena providing seating for 1,300 spectators, this premier ice sports facility hosts local, regional, national, and international competitions year-round, including hockey, ringette, figure skating, and broomball. The Co-operators Centre is also home to the University of Regina men's and women's hockey teams.

- **2017** was a critical year for the property, with the addition of two large-scale modern facilities. The demolition of multiple aging buildings including the Annex, Auditorium, and Exhibition Stadium made room for the 150,000 sq ft multipurpose Viterra International Trade Centre. That same year, the province's historic football franchise (the Saskatchewan Roughriders) joined the REAL District in its brand-new Mosaic Stadium. With a standard capacity of 33,000 people, expandable to 40,000, this multi-purpose event facility allows Regina to host even the largest events on a global stage.
- **2020-2022** saw the Canada Centre Building transform into a multi-sport complex welcoming users from the world of pickleball, volleyball, basketball and skate boarding. A new drive-thru McDonalds restaurant facility opened its doors to the public on the District in September 2021. The Agribition Building is seeing a huge overhaul in 2022 with the addition of a new tenant on the REAL District with YQR Distillery which will be a state-of-the-art brewing facility complete with restaurant, off sale and common space.
- July of 2022, REAL and the City of Regina agreed to an amended "Unanimous Members Agreement" (the initial UMA was signed January 1st 2014).

Present Day

- The Regina Exhibition Association Limited grounds are home to sports and recreation, major concerts, tradeshow and conferences, the Saskatchewan Roughriders, and the Regina Pats, and proud hosts of the 2022 Grey Cup.
(Source: REAL Strategy Plan 2020)

2.0 Legislative Pillars, Agreements, Roles

The Bylaws indicate that the Association was incorporated in 1907 as “The Regina Exhibition Association Limited” (REAL). The Association transitioned to The Non-profit Corporations Act, 1995 (Saskatchewan) on January 1st, 2014, under an Order of Council approving the Articles of Continuance.

There are various pieces of legislation which impact REAL. For the purposes of understanding the backdrop to this Report, we have included the following:

2.1 The Non-Profit Corporations Act

The Non-Profit Corporations Act, 1995 (Saskatchewan) sets out the rules for the incorporation of registration for a non-profit organization in Saskatchewan, and for the registration of non-profit extra-provincial corporations. Section 88 states that *“Subject to any unanimous member agreement, the directors shall manage the activities and affairs of a corporation”*. Further, s.108(1) of the Act states that *“Subject to the articles, the bylaws or any unanimous member agreement: (a) the directors may designate the offices of the corporation, appoint as officers persons of full capacity, specify their duties and delegate to them any powers that the directors may lawfully delegate except powers to do anything mentioned in subsection 102(3)”*; and of interest with respect to the *“duty of care”* to be exercised by members (i.e., directors and officers), *“Every director and officer of a corporation, in exercising his or her powers and discharging his or her duties, shall: (a) act honestly and in good faith with a view to the best interests of the corporation; and (b) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. (2) Every director and officer of a corporation shall comply with this Act, the regulations, articles, bylaws and any unanimous member agreement”*.

2.2 Certificate and Articles of Continuance

REAL’s Certificate of Continuance and Articles of Continuance verify that REAL is a certified association under the Non-Profit Corporations Act, 1995 (Saskatchewan). The articles of continuance outline the class of membership/shareholder the organization has, and the rights and voting power of the sole shareholder. According to the Articles of Continuance, REAL is entitled to *“...provide and operate multi-purpose facilities for*

events and activities including sports and other entertainment and for the purpose of promoting agricultural industries and services generally..."

2.3 Unanimous Members Agreement

In July of 2022, REAL and the City of Regina agreed to an amended "Unanimous Members Agreement. As the City of Regina was making significant investments in the construction of the International Trade Centre and Mosaic Stadium infrastructure on the Evraz Place campus they required a greater level of authority over those assets. With the signing of the UMA, REAL's governance model shifted from a shareholder model to an arm's length municipally owned entity. The UMA sets out REAL's scope of responsibility, reporting requirements, and the City of Regina and REAL's relationship and decision-making structure including the following provisions:

- *The City of Regina (the "City") is the owner of all of the issued Class A voting memberships of REAL*
- *In very general terms, REAL is to: (i) develop, provide, operate and maintain multi-purpose facilities for events and activities (including sports and other entertainment), (ii) develop City lands for specific projects as may be directed by the City from time to time; (iii) market and promote the City and Region for tourism; and (iv) promote agricultural industries and services;*
- *The City, as the sole voting member of REAL, wishes to set out its expectations, establish certain operating principles and set out the requirements to be met by REAL; and It is the intention of the City that this Agreement shall constitute a unanimous members agreement with respect to REAL in accordance with section 136 of the Non- profit Corporations Act.*
- *It is the intention of the City that this Agreement shall constitute a unanimous members agreement with respect to REAL in accordance with section 136 of the Non- profit Corporations Act.*

Mandate of REAL

"REAL will:

- a) *operate in the best interests of the community and enrich the quality of life for people in the community through the hosting and delivery of local, regional, national and international events;*

- b) develop, operate and maintain City and other lands and facilities to provide world-class hospitality for trade, agri-business, sporting, entertainment and cultural events or for placemaking and community development projects that bring innovation, enrichment and prosperity to the community,*
- c) encourage the retention, development, attraction and growth of tourism products and services for those who live, work, visit and invest in the City and region;*
- d) market and promote the City and region for tourism; and*
- e) operate with an entrepreneurial spirit and pursue expanded business ventures that could generate additional revenue". (CR 22-76)*

2.4 Bylaws And Governing Policies

The purpose of REAL's bylaws is to act as the link between the Non-profit Corporations Act, 1995 (Saskatchewan), Articles of Continuance, the UMA and the Board's governance policies. The bylaws outline the rules by which the REAL board may operate which are not specifically addressed within the above-mentioned governing documents. The bylaws address items such as Board of Director responsibilities and terms, board meetings, quorum, voting, board committees, officers and delegations of authority, conflict of interest, and the financial year. Amendments to bylaws require approval by the City of Regina in the capacity of sole shareholder.

The Board's governing policies go further into detail about how the Board will conduct business as it fulfils the mandate outlined in the UMA. The policies are reference tools for appropriate actions and processes the Board deems necessary to adequately fulfil their duties.

We were provided a list of thirty-two policies, all of which pertain to governance matters.

The **Bylaws of REAL** stipulate that the Board is to govern the Association (REAL) by:

- a) Approving strategic direction (plan including mission, vision, values and objectives);*
- b) Stewarding the resources (approving budget, overseeing risk, delegating authorities);*
- c) Supervising the President and CEO of the association (appointing, evaluating, engaging, guiding and monitoring);*

- d) *Approving the hierarchy governing policies;*
- e) *Making strategic level decisions appropriate to governance; and*
- f) *Being accountable to the member.*

REAL's Board acts as a governance body with the responsibility to establish the corporation's strategic direction, oversight and long-term sustainability. Its mandate is intended to provide a clearly defined role for its governance responsibilities vis-à-vis the operational aspects which are delegated to the Board's sole employee, the chief executive officer (CEO) and his administration. The Board exercises its governance mandate through its decisions made at its Board meetings (regular, special) and through its policies. The latter dictates how the Board treats certain governance matters and sets the parameters within which the CEO and his administrative organization are to function.

The principal role of the Board of Directors is to set the policies and priorities which guide the decisions and actions of its administration. It is these policies which assure the Board that the administration is functioning as expected and as directed. Policies are set by the Board, generally on the advice of the CEO and senior staff, on issues deemed to be protective of the Board and organization's reputation and as a means of ensuring that the administration is directed in its efforts towards the accomplishment of Board-established priorities and CEO directives. The priorities of the Board are usually decided through a Strategic Planning process (conducted January & July each year) (unless the business of the organization changes substantially) and are what guides (or should) the budget process and the targets of REAL.

The CEO, in turn, is accountable to the Board for staying within the parameters established by policy and budget and is focused on the strategic priorities articulated via the annual operating and capital budget. In the absence of a guiding policy(s), the CEO is or should be required to come back to the Board with a specific request if the matter is time sensitive.

According to the Policy: Board Structure and Roles, *"Through the Articles of Continuance (January 1, 2014) and the Unanimous Members Agreement (UMA) (January 1, 2014), the City of Regina (COR) delegates authority to the Board of Directors (BOD)*

for the Regina Exhibition Association Limited (REAL) to operate the property currently at 1700 Elphinstone Street, Regina, SK". The Board of REAL is a delegated authority body with accountability up to its member, i.e., the City of Regina, outward to its client base, i.e., the public, its stakeholders, clients and partners, and internally to its management and staff who serve the best interests of the organization.

2.5 Role of the Shareholder

The City of Regina (as Member/Shareholder) also impacts REAL through its resolutions, bylaws, appointments and funding. Further, the City has the authority to name its representatives on the REAL Board which, in this instance, includes one Councillor and the City Manager. Both serve in an ex officio, non-voting role. These representatives also have the duty of acting as a liaison on behalf of the City and can report back to the Mayor and Councillors as to their insights into the decision-making of the REAL Board.

According to the Board's bylaws, the City has the predominant role by virtue of being a Class A member in an organization which has only one such member and which has the authority to designate its proxy holder to vote its shares at REAL membership meetings (s.7, Bylaws, REAL); request a special meeting (s.10); appoint virtually all members of the Board (s.14).

According to s.9 of the Bylaw, at the annual meeting, the member i.e., the City shall:

- a) appoint directors as required by these Bylaws,*
- b) appoint auditors to audit the books of the association as recommended by the Board of Directors of REAL*
- c) receive the financial statements of the association,*
- d) receive the reports of the Board and the auditors, and*
- e) transact any other business which under the Act, Unanimous Member Agreement, and Bylaws must be transacted at an Annual Meeting.*

The City made a significant change to the Unanimous Members Agreement (Res.#CR22-76) by amending the UMA with Economic Development Regina and removing the responsibility to market and promote tourism services for Regina and Region and transferring that obligation to REAL (i.e., amend the whereas clauses in the introduction

section of the UMA to include the marketing and promotion of tourism services for Regina and Region and to include the development of City lands for specific projects as may be directed by the City).

The City's resolution was passed (June 29th, 2022) and included the following:

a) That section 6 of REAL's Articles of Continuance be amended to read as follows:

"The Corporation may develop, provide and operate multi-purpose facilities for events and activities including sports and other entertainment and for the purpose of promoting agricultural industries and services generally and for the purpose of encouraging the retention, development, attraction and growth of tourism products and services for those who live, work, visit and invest in the City of Regina and Region and for the purpose of marketing and promoting the City of Regina and Region for tourism and to this end shall have the capacity, the rights, powers and privileges of an individual; provided that all such activities are undertaken for valid municipal purposes."

2.6 Appointment of Board Members

The Board of REAL takes seriously the appointment of its members. They have adopted a process which appears thorough and includes the following steps:

- 1. Annually the REAL Board Directors completes a skills self-assessment against a list of eleven (11) skillsets with definitions and a weighting system to identify potential skills gaps.*
- 2. The skillsets assessed include; Board Experience & Strategic Planning, Stakeholders Relations, Human Resources, Finance, Legal, Branding & Communications, Commercial & Infrastructure Development, Tourism & Economic Development, Sport/Entertainment/Recreation, Food & Beverage and finally, Agriculture.*
- 3. The Governance and Nominating Committee reviews the results of the assessment and considers them for potential gaps in the Board membership.*
- 4. The current 2023/2024 REAL Board of Directors recruitment opened on November 1, 2022 and closed on January 31, 2023. The recruitment was widely advertised in local media.*

5. The list of renewed and new members is made available to Council for their review and confirmation.

The Board consists of quality citizens/members drawn from a cross-section of Regina society. We do not have any doubt these members are keen to serve the best interests of this organization.

In general terms what do the foregoing statements convey? There are at least three significant "takeaways" from this legal umbrella:

1. Based on The Non-profit Corporations Act, the Board of REAL has the authority to govern and manage the affairs and activities of the corporation.
2. REAL is a continuing organization operating on behalf of its sole shareholder (the City of Regina).
3. The Unanimous Members Agreement confirms that REAL has been chosen to act as an arm of the City and has been endowed with the powers necessary to achieve City aims regarding its multi-purpose facilities, the development of City lands, the promotion of the City for tourism, and the promotion of agricultural industries and services.

3.0 Corporate/Strategic Direction

While the Bylaws establish the legal foundation of an organization, its delivery system is the product of its commitment to its mission, vision and values. These were re-affirmed through the 2022 orientation process.

3.1 Mission, Vision, Values

As these are important to the context of this Review, we have re-stated these as follows:

Mission

The “Mission” of REAL is described in their corporate documents (REAL 2022 City Council Budget Presentation) as follows:

“We deliver exceptional experiences and foster meaningful memories that make our community a better place.”

Vision

The “Vision” of REAL is described in their corporate documents (REAL 2022 City Council Budget Presentation) as follows:

“To be the heart of our city and province -a place where people come to live, work and play.”

Values

The “Corporate Values” of REAL is described in their corporate documents (REAL 2022 City Council Budget Presentation) as follows:

***Be original.** We think outside the box, constantly challenge the status quo and welcome ideas for improvement.*

***Be a host.** We treat everyone as if they were a guest invited into our home and we do so with the highest level of hospitality.*

***Be inclusive.** We welcome everyone and treat all others how we would like to be treated.*

***Be proud.** We showcase how honoured we are to represent our history, our organization and to be a valued member of the Evraz Place family.*

***Be resilient.** We willingly adapt to change and never give up.*

Be smart. We strategically and thoughtfully manage our business and plan for the future.

Always own it. We hold ourselves and other accountable for delivering on promises.

The **Mission** identifies the broad purpose of the organization; the **Vision** sets out a longer-term view of where the organization sees itself heading; and the **Values** guide and/or reflect actions by its decision-makers. These set the tone for how the organization functions and how it approaches new ideas and opportunities. In this instance, we see a desire to be creative and change oriented as a means of delivering on its mandate. At the same time, there is also an expectation of accountability. That accountability is ultimately held by and espoused by its governing body, the Board.

3.2 Strategic Planning

Most organizations recognize that establishing priorities is important to their sense of direction both for the organization as a whole and for individual employees. A well-considered and thoughtfully prepared strategic plan can help any organization focus its efforts and draw together its resources into a cohesive direction.

The Board is responsible for developing the strategic priorities and plan that align with the mission, vision, values of the organization, and in alignment with the mandate as outlined within the UMA. The strategic vision and direction is identified and set by the BOD. (Strategic Plan 2022)

The Strategic Initiatives Committee (SIC) of the Board has the responsibility of guiding the Board's strategic planning through its terms of reference. The Strategic Planning process used for establishing and reviewing priorities is the standard planning process that is used for the Board of Directors and management when considering elements of the strategic plan. So, whether pertinent to REAL or specific to Tourism, the approach should be largely parallel, although the discussions are somewhat unique (Governance vs Operations).

We were advised that the PCEO and his senior management had presented a Strategic Plan for Tourism over the course of two sessions (held on July 4, 2022, and January 13, 2023), with the meeting on July 4, 2022 resulting in a strategic alignment document for

the future direction of Tourism. We were advised that the approach utilized was done by the management and staff at Tourism, with the results being shared with the Board. Further, the PCEO advised that the key steps in the REAL strategic planning process includes the following:

- Market Assessment SWOT
- Core Scope of Work Review
- Product Lifecycle Analysis
- Mission Development
- Vision Development
- Values Development
- Critical Success Factors Development
- Value Discipline Model
- Strategic Decision Making
- Operational Decision Making
- Stakeholder List and Influence Review
- Risk Assessment
- Organizational Structure Review
- Review of Products, Programs, Event Positioning
- Financial Budget Review and Funding Planning
- Dashboard Developing and Monitoring.

All elements included above were developed in conjunction with the Tourism Regina Team and supported based on prior strategic direction with EDR and the “Tourism Action Committees” led by community members during COVID-19.

4.0 Role/Responsibilities of the Board

4.1 Board Roles

As a governing body, the Board of Directors of REAL has a number of significant roles which provide clarity to functions, separation from administrative roles and accountability to its Member (City of Regina). These roles can best be described generically as “**guide, guard and govern**”. The **guidance** by the Board is generally contained in its involvement in establishing the strategic direction and priorities of the organization, a formalized process which occurs annually and is based on discussions between Board members and their CEO/administration. This guidance is within the responsibilities given to the Board by its Member and is useful in keeping the collective “eye on the ball” by identifying what broad, over-arching aspirations the organization has for the coming year. This then is complemented by the budgets (operating and capital) which establish clear parameters of what spending is expected and permitted in accomplishing Board goals and priorities.

The Board’s role as a **guard** is in essence found in its agreement to a series of parameters with respect to what is permissible by direction of the CEO and what must be specifically mandated by Board resolution. Anything which the CEO (or a Board member) believes to be outside of the powers granted to the CEO must be considered by the Board and result in a resolution (or policy). The Board’s role in guarding the organization also pertains to watching over anything which might jeopardize the reputation which the Board has in the community and with its key stakeholders. In addition, the Board approves the appointment of the Auditor, their process and their report.

The Board’s role in **governing** defines the principal actions of the Board on a month by month, meeting by meeting basis. Such meetings result in policies and simple resolutions which provide direction and permission to the CEO to function without further involvement by the Board, other than the need to ensure that the Board is kept abreast of how well their policies have been implemented.

The Board’s “Briefing Guide for Prospective Directors” covers this using somewhat different terms but carrying the same import:

"The Three Basic Functions of the Board

- To approve the outcomes to be accomplished by REAL
- To ensure the resources necessary for achievement are available and used effectively
- To make sure the desired outcomes are achieved.

The Three Basic Roles of the Board

1. Corporate Oversight Role - hire President and CEO, monitor the implementation of the master/strategic plan, oversee the business performance of the organization;
2. Legislative Role - establish hierarchy policy and ensure compliance;
3. Decision Making - choose between positions presented; recommendations of management."

4.1.1 Responsibilities of the Chair of the Board

The Board of Directors (BOD) is led by a Chair. That role is covered in the Board's Policy re: Structure and Roles dated January 2021 which states that:

"3. The BOD Chair guides the BOD in carrying out its work and responsibilities. The BOD Chair builds BOD unity, solidarity, and trust. The BOD Chair demonstrates integrity and ethical leadership. The BOD Chair holds the primary responsibility for the approval of the BOD agenda preparation with the support of Administration and acting as the primary conduit to the City of Regina Mayor and Council.

6. The BOD Chair leads all BOD Meetings and is ex-officio on all BOD Committees.

7. The BOD Chair communicates on behalf of the REAL BOD on board and governance matters. The BOD Chair may delegate authority to speak on behalf of the REAL BOD to another Board Director. (This is duplicated in the policy: Communication Protocol).

8. The BOD Chair acts as the conduit to the CEO for maintaining open lines of communication between BOD and Committees' meetings. The BOD Chair serves as a sounding board and counsel for the CEO.

9. The BOD Chair acts as the conduit to the City of Regina (COR) Mayor and Council to cultivate and strengthen the relationship with REAL's owner and sole shareholder".

The Chair has a very important role in guiding the Board in terms of its structure, activities, representation and organizational fidelity. He (in this instance) acts as the voice of his colleagues who serve with the Chair at the Board table as they provide additional governance insights as committee members (these roles are also guided by the Board as a whole through its terms of reference and reporting protocols). As leader of the governing body, the Chair is responsible for ensuring that the Board has a reasonable suite of "good governance" policies and that each member is encouraged to function within such policies. This "policing" role is frequently carried out carefully by the Chair to ensure full cooperation by all Board members regardless of personality and skill differences.

A further and very important role of the Chair is the expectation that he will act as the Board's liaison to the PCEO and as a source of governance and performance feedback. While there should be an expectation that both Chair and CEO will find ways to act in a mutually collegial fashion, a certain "distance" must always be maintained given the Chair's obligation to quarterback the annual performance review of the chief officer. Thus, in any times of uncertainty with respect to organizational reputation and community image, the Chair would normally be expected to be consulted by the CEO and kept abreast of any potential issues/challenges. Given that both are, in their respective roles, accountable for governance and administrative decision-making, the expectation of close connection and frequent conversations cannot be overstated.

Are these onerous duties only expected of a Chair? No. The rest of the Board should also be expected to step up to these roles and exert appropriate direction and caution where the Board's reputational image appears to be at risk. This expectation adds an additional layer of caution to Board meetings where the excitement of new ideas can be tempered by the realities of serving in a very important and public-facing role.

4.1.2 Board Committees

To assist it in its governance functions, the Board created certain policy committees which act in an advisory capacity to the full Board. These committees are empowered by Board resolution to review certain governance topics in more depth and to provide advice to the full Board based on their discussions within their committee and with those members of the management team who act in an advisory capacity to the

committee (and thus to the Board). The committees are: Governance & Nominating, Audit & Finance, Strategic Initiatives, and Human Resources. Not all were equally involved in these issues as a result of their quite separate terms of reference.

- **Governance & Nominating Committee**

According to the committee charter, approved July 2020, *"the Governance and Nominating Committee (GNC) is a Standing Committee of the REAL Board of Directors (BOD). The GNC has three (3) overarching responsibilities:*

- *1. Board Director Talent Management*
- *2. Governance Policy Manual Maintenance*
- *3. Monitoring Compliance of Statutory Requirements*

As a Non-profit municipally owned organization with a governance Board of Directors, GNC is responsible for the human talent on the Board and the guidelines the Board chooses by which to conduct their responsibilities within. To fulfill its core functions, the GNC must continuously strive for the highest level of governance performance relative to industry best practices and the approved BOD policies and objectives. The GNC should support the continuous enhancement and growth of the governance level leadership at REAL.

The Committee shall assist with deliberations required to fulfill the BOD's mandate and those specific duties and responsibilities assigned to it. Unless specifically stated otherwise, the Committee shall only act in an advisory capacity - recommending decisions for the BOD's consideration of approval".

- **Audit & Finance Committee**

The committee most logically associated with the Incident is the **Audit and Finance Committee**. *"The AFC has four (4) overarching responsibilities:*

- 1. Monitoring and Reviewing Financials and Dashboards Results and Policies, including oversight of the control environment and the relationship with the external auditor*
- 2. Reviewing and Endorsing Operating & Capital Annual Budgets and monitoring performance*
- 3. Monitoring and Reviewing REAL's Risk Management*

4. *Monitoring Compliance of Statutory Requirements*". (Source: Committee Charter June 2022)

This committee, along with the others, is guided and populated by those with serious and relevant experience. The Committee has regular meetings and is consciously trying to ensure that its roles are clear, and processes well understood.

The AFC has identified risk management as a matter worthy of serious consideration in that it developed a "risk matrix" policy which was adopted by the Board of Directors in January 2021. It stated, in part, that

"The Board of Directors (BOD) recognized risk identification, assessment, tracking, monitoring, and mitigation as a crucial process for managing risk facing the Regina Exhibition Association Limited (REAL). With the oversight responsibility held by the Audit and Finance Committee (AFC), Administration performs an annual corporate-wide risk assessment and presents the results to the AFC and, in turn, the REAL BOD at a Strategic Planning Session of the REAL BOD.

The frequency of updating the Risk Matrix may be increased based on the organization's needs at the time. This frequency should be elevated in times of significant transition, elevated risk, or major business risk".

Ironically, the Committee has recently been **more focused on establishing its roles relative to risk management** and has requested input from senior management on those risks most likely to imperil the work of REAL. Such a report was to come to its next Board meeting, scheduled shortly after this Incident occurred.

- **Strategic Initiatives Committee**

This committee has the following mandate:

1. *Partnership Growth*
2. *Collaboration with External Agencies*
3. *Improving Internal and External Confidences*
4. *Improving Customer Satisfaction*
5. *Improving REAL's Positioning and Initiatives Supports*
6. *Site Development should be discussed at every meeting*
7. *Oversight of Past Board Directors' Program*

"The sub-categories of Stakeholders Relations that the SIC will be responsible for include:

- 1. City of Regina (COR) Council (Owner, Sole-Shareholder, Municipal Government)*
- 2. Province of Saskatchewan (Provincial Government)*
- 3. Government of Canada (Federal Government)*
- 4. Key External Organizations / Stakeholders*
- 5. Public/Community Engagement*
- 6. Past Shareholders, Past Board Directors, and Past Board Chairs*
- 7. REAL Brand Assessment*
- 8. Public Positioning/Perception of the REAL BOD".*

It is worth noting that though the City of Regina is listed as a Stakeholder, they are also REAL's owner and sole-shareholder and therefore deserve a heightened level of attentiveness, collaboration, partnership, and relationship. The strategy for this relationship should be considered in a unique manner that suits its distinctive nature. As well, the committee has a role in providing a level of oversight to the image building work of REAL. This role is captured in its obligation to "improve Internal and External Confidences".

In order to deliver that effectively, SIC has focused on the reputation of REAL including being briefed on the re-branding exercise which at that stage was largely a high-level overview rather than at a level wherein the flaws (if any) in the Tourism strategy and re-branding would have become apparent. One has to be aware, however, that this was not the result of a prior "red flag" and thus its critical focus in the one meeting wherein a high-level report on the re-branding to date (without the offensive slogans) was discussed was naturally of limited impact in relation to what happened subsequently. The only change that the committee might be expected to make going forward would likely be on an enhanced awareness of overall reputational risk.

SIC also has an obligation to "Improve Internal and External Confidences" which in hindsight was relevant to the "Incident". (As we were advised by its members, SIC first saw some of the key elements when they were unveiled at the Experience Regina event).

It is worthwhile to note that of the thirty-five “risks” identified in the Board of Directors 2022 strategic planning session in July of that year, the issue of reputational risk was not included in the list. The only item which could be said to incorporate this concern might be “Expanded Duties—Tourism” which was ranked high (5) in terms of “Likelihood of Occurrence” and low (3) in terms of “Impact of an Occurrence”.

- ***Human Resources Committee***

“The HRC has six (6) overarching responsibilities:

1. *Sole Employee (CEO) Management*
2. *Safety*
3. *Culture and Engagement*
4. *Succession Planning*
5. *Compensation and Benefits*
6. *Volunteers.”*

Included in the requirements placed upon the Human Resources Committee relative to the performance of its PCEO are performance management, goal setting, evaluation, and performance feedback. This responsibility is taken on seriously by the HRC and results in a year-long process agreed to by the HRC (on behalf of the Board) and the CEO. The HRC is the committee which assesses his performance and recommends suitable compensation to the Board as a whole.

Given that the “Incident” raised questions related to the performance of the PCEO, this Committee will naturally be expected to judge whether or not he could have responded differently to the branding process when it was still on the table. Was his role less than it should have been as a result of other agenda matters which he was expected to fulfill? This Committee could be quite helpful in stickhandling a discussion relative to the availability of senior level resources in support of the PCEO.

4.1.3 Board Policymaking

One of the principal roles of any board is that of guiding the organization for which it is ultimately responsible through a suite of broadly-based policies. Such policies are critical to a board’s success insofar as they provide the parameters within which their administration is to serve.

Policies are intentionally broad as they seek to capture the essence of the governing authority in providing direction without hamstringing the operational side of the enterprise. They are also expected to be anticipatory to provide broad guidance on issues which may arise at some point in the future.

One of the commitments of this Board (like many boards) is to separate themselves from the operational decisions delegated to the CEO and his administration. This separation is well-understood and reflects the Board’s conviction that the CEO has the necessary Board confidence and support to manage the organization in a satisfactory manner.

In the context of this Report, the Board is responsible for establishing those policies which it believes will a) provide its direction to all the key aspects of the business of the organization; b) ensure that any issue/decision which lies outside of the bounds of the PCEO’s mandate is brought before the Board of Directors for approval; and c) guide the organization in current and future situations on similar issues.

4.1.4 Risk Management

One of the key policies of any Board like REAL which has deals so extensively with the public is that of risk management. Most boards face situations and circumstances wherein their reputation might be called into question or where someone who has a connection to the organization however peripheral has the potential to be harmed in any way. An organization such as REAL has a multitude of such potential situations given its high profile and very publicized events.

One of the mandates of the Audit & Finance Committee is to determine the risk potential and ensure that appropriate mitigating action has been taken. This awareness prompted the AFC to request that management bring back to the Committee “their top 10 policies including those which would impact reputational risk-along with the steps they were taking to mitigate”. As of the time of this Review, those had yet to be brought back to the Board.

5.0 REAL Senior Management

REAL is fortunate in having a senior management team which comprises a considerable range of talent and related experience. Led by the PCEO, the team has a senior level "Governance Officer" and six Vice-Presidents.

5.1 Officers

According to the "Policy: Board Structure and Roles, the Officers of the BOD (Board of Directors) are as follows:

"There are three (3) Officers of the BOD that support the work of the BOD. These positions do not have voting rights. The BOD Officers are the CEO, CFO (or most senior Financial employee of REAL), and the Governance Officer.

5.1.1 President & Chief Executive Officer (PCEO)

a. The President/Chief Executive Officer (PCEO) is responsible for directing the business with the objective of providing maximum profit and/or return on investment. The CEO establishes short- and long-term objectives, plans, and policies for the consideration of approval by the REAL BOD. The CEO communicates on behalf of REAL on all matters other than BOD matters...

b. The CEO is the sole-employee of the REAL BOD. The CEO is considered a BOD Officer...The CEO, as the sole-employee of the BOD, has an employment contract and job description that will define and outline the CEO's duties responsibilities.

5.1.2 Chief Financial Officer (CFO)/Vice President Finance

c. The Chief Financial Officer (CFO)/Vice-President, Finance (the most senior financial employee of REAL), is considered a BOD Officer and will hold the position of Treasurer. The CFO is a direct report of the CEO. The CFO works with the BOD appointed auditors annually to provide audited financial yearend statements.

d. The CFO/VP of Finance has a professional obligation to communicate and inform the BOD of any compliance risk or disclosure risks related to the Office of the CEO.

5.1.3 Governance Officer

e. The Governance Officer is a BOD Officer and holds the position of Corporate

Secretary. The Governance Officer is a direct report of the CEO. The Governance Officer conducts work and compliance requirements on behalf of the REAL BOD. The Governance Officer works closely with the BOD Chair and Committees' Chairs on the work of the BOD. The Governance Officer is responsible for ensuring that all records are kept of all proceedings and BOD transactions. They are the custodian of all official documents, records, and correspondence of the BOD".

5.2 The President/Chief Executive Officer (PCEO)

The PCEO is clearly the administrative leader of REAL and the key "go-to" person for the Board. He has important roles in advising up to the Board and equally important roles managing his senior officers and overseeing the operations of REAL. His responsibilities are both strategic and operational. He has a considerable range of "businesses" to oversee and in his case, to pursue. These include hard to attract concert tours, conferences (local and national), festivals, sporting events, farm shows, trade shows, local/national exhibits and so on. Each requires some degree of pursuit and handholding/networking while those involved (on the client side) check out facilities and support systems and consider price margins and profitability.

In addition, the PCEO also needs to be concerned with the image of REAL in the eyes of the shareholder and a number of other interested parties. Office/personnel/financial management are added to that array of challenges, and it is then easy to see at least some of the magnitude of demands on the time/energies of one person.

As the position description for the PCEO indicates, *"The role will focus on establishing the strategic path forward by identifying innovative partners and opportunities, assessing the economic metrics for success of each, providing high level oversight to current and potential projects, and seeking out additional capital and options for reaching REAL's master plan".*

And further, *"the President & CEO will be tasked to work with a wide variety of stakeholders including City of Regina officials, federal and provincial representatives, economic partners, the Board, employees, tenants, financial stakeholders to facilitate and execute on opportunities to maximize profits and return on investment capital for the renewal and revitalization of the property".*

In conducting this engagement, we were and have been made aware that this role is complex and burdensome and requires a particular skillset.

5.3 Other Senior Management

Supporting the PCEO are other senior level people who have important roles in providing coordination, direction and control to the many aspects/functions of REAL. The organization structure reflects a total of six Vice-Presidents, and a Director (Governance Officer) who are charged with the overall guidance and direction of REAL's employees. In addition to the officers (PCEO and Governance Officer) are the following:

- Vice-President, Finance
- Vice-President, Corporate Operations
- Vice-President, Corporate Development
- Vice-President, Commercial & Campus Development
- Vice-President, Agriculture
- Vice-President, Marketing, Communications, Tourism and Sales.

It is our understanding that the current structure was built in stages: in 2018 there was considerable turnover following the appointment of the current PCEO with seven of nine VPs leaving; the structure was again impacted during Covid-19 which resulted in four VPs reporting to the PCEO (i.e., Corporate Development, Corporate Services, Corporate Operations, Agriculture). This was amended in 2021 with the addition of a VP Commercial and in 2023 with the Vice-President, Marketing, Communications, Tourism and Sales.

We point this out as it is clear that REAL has not been a static organization with many long-term employees and tried and true administrative practices guided by solid Board policies. Rather, the turnover has been ongoing and thus that will impact the degree of constancy and corporate memory. While the varied nature of the organization adds to its sense of energy, that has also been identified by those currently in the system (as well as a number of those who have subsequently left) as a very real challenge in terms of being able to rely on traditional and dependable practices.

5.4 Administrative Procedures

The organization has been functioning since the early years of the previous century but "same as" has never been its watch word. We were advised that the overall culture has

reflected a hive of frenetic activity which seems commonplace because that is the day-to-day operational style. There are a multitude of events/activities/shows/high profile events (approximately 800 events annually) which happen on an ongoing basis (with some degree of overlap) (see **section 9.8 & Appendix A**), and which require those involved to be capable of acting quickly and responding to issues as they arise. Given that there has been an ongoing history of planning and managing events and the surrounding publicity, one more such event, regardless of how high profile was not viewed by either the PCEO or VPs with any sense of alarm.

REAL has an operational guide which serves to drive the day-to-day schedules and activities associated with events such as a brand launch. The responsibility for this template lies with the applicable Vice-President and the team. We asked the question "How did the Tourism Regina launch differ from any prior "launches"? Did it follow a precedent "charter" or template? Were any focus groups required by contract or contemplated? Was the lack of focus groups due to timing pressures"? We were advised by the PCEO that:

"The Tourism Regina Brand Launch was instructed to follow the identical rebranding process that was implemented by REAL for the transition from Evraz Place to the REAL District. This process plan was presented to the SIC Committee on June 3, 2021 and approved. It was later shared with the Board of Directors at the following Board Meeting and Strategic Session. Following the implementation of the plan, the REAL district naming plan was presented to the SIC on December 10, 2021 for final approval and approved by the Board of Directors the following week. The total project timeline was approximately six months from start to finish.

Given the success of the launch of the REAL District brand and the process supporting the outcome, the template was already in place for the rebranding of Tourism Regina. The existing brand for Tourism Regina was a coordinated brand with Economic Development Regina and there was agreement that a change was needed. The PCEO instructed that the same process should be

followed. As the Interim Director of Tourism had developed and led the REAL district plan, he was very familiar with the process.

Focus groups were not a requirement of the plan, however concurrent with the Evraz Place to REAL District template, the intent was to utilize Stakeholder engagement surveys to support the final decision making. Stakeholders were engaged in the process (December 6/7, 2021). The REAL Team and Tourism team met to coordinate the survey questions to ensure alignment between the REAL District approach and the Tourism Regina approach to engagement.

Brown Communications was engaged on September 28, 2022, and although preliminary timelines for a pre-Christmas brand launch were shorter than the REAL District timelines of six months, there was a much smaller stakeholder group and much less complicated brand integration approach for tourism than there was for REAL. Yes, timelines were short, that said, they were certainly achievable with the March launch date”.

We did not find this same level of confidence among those who were involved in the day-to-day processes of the Tourism Launch. While each was involved in various pieces of the Launch, no one seemed to be in charge of the overall product, other than the PCEO. Each felt that they were running a step behind where their management wanted them to be and as a result, felt that the final product and resulting furor was not surprising; unfortunate, but not surprising. No one person was identified as responsible for checking all of the boxes to see if they were ready. We were advised that they were behind, they were rushing, and they (unlike REAL staff) did not source external copy editing and content development support. The new Tourism team did not use this as a best practice (due to budget) and it was not the internal process used by EDR.

It was also unfortunate that key members of the leadership were either working remote or on vacation leading up to the event. The Marketing Director (expected to be the point person on Tourism) was absent beginning mid-December due to [REDACTED]; the Destination Director was working primarily at home due to [REDACTED]. The VP Marketing and Tourism had not been hired until late February.

5.5 Procurement Policy

REAL's "Procurement Policy", dated April 2021, is intended to guide the management and staff of REAL in terms of who has authority to procure goods and services and to define the limitations involved. The policy speaks to the fact that *"processes are in place to ensure that all goods and services acquired are the result of transparent, objective, time and cost-effective decision making. This Procurement Policy applies to all REAL staff, Managers, Directors, and Executives, who have been granted the authority to acquire goods and services"*.

The policy provides a ceiling amount for various levels of the organization beyond which the person requesting the procurement must seek the approval of someone more senior. Thus, the maximum amount for a Manager is set at \$10,000 whereas the CEO and VP level are noted as "unlimited". We were advised that this policy statement is inaccurate as the PCEO does require Board approval for major expenditures (and term of contract) which were not approved during the budget process.

A June 2023 policy issued by the Finance Department addresses this with respect to "non-transferable signing limits...for contracts, settlements, expense reimbursement and all financial contractual obligations" wherein it states that the following limits apply for:

"Position Maximum Approval for Budgeted Items

CEO & CFO or Equivalent \$ [REDACTED]
Vice-Presidents \$ [REDACTED]
Director, Finance \$ [REDACTED]
Directors \$ [REDACTED]
Managers \$-----

Position Maximum Approval for Unbudgeted Items

CEO & CFO or Equivalent \$ [REDACTED]
Vice-Presidents \$ [REDACTED]
Director, Finance \$ [REDACTED]
Directors \$ [REDACTED]
Managers \$ [REDACTED]"

During the course of this Review, we were advised that those involved with purchasing services were not aware of who had what authority and what steps were needed before a contract could be signed. Further, those making decisions to purchase often relied upon the perception that the VPs and PCEO appeared to have unlimited expenditure

limits and thus little accountability. This perception is not based in fact as there is a policy with stated limitations.

All other procurements (e.g., merchandise) were based on agreements that had been put in place through partnership arrangements.

REAL utilizes a standard "Contractor Services Agreement" to engage external expertise. This agreement is largely a laundry list of what might be needed by REAL in a specific agreement for services, for example, "providing leadership, planning and execution of (in this instance) 'CFS Virtual hosting duties', being available on certain days, work with..., take direction from..., attend meetings with..., be involved with writing..., maintain a professional appearance". While this may not be typical of such contracts, this lacks professional standards, stated and measurable deliverables and actual accountability.

For example, we were advised that there was no contract in place between Tourism Regina and 22Fresh; it was a verbal agreement, confirmed via email. We were advised that

"22Fresh had worked with REAL in the past for Canada's Farm Show and Queen City Exhibition, they work with the Riders and the Pats and have regularly co-branded materials on the REAL District with overwhelming success. Essentially the relationship allows 22Fresh access to brand elements in exchange for 22Fresh running a product line at their own risk and leveraging their retail sales understanding. 22Fresh did not require a formal contract although given their use of the Experience Regina trademark this likely should have been formalized". We were made aware by REAL's leadership that "the general design approval is always reviewed by REAL and has been in place for at least 4 years for QCX and Farm Show. Additionally, the vendor takes the majority of risk, and REAL simply purchases product; the total value of this product purchase is not material".

While this might be argued otherwise, and while the senior and mid-level leadership of REAL would be expected to understand and be familiar with REAL's procedures and policies, the comprehension of the new Tourism team relative to REAL "administrative procedures" was weak. And, at least in this instance the requisite supervision was not

as present as might have been normal (e.g., REAL rebrand). It should also be noted that there *"were no standing policies that transitioned from EDR to REAL that should have been in place to support or coordinate expenditures and approvals with REAL"*.

The responsibility for "owning" the procedures from an administrative viewpoint needs to be consistent and made clear to all who are expected to play a role in each process; and each procurement and/or product needs to be viewed as a discreet, standalone delivery.

6.0 Summary of What We Heard

We have summarized (as follows) what we heard from those we interviewed (supplemented by various background documents) particularly as they impact the key, salient issues in our Review. While these observations could be attributed to some yet not all of the interviewees, they appear to us to represent much of what we believe to be part of the foundation of the “Incident” and to the functioning of this Board and organization. These should be read as “perceptions” and thus not necessarily factual.

Overall Comments

Initiative

- Council felt that Tourism Regina was not effective in its current location within Economic Development Regina and that it was time for a change in its direction; the initial intent as we understand it was that there would be a gentle evolution of Tourism to REAL; the senior management of Tourism Regina understood that REAL was going to stick with the then current visual identity and brand likely for the first year.
- This was not the focus of the CEO who saw the opportunity to use the REAL branding playbook to rebrand Tourism; REAL had gone through a six-month rebranding process which had reportedly gone well; intended that this “Experience Regina” would be quite similar by utilizing the same playbook.

Board Interface and Role

- The Board consists of 13 members (12 presently) drawn from various roles in Regina’s society; Board members are well-regarded people in their respective fields; members point to the fact that they possess a diversity of experience which has (or should have) a positive cumulative impact on the ability of the Board to govern effectively.
- The Chair is well regarded by the members and by the CEO; he has considerable connections and experience in the City through both current and prior business and Board involvements.

- The principal responsibilities granted to the Board by delegation from the City have been changing; most recently by the addition of Tourism (Experience Regina) from Economic Development Regina.
 - City Council changed its UMA in July; added a Councillor to the Board; governance issue is around mandate; why need to re-brand Tourism; City wanted it; CEO communicated that message; pushed by Council; either do this or we will find another board to take it on;
 - The Board’s role in the “Incident” was unclear: its policy mandate should require that any significant public message or change have Board approval.
 - All in agreement that the degree of Board busyness has escalated; this has had a marked impact on the role of the Chief Executive Officer (CEO) who is viewed as “in charge” of all aspects.
 - Frequent reference was made to the thoroughness of Board and committee background meeting packages.
 - Members spoke to their commitment to practice “good governance”; this was viewed as ensuring the right policies/structures are in place; they also (to a person) expressed that the Board should not be in the weeds (i.e., delving into what they saw as operational matters).
 - REAL has been busy with the following:
 - Several big events
 - Changed name of campus from EVRAZ Place to REAL District
 - Covid-19 (and all of its implications)
 - Catalyst Committee, co-chaired by CEO
 - Tourism transferred from EDR to REAL; major adjustments to make
 - Land Development Corp may be transferred to REAL
 - Branding for REAL; branding for Tourism (Experience Regina)
 - Change in senior level personnel including one who had direct responsibility for oversight of the change in brand.
 - Most felt that having two City reps on the Board can be a good thing; they try to convey Council’s potential reaction; others pointed to the downside of not being able to have a strictly confidential discussion of Board-City relationships.
-

- Board members concerned about how much they knew in advance of this issue and when; should that have been more and sooner?
- Had Strategic Planning session in January 2023, led by the management team; lengthy discussion around placement of Tourism. Board discussed challenges to be expected by Tourism and the potential of conflict with REAL which will need to be managed.
- Board members were generally kept aware of the big picture; saw branding, pictures, some logos but not those which were overly sexualized; Board members had previously agreed to delegate to the CEO any operational issues.
- With regard to the actual "Incident", the Board (as a whole) was formally informed on March 20th and had a scheduled meeting on the 23rd; members were made aware that the Chair and Vice-Chair had been in the loop and that the CEO contracted a PR firm.
- The Board has a focused governance mandate and processes which have been regularly reviewed and as necessary, updated.

The Launch

- The name "Experience Regina" came from a discussion Sept 2022 with senior staff of REAL and Tourism; they saw it as refreshing; visual identity & brand was going to stay the same as when with EDR for a year; however, CEO wanted to change their focus to consumers rather than business; change made within first month of transition.
- SIC discussed the campaign in one of its meetings; message to management was one of caution and the need to make sure focus groups were utilized; the Board was not made aware of any concerns regarding this Launch; the REAL branding process had gone well.
- Management expressed that they did not think that it was intentional to leave out Board reps from Launch; not sure how that happened except for overload of activities/demands at the top.
- Noted that the Launch was pressured, occurred during the transition, several major events, staff shortages and lack of budget support; quite a number of balls in the

air at same time; no one person seemed responsible for total coordination; everyone partially involved; no formal planning, no one seemed to be in charge ...

- Flurry of activity before the Launch; new VP had been hired; REAL what had been proposed in terms of the Manifesto and video; no overall plan/strategy.
- Launch was on Thursday, March 16th; management began questioning what happened almost immediately after website postings were evident; while questions were asked as to who had made the call to send approval to the website contractor, others felt that the mistake had been the absence of oversight and commitment to the process used in the prior branding (i.e., for REAL).
- Unveiling event went well and most people left the venue quite pleased even though some felt that the stage presentation and REAL staff seemed to be endorsing the sexualization of the City; slogans then appeared on the website which most felt were still in the process of being created and which no one understood how they had been (or could have been) approved; after the negative backlash began, everyone scrambled to see what role they had in its development.
- The REAL Board and senior management alike voiced concerns that there has been too much focus on finding who made the mistake rather than examining the questions relevant to accountability and decision-making process.

The “Incident”

- Board members were confident that matters of significance would be reviewed by the Board in advance, particularly if the issue was beyond the scope of current policy; as a result of their history as a good governance body, most were surprised if not shocked that the “Incident” had happened.
- The Board saw an early version of the Experience Regina logo and manifesto (Dec. 8 board package), and a slogan of “Do It in Regina”; the Board did not see the PowerPoint shared with stakeholders, or any material that referenced “sexy”, or the offensive slogans; there was no inkling of the storm that would unfold; did not realize what was happening until it did.
- When we asked those involved directly in the rebrand of Tourism Regina “where were the checks and balances?”, we were advised that those that had been followed

in similar instances were not fully followed in this rebranding; most of those we spoke with were aware of this and felt that this was due to time pressures.

- While it was recognized that there were lots of moving parts, in the end the ball was dropped and as a result, the re-brand was in poor taste and poor judgment; this should have come to the RLT (REAL Leadership Team) before it was approved for release; instead they did not have any input; there was no mention of any focus group work done; RLT never saw the final product.
- Some felt that this was simply a misstep; there was no malice intended simply a case of some license taken; staff likely felt empowered and ran with it; staff could have thought that they had approval; everyone was excited about the rebranding and all recognized that the timing was very unfortunate.

CEO and Management

- The Board was aware their CEO was a very engaged and proactive individual who seemingly enjoyed the myriad of challenges facing him; members expressed confidence in his abilities and vision.
 - The CEO alluded to the fact that he was not as engaged as he should have been; had other concurrent priorities including the Catalyst report to which he had devoted much time; he was aware that there were significant time pressures in this rebranding process, but that he felt confident because of the prior branding experience with REAL and thus was comfortable sharing his encouragement to (as his team understood it) "get it done!"
 - The management of REAL did some homework on destination markets; searched for new bids and selected Brown Communications Group Inc. (Brown); REAL had reviewed other Prairie branding exercises; sought "prairie cheekiness"; according to senior members of marketing, Brown reportedly filled all of their commitments and were thus credited with having built a first-rate manifesto; Brown came up with various slogans "Do it in Regina", "Anything but Flat"; the group of stakeholders who were surveyed liked it; plan was to do brand launch then roll into the campaign; the management of Tourism asked Brown to come up with three logos; these were shared with REAL's management who liked them all; went with "Experience Regina".
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- Tourism management had a brainstorming session with 22Fresh; street culture brand for sports; can you do merchandise for our brand? they did it on their own; "City that Rhymes with Fun", etc.;
- Some of those we interviewed expressed that the rebranding seemed more of a slogan exercise and not branding; not really a consultation process; where was the research; needed to speak to citizens; needs to reflect the truth; who tested the ideas; what focus groups?
- We were advised that the volume of work was astronomical; some suggested that the focus of everyone's attention was on the Catalyst Report and thus limited attention on the brand Launch; the staff we spoke with indicated that in their opinion, the brand "Incident" occurred as a result of time pressures and lack of overall coordination; they saw it as largely a misstep and not an intentional insult.

Council Concerns

- REAL has one owner, the City of Regina; this commitment is endorsed by way of the Unanimous Members Agreement (UMA) as amended (2022); Council has faith in REAL leadership and its results; the Board was to place its principal focus on the 100-acre site.
- We were advised that the Chair, CEO, Mayor, City Manager (Interim) hold regular quarterly meetings; other members of Council did not feel that this constituted briefing Council.
- Tourism hammered during Co-vid; no collaboration; not results-oriented; no real focus; lack of understanding of what value Tourism could bring; City struggled with Tourism for a long time under EDR; not sure where to place it; unclear results; felt that REAL did a good job of marketing; recognized that it has a lot on their plate but felt that this mandate could be made to fit; as a result of doing good work, REAL CEO was asked to take on Tourism.
- City Council advised the REAL Board that the City wanted to move Tourism out of the authority of EDR and that REAL should expand its mandate; felt that REAL had the skills to manage a broader set of facilities and functions; this led to robust discussions by the Board which questioned if it was taking on too much.

- Council members expressed the need to be careful not to shake confidence in REAL; members expressed that that could be damaging; repercussions would be considerably larger than "The "Incident".
- Several on Council expressed concern that transfer of Tourism either not properly thought out or may have been rushed and based on their lack of confidence with EDR at that time; most felt that it still made more sense lodging Tourism with REAL while recognizing that the new CEO (of EDR) might have made a positive difference; generally impressed by REAL CEO; larger workload; Board good at finding quality people; we (City Council) should be respecting them.
- Some Council members expressed confidence in the CEO of REAL whereas others questioned what role the Council has or should have in providing oversight.
- Some Council members questioned "Why no focus groups on this exercise?"; Council saw news release after Launch; some expressed being appalled, shocked and angry; upset that this theme mocked their recent statement re: sexual assaults; became an international media story.
- No request for preliminary Council feedback on the brand; Council not sure where they should have been involved.
- Some felt that the CEO has too many hats, others that the Council should expect more oversight; Councillors generally impressed that he willingly and quickly stood up to the plate.
- REAL CEO was asked to act as a co-leader of the Catalyst Committee; organization very likely in a process of recovery; not up to vetting all such requests; not able to push back; lot of political interest (Mayor & Councillors) in seeing things done quickly.
- Need to examine roles, responsibilities, directives, mandate given to contractors; how accountable are they?
- CEO is deferential; engaged; asks questions as does the Board; lots of leadership backgrounds on the Board; Councillors respect that they have healthy disagreements.
- Council understands that the Board met to discuss and dissect what actually happened with respect to the ill-fated Launch; Council was advised that the Board

was examining its role vis-à-vis governance vs operational responsibility and what could be done to avoid a repeat; quite a few takeaways; lot of politics coming into play; makes Board more of a challenge.

- The City has had its own share of change with the election of this Council including a new Mayor and a degree of turmoil marked by the departure of the former City Manager, the arrival of a new CM, and publicized disagreements amongst the Council.
- Brand launch was one of many things they were invited to; some Councillors were concerned that unforeseen events such as the Launch issues were a consequence of the impression that both they and REAL were facing too much overload.

Chief Executive Officer

- Based on the comments of those we interviewed, the CEO is considered a high energy, persuasive and visionary leader; he is noted for his entrepreneurial spirit and his connections both within the City and in places far removed from it; his capabilities results in him being viewed as the type of person who will get things done, which has a downside in that his workload appears to keep increasing.
- The management of REAL meets regularly; Executive Leadership Team (ELT) meets bi-weekly; REAL Leadership Team meets monthly; would have had discussion of brand roll out likely at their February 10th meeting; had lots of support by stakeholders and Council; then process collapsed as the staff involved approved steps which were not authorized by their management.
- Catalyst Committee has taken up a lot of time but has provided great information for future investment.
- The CEO took this issue on the chin; has taken accountability; and volunteered to step away from his role if that was desired by the Board.
- The Mayor and CEO enjoy a close relationship as they had previously served together as Chair-CEO respectively; each has accountability to their own organization and its leadership; considerable conflict/split on Council; some would like to see Mayor held to account for this issue.
- CEO responsible for overseeing the work involved; did he ensure that there was an appropriate process followed; was there any plan or a decision matrix?

Management

- Management processes seemed to lack a broader policy framework; concerns that management/supervisors were not as aware as they should be with regard to process steps/details and were not following established procedures to the conclusion of the rebranding process.
- Management not sure if this is a process issue or an accountability issue; organization young and raw; delivering outcomes and not worried about processes; reflection of the aggressive, results-oriented "tone at the top".
- Team felt they were challenged to push the boundaries; project coordinator saw the need to dial that back; CEO was issuing the challenge from the top; approvals were provided; slogans (as they were then known) were deemed to be palatable; used the Manifesto, authentic to the City; everyone pitched in on Manifesto; some wrote their own.
- REAL did a rebrand and was a longer (6 month) process; there was limited public feedback on this re-branding due largely we understand to time pressures; original objective was to have the brand ready for the Grey Cup in November 2022, but it was not done so had to be deferred; two other deadlines also missed.
- Management turnover just prior to brand launch at the heart of this episode; for example, Director's reporting structure changed February 2023, three weeks before the Experience Regina rebrand Launch; another Director inherited Experience Regina when it transitioned to REAL; VP Marketing began three weeks before Launch; indicated that she wanted to integrate Marketing teams (i.e., REA/TR); key Director was on leave for a week before Launch.
- Regardless of what management felt should have been clear, staff expressed frustration over the absence of a clear process; most staff just wanted to get this over with; Launch had been delayed several times: November, then December, then February, then March; process was not coordinated in one location, several parts were handled by different people, and each did not know what the other was doing; organization was perceived as messy and frustrating for folks who are organized and know what they are doing; did not appear to be the type of clarity which would have provided the necessary assurance.

- Senior management apologized and promised to get processes and procedures in place; commented on the Logo, said it is not finished, needs work and was not ready for a Launch.
- Staff advised that a rebrand is the culmination of a vision statement; that is the catalyst document; when the tag lines were made public they tied to the vision statement; that is what is supposed to happen in a rebrand launch; concerns were being expressed at the Feb 22 RLT meeting; then things came out at the launch that the staff in REAL were not aware of; any rebrand process includes a method to control any negative reaction; apparently there was none with this Launch; obviously they were trying to be edgy, modern; they forgot that the community will own the brand, not Experience Regina and not REAL.
- Tourism Regina was rebranded twice in past seven years - there does not appear to be much communication with the public and so they were asking "why do you need to rebrand now?"
- As for the process, each piece of the process was likely ok, but cumulatively it never jelled, and resulted in a flawed Launch.

Organization Structure

- Structure of REAL reflects a total of seven senior positions (6 Vice-Presidents & a Governance Officer); these positions place their own demands for time/guidance/supervision by the CEO who is busy with many other demands.
- Addition of Tourism Regina in 2022 added to the complexity of REAL with very few added resources; appears to have been a limited gameplan due to the pressures of time to amalgamate/assimilate Tourism.
- CEO should be viewed as the CEO of a group of companies; need for broad scale leadership and coordination; a general comment was that the CEO viewed as too engaged in details.
- Tourism role is to attract tourists and be a destination support, ensuring the City resources private and public are in place to ensure success; it will need to find its place within the REAL mandate and structure so as to not be overshadowed.

Oversight

- The Board continues to be quite pleased with the work performance of its senior management (CEO and the VPs); Board aware that senior management has been contending with a considerable increase in workload; was viewed as performing well during Co-vid; Board spoke of the demands, and the fact that the corporation has been making do without a lot of new resources; belief that the CEO was overworked at the time of the Incident and thus not able to watch everything; no time to take a breather; Board often asked about CEO’s time commitments.
- Oversight by management lacked proper funding, management structure, and the focused engagement of the right people; City did not ensure that appropriate funding followed Tourism when transferred; as a result, some believed that it was premature to launch Experience Regina.
- The degree of involvement by the VPs with their own part of the organization appears to consume their time/attention; this needs to be reviewed as reporting staff advise that they are frequently left to their own pursuits.
- CEO’s team was super involved and engaged in their own responsibilities plus assisting when asked (e.g., including flipping burgers); not enough time to think strategically; CEO and team have learned from this “Incident”.
- CEO and others express support for new VP; recognize that the timing of her arrival in relation to brand launch was inadvertent; likely contributed to the confusion.
- Where was the oversight so necessary when this event unfolded; lack of clarity as to who gave authority to have merchandise printed and who initiated work on any slogans?

Our Summary of the Interviews

- The “Incident” was viewed as a complete surprise to virtually all we interviewed; some felt that it was inevitable given the number of events and activities often on the go at any one time.
- Each one of those with whom we spoke indicated their support for the ongoing good work and reputation of REAL; some felt that this Incident was a result of too many balls up in the air at that time and likely insufficient attention to the final steps by senior management.

- While the prior template for a rebranding as created for REAL was in place, those managing this process were less familiar with it than likely presumed.
- The Board was provided with a high-level overview of the brand intent and were aware that a new manifesto, slogans, logos were being created; their only briefing relative to the brand issue made no reference to the slogans which were the subject of this Review.
- While the CEO offered Council an opportunity to review the brand a week earlier, that would have likely been too late for any major changes, nor was any envisioned; this was a process that REAL had followed previously and recently so no issues foreseen.
- The fact that no one seemed to know or understand how the offensive slogans were approved should serve as a wake-up call to all those involved; who was accountable; more general assumption that roles may not have been clear; that there may have been too many voices at the top and too many balls in play.
- Most agree that the challenge is to determine what steps should be taken to avoid a repeat; how do we mitigate the next episode? What policies/processes need to be put in place? VP Marketing was new; senior Director recently left; failure not surprising.

7.0 The “Incident”

As with most issues/projects which are perceived as having gone astray, the “Incident” began with little fanfare and no awareness of what might transpire. The backstory included a decision by City Council to remove Regina Tourism from under the umbrella of Economic Development Regina and transfer that responsibility to REAL. According to what we were advised and what has been written, this was based on the belief that REAL was likely to be better able to gain traction with Tourism and give it more energy and likely greater stability and visibility.

The PCEO of REAL was the point person in this regard and advised the Board that their Member (the City) was recommending the move and that the Board would be wise to accept it. This was affirmed by both the Mayor and the Chair of REAL and thus the UMA was amended to permit an expanded mandate, with Tourism now one of the building blocks of REAL and a full partner with other key responsibilities. We were advised that this decision was approved by all members of Council without any significant debate.

As the timeline (as follows) notes, there were a number of people involved in how this unfolded including the City, REAL, contractors, stakeholders, Board committee, etc. At the conclusion of the timeline, someone took it upon themselves to greenlight the addition of what were considered at best “draft slogans” onto the new website. The furor began almost immediately.

The Timeline

What follows is our understanding of key and salient events which formed a part of what is referred to in this Report as the “Incident”. We have made use of the “Timeline” presented to the Board by the CEO and have supplemented that with additional information or commentary which we either heard or found in the course of this Review. (We have included our understanding of actual dates and events in the more detailed timeline found at the conclusion of this Report).

2022

During the early stages of 2022, Council (and more specifically the Mayor) expressed various concerns about the lack of results being achieved by Tourism Regina. There

seemed to be a lack of “presence” by the then leadership and questions were thus raised relative to the effectiveness of the organization and the use of City resources. These concerns eventually led to a planning session hosted by the Mayor in May 2022 to draw the impacted bodies (i.e., Tourism Regina, REAL, EDR, Downtown, Warehouse District, City Planning and Development, and City Senior Leadership) together to discuss the current concerns and a possible path forward. REAL was represented by its Vice-Chair and CEO.

During this Planning session, all participants were asked to identify their choices in terms of who should hold responsibility for Tourism. The results showed that most of those making a choice had placed their “votes” with REAL. This exercise preceded the City’s eventual decision (June 29th 2022) to re-direct Tourism through a change to the Unanimous Members Agreement to REAL. The City was also planning to do an analysis of what other cities were doing.

By late spring, early summer, the path forward seemed to take on added clarity. The City would transfer responsibility for Tourism to REAL which would include fiscal and personnel resources. The “letter of intent” signed by Economic Development Regina, REAL and the City indicated that this process would be accomplished by July 1st, 2022. In early July 2022, REAL management met with Tourism staff to discuss the role and direction of Tourism moving forward. As might be anticipated, this discussion led to Tourism staff making their own choices as to who would be making the transition.

This backdrop is important and relevant to the story of the “Incident” as it was the impetus for REAL determining that it would engage in a rebrand of Tourism Regina under the brand “Experience Regina”.

In the early fall (September) of last year (2022), an RFP was issued for brand positioning and support. A local Regina firm, Brown Communications Group Inc., was the successful bidder and agreed to work with Tourism in “*developing the new visual identity (logo, tagline), typography, colour palette to build out the public launch and branding campaign (branding campaign assets such as digital graphics, OOH assets, pop-ups and backdrops to launch brand to market)*”. This was to conclude by December 2022 and align with the Launch of FROST 2023 and the announcement of the 2024 Brier Hosting. (Source: Briefing Note, CEO, REAL, December 8th 2022). Other local firms (StratLab and

Rebellion Brewery) were also retained for various aspects of the new brand and website.

Brown's work including a Manifesto was deemed acceptable by Tourism (under its then administrative leadership). In November, Tourism Regina's administrative leadership (CEO, Directors of Destination Marketing & Sales, Destination Experience) made a budget presentation to City Council on the impact of the new alignment with Tourism. Also early in November, the Strategic Initiatives Committee of REAL met and reviewed *"...the Brown Communications package which included the version 3 logo creative of Experience Regina from Brown Communications, the draft manifesto and associated imagery, the colour concepts, and logo concepts, and two concept campaigns developed by Brown Communications: 'Anything but Flat' and 'Do it in Regina'. The Committee had instructed that the campaigns be market tested in advance of any further action"*. At the same meeting, the CEO reported that *"The Tourism Regina team or soon to be called the "Experience Regina" team is on pace for a December 6, 2022 public launch of the new brand identity. This will include a new website, new visitor services support material, new event attraction identity and new manifesto for operations. This launch is additionally intended to confirm the annual investment from the DMF and a partnership... that has a current Memorandum of Understanding between the Downtown BID, the Warehouse BID, and the Regina Chamber of Commerce"*. The CEO also advised that the transition to REAL was progressing and that, at the same time, Tourism was advancing its re-brand initiatives that would include a budget presentation to Council which would cite the fiscal difficulties facing Tourism. The presentation showed comparative funding values and strategies in other competitive cities.

Once the budget was approved, *"an outreach and engagement strategy with stakeholders would begin"*. As well, recognition was made of the fact that adding on Tourism also contributes to an added burden to the senior management of REAL.

It was also in November that we find evidence that a senior (REAL) manager was encouraging the company involved in marketing the new logo (and merchandise) to make use of one of the sexualized logos 'City that Rhymes With Fun' and to have that ready for the proposed December launch.

The rebranding was pursued and included various stakeholders who were not shown the sexualized content. Further, there was confirmation that the website was not going to be ready to go live that year. A survey was created along the same lines as that used by REAL (in fact the whole process was to have followed the successful REAL rebranding process used earlier). Minutes of the management meeting of Tourism indicated that work was progressing and was aimed at the December 5th proposed launch.

Work continued on the rebrand for Tourism Regina as the targeted December 5th deadline came and went. Its management agreed to build on the same concepts including the earlier logo “the City that Rhymes with Fun”. The CEO of REAL advised the Board that progress was being made with respect to the *“the various logos, campaigns, and slogans with stakeholder’s groups, but the results were not complete.”* In his December 8th, 2022 briefing note to the Board, the CEO expressed optimism that everything was on pace and that the new name for Tourism Regina would be “Experience Regina”. No mention was made of the sexualized slogans.

Interestingly, the proposed December 5th, 6th and 8th dates for the relaunch came and went with a recommendation to push back the date until February 2023. A week later (December 13th), Tourism hosted a strategic planning session in preparation for the Brand Launch. In this brainstorming session, the use of terms such as the following were explored:

- I Love Regina;
- Experience Regina;
- City that Rhymes with Fun;
- Do it in Regina;
- Anything but Flat; and
- Not your Grandma’s Regina.

These slogans were intended to be refined by the team and returned to a February final review.

2023

The key to note here is that the leadership of Experience Tourism appeared to be on a different page than the leadership of REAL but without the latter appearing to notice as this sexualized content was reportedly received in March as a surprise. Further, the

planning work by Tourism which continued into the new year was enveloped by the question (see January 13th Strategy Meeting) *"with everything we do, always ask yourself first 'Will it make Regina sexy?'"* Thus, an email on January 23rd from one of the contractors confirmed the production of hoodies reflecting the slogan "The City that Rhymes with Fun". This was not conveyed to other audiences as evidenced by the January 31st presentation to Economic Development Regina (and February 7th to RHA) (February 22nd, 24th REAL leadership) which did include less controversial slogans such as "Anything but Flat Campaign", "Do it in Regina" in campaign materials proposed by Brown Communications.

As we will note in more detail, a further complicating factor (at least in terms of timing) was the announcement (email of February 20th, 2023) that REAL had retained *"a new Vice President of Tourism and Brand would be starting on February 21st 2023 and that the oversight of the Marketing and Communications and Tourism teams would be transitioned to this new person"*. The February 24th recap that was planned was cancelled due to the absence of the Director of Marketing. The March 7th luncheon with City Council members and REAL leadership was still a go and according to the email to Council was to *"include a preview of the new look and feel for Tourism Regina as well as an industry project that us, the Chamber, Downtown, Regina Hotel Association and Warehouse have developed for visitors"*.

March was obviously the turning point for the "Incident". As early as March 1st, 2023, the latent issue of a sexualized slogan became evident when "Show Me Your Regina" was added to the Experience Regina site but of note, the website had not been launched and, according to the PCEO, was not intended to be launched until finalized and reviewed. The March 7th luncheon was held at REAL where Council was invited for a "Brand Position" briefing which included the front of the hoodies but no potentially offensive content. This meeting included the Mayor and the Councillor representative on the REAL Board.

The March 9th 2023 meeting of the Strategic Initiatives Committee meeting included a presentation by the CEO. He stated that the *"new brand goes live on the 16th at the Collaborate and Connect event that Tourism is hosting. We have the Federal Tourism*

Minister in Regina for an announcement here on our site and participating in a panel in the afternoon at our event. (The VP) has been onboarded. We are heavily focused on BIDS and I (am in the) process of getting the new office space ready for move-in on May 30th". On that same day, staff held a product Launch review (plus contractor) where the sweater was displayed with the slogan "City that Rhymes with Fun". The staff were briefed on the full Connect program and were advised by their VP that the website would not be ready for public launch and would likely take another two weeks prior to being ready. This was a decision based on material and content review and technical issues.

We were advised that the CEO felt boxed in by the March 16th date (after three other dates had come and gone). He was advised that there were no issues on the slogans and that the website was not planned to go ahead then. Those overseeing this work had supposedly relied on and followed all of REAL's briefing material on how to properly conduct a Launch. It is also worthy of note that a current senior employee was the lead on the REAL District Rebranding Initiative.

The CEO was aware that:

- Brown Communications provided logo, colours, manifesto (all were considered excellent);
- 22Fresh was to handle merchandizing (they had a very popular name);
- those involved in the Connect program had been briefed;
- the Cabinet Minister was available;
- Mayor and Council had been invited; and
- the program was ready to unfold.

And then, later that same day, a REAL staff member, without reference to their supervisor, greenlighted the release of the slogans to the website. By March 17th social media had the release of the slogans; and the good feelings created on the afternoon of the Launch quickly evaporated.

The social media world exploded; citizens became aware as did most of the Board; the CEO advised the Board that this was on him and issued an apology together with the

coordination of all offensive material being removed. A public relations firm was called, and the Board and management were advised on how to handle this unfolding episode.

The CEO and management discussed the situation immediately thereafter to determine what had happened; initially, a contractor was faulted but even then, those involved knew that the mistake was made inside the organization.

The Board as a whole was **not immediately called** for an emergency meeting with the understanding by senior management that a Board meeting was scheduled within a week (March 23rd) so the planned schedule was retained. Several Board members report being largely unaware of the genesis of this issue and were only advised a day or two later and then in some instances by colleagues/outside others. At the meeting on March 23rd, the Board held an in-camera (i.e., private) meeting to discuss next steps.

On April 6th, the Board Chair advised his colleagues that *"the general sentiment was the recognition that the Board of Directors have a responsibility to operate the business of REAL with a strong message that the public and council want clarity and transparency in the process"*.

A decision was subsequently made by the Board, with the input/advice of City Council, to conduct an independent investigation/Rgeview.

8.0 Contributing Influences

As is usual in a Review of this nature, there are more issues and impacts than might at first meet the eye. While each of these may seem extraneous to the “Incident”, we feel that they are connected in a way, large or small, that helps us to better understand what happened and why it did and then, what might be done to inhibit such incidents in the future.

For example, REAL as an organization is at the heart of the issue. Our examination of it, while reasonably limited, was designed to see if there were particular aspects of how it conducts its business which might have given rise to what happened or might otherwise have stopped what happened. As a result, we looked at the founding documents and bylaw, as well as the committee structure and policies, because all in a way are nestled in the fabric of this issue.

8.1 Impact of Catalyst

We noted earlier that one of the outstanding issues impacting the evolution of the “Incident” was the degree of busyness of REAL’s CEO and the demands that were being placed on his time to attend to the important business of REAL. It is our understanding that there were a number of facilities being proposed effectively at the same time and that there was a fear by City Council that without proper coordination, confusion would be the result and that the good efforts involved in raising awareness of each facility would fall by the wayside. The question became one of “how do we effectively coordinate these projects?” and the City’s response was the Catalyst Committee.

As noted by REAL in their Report, *“In July 2022, City Council created a Catalyst Committee to explore how to best align five proposed recreation and cultural-based facility proposals to maximize economic and community benefits. The Committee was to be co-chaired by REAL’s CEO and a City Councillor. The committee was assigned a timeline of six months to come back to Council with a report and recommendations. Included in the direction from Council, REAL was asked to research the potential development of a Municipal Land Development Corporation. The five proposed projects are: The Indoor Aquatic Centre, The Modernization of the Central Library, The Multi-Purpose Event Centre, The Multi-Purpose Outdoor Baseball Event Centre, The*

Synthetic Outdoor Field Project (Soccer). These projects have the potential to attract people and businesses to Regina’s city centre, stimulating economic development and tourism, and improving community safety and quality of life for Regina residents... The Catalyst Committee is reviewing the project proposals and community feedback and will return to Council with a finalized report in early 2023”. (Source: REAL Annual Report 2022)

As noted in our review of the CEO’s schedule, this focus became somewhat overwhelming and very time-consuming. Meetings were held from July 2022 through March 2023 which involved the CEO (and others), and which resulted in the CEO contributing much of his experience and knowledge into the writing of the actual Report. While this has the potential to be a win-win for Council, it was not front of mind for the REAL Board when it discussed the CEO’s performance targets during 2022. While others were certainly involved in the various aspects of Catalyst, it is our understanding that much of the coordination (and writing) fell to the CEO. The final product was due in March 2023.

The Catalyst project impacted the “Incident” by consuming a considerable degree of the CEO’s time and focus overlapping the same time that the Tourism branding exercise was being readied. While it is possible to keep focused on more than one challenge at a time, these were both of significance and both depended on the presence of the CEO.

8.2 Tourism Regina

In terms of the backdrop to this issue, we were advised of the following:

“Apr 2013 - Regional Opportunities Commission (RROC) marketed tourism under the name Tourism Regina for the purpose of making tourism more visible and accessible to key markets. Tourism Regina became the official destination marketing organization for Regina.

Jan 2016 - Economic Development Regina Inc. (EDR) became the new name for the economic development agency in Regina, which replaced Regina RROC. Both EDR and Tourism Regina maintained their original branding until they rebranded together for a cohesive “look and feel” in Sept 2021.

July 2022 - As of recent, Tourism Regina has moved under the management of REAL. Both organizations will remain separate, however, they will work in

tandem to bring and market unforgettable experiences to YQR”. (Source: Tourism Regina Brochure 2023)

One of the precedent actions/decisions which had an impact on the “Incident” was the transfer of Tourism from Economic Development Regina (EDR) to REAL. It is our understanding that Tourism was perceived by the City as languishing in EDR in part due to a lack of focus on what its role should produce and in part because Council was unsure of its benefit in relation to the expenditure of City dollars. This was due in some measure to the frustration which the City was feeling with respect to its perceived lack of action by EDR in moving forward with any significant agenda for Tourism.

Members of Council, led by the Mayor, discussed the possibility of changing the “home” of Tourism from EDR, and REAL was cited as a possible host. As a result, there was a general move to realign City functions such that Tourism would gain a greater sense of purpose and focus. In this vein, the City briefly discussed this prospect with REAL at the executive level and set in motion a plan to make that transition.

The REAL Board became involved through its Chair and the Chair of the Strategic Initiatives Committee who had held meetings with the Mayor and City Manager of Regina, resulting in a broader Board discussion at their December 2021 meeting.

We note that the transfer of Tourism was suggested by Council and/or the Mayor and appeared to be moving forward by the time the Board of REAL had met to discuss what their concerns might be if such a transfer took place. These meetings involved the CEO of REAL and included the potential reality of expanding the current footprint of REAL beyond their mandate (i.e., focus on the 100-acre site) to also encompass projects associated with the infrastructure envisioned by the Catalyst Report and future land development.

Further, this was complicated by two significant issues: one, the fact that the shareholder/member of REAL was the body initiating the transfer and without their support, much of what REAL does was thought to be in some degree of risk; and secondly, there was concern voiced by both the Board and CEO that such a transfer, in order to be successful, would need a considerable allocation of funding.

The discussions within Council and with their City Manager were of considerable interest to REAL as their Board had discussed the notion of expanding their reach beyond the

100-acre site occupied by REAL and its adjoining and supporting properties. This geographic restriction had been made a part of the Unanimous Members Agreement and appeared as fixed. As a consequence, these recent discussions about an expanded mandate while of interest to the Board of REAL, were viewed with some trepidation by other Board members given budget and reach concerns and the differing nature of Tourism relative to the prime mandate of REAL. Board concerns centred on the need for expanded financial and human resources to take on this new and expanded mandate (while the PCEO felt that they had little choice but to accept). Further, there were also discussions relative to a further expansion of services into land development. While of heightened interest, the Board cited concerns relative to the impact on what they saw as an already stretched CEO. The idea of an expanded mandate was discussed by the Board as early as their December 2021 meeting.

It is worthy of note that much of the background work on relocating Tourism to REAL was occurring during the same time period as the focus on the rebranding and ultimately, the Launch. Meetings were held involving some of the same people, agreements were being negotiated and signed, staffing issues were under consideration, operating and capital budgets were being discussed, interviews with those staff prepared to transfer to REAL were in progress as were strategic alignment sessions, and a new office location was being sought. A very telling comment made by REAL's CEO back in June 2022 is worth noting *"REAL is currently working at capacity with the management of current operations. With the road to full recovery taking longer than originally anticipated, the addition of Tourism may present some capacity challenges"*. (Briefing Note, CEO, June 16th 2022)

City Council passed the resolution June 29th, 2022, to officially transfer Tourism from EDR to REAL. This transfer was also viewed by some as having a potential positive impact on EDR through enabling it to better focus on its core business of economic development and investment attraction.

A deadline of July 1, 2022, was targeted for the transition of responsibility to be completed. In the months leading up to that date, the CEO met with the Tourism Regina staff about relocating their services to that of REAL and received support from some (five) and a desire to step away by others (including the then current Chief Brand

Officer). The CEO proposed restructuring REAL to reflect two of his senior staff taking on expanded roles. These changes preceded the "Incident" but are connected in that there was the movement of personnel during the transition and the addition of someone new being brought in by the CEO to coordinate the management of the new structure. The Board of Directors was advised by its CEO IN December 2022 to the effect that

"In June of 2022 with the amendments by the City of Regina to the Unanimous Members Agreement, the Regina Exhibition Association Limited (REAL) assumed the operational responsibility for Tourism Regina. This responsibility included the management of staff and the management of Tourism on behalf of the City of Regina.

The current staff at Tourism Regina consists of two directors and two staff members. Currently the Tourism Regina Team are recruiting 2 vacant coordinator positions. Securing these additional roles will be based on funding from the City of Regina and are pending the results of the budget discussion.

In September of 2022 the Tourism Regina team issued an RFP for branding and brand positioning support. The contract was awarded to local firm, Brown Communications. The teams are working on a public brand launch in December 2022. This will be strategically aligned with the announcement of the 2024 Brier Hosting and the Launch of FROST 2023. The greatest risk that exists is related to funding, should the budget not be approved or be significantly minimized the opportunities for Experience Regina to achieve the mandate will not be possible. In this situation there may be a need to consider greatly minimizing the role of tourism (this impacts the success of REAL and other operators within the City) or a wind-down strategy".

Of importance to our Review, the briefing note also included the following closing sentence under the heading "Risk":

"Lastly, the work required to manage Experience Regina adds scope to the core team at REAL and the office of the PCEO (President & Chief Executive Officer)."
(Source: "Briefing Note: Tourism Regina Portfolio Update" December 8th 2022).

The New Brand

We were made aware that the plan was for the visual identity and brand to remain unchanged (i.e., the same as EDR) and to continue that way for a year. While this was the initial thinking, the CEO saw the need for a new visual identity focused on consumers and not simply on business. As a result of this perspective, a change of brand was requested within the first month after the transition resulting in difficult deadlines being set and not reached. We were advised by the PCEO that in retrospect he believes that there were other steps which should have been taken earlier such as those dealing with achieving the right mix of personnel.

Quotes were sought from relevant agencies and Brown Communications was selected. Other comparative branding exercises were reviewed (e.g., Winnipeg, Nebraska, Cleveland) with a focus on “prairie cheekiness”. According to those we interviewed, Brown did their work well and built a Manifesto which was described as “fantastic”. Brown was not tasked with doing focus groups which presumably would have identified those slogans which would have been of concern. (This was not as portrayed to the Board who recall being advised that Brown had done focus groups without any pushback).

The Tourism Business Plan 2022 “Make Regina Sexy” indicates that *“The strategy for Regina’s visitor economy is founded on four major priorities that represent the greatest areas of opportunity where our city can:*

- 1. Leverage our distinctiveness into a competitive advantage*
- 2. Grow the number of visitors that visit Regina*
- 3. Extend the length of their stay*
- 4. Ensure visitors have a memorable and enjoyable experience”.*

The Plan includes in its “marketing strategy” the following description *“Definition: By developing and executing high-level marketing strategies, Tourism Regina will change perceptions and extinguish any negative narratives surrounding Regina. By elevating and championing our welcoming host city, top-tier events, state-of-the-art facilities, vibrant landscape and living skies, and united community, we will grow the visitor economy and establish YQR as an aspired travel destination”.* Included in the Plan is a list of 2022 Initiatives which states the following:

- Rebrand Tourism Regina with the help of local marketing gurus who live, breathe, and love YQR... Lead successful city-wide campaigns for major and minor events hosted in YQR... Develop Local and External Marketing Strategies for 2022/2023 that will make Regina sexy: Brand Strategy, Campaign Strategy, Social Media Strategy, Influencer Marketing Strategy, Email Marketing Strategy, and Advertising and Media Strategy.

The Tourism Business Plan 2022 indicates that there will be a push in its marketing efforts to follow through on one of its strategic initiatives *“Develop Local and External Marketing Strategies for 2022/2023 that will make Regina sexy”*. While this may have been a worthwhile goal, it is evident that it was not endorsed as a priority inside EDR or by the City. The sense that it should be doing more, however, was reportedly held by various City officials including the Mayor and City Manager.

“Originally REAL was responsible for a 100-acre mandate, in June of 2022 this was changed to a City-Wide mandate based on the direction of City Council. This mandate includes sport, recreation, culture, entertainment, entrepreneurship, tourism, and the potential for land development”.
(Presentation to the Regina Hotels Association 2022)

As that presentation clearly notes, the focus going forwards from a REAL perspective is to link Tourism with City events. Whether that is the correct or appropriate approach should be determined by those knowledgeable in the Tourism sector.

There was also a move away from Tourism to “Experience Regina”. Discussions were held regarding motto ideas with the resulting “Oh Regina”, “Anything but Flat”, “Do It in Regina” (which drew on the Nike ad) and “Just Do It”. The plan was to do a brand launch and then roll that into a campaign. Those involved had what was described as a “massive brainstorming session” which also included local companies and the staff of REAL. Again, it is worthy of note that the more sexualized slogans did not show up on the REAL website until after the brand launch.

The team expressed to us that they were to “push the boundaries” based on what they saw as their challenge from senior management. The Manifesto (developed originally by Brown and then changed or added to by the other members of the team) was shown

to the City Council, as were some of the slogans. Brown Communications, it should be noted, was not responsible for the “offensive” slogans.

Around the same time, REAL brought in a new Vice-President, Marketing, Communications, Tourism and Sales (position updated 2023), one of who’s position requirements was to *“Lead the marketing team to design appropriate promotional materials of REAL’s events and services, to maximize revenue”*.

The CEO and other management pushed the launch although they were advised that it would not be ready i.e., the schedule would not have facilitated the necessary input which would have been gathered by a series of focus groups, and thus any school of second sober thought was absent. Further, without an experienced marketing leader (in REAL or EDR) there were no eyes on the final product(s). The outcome without the more extensive consultation process was to be expected, but it was not, nor was it foreseen. The financing of Tourism is another issue of concern which may also have had an impact on the brand roll out. That is, when the decision was made by Council to transfer responsibility to REAL, the question of an appropriate level of funding was made clear. While one could argue that the brand failure and the Tourism budget are discrete issues, we believe that there is considerable support to think otherwise. The budgeted dollars were a reflection of the extent to which Council saw this as a priority and while lack of delivering on its mandate is likely to be a factor of a number of things, the scarcity of funds could readily be argued as one such factor. This may well have resulted in REAL “cutting corners” relative to its marketing campaign (i.e., budget) and its failure to insist on the use of focus groups. This absence of focus group input was also impacted by the team’s understanding that there was considerable political interest in seeing things move quickly. When Tourism transitioned, it only had funding to cover base staffing costs; very limited brand and marketing funds.

In summary, a) there was a strong and persistent push to move Tourism out of EDR and into REAL; b) there were early questions regarding the amount of financial and staffing support for this move; c) the absence of focus groups reduced the number of potential “eyes” on what was being rolled out and thus those without the necessary experience were left to their own imaginations; and d) the timing of the addition of a new senior manager could not have been less propitious.

9.0 Our Findings & Assessment

There are a number of moving parts involved in our assessment of the “Incident” and its evolution. While none of these might have proved to be a “tipping point”, the sum of them had that effect. Drawing from our interviews and review of documentation, the following events, issues, staffing turnover, busyness of executives all contributed to the eventual conclusion.

9.1 Governance (The Board)

We find that:

- The Board of REAL is responsible for the overall governance and oversight of the organization. The Board is responsible for REAL’s strategic direction, policy envelope and fiscal soundness. It is accountable for being the governor of the organization and for the image which it develops and maintains in the community.
- The Board understands that it is to delegate the management/administrative functions to its PCEO. All day-to-day matters are managed by the PCEO provided that such decisions are made within approved policies, position descriptions or Board resolutions.
- The Board Bylaws speak to their role as governors. This, as we have pointed out, covers such matters as setting the strategic priorities, assessing the need for clear policies, ensuring that good governance roles/mandates were established for Board committees, overseeing the budget and financial management, identifying any risks to the mandate and to the image of the organization, attracting new members and rotating those currently on the Board, providing direction to its only employee (the PCEO) and, of course, maintaining ongoing liaison with their Member/Shareholder, the City. These are all very important responsibilities and require considerable commitment from a group of people whose lives (we were advised) are already “pushed and pulled” in various directions as a result of other obligations.
- The Board expects to be briefed regularly by the PCEO and his senior managers on any proposed substantive changes to the business of REAL and with respect to anything which would signal a change to its bylaw, policies, programs, services and facilities.

- Ultimately, in board-governed organizations, the buck stops at the top (i.e., the Board as a whole). This thirteen-person body of volunteers (see 2022 Annual Submission to Council, 29/03/23), drawn from a cross-section of the organizations and backgrounds including large and respected Canadian governing bodies, is where (together with the PCEO) accountability is found. The Board is credited for overseeing successes and, when things do not turn out as planned, is viewed as responsible for any ventures which do not shed a positive light on the organization. That is what is known as accountability and is a generally accepted principle of “good governance”.
- One of the requirements of any such board is that of monitoring and mitigating potential risk to their name (or brand). This is perhaps best done by pointing out what dangers there are and what steps are viewed as reasonable. Having a risk monitoring responsibility in the terms of reference of at least one committee is one of those steps. Having a policy which speaks to defending the “public face” of the entity is another.
- This Board, like many others, acts on the advice of their PCEO given that he is the person at the centre of most issues and challenges. Issues which are beyond the purview of the powers granted to the PCEO are, or should be, brought to the Board (often through one of its committees) for their oversight and resolution. If the issue is significant, and often they are, then the appropriate step is for the PCEO to draft a suitable policy which captures the essence of the issue and provides assurance that any similar matters will be resolved according to Board policy. Where there is evidence that the PCEO has acted beyond the authority delegated by bylaw, contract or policy, then the recourse for the Board is to act in a disciplinary fashion.
- While all the broad, overarching terms in the corporate bylaw and policies like “*generative and strategic governance with due consideration towards a long-term sustainable future*” sound lofty, the Board needs to make clear what they mean in actual terms based on the breadth of the Board’s business.
- While this Board’s committees are guided by a range of duties (terms of reference), their actual focus needs to be on the policy envelope within which they expect their PCEO to function. This is a statement of significance. The REAL mandate is

extensive and impactful. It carries a lot of clout in the City (and surrounding region). While it is imperative that the Board not overreact and become an operational authority, its governance powers need to be sharpened and used.

- The fact that the “Incident” happened is (or should be) of concern to the Board. The Board became aware of the “Incident” after it appeared on social media and had raised the ire of many of those connected. It was not something that had been pointed out to its members in advance but rather came as quite a surprise the day after the successful brand unveiling.
- Somewhat ironically now, considering recent events, the Board was missed in terms of receiving invitations to the brand launch! While a couple of members were in attendance, this was due to becoming aware from other sources and not through their normal channels. This oversight might speak to the connectedness between the Board and its senior management and is of concern that such an important and necessary audience could be overlooked when the agenda of the day includes both a federal political representative (Cabinet Minister) and local Mayor who were understood to be (and were) in attendance.
- **Could the “Incident” have been anticipated? Likely not.** Could it have been prevented if the Board had in place a policy which spoke to its preeminent role in overseeing and being accountable for its “public-facing image”? This will be addressed in the conclusions/findings.
- At the end of the day, the **body ultimately responsible organizationally** for the re-branding efforts going sideways would be the Board of Directors of REAL. (From a broad City perspective, City Council holds that responsibility and thus accountability). The Board employs the PCEO and guides the implementation of its strategic agenda through him and his administration. While much of that onus falls to the PCEO, Board members are responsible for the decisions made which impact the image of REAL. The impact of such decisions is not necessarily clear when they are first discussed and in many ways an argument could be made that these are operational in nature and thus the responsibility of the PCEO.
- The Board members advise that they follow “good governance” principles which ensure that the senior management are mandated to carry out the organization’s

business and to follow Board policies (and the approved budget) in doing so. While such principles make it clear that the role of the Board is to lead, guide and ensure a current and relevant policy umbrella, they also make clear that the **Board has an obligation and expectation to be fully informed on all matters which might impact their roles and responsibilities.**

- From our discussions/interviews with Board members, it is clear that they take their roles very seriously and are appalled that this episode has happened on their watch. While it is clear that the actual processes which led to this furor were administrative in nature, there is still an **onus on the Board** to ensure that its mandate was not undermined. In our view, this points to the question: “what policy(s) did the PCEO/management not follow? And, could this have been predicted based on a lack of clear Board policies?”
- Such **policy direction involves both the Board (its committees) and the PCEO/management.** The former should be asking the governance/risk management question around “are we properly guiding the PCEO through well-considered policies; are the predictable types of Board concerns identified and addressed?” The latter (i.e., the PCEO) should be anticipating those types of questions and researching/assembling/drafting the suite of policies which ensure that the Board can effectively discharge its mandate and be assured that the PCEO will be fulfilling his.
- The Board has the overall responsibility for how its business is conducted and how well it is regarded in the community. It has an **obligation to its shareholder** that it will take every possible and realistic measure to ensure that it is delivering on its mandate within acceptable policies and that it follows commonly accepted principles of good governance. Based on the calibre of those recruited to the Board and the depth of board experience gained in other settings, it would be logical to conclude that the Board would hold itself to the highest standard possible.
- We have reviewed the Board’s governance model in terms of its recruitment of members, length of terms, delegation to committees, role of the Chair, relationship to its shareholder and believe that **appropriate “good governance principles and practices”** were being followed.

- While it is simple to say in retrospect that the Board should have had a clear policy on reputational risk, there is **nothing to indicate** that this issue would have been viewed as a high priority given everything else on the Board’s agenda. As it is, the Board’s Audit and Finance Committee was in the process of moving that issue to the forefront without any awareness of how important such a guidepost would seem after mid-March 2023.
- The template brand process was not “owned” by any one person and most simply bought into the notion that **the deadline was doable**. The procedures for the actual event were followed and the Collaborate and Connect Conference was a great success (“inspirational”) with over 200 people in attendance. We were advised that as the conference wound up and the post-conference reception at Rebellion Brewery concluded, the mood was upbeat. Any earlier concerns notwithstanding, the team had seemingly pulled it off.

9.2 Role of City Council (The Member)

We find that:

- As the **shareholder and sole member**, City Council acts on behalf of its residents/community in terms of the governance and operation of REAL. While it delegates the management and administration of the facilities and activities covered in the UMA, there should be no doubt that the populace holds their Council accountable.
- City Council has a role to play in the “Incident”. It is the responsibility of Council to **maintain a watch over the decisions** made by the Board as it oversees a significant part of the City’s mandate. This role is, in part, a responsibility of the Councillor appointed by the City and to a somewhat lesser extent, the City Manager. While they are there to add their perspective to Board discussions, they also have an obligation to monitor and report back to Council on whether or not the organization is taking steps to ensure that it is upholding the expectations of the Member.
- It should also be expected that the Mayor will want to be kept abreast of what the Board is doing. This **communication process will or should occur via the Councillor and City Manager as well as informally by the Board Chair**. This is not

the role of the PCEO unless the Board Chair has specifically asked for his input given that the protocol should be “governor to governor” and “administrator to administrator”, that is Mayor with Chair, City Manager with PCEO. Doing so would ensure that lines of communication are kept clear and consistent, and that the ball is not being dropped.

- In this instance, **those lines have, over time, become blurred** in part due to what has been referred to as common practice in a small City where frequent casual (and business) connections may have had an unintended result of reducing accountability. While there is nothing improper about friendly relationships between those who have senior community roles, care needs to be taken that discussions are not being understood as directions.
- City Council also has a responsibility to **advise its community** as to what is taking place under the watch of REAL’s Board of Directors and administration. While this might overlap with what REAL does as a part of its mandate, the communications arm of the City should ensure that **its messages and those of REAL are aligned**.
- The City also has an obligation to provide REAL with **sufficient funding** to govern and manage REAL assets and functions and an opportunity to be successful. While the latter is responsible for preparing a Strategic Plan and budget to be submitted annually, the City needs to ensure that **reasonable resources are being provided** so that these are sustainable. While there were a number of factors which played into the “Incident”, the lack of sufficient funding and staffing certainly played a role. The budget process was delayed by the City and given REAL was holding future investment in Tourism based on confirmed funding, this impacted the timelines significantly.

9.3 Role & Style of the Chief Executive Officer/President

We find that:

- In hiring the current PCEO, the Board recognized that the person they were retaining had a **strong “can do” personality with the energy** to drive more than one project at a time. They saw someone who was well-connected in the industry with related experience in other municipalities (e.g., Edmonton, Fort McMurray/Wood Buffalo). Based on what we were advised, the decision to retain the incumbent was based at

least in part on energy, style and connections and the presumption that this was someone who would be an ideal fit for the role. The limiting nature of the Board's compensation was overcome through the Board granting the PCEO the authority to continue to oversee his own consulting business providing that such engagements were not in conflict with his new role at REAL.

- The style and energy of the PCEO has **largely been viewed as a plus** given his ability to find events and acts for the 100 Acre venues and to connect with those which were viewed as largely unattainable to others. In this instance (i.e., the branding of Experience Regina and the chairmanship of Catalyst), that was simply viewed as a challenge and the PCEO was considered up to the task.
- As usual, there are downsides. **One person cannot do everything** no matter the degree of commitment and personal energy. Ideas could be floated and tried but someone would have to pick up the mantle and run with it while the PCEO was on to the next task or meeting. Given the availability of six Vice-Presidents, the view that they should be able to fill in the pieces should have been considered realistic.
- The **"siloes"** nature of REAL works against the notion of managerial teamwork and mentoring. Each of the six VPS are responsible to the PCEO for their respective portfolios. They are measured on how well their portfolio delivers on its mandate and not on how well they provide support to other areas of responsibility. If the current senior level organization structure is to remain and is expected to be effective, considerably greater emphasis is required of the PCEO's role in coordinating the work of his direct reports with that of his own. The current breakdown of responsibilities at this senior level makes it unreasonable for the PCEO to handle each of "his" functions and also quarterback those of the VPs.
- The PCEO **relies extensively on his connections** and picks up some of his support (and sense of affirmation) from those occupying the senior ranks in Regina society. He expresses being connected to those he admires, and to those whose support he needs (e.g., Board Chair, Mayor, other business leaders, sponsors, stakeholders.). Such connections have not always followed a defined protocol (i.e., Mayor-Board Chair, CEO-City Manager) (see above) as **conversations and meetings were often organic** and not overly structured. The difficulty in bypassing a particular chain of

command could potentially result in the PCEO being guided through conversations with the Mayor, which should have come to the Board and its chair and not directly to the PCEO. Whatever the flow, any suggestions/requests were passed along to the Board as more than suggestions given the role of the City as REAL's one shareholder.

- The "Incident" happened in large measure because of a **lack of managerial oversight, loose procedures, inadequate policy guidance and unavailable senior staff** who were knowledgeable about what was expected. While there were undoubtedly extenuating factors which impacted how the release of unapproved slogans occurred, the lack of adequate supervision was certainly one of them.

9.4 Awareness by Board Committee(s)

We find that:

- The Board has established four governance committees which act in an advisory capacity to the Board (i.e., Audit & Finance, Governance & Nominating, Human Resources, and Strategic Initiatives). These are guided by their respective mandates (assigned by Board policy to each committee i.e., Committee Terms of Reference, January 2021).
- While useful, this policy should be reviewed by the Board as it conveys a message which is neither true nor fundamentally useful to the Board. The "policy" states that "BOD Committees are considered **the subject matter experts** and working elements of the BOD". They are not. The "subject matter experts" are the PCEO and his senior management. They are hired to advise up and to manage down, based on a body of expertise which they have gained throughout their careers in similar roles.
- The Board's committees are expected to hear from their advisors/VPs and then recommend appropriate action/decisions to the Board as a whole. These committees are, or should be, **the policy advisory body** to the Board having received briefings from the executive leadership (generally the PCEO and the applicable Vice-President). The committee then adds its value through the experienced people who serve as its members and who understand general business principles, legal matters, audit/accounting principles and so on. Each should be

expected to act as a generalist on the committees relying on their senior managers for their expertise in fields which are generally (if not totally) beyond the scope of a Board member’s day-to-day experience. It is in their **life experience and therefore wisdom where their value to this organization lies**. And, lest someone is tempted to read this otherwise, this Board is blessed (based on our extensive and related experience) far more than many in terms of its repertoire of skill sets and years of valuable experience.

- It is **difficult to be very definitive or negative** with respect to the roles played by the Board (or any member thereof) in the “Incident”. The Board, as described earlier in the Report, had been appropriately structured. Its orientation program for newly appointed members was quite comprehensive and while improvements could always be suggested, nothing of significance or connection to this “Incident” stands out. Members are carefully recruited and those who pass the recruitment process can be assured of having met a very high standard. Current members often are reappointed until they span their allotted number of years of service and new people are identified based on a skills/competency matrix.
- The Board has developed a series of Advisory Committees, all of which have terms of reference appropriate to their tasks. These committees report to the Board and are expected to speak to/justify their reports/recommendations. According to the Committee Terms of Reference, January 2021, the **Audit and Finance Committee is responsible for “Oversight Of REAL’s Risk Management**. The sub-categories of Monitoring and Reviewing REAL’s Risk Management that AFC will be responsible for includes: *“Monitoring and Reviewing REAL’s Risk Management”*.
- This committee, along with the others, is guided and populated by those with serious and relevant experience. The Committee has regular meetings and is consciously trying to ensure that their roles are clear, and processes well understood. Ironically, the AFC Committee has been recently **more focused on establishing its roles relative to risk management** and has requested input from senior management on those risks most likely to imperil the work of REAL. Such a report was to come to its next Board meeting, scheduled shortly after this “Incident” occurred.

- **Strategic Initiatives Committee**

This committee has the following mandate:

1. *Partnership Growth*
2. *Collaboration with External Agencies*
3. *Improving Internal and External Confidences*
4. *Improving Customer Satisfaction*
5. *Improving REAL's Positioning and Initiatives Supports*
6. *Site Development should be discussed at every meeting*
7. *Oversight of Past Board Directors' Program*

The sub-categories of Stakeholders Relations that the SIC will be responsible for include City of Regina (COR) Council (Owner, Sole-Shareholder, Municipal Government) ...Public/Community Engagement, REAL Brand Assessment, Public Positioning/Perception of the REAL BOD".

It is worth noting that though the City of Regina is listed as a stakeholder, they are REAL's owner and sole-shareholder and therefore **deserve a heightened level of attentiveness, collaboration, partnership, and relationship**. The strategy for this relationship should be considered in a unique manner that suits its distinctive nature.

This committee has been involved in reviewing the branding materials provided in connection to the Experience Regina unveiling; and has an obligation to "*Improve Internal and External Confidences*" and to guide the Board's strategic planning. These are weighty matters and should be consuming a good portion of the Board deliberations.

Based on our understanding of this Committee and its mandate, SIC has, amongst other terms of reference, the responsibility to "*Improve Internal and External Confidences*". This Committee has been involved in reviewing campaign materials and had requested that the campaign ideas be market tested. We note from the minutes of that meeting that "*The PCEO provided an update that testing was in progress on the various logo's, campaigns, and slogans with stakeholder's groups, but the results were not complete*".

This separation of roles and authorities has worked well in the past and thus there was no reason to become overly concerned. Besides, REAL had a prior launch which was properly orchestrated and thus there were no real concerns about this one.

Further, there was the belief that *“We can’t possibly expect that every decision be run through a policy lens. There is a fine line between strategic oversight and operational interference, and a Board needs to entrust administration to make decisions that are in the best interest of the organization and aligned to our mission and values”*.

The obvious question that arises is this: should the Board have had a policy which spoke to its reputational value and position which would have provided some overarching guidance to their CEO and his administration?

Included in the requirements placed upon the **Human Resources Committee** relative to the performance of its PCEO are performance management, goal setting, evaluation, and performance feedback. This responsibility is taken on seriously by the HRC and results in a year-long process agreed to by the HRC (on behalf of the Board) and the CEO. The HRC is the committee which assesses his performance and recommends suitable compensation to the Board as a whole.

Given that the “Incident” raised questions related to the performance of the PCEO, this Committee will naturally be expected to judge whether or not he could have responded differently to the branding process when it was still on the table. Was his role less than it should have been as a result of other agenda matters which he was expected to fulfill?

This Committee of the Board has a major role to play in responding to the “Incident” including its discussion respecting the role which the CEO played or should have played relative to his administration and their handling of the Brand roll-out.

Overall Assessment and Impact

Each of these “policy advisory committees” should be asking its members the following questions:

- What role did we play in adding onto an already busy agenda of our sole employee? At what point did we sense that something is likely to slide or fall off the plate altogether?

- With such an array of facilities and vast numbers of people coming to enjoy major events, have we properly adjudicated our “**risk management envelope**” to ensure that any reasonably foreseeable risks are known to us, monitored and properly managed?
- Did we recognize the **need for a policy which dealt with “Board/City Image”**? Did we convey to the PCEO that any strategy or activity which he was embarking upon which had the potential to embarrass the Council, the Board and the community was to be proactively identified so as to ensure that the risk-reward issue was clear to all?
- When we agreed to take on Tourism because we sensed that it was the appropriate decision based on who was making the suggestion, **did we rise to the occasion and push hard for the appropriate resources** which some of us would have known would be required either immediately or in the near future?
- Did we ensure that a **comprehensive yet succinct Strategic Plan** for this new function (Tourism) was being developed before or as the transfer of responsibility and amendment to the UMA was being approved? Did the Plan give evidence of the options REAL had relative to its governance, distinctiveness and expected results/measurables? Did the Plan speak to the calibre of executive needed to oversee such a significant enterprise?
- Immediately after the “Incident”, **did we reach out to our community** and external stakeholders to assure them of our commitment to learning from any examples of poor judgment and to provide evidence of our desire to provide programs and services which speak to the high calibre which they have come to expect?
- **Was the full Board called into session immediately** after the scale of negative public (social media) feedback became known in accordance with our Policy (i.e., “*An Emergency Meeting of the Board and/or Committee is called due to unforeseen circumstances to consider emergency matters that have a significant impact on the organization.*” (BOD and Committee Meeting Policy)(2020)

9.5 Relationships

We find that:

- It is apparent that **relationships have impacted the issue(s)** under review. It is difficult to imagine otherwise when the City has an energized and proactive Mayor who is anxious to see progress and who wants to remove any impediments. The Board of REAL is led by a Chair who is similarly well-connected in the City and surrounding region based on the current and past roles he has occupied. Further, the CEO of REAL is described as an enthusiastic supporter of the City and its event, recreational, and tourism resources. His role is focused on selling the attributes of the City to external markets and people such that they bring their business and people to Regina. **Each of these three leaders will have an impact beyond themselves** and, as we were advised, each is supported in their own circles of influence. Also, these three leaders are connected to each other and meet casually on a reasonably regular basis (quarterly breakfast meetings; includes EDR).
- Such relationships are, for the most part expected and are part of what should lead to success by REAL. Each person functions in a somewhat different circle and for differing reasons but yet **each has a role to play** in making the City a significant player on a larger stage. Relationships such as these can also work against the larger "agenda" in that problems, impediments and issues are more easily overlooked when personal relations cloud one's perspectives. Questions which should be asked may not be for fear of causing offence rather than being seen as "due diligence".
- It would be difficult to describe a more ideal set of relationships other than to urge caution to **keep all relationships professional, albeit friendly** as in order to serve their respective organizations. Urging distance will not be particularly helpful if collaboration and interpersonal support is necessary to moving the agenda forward. Ensuring that the current informal schedule of meetings tween the Mayor, Board Chair and CEO is formalized would be a positive step providing that the City Manager is also present.

9.6 Policy/Procedure Impact

We find that:

- In most similar organizations, policy directs action. Those governing are entitled to guide their organization in a manner which stays within the parameters of their legislation and own bylaw(s). The approved policy provides the parameters of what

is acceptable or not. Those parameters are based on what the governors (i.e., the Board) believe to be in the best interests of their mandate/mission.

- Procedures (or managerial directives) on the other hand, flow from the policies. They operationalize the direction set by the Board, and they are thus determined to be effective based on the organization's resources (i.e., personnel, budget, and programs). Whereas policies determine "what is to be done", the directives speak to "how that will happen". A quality Board will understand the principle of role separation which places those governing in a different space than those managing.
- This then leads to the obvious question: **did the management violate the applicable policy(s) of the Board?** Was it clear and simply not followed, or did it not yet exist? In this instance, the policy needed would have been cited in a managerial report which identified those risks which are thought to be important for a governing body to be aware of and as such, to have taken the necessary, prudent action of devising and passing an appropriate policy. Our observation is that this had yet to happen but was at least on the radar.
- The **Audit and Finance Committee** of the Board has the mandate of ensuring that risks to the business of REAL have been identified and monitored. This issue was top of mind at the November 10th, 2022, Audit and Finance Committee meeting. A complete listing of risks came to the November meeting. The CEO briefed the Committee on the drop in revenue post Covid and identified that in his opinion the top three current risks were "Loss of Attendance/Reduced ticket base, Unable to book a Stadium concert, Price escalation and Inflation". Reputational risk was not cited based on past organizational performance.
- This discussion resulted in the committee asking management to provide them with their top ten including those that would impact **reputational risk** along with the steps taken to mitigate such risks. Those had yet to be presented by the administration. It is important to note that Reputational Risk was on the AFC Risk matrix, however, things were so positive within the community at the time related to REAL, it was a **low ranked risk**. This is important to note. Reputation and the risk associated was a regular conversation, it was just that the reputation of REAL had been previously so very positive.

9.7 Chair-Chief Executive Officer

The expression "tone at the top" is an important one as it conveys the importance of what tone is set for the organization by those who hold the senior leadership roles. From the Board perspective, that is the Chair; from the administration's perspective, that is the PCEO. If these two people are regularly and openly communicating, then there is likely to be a healthy base to "good governance" and sound administration.

We find that:

- The Chair and CEO have a respectful, cordial relationship based on a sense of mutual appreciation for their individual skill sets and dedication to their tasks. Both have reportedly been successful in their careers, and both are noted by their colleagues for putting in considerable hours to provide the leadership expected.
- The Chair and the PCEO meet regularly in advance of each Board meeting to prepare as well as in advance of strategic planning sessions. They also meet to discuss upcoming committee meetings and they meet informally to discuss the matters of the day and to just catch up. Their rationale is that both are very busy people, and it simply works best to have the Chair call when he is in the region and available for a coffee/meal.
- We were also advised that the Chair and CEO meet on an informal basis with the Mayor when she is available and that there are quarterly meetings held between the Chair, CEO, Mayor and City Manager.
- There **does not appear to be any protocol followed** with respect to who connects with who. Individual Councillors reach out to the CEO from time to time when they might need information about an event; the CEO might go direct to the Mayor and vice versa on issues or events. The result of this very flexible approach can mean that the impetus for a decision or action can be already underway (i.e., Mayor-CEO) before the Chair or other Board members are engaged. This can have unintended effects as an "agenda" can be moved along (e.g., Tourism) without the rigour of a planned approach or the knowledge of the Board's officers or full Board. Thus, when a request is officially made, there is a sense by some that the die has already been cast.

- While we would not want to eliminate the prospect of casual contacts, we simply point out the **challenges which informality can sometimes cause**. There is a greater likelihood that if Tourism had come to the Board without prior discussion, a fuller and less scripted discussion would have occurred.

9.8 Degree of Busyness during that Season; Impact of New Challenges

We find that:

- One of the key aspects of our Review was an examination of the factors which might have contributed to the “Incident”. The unique times of recovering a sport and entertainment business post Covid-19 was likely the prevailing factor albeit **there was more than one with some perhaps more prominent than others**. One of the ongoing themes we heard throughout our investigation was the **degree of busyness** within the organization during the takeover of Tourism, the lead-up to the Experience Regina launch and its likely impact on the work of the CEO and his administration. There is little doubt that this was a very busy season on a normal basis and only increased due to City-approved projects and added responsibilities. The business of REAL, like many others, was also recovering from the major impact of Covid-19, including the need to manage rapidly changing public health directives.
- Further, and of considerable importance and concern was the **development of what is referred to as the “Catalyst Report”**. This Report was commissioned to undertake a major review of current and needed City facilities. The cost of the Report was estimated at \$240,000 with a proposed price tag for the identified facilities at approximately (\$500,000M) for all facilities. The Report was initiated in July 2022 and was tabled in March 2023. At the same time, Tourism was being shifted to REAL, and a separate land development corporation was also recommended to be a part of REAL.
- In the midst of this busy season, REAL was also involved in staging FROST, a major 10-day winter festival as well as playing a significant leadership role in the September 29, 2022 Truth and Reconciliation Day. While some of the focus of senior leadership was naturally on Catalyst, and the arrival of a Federal Cabinet Minister and his announcement, the **responsibility for planning and overseeing the Launch suffered**.

- One factor which we were made aware of and subsequently examined was the **scope of work then faced by the CEO and his administration**. If he could be logically charged with “taking his eye off the ball”, it would need to be shown that there were more than the normal array of issues and projects underway or in process which would have legitimately occupied the attention of those guiding the ship.
- We were made aware of a number of such challenges and have listed these below. These do not fully capture all of what was on the CEO’s agenda at the time but point to the fact that these merited more than a glance. The schedule which we were provided lists the following REAL events:
 - Canada’s Farm Show - 3-day event
 - Truth & Reconciliation Event Day Committee meetings
 - Summer Fair - QCX preparation meetings
 - Summer Fair - QCX - 5-day event
 - Riders Season games hosting
 - Cirque Du Soliel - Brandt Centre event - 4 days
 - Regina Pats season commences - hosting
 - GREY CUP 2022 - 6 day Festival
 - Canadian Western Agribition - 5-day event
 - City-Wide Frost Winter Festival - 10 Days (Feb 3-13)

In addition to the normally hectic schedules of those involved (including the need to prepare for all such meetings/events), REAL was also asked by the City to handle the following (email 28/04/23):

June 2022

- *Arena Planning Committee meetings and report finalization and meetings to approve*
- *Baseball/Soccer Stadium Needs Assessment committee meetings*
- *Special Council meeting to receive the Arena Report and other Catalyst Committee reports*
- *Arena Report to Council - Private Executive*
- *Council Public - UMA change re REAL taking on responsibility for Tourism*

July 2022

- *Present Baseball/Soccer Stadium needs assessment to Council*
- *Tourism budget meetings*
- *Given responsibility to develop a Catalyst Committee and produce a report for Council by end of January - commence the work*

August 2022

- *Catalyst Committee TOR's and Committee to Executive Committee and Council for approval*
- *Tourism budget meetings with EDR*
- *Tourism staff meetings and interviews to commence transition*

September 2022

- *Catalyst Committee planning and prepare Public Engagement strategy*
- *Municipal Land Development Corporation committee planning*
- *Tourism budget meetings with EDR*
- *Tourism staff meetings working through transition*

October 2022

- *Catalyst Committee meetings commence - daily full and half day strategic planning sessions*
- *3 days of Public Engagement on the Catalyst Committee*
- *Land Development committee meetings commence - full and half day strategic planning sessions*
- *Tourism team meetings*

November 2022

- *Catalyst Committee meetings/strategic sessions*
- *Catalyst Committee - Compiling and presenting the results of the public engagement*
- *Land Development committee meetings/strategic sessions*
- *Tourism team meetings*

December 2022

- *Catalyst Committee meetings*
- *Stakeholder meetings re Catalyst Report*

- *Internally - commence writing of the Catalyst and Land Development Committee reports*
- *Land Development Committee meetings*
- *Tourism team meetings*

January 2023

- *Catalyst Committee meetings*
- *Stakeholder meetings re Catalyst Report*
- *Internally - Writing of the Catalyst and Land Development Committee reports*
- *Land Development Committee meetings*
- *Tourism Team Strategic Planning Session*
- *Tourism team meetings*
- *EDR meetings re Tourism*
- *4 days in Ottawa meeting with Federal Government for funding on Catalyst projects*

February 2023

- *Daily meetings with hubs - FROST Winter festival*
- *Catalyst Committee meetings*
- *Stakeholder meetings re Catalyst Report*
- *Internally - Writing of the Catalyst and Land Development Committee reports*
- *Land Development Committee meetings*
- *On-Boarding New VP - Tourism and Brand*
- *Feb 15TH - Present Draft Catalyst Committee Report to private Executive*

March 2023

March 1-15th

- *Press Conference in advance of Catalyst Committee report going public*
- *March 1st - Present Catalyst Report to public Executive Committee*
- *Multiple Media interviews re Catalyst Report*
- *Present Experience Regina Rebrand to Councillors and City Staffers (all councillors and city exec were invited to attend)*

March 16th

9:30 - 11.30 AM

- *Press Conference with Federal Minister for PrairiesCan Funding Announcement*
- *Experience Regina launch - Collaborate and Connect event*".
- Most if not **all of the foregoing would be on the CEO's platter** requiring his attention and attendance. This is in addition to the "normal" functions of managing an office, responding to calls, texts, emails and addressing any issues impacting his senior level employees/managers. It needs to be pointed out, albeit likely evident, that the Vice-Presidents responsible for these functions would also have to be in attendance at many of these same meetings.
- The question to be raised perhaps is **one of priority and one of acceptance**. In every CEO's "to-do" list, there are those projects or demands which literally jump off the page as absolutely required, those which are important but not urgent, and those which could be delegated and handled by someone else. Of those which are deemed to be absolutely required, the priority has to be placed on ones which will directly impact the agenda of REAL in a positive manner, either through moving a Board resolution forward or through positively impacting the resources of it so as to ensure organizational health.
- At the end of the day, the **responsibility for approving changes administratively to the brand** lies with the CEO. While responsibility for the processes involved would generally be pressed down into the organization, the actual accountability never leaves the desk of the person at the top of the chain of command.
- The Vice-President, Marketing, Communications, Tourism and Sales **would also normally bear at least some of this accountability**. That role oversees how the brand is rolled out, what campaign will be used, what focus group testing will be expected, what approvals are needed and what timing makes the most sense. To the VP'S defense, it also needs to be said that she had only recently joined the organization.
- The message to those who were in the VP's umbrella should be "**lessons learned**" and why we are at this stage. The emphasis has to be on the approval chain and why that is important; on what impact the nature of the City should have in any

subsequent branding exercise; and the need to hit the “pause” button in any such process.

9.9 Changes in Senior Leadership Team

We find that:

- As noted briefly above, the timing of the “Incident” was **impacted by the turnover** in senior REAL leadership. A new Vice-President of Vice-President, Marketing, Communications, Tourism and Sales started February 21st, 2023, and had conflicting personal and business priorities to attend to before she could apply her full attention to her new role. Further, there was a Director of Marketing in place who was the key person on this file. He left the organization just prior to the brand launch. This meant that the key person responsible for the brand launch was effectively absent from the scene in early March while the person taking on those responsibilities was in the throes of becoming oriented and briefed on what was expected to happen in her area of responsibility over the ensuing month.
- It is of interest that REAL also reduced the burden on the VP Finance by **reallocating her responsibility to oversee Human Resources (People Services)** through placing that as a direct report to the CEO. There is always an adjustment to be made whenever senior level restructuring occurs and particularly when the CEO is accorded added responsibilities.
- The new VP Marketing, Communications, Tourism and Sales had substantial related private sector experience and was expected to assume control over the work which was directly related to the brand launch. Unfortunately, these events happened within a few weeks of each other leaving a **gap in direction and an absence of the normal controls** which would (should) have been found at the table in the Director’s position duties. Would that have made any difference? That, of course, is not certain but it does become **one more factor** which would explain why the organization permitted the slogans to be made and to become public before they were properly tested in the Regina marketplace as a whole.
- For some there was the impression of what was referred to as “title inflation” where **junior staff were accorded more liberty** than should have been delegated. There was a lack of guidance, lack of experience, no protocols, no testing of the slogans,

no proper vetting. This should have been evident prior to the Launch to the point where the Launch could (and perhaps should) have been postponed.

- The fact that the leadership of a function (Tourism Regina) which had recently been taken on by REAL was in a **state of flux** should have pressed caution into their decision-making if for no other reason than the normally available checks and balances which an experienced executive would have brought to the table was largely absent or without the depth of experience normally present.
- Probably also worth noting that 2023/24 was the first multi-year budget approach with City Council and as such there was no certainty in the long-term funding sustainability for Tourism. This caused a delay in planning for REAL.

9.10 Lack of Checks & Balances in Website Changes

We find that:

- The issue of who initiated the surprise release of slogans onto the Experience Regina website lies at the heart of the “Incident”. We were advised that the branding team had discussed and approved the Manifesto and the motto which had been developed as part of the work contracted to a local communications firm. **What was not approved were the slogans** which had been created through discussions within the team and by another contractor.
- It is our understanding that the management committee was apprised of the work completed on the Manifesto and on the publicity intended for the March 16th, 2023, launch, but that the “offensive” slogans were not a part of that unveiling. In fact, **most of those interviewed were unaware of the slogans** or that they were even being considered to be a part of the new brand. (We were advised by the PCEO that Experience Regina staff were provided with the REAL playbook in how to develop a new brand, which REAL had recently successfully utilized, but now understand that this was not followed).
- It is our understanding that there seemed to be a **reluctance to question process** as though that had already been endorsed. This type of “groupthink” was not healthy and seemed to restrict if not eliminate any questioning around the issue of focus groups (i.e., who had been assembled, on what basis). In part, we were advised that this result was a reflection of the pressure felt from the top with respect to the

need to "get on with it" due to earlier missed deadlines and a new deadline of mid-March when the Connect & Collaborate Conference was scheduled (as was the appearance of the Federal Cabinet Minister).

- The CEO advises that *"When authority was granted to move Tourism Regina to REAL based on a City of Regina Unanimous Motion on June 29th, 2022, the former had a payroll according to the 2022 actual results of \$704,933 of specific tourism related staff (including management). At the time of the transfer of responsibility effective July 1, 2022 there were seven employees; Chief Tourism Officer, 1 Director, 3 Managers, 1 Strategist, 1 Marketing Assistant. In the process of the transition of responsibility 3 members of the Tourism Team elected NOT to move with the shift in responsibility, including the Chief Tourism and Visitor Economy Officer, one manager, and marketing assistant. A second manager found alternative employment within 45 days of the transition of responsibility. As a result of this shift in responsibilities and resulting vacancies, REAL appointed the existing Marketing and Communications Director to the interim role of Director of Destination Marketing and Sales and supported the return of the Director of Visitor Services from [REDACTED] with a return-to-work date of September 6, 2022"*
- While such a transfer of a significant function (i.e., Tourism) might be possible without the full staffing complement being added to the REAL payroll, some accommodation would have been necessary to ensure that knowledgeable managers with insight and experience with sound processes and procedures were not being overlooked.
- This staffing issue along with the fact that market testing and focus groups had not been mobilized should have resulted in senior management hitting the "pause" button on any major initiative such as a re-branding process.
- Subsequent to the CEO signing off on the package, which was to be unveiled on March 16th, an external contractor was advised to proceed with changing the website and was specifically greenlighted by email by REAL staff to include the slogans. We were advised that this was in keeping with the conversation by management in the meeting room; the only hesitation was around the uncertainty as to whether or not the Conference was going to fly on the 16th as planned.

- The question then arises: was there a **template list of steps** (a protocol) to follow prior to making changes to the website based on prior alterations and if so, was that known to those who were involved in this process? What would therefore have caused Experience Regina staff to alter that process without the necessary approvals? Was it a reflection of the "tone at the top" ("just go for it!") or independent and perhaps inexperienced exuberance? It is our understanding that there was a very clear template for the overall rebranding process based on REAL's recent experience i.e., the REAL District Rebrand and Website Launch but that was simply not followed.
- The fact that we were advised by some of REAL's management that a number of key checks and balances were not in place (i.e., no template in terms of how tasks were to be done, no critical path, no corporate memory as senior staff left the organization, inadequate leadership, no job manuals, no checks/balances, no due diligence, no guardrails, limited policies/procedures), **should be of concern to senior management and the Board**. When we inquired, we were provided with a list of key policies which appeared to cover many of these same issues. This points to two significant concerns: one, is there a suite of key policies which guide how the organization functions and, if so, what evidence is there that the full organization is made aware of what these are; and secondly, is the CEO and his management providing the Board with ongoing, proactive advice on governance policies which effectively guide the operational aspects of REAL? what efforts are evident which show that the CEO (and his managerial staff) are advising the Board on key policy issues which enable management to work most effectively? **This Board needs to be in a position to guide effectively through policies** as opposed to simply being informed on REAL's programs, schedule and initiatives.
- We were advised that the responsibility to oversee and manage the development of the website had been clearly assigned to the senior management of Tourism and that there was reason to justify the confidence felt by REAL management that this would occur without any problems.g **REAL had developed its own brand process recently and that template was to be followed**. Further, REAL leadership also provided guidance on what the product was to look like with examples provided

"based on the models agreed upon and used for Tourism Nebraska and Tourism Cleveland. These models were the ones we had hoped to mimic". What was not foreseen was the relatively sudden turnover of those at the senior management level who should have been in a position to ensure that the timeline was followed, and commitments met.

- How did the steps in this rebranding process differ from that of the Real District approach?

The primary elements of difference were as follows:

- 1. The transition to the REAL District Brand launch was led by the Director of Marketing and Communications but was supported by a senior manager with strong experience. In the situation specific to Experience Regina, the Marketing Manager had more limited experience and was more junior.*
- 2. The team supporting the REAL District had been in place for some time and had strong experience with the stakeholders and the core brand.*
- 3. The team supporting the Experience Regina rebrand was much more junior and was relatively new within the Tourism portfolio. With this noted, both Directors were experienced leaders in the Tourism field.*
- 4. The communication agency for the REAL District was Phoenix Group and the agency for Tourism was Brown Communication.*
- 5. Fundamentally the Board and Committee approval process was similar.*
- 6. The launch of the website redevelopment for the REAL District was almost a year after the new brand identity had been issued.*
- 7. The launch of the REAL District brand was fast tracked due to the war in Ukraine and the launch of the Tourism Brand was defined by a Federal Minister visit.*
- 8. The brand launch for Experience Regina was delayed twice prior to the final delivery.*
- 9. The show and event size for the rebrand unveil for Experience Regina was much greater in people attendance and media and social media push. The REAL district was a basic press conference".*

9.11 Tone/Expectations

- When we look at this from a distance, the question arises: **who/what set the tone which led to this result?** Why did a group of marketing people with their collective experience believe that this City needed a type of marketing image that was dissonant from that of similar or past exercises? Was it a rush to see who could be the most edgy without causing a major pushback; words which had been spoken previously by those in positions of authority which sounded “cheeky” but not vulgar? We are advised that the tone was to follow the example of Nebraska Tourism and Cleveland Tourism who were viewed as leaders in this regard. Unfortunately, there was a gap between intent and outcome.
- It is difficult to excuse all those involved in the slogan roll-out given that these were known to many prior to the fateful March 16th addition to the website. The **same language was used in January 2023 “Strategy Meeting Overview”** which was attended by Tourism team members. While this does not mean that the language used was planned for full public consumption, neither was there any indication that some of this was inappropriate.
- Members of Council were viewed as embracing the **need to be seen as “edgy”** with one wearing clothing at a virtual meeting which featured some of the “offensive” words. The question to be asked is more one of “who was delegated the authority to sign off on the brand process and changes to the website. Was this clear to everyone involved in its various aspects”?
- A related question which the degree of busyness brings to light is whether or not Tourism should be placed within REAL’s current structure or should it be accorded a separate standalone place within a larger umbrella. This will be an important discussion as it impacts a number of related questions including available funding, fit within the current business mandate of REAL, and impact on the time and resources of the PCEO.
- City Councillors report receiving considerable public attention and feedback to the branding exercise/results which, while mixed, were generally negative questioning why the City would even discuss such slogans while at the same time expressing concern relative to the increasing incidence of sexual assaults in the City. Individual

citizens and related groups have expressed their frustration, criticism and anger that such an unveiling would not have been stopped by Council before it saw the light of day. While a quick response could be "that mandate was delegated to REAL" the average citizen only connects the issues to those whose names were on the most recent ballot.

10.0 A Brief Summary

Given the range of those whom we interviewed and their relationship to this Review, we believe that we developed a sufficiently informed basis on which to build our assessment and conclusions. If we were asked to summarize all that has been said and written about this matter, it would likely come down to what we perceive as:

- a major corporate responsibility change (i.e., Tourism moved over to REAL),
- absence of a clearly defined Board policy on risk,
- a lack of policies vis-à-vis Tourism when it was transferred to REAL,
- inadequate oversight and guidance,
- inability to adhere to the recommended template/process, and
- a difficult deadline.

The “Incident” began with the lack of oversight and the absence of a controlled process and ultimate “sign off”. It ended when someone exercised an authority they did not have (i.e., to authorize additions to the emerging website). This level of decision-making should have been clearly understood as being at the uppermost level(s) of REAL but was obviously not or was simply bypassed. There is no evidence that the staff member was deliberately trying to exceed their authority to approve anything as he was not in a position to have done so on any previous occasion. The applicable supervisor who could have given the permission to proceed was not on site; and their back-up was also unavailable due to attending to personal issues. As a consequence, the approval for these slogans to appear on the website was provided by the wrong level of decision-maker at the wrong time.

10.1 Our summary observations/findings:

1. **Could this the “Incident” have been anticipated? Likely not.** Could it have been prevented if the Board had in place a policy which spoke to its preeminent role in overseeing and being accountable for its “public facing image”? This event was bound to happen; it was just a matter of when. As usual, such events surface when least expected and often with little warning.
2. **REAL as an organization needs to take a fresh look at itself** and its expectations for the current components of the organization. The key for the Board,

management (and City Council) moving forward will be to place less emphasis on "who did it" and more on why this happened and how do we ensure a repeat becomes unlikely. It seems apparent to us that the guidance "in the room" might not parallel that which would have been given by senior management. The feedback we received from mid-level staff and those more junior strikes a dissonant tone in relation to that which we heard from others. Further, some of this does land at the feet of senior management as their focus on delivering an "edgy, sexy" image was what captured the room.

3. **Personnel changes are not required based on the "Incident"**. There is no apparent need to fire anyone connected to this episode. As Henry Ford, the American industrialist once remarked "failure is simply the opportunity to begin again, this time more intelligently." While it would be a fairly easy solution to simply blame the PCEO and demand a resignation, that would be foolish and unnecessarily expensive. And while we believe that the PCEO acted responsibly by quickly stepping up and claiming responsibility, there were a number of mitigating factors which diminish his culpability. Yes, he is the chief administrator of REAL and thus accountable for all that goes on during his watch. And yes, the fact that the branding process lacked the hands-on attention of someone in senior management from its beginning to its end is, we believe, on the PCEO. The changes which are needed will largely land on his desk and on him to oversee and to personally commit to with sincerity and effort. For this task, he will need to be organized, committed and supported.
4. **The Board does not fully escape responsibility because it is the body to which City Council delegates authority**. However, this Board is appropriately structured and oriented. It has a sound approach and a commitment to continuous improvement. While one can point to some things which the Board could have improved (i.e., a proactive review of governance policies), none of these enhancements would have become apparent without the "Incident". Our assessment is that this Board provides good service; is committed to the tasks at hand; and will learn from the past few months. Changing it other than through its normal turnover of members would be of little to no benefit.

5. **The organization needs improvement.** While the factors leading to the slogan imbroglio might have occurred regardless, it is evident that too much of the workload and expectations are placed on one person. While not wishing to minimize a complex set of circumstances, REAL offers a multitude of functions which requires a considerable array of organizational talent. This will need to be assessed given that regardless of any other systemic changes, problems of a similar nature will persist unless the necessary resources are added.
6. **The systems need to be improved.** REAL needs to be governed, at least in part, by a comprehensive Strategic Plan and series of key priorities. Each fundamental aspect (e.g., events, tourism, etc.) should be guided by its own Plan (within the corporate plan) and broad priorities which ought to be approved by the Board. Further, the responsibility for mentoring needs to be embedded in the position descriptions of each Vice-President as well as the President.
7. **A renewed "Major/Public Event Template" for events is needed** and will have to be followed. This template (or charter) should have been evident to all those involved relative to the brand unveiling and yet was not.
8. **An improved decision ladder needs to be grounded into the organization.** The message with respect to who has what authority to sign off on any initiative, new or otherwise, needs to be absolutely transparent, well-grounded and thoroughly communicated. There needs to be clear steps (or a decision-making ladder) of responsibility which makes it absolutely clear as to what type of decision can be approved at what level in the organization.
9. **Board policies and managerial directives need to be re-examined and refreshed.** We were advised that someone was retained recently to review and update Board/management policy development. This now takes on added meaning given what we see as a supervisory and policy/directive failure. There are general statements regarding preserving a public image but nothing which the Board would be able to hold to the light and ask why they were not advised or involved.
10. **Based on our investigation, complete with 51 interviews, the prevailing view spoke to the abundance of demands on REAL and its CEO (in particular) and the**

absence of any real surprise that the “Incident” happened. The lack of close attention to administrative processes and procedures due at least in part to the frenetic activity on the 100-acre site seemed to lead quite a number of those interviewed to express a lack of surprise to what happened and more to the fact that it had not happened earlier.

Where should the Board focus its energies?

- **First**, in terms of the findings of this Report, the Board needs to review its policies and determine what change(s) should be considered to eliminate the possibility of this reoccurring.
- **Second**, the Board needs to have a frank discussion with the PCEO in terms of his schedule and workload and what could be done to offload some duties to his Vice-Presidents.
- **Third**, the Board along with the PCEO needs to consider a comprehensive organization review which examines the REAL structure and resources including an umbrella style structure with Tourism as a separate function.

10.2 To Recap

When we embarked on this interesting and challenging engagement, we were advised of the purpose of this Review:

- *To determine what happened through the independent corroboration of timeline prepared by management;*

Our Report outlines to the best of our knowledge what happened and when; it corroborates the timeline provided to the Board by the CEO based on what we found through the background documentation and a broad swath of interviews. While we have added in certain dates and information related to the “Incident”, we did not become aware of any documented attempt to mislead the Board.

- *To determine why it happened through obtaining an understanding of red flags that may have been/should have been identified, the implementation of control processes and approvals, including governance, that were/should have been in place;*

We have provided the Board through this Review our understanding of what factors contributed to the evolution of this Incident, the "red flags" which in hindsight, should have pointed to the "Incident" occurring, the processes/controls which if implemented would likely have inhibited the "Incident", and the governance aspects which, if present, would have raised the likelihood of someone pointing out the potential precipice.

- *To identify recommendations relating to controls and governance processes to mitigate the risk of reputation damaging the "Incident" from occurring in the future;*

Our well-documented, supported and clearly stated recommendations (see following) will, we are sure inhibit any future reoccurrence of such an event happening in the foreseeable future.

- *To provide other information to permit the Board of Directors and City Council to move forward on next steps.*

As per our commitment to, and legacy of, due diligence, we have provided a "value-added" Report which will be useful to both the Board and administration of REAL and the City in moving beyond where the situation is at present and will increase the likelihood of an ongoing successful organization which will add value to the City and region into the future.

11.0 Recommendations

1.0 Board of Directors

- 1.1** We recommend that the Board undertake a “governance audit or review” which examines the expectations of the Board and its committees vis-à-vis the roles ascribed to senior management. Are Board members expected to be governors or is the intent that they act as another level of management as the “subject matter experts”? The role of Board members needs to be made clear right at the outset of any term.
- 1.2** We recommend that the Board direct its Audit and Finance Committee to review AFC “charter policies” and ensure that at least one of the recommended policies speaks to reputational risk management and to the role of the Board in reviewing and approving any “brand/marketing” plans/designs prior to any declaration to the public; and further, that the City Council be advised of any major brand changes prior to REAL engaging in a new brand launch.
- 1.3** We recommend that the Board institute a “Governance Risk Dashboard” which will assist in identifying all potential “governance” risks to REAL, the impacted policies (if they exist), and the key steps being considered and taken to minimize such risks.

2.0 Board of REAL-City of Regina Relationship

- 2.1** We recommend that the Board review its relationship with its shareholder (the City of Regina) and determine if there are useful, pragmatic ways by which it might be strengthened.
- 2.2** We recommend that any further transfer of functions by the City to REAL be preceded by an independent review of the rationale of the transfer, the timing, the resources (funds/personnel), and the potential impact on the City administration and any external stakeholders.

3.0 Role of Board Committees

Human Resources Committee (HRC)

- 3.1 We recommend that the HRC discuss the impact of current obligations on the work and performance of the PCEO, identify what changes could and should be made in concert with the PCEO and provide advice to the Board.
- 3.2 We recommend that the HRC refresh its performance assessment format and process to ensure that the issue of PCEO capacity and commitments is responsibly addressed.

Strategic Initiatives Committee (SIC)

- 3.3 We recommend that SIC discuss with the Board what changes might be necessitated in Board-Council communication based on the “Incident”.
- 3.4 We recommend that SIC work with AFC in developing a Board policy on “public facing” campaigns.

Audit & Finance Committee

- 3.5 We recommend that the AFC expedite its review of current Board policies which impact “risk management” and where necessary, recommend a new reputational risk policy that addresses, in particular, REAL’s potential for risk, particularly at a governance level; and that the Committee require the PCEO to prepare a similar “managerial directive” for all administration within the Board policy.
- 3.6 We recommend that this committee meet with the HRC to discuss the goals of the PCEO and what changes might be advisable based on this Review.

4.0 Chief Executive Officer

- 4.1 We recommend that the Board and the PCEO set aside a specific time to consider this Report and to discuss what steps/decisions are needed by both the committees and the Board.
- 4.2 We recommend that the PCEO review his support structure and the demands on his time and determine what is reasonable moving forward; that he take actual steps to delegate some of his workload to his Vice-Presidents;

that he consider any additional requests for REAL's involvement in light of what resources (personnel and funds) are made available at the same time; and wherever possible, incorporate the Chair into the initiation of any such discussions with City officials.

5.0 Approval Process

5.1 We recommend that the PCEO advise the Board with respect to any significant changes to approval processes for marketing/brand initiatives.

5.2 We recommend that the PCEO and Vice-Presidents review the current approval processes for engaging, monitoring and evaluating any marketing campaign and ensure that a suitable template is in place for any similar initiatives moving forward; and that all campaigns be required to follow such a process.

5.3 We recommend that the PCEO ensure that all external contractors are made aware of what processes their requests for approval to proceed will encounter and what approval authority is absolutely required before any initiative can be considered approved.

5.4 We recommend that all management be required to follow REAL standard procurement/tendering policies and procedures.

6.0 Experience Regina

6.1 We recommend that the Board/PCEO commission a review of an appropriate governance/organizational model for Tourism; that it be considered a separate business of REAL with the resources to ensure it has the potential of success; and that a three-year business plan be put in place to accomplish these targets.

6.2 We recommend that the PCEO review the experience of other municipalities/agencies in their brand development including the use of focus groups, or other mechanisms; and that "best practices" accepted by the industry be considered.

7.0 Organization Review

7.1 We recommend that REAL conduct a review of Board practices, the Board-CEO interface, and the structure/deployment of resources of the organization.

8.0 Public Awareness

8.1 We recommend that REAL consider it a priority to continue to build on its relationship to the community; to regularly advise as to its steps to correct any perceived shortfalls in its processes; and to advertise the good things it is working on for the good of the City through fulfilling its mandate.

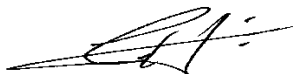
9.0 This Report

9.1 We recommend that this Report be concurrently circulated to all Board members and the PCEO for review; that a meeting of the Board and PCEO be held to discuss the Review and the findings in this Report; that the Executive Summary be circulated to REAL administration and to City Council and to the public.

9.2 We recommend that REAL consider it a priority to continue to build on its relationship to the community; to regularly advise as to its steps to correct any perceived shortfalls in its processes; and to advertise the good things it is working on for the good of the City through fulfilling its mandate.

Thank you for the opportunity to take on this interesting engagement. We trust that there will be some useful "takeaways" for the Board, CEO, management and the rest of the organization. The cooperation afforded to us by the Chair of the Ad Hoc Committee, the CEO, Vice President, Finance and others has been very helpful in ensuring that we had access to all of the background information which we had requested.

With appreciation,



George B Cuff, FCMC

George B Cuff & Associates Ltd.

Appendix A - Accomplishments of REAL

We asked the Board of REAL to provide us with a summarized list of highlights which provide some substance to their belief in what they are doing on behalf of the citizens of this City. This list, without any alteration by us, follows:

2020

For the Regina Exhibition Association Limited (REAL), 2020 was intended to be the start of a fresh year, a crisp new decade, and a launch pad for the implementation of the newly approved REAL 2.0 Strategic Plan. Fresh off a record setting year in 2019, the start of a new decade was looking promising.

The stage was set for a truly exceptional 2020 with a record number of confirmed concerts at the Brandt Centre, a repositioned Canada's Farm Show, a remarkable program for the annual Queen City Exhibition, and a stacked line up for summer outdoor concerts. The organization was set to make history hosting the 2020 Grey Cup Festival and Grey Cup all on one site to create the ultimate fan experience. It was a year that was positioned to be a year of impressive moments and brilliant memory making.

January, February, and the beginning of March 2020 were performing ahead of budget, ahead of activation, and ahead of utilization. We were most definitely off to a great start. Then, with the blink of an eye, everything changed on our campus, within our city, and around the globe. At 5pm on March 13, 2020, the business of the Regina Exhibition Association Limited was immediately suspended and the campus would become eerily still.

We went from an event hub to a COVID-19 testing hub, from field sport to a Medical Field Hospital, from festivals to flu shot clinics, but we found a way to be relevant and meet the immediate needs of our community. While we cherished our opportunity to support the Saskatchewan Health Authority and the remarkable health care professionals who worked tirelessly to keep our Province safe, we simply could not resist our need to find a way to safely bring our community together.

With creativity, innovation and perseverance, we found a way to host drive-thru mini-donuts, three sold out Bret Kissell concerts, fireworks show, REAL Kids Summer Camps

and Halloween Trick-or-Treat at Mosaic Stadium. We opened the AffinityPlex and Co-operators Centre to limited attendance but full operations, we opened the VolleyBarn, and we got ready to deliver Canada's largest Outdoor Rink at Iceville in Mosaic Stadium.

REAL commenced the work of the Arena Planning Strategy Committee (APSC) when and where it was safe to do so, to start the process of exploring the future of the Brandt Centre. As a 47-year-old facility, the Brandt Centre and its future needed to be understood in the long-term site planning for the REAL campus.

2020 will be looked back on as the year we converted the International Trade Centre into the flagship testing facility for COVID-19 in our country, it will be remembered for the 8 person hockey practices that allowed our next generation to find a way to play, and it will be remembered for the sacrifice of hundreds of members of the REAL team that went without a place to go to work for almost a year. It will be historically remembered as the year that physical distancing, face masks, and hand sanitizing stations became part of our normal daily routine.

2021

With the impacts of the Global Pandemic impacting the Province of Saskatchewan and the City of Regina the business of REAL was anything but normal, however, REAL found a way to serve the community. Working alongside Saskatchewan Health Services the International Trade Centre was transformed to meet the most pressing of community needs; a COVID-19 testing and vaccination centre. Over the course of the year REAL supported 209,405 vaccinations and 135,817 COVID-19 Tests. REAL staff supported traffic management, parking services, cleaning, and guest services.

Although this was not the traditional business of REAL, the work served the community and the province.

Creativity was at the heart of operations in 2021 and REAL found a way to convert Mosaic Stadium to the largest Ice Surface in Canada with the introduction of Iceville in January. Iceville was a controlled and accessible way for over 21,000 community members to recreate and come together safely. The REAL team worked with the Western Hockey League to deliver the WHL Hub that featured 46 days of events, 84

league games, 7 teams calling the Brandt Centre home, 1,930 COVID-19 tests for players and coaches, and ZERO positive cases of COVID-19 associated with the event. REAL was asked to lead and Co-Chair a Winter Festival Committee in partnership with the City of Regina, Regina Downtown Business Improvement District, Regina Warehouse Business Improvement District, and the Provincial Capital Commission. The Regina Winter Festival Committee convened in April and was populated with the festival partners and local stakeholders with a goal to launch Regina's Inaugural FROST Festival in February 2022.

After completing the work of the Arena Strategy Planning Committee (APSC) and publicly releasing the Brandt Centre 2.0 - Exploring the Future report, and presenting the report to City of Regina in June 2021, REAL was asked to come back to Council with further analysis and a recommendation for a new Multi-Purpose Event Centre and potential locations within the City of Regina. In August of 2021, the APSC was reconvened, and Phase II of the work commenced.

Canada's Farm Show was presented virtually and supported the connection of local manufactures and produces with more than 50 countries, 950 registrations, and 92,000 views over two days.

The Saskatchewan Roughriders returned to play and full operations without restrictions in July of 2021. The REAL team collaborated closely with the Riders, the Province, and the City to safely return to full operations at Mosaic Stadium. In mid summer, the REAL District hosted more than 220 young campers at the Kids summer camp program.

The return of the Queen City Exhibition occurred in 2021 with more than 274,000 visits and generated more than \$11M in economic development for the local community.

In October, the REAL team hosted the Trick-or-Treat with REAL at Mosaic Stadium supporting a safe and controlled Halloween event for young people in the community. Supported by the highest accreditation standards in cleaning the GBAC Star rating the REAL team was able to welcome millions of recreation guests back to the live sport at the AffinityPlex and the Cooperators Centre.

2022

The beginning of 2022 was one faced with uncertainty and challenges as the Omicron variant of COVID-19 resulted in the public health closures of operations in early 2022. This resulted in the loss of significant business and uncertainty within the sport and entertainment marketplace. Concert tours were diverted or canceled, major events were suspended, and enrollment in annual signature events were paused until clear direction on re-opening could be achieved.

In January, REAL Co-Chaired and administered a Truth and Reconciliation Committee (TRC), led by Chief Cadmus Delorme, comprised of community and Indigenous leaders, and commenced the work to plan a Mosaic Stadium event to accommodate teaching, learnings and story telling around Truth and Reconciliation to students from all over Saskatchewan.

In February, the REAL team functioned as the champion for the inaugural FROST Regina Winter Festival working alongside three other amazing community hubs. At a time when our community needed to celebrate, FROST Regina brought more than 68,000 guests over 10 days and lit up the darkest days of a Regina winter.

In March, the REAL team repositioned the long-time partnership with Evraz to the new brand identity in the REAL District.

In June, we once again celebrated the return of Canada's Farm Show to the district with almost 20,000 visitors, \$76M in International Sales and \$100M in Agri-value chain investments.

June of 2022 saw the delivery of the Arena Strategy Planning Committee Phase II recommendations, in the Transformational Placemaking - The Regina Entertainment District report, on the future of the Brandt Centre and recommendations on the future development of a modernized Multi-Purpose Event Centre in Regina.

June was also the full return to operations of the Saskatchewan Roughriders and Mosaic Stadium without health restrictions.

In July, the Unanimous Members Agreement was altered based on the direction of City Council and REAL was assigned the operational responsibilities for Tourism Regina. Also, in July of 2022 Regina City Council created the Catalyst Committee and asked that REAL support the work in a leadership capacity as Co-Chair with a timeline of six

months to come back to Council with a report and recommendations. Included in the direction from Council, REAL was asked to research the potential development of a Municipal Land Development Corporation.

In August, the REAL team delivered the busiest Queen City Exhibition 5-day summer fair in 138 years with more than 278,000 guests, raising over \$63K for the Regina Foodbank, and almost \$13M in economic impact.

On September 29th the REAL team, in collaboration with the Truth and Reconciliation Committee, supported the hosting of the largest gathering of students at one time with more than 12,000 people coming together in Mosaic Stadium for Miyo-wîcîwitowin Day. The day was filled with survivor stories, music, dance, and keynote speakers including the Governor General of Canada and the Lieutenant Governor of Saskatchewan.

In October, as the Rider season was coming to a close, the team ramped up to welcome back the Regina Pats to the Brandt Centre for the 2022-23 season.

With November came the opportunity to host the first ever Grey Cup at Mosaic Stadium and to host the 6-day Grey Cup Festival on the REAL District.

Immediately following the Grey Cup, we swapped out our football helmets for our Stetsons and welcomed the return of Canadian Western Agribition with over 120,000 attendees including 1,200 international guests from 63 countries and around 10,000 school children. In addition to an economic impact of approximately \$96M, impressive sales figures from the show included a peak of \$979,000 in trade show booth sales and livestock sales totalling \$2.2M.

Although the start of 2022 was deeply uncertain, the year delivered a return to major events, and a return to over 50 recreational tournaments, 12 annual concerts, and many annual tradeshow and large conferences.

Appendix B - the “Incident” Timeline

What follows is our understanding of key and salient events which formed a part of what is referred to in this Report as the “Incident”.

February 2022:

Concerns were expressed by the Mayor, Councillors and City Manager relative to what they saw as the lack of results from Economic Development Regina with respect to Tourism.

March 24th, 2022:

Confidential meeting with the Mayor to discuss the mandate of REAL and the potential for change.

May 2022:

Concerns relative to the effectiveness of Tourism eventually led to a planning session hosted by the Mayor to draw the impacted bodies (i.e., Tourism Regina, REAL, EDR, Downtown, Warehouse District, City Planning and Development, and City Senior Leadership) together to discuss the current concerns and possible path forward. REAL was represented by Vice-Chair and CEO.

June 7th, 2022:

Meeting hosted by Mayor Masters at her office (included Tim Reid, Tracy Fahlman and Jim Nicol) on the future direction relative to Tourism Regina.

July 2022:

MOU signed re: REAL to takeover responsibility for Tourism Regina

July 4th, 2022:

Meeting of Tourism staff with REAL to understand the role & direction of Tourism Regina moving forward.

July 7th, 2022:

Board was advised by City representative that its leadership of the Catalyst Committee was a “huge vote of confidence in the capabilities of REAL... Previously there were no synergies, projects came to Council as silo’s and often got lost but we are moving the needle on that now”.

September 2022:

Tourism Regina team issued an RFP for branding and brand positioning support; contract awarded to local firm, Brown Communications. The team was working toward a public brand launch in December 2022. (Source: Briefing Note, CEO, REAL, December 8th 2022).

September 6th, 2022:

Email is sent to the CEO commenting on support for a one brand idea as a positive step in marketing the city; it also spoke to the need to add domain ownership so as to control the “Experience Regina” theme.

September 20th, 2022:

Internal meeting to discuss website skeleton.

September 21st, 2022:

Marketing staff and CEO expressed a desire to meet with Rebellion Brewery over lunch to discuss the new brand and positioning

September 21st, 2022:

Strategy Lab was engaged by Tourism Regina to update the Experience Regina Website.

September 23rd, 2022:

Meeting with Rebellion to confirm use of Experience Regina as new brand, website ownership.

October 3rd, 2022:

REAL signs agreement with Brown Communications agency (till November 7th) (revised to October 4th to December 2nd) for visual identity: logo, tagline (optional), typography, colour palette to build out public launch and branding campaign; the re-brand launch was scheduled for December 5th 2022.

October 18th, 2022:

Brown Communications advised of Experience Regina logos; suggested “Do It In Regina” and “Oh Regina”.

October 19th, 2022:

Collaborative Merchandise for Tourism Regina shown the RFQ presentation.

October 24th, 2022:

Brown Communications presents Manifesto; Tourism provides feedback.

November 2nd, 2022:

Tourism Regina (CEO, Directors of Destination Marketing & Sales, Destination Experience) made budget presentation to Council on impact of new alignment for Tourism.

November 3rd, 2022:

Meeting hosted by the Strategic Initiatives Committee (SIC) and “within the package was the version 3 logo creative of Experience Regina from Brown Communications, the draft manifesto and associated imagery... and two concept campaigns ...“Anything but

Flat” and “Do it in Regina”; Committee instructed that the campaigns be market tested in advance of any further action”.

CEO report to SIC reported that “The Tourism Regina team or soon to be called the “Experience Regina” team is on pace for a December 6, 2022 public launch of the new brand identity...will include a new website, new visitor services support material, new event attraction identity and new manifesto for operations...”

CEO report to SIC that “Tourism Regina have spent much of the summer and fall months trying to reposition the brand and the scope of work given the limited budget while managing the logistics of shifting from EDR to REAL. Working with stakeholders and partners this process has advanced positively. Once the new brand is launched and more public position is acknowledged for the agency it should be anticipated that expectations and outcomes will be required. This always creates a balance between budget and expectation within the community, something that has consistently been a challenge for Tourism. It will be imperative that the budget presentation to City Council carries a clear and definitive statement on the financial realities facing Experience Regina. Post budget the organization will begin an outreach and engagement strategy with stakeholders to ensure the financial realities of the organization and revised scope of work is understood. The greatest risk that exists is related to funding, should the budget not be approved or be significantly minimized the opportunities for Experience Regina to achieve the mandate will not be possible...”

November 8th, 2022:

Director of Destination Marketing emailed 22Fresh; expressed that his desire was “to explore the ‘maui’ concept with you further as well as a ‘City that Rhymes With Fun’ concept and to see if you have a plaid/flannel like you did for Canada’s Farm Show that may match our brand colours...I’d love best case scenario to have some in hand by Dec 8th or worst case to have the concepts complete and have your team present at the announce as a partner to show in the presentation”.

November 9th, 2022:

Brown Communications presents new logo designs featuring “Regina Anything but Flat” and “Do It in Regina Enjoy the Experience.”

November 17th, 2022:

REAL team and Tourism team went through process of re-branding...; theme “desire to be different”; all stakeholders saw the logos; nothing sexualized; website was not to be turned on for another two weeks.

November 17th, 2022:

Marketing team at REAL created a survey; shared with Marketing Director/Tourism; overview of market research/engagement process used by REAL for its reposition was shared; Tourism instructed to follow similar process for Experience Regina.

November 24th, 2022:

Meeting with RHA (Regina Hotels Association); early brand pieces shared; some logos "Make Regina Sexy", "Anything but Flat"

November 28th, 2022:

22Fresh provided the Marketing department with some ideas for flannel shirts and hoodies; the latter contained the expression "the City that Rhymes with Fun".

December 5th, 2022:

Date Re-Brand Launch was scheduled to happen.

December 7th, 2022:

Tourism Regina Refresh speaks to a new logo, brand, and 2023 Campaign which will build on the concepts presented in this draft presentation; same presentation includes the words "the City that Rhymes with Fun" (page 7).

December 8th, 2022:

REAL Board Meeting and as advised "An update on Tourism was provided and this included the same package as was shared on the November 3 SIC meeting; CEO provided update that testing was in progress on the various logo's, campaigns, and slogans with stakeholder's groups, but the results were not complete".

December 8th, 2022:

Attractions Committee brand presentation (Regina Tourism) also speaks to a "sexy" city without the slogan.

December 8th, 2022:

Email from Rebellion Brewing to REAL confirming a brand launch for that evening; requested feedback on number of guests expected, food and bar requirements; Tourism Director wrote back apologizing for not being ready and pushing date back to February.

December 8th, 2022:

Briefing Note to Board from CEO "The Brown Communications team and Tourism Regina have been working swiftly to achieve the public launch dates in early December for the new brand position. The approach considers minimizing the forward-facing brand of Tourism Regina and highlighting the wordmark "Regina" in all applications. From a brand positioning perspective, the work is currently in progress but considers the brand of Tourism Regina being portrayed as "Experience Regina" and the visitor, leisure travel, and local champion brand operating within the slogan of "Anything but Flat" while the event attraction and activation slogan being "Do It in Regina". The Tourism Regina team or soon to be called the "Experience Regina" team is on pace for a December 6, 2022 public launch of the new brand identity. This will include a new website, new visitor services support material, new event attraction identity and new manifesto for operations..."

Briefing Note to Board from CEO "Tourism Regina have spent much of the summer and fall months trying to reposition the brand and the scope of work given the limited budget while managing the logistics of shifting from EDR to REAL..."

December 13th, 2022:

Tourism Strategic Planning session; the tourism team hosted a strategic planning session in preparation for the Brand Launch; in brainstorming session, the use terms such as the following were explored:

- I Love Regina
- Experience Regina
- City that Rhymes with Fun
- Do it in Regina
- Anything but Flat
- Not your Grandma's Regina

January 13th, 2023:

Strategy Meeting Overview; brainstorming; discussed various issues including a number of slogans; led off with this question: "with everything we do, always ask yourself first Will it make Regina sexy?"

January 16th, 2023:

Summary of the strategic planning deck developed; subsequent meeting planned for Feb. 24th, 2023.

January 23rd, 2023:

Email from 22Fresh confirmed the production of hoodies reflecting the slogan "The City that Rhymes with Fun".

January 24th, 2023:

Meeting of management team members (one on one) re: Brand needs for Collaborate & Connect event.

January 31st, 2023:

Brand Presentation to EDR with the purpose of receiving feedback and ensuring alignment with the Homegrown Brand -Strong support and agreement that the alignment is in place. Overview of the proposed brand position in confidence (Elements include Experience Regina Name and Logo Design, Mission as is, Vision "Make Regina Sexy", Values, and key positioning lines and slogans, "Anything but Flat Campaign", "Do it in Regina" campaign proposed by Brown Communications.

February 7th, 2023:

Collab & Connect Logistics confirmed; presentation of Brand to RHA Board members; same style of presentation; invitation to Collaborate & Connect event

February 10th, 2023:

Discussion of brand roll out.

February 20th, 2023:

Email from Sinead Tierney on behalf of the CEO announced to the staff that a new Vice President of Tourism and Brand would be starting on 02.21.2023; oversight of the Marketing/Communications/Tourism teams would be transitioned to this new person.

February 22nd, 2023:

Brand presented to RLT; same as meetings of January 31st and February 7th; based on Brown Communications work.

February 24th, 2023:

Brand presented to internal REAL team.

Recap planned; with a detailed walk through; that was bumped because of the absence of one of the key players (Director of Marketing).

February 27th, 2023:

City Council was invited by REAL management "to join the Tourism Regina Leadership Team for lunch (March 7th, 2023) in advance to the launch and Conference on March 16. The lunch will include a preview of the new look and feel for Tourism Regina as well as an industry project that us, the Chamber, Downtown, Regina Hotel Association and Warehouse have developed for visitors".

March 1st, 2023:

"Show Me Your Regina" added to Experience Regina site; had not been launched.

March 7th, 2023:

A meeting (Council lunch & brand presentation) was hosted at REAL based on the February 24, 2022, invite to discuss the Brand Position; Council invited for a briefing; saw front of Hoodies; no sexualized content; attendance at this meeting was limited but included Mayor Masters, Councillor Hawkins, and a number of members of Senior Administration Staff; overview of the proposed brand position in confidence (Elements include Experience Regina Name and Logo Design, Mission as is, Vision "Make Regina Sexy", Values, and key positioning lines and slogans, "Anything but Flat Campaign", "Do it in Regina").

March 9th, 2023:

Strategic Initiatives Committee meeting; CEO presentation included an update; "new brand goes live on the 16th at the Collaborate and Connect event that Tourism is hosting. We have the Federal Tourism Minister in Regina for an announcement here on our site and participating in a panel in the afternoon at our event. (The VP) has been onboarded. We are heavily focused on BIDS and process of getting the new office space ready for move-in on May 30th".

Product launch review (staff plus contractor); sweater displayed with slogan "City that Rhymes with Fun"; "Show me your Regina" is added to the Experience Regina site that has not been launched

March 14th, 2023:

Run through of Connect event with senior staff; New VP Marketing communicated that the website would not be ready for public launch and would likely take another two weeks prior to being ready. This was a decision based on material and content review and technical issues.

March 16th, 2023:

Tourism Regina, alongside stakeholders, launched their new Experience Regina Brand. Promoting our city and owning our name was at the heart of the campaign. (CEO Briefing Note, 22/03/23) CEO felt boxed in by the March 16th date; no issues on the slogans; website was not planned to go ahead then; all of REAL's briefing material on what was planned was to go through a Board committee and then to Board for regularly scheduled meeting on March 23rd; Brown Communications provided logo, colours, manifesto: all were considered excellent; 22Fresh was to handle merchandizing; had very popular name; Brand Launch & Minister's speech and presentation.

March 17th, 2023:

Social media heats up with focus placed on the changed website featuring new slogans; VP advised of logo; it is pulled from site CEO called with apology; Board did not know because it was not in the brand book.

March 18th, 2023:

Slogan issue discussed internally

March 19th, 2023:

Tim Reid (PCEO) issued a public apology on behalf of himself personally and Experience Regina, taking full ownership of the campaign and the mistakes made within it. At the instruction of the PCEO and following consultation with the Experience Regina leadership and team members, all content that was causing offence and/or considered inappropriate was removed from the website and social media channels and any further advances of the new brand position were suspended. Apology issued by CEO

March 20th, 2023:

Second apology issued; PR firm hired; Mr. Reid made himself fully available to media outlets for comment.

March 23rd, 2023:

In camera discussion of REAL Board takes place followed by a standard board meeting.

March 26th, 2023:

Board meeting; Board advised that Brookline PR has been assisting management and Board with communications and media (Brookline advises that it was retained "after the launch to support content and key messaging as well as media tracking"; that its work was submitted to the VP of Tourism, Marketing & Communications; and that it received appropriate guidance from Tourism/REAL management.

April 7th, 2023:

REPORT TO THE REAL BOARD RE: THE "INCIDENT"

Board Chair advises all members of the Board that "The general sentiment was the recognition that the Board of Directors have a responsibility to operate the business of REAL with a strong message that the public and council want clarity and transparency in the process"; Board members report being largely unaware of the genesis of this issue; were advised a day or two later and then in some instances by colleagues/outside others.

Appendix C - Interviews

Interviews (In Person, Zoom & Telephone)

Note - Mr. Cuff and his associate interviewed 51 individuals as part of the process.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]