



GOVERNMENT'S LETTER OF EXPECTATIONS

BETWEEN

**THE MINISTER OF TRANSPORTATION AND INFRASTRUCTURE
(AS REPRESENTATIVE OF THE GOVERNMENT OF BRITISH COLUMBIA)**

AND

**THE CHAIR OF THE BC PAVILION CORPORATION
(AS REPRESENTATIVE OF THE CORPORATION)**

FOR 2014/15

PURPOSE

This Letter of Expectations (the Letter) provides Government's annual direction to the Crown corporation and is an agreement on the parties' respective accountabilities, roles, and responsibilities. The Letter confirms the Corporation's mandate and priority actions, articulates the key performance expectations as documented in the Government's Expectations Manual for British

Columbia Crown Agencies¹, and forms the basis for the development of the Corporation's Service Plan and Annual Service Plan Report. The Letter does not create any legal or binding obligations on the parties. It is intended to create an opportunity for dialogue between the parties and to support an open, positive and co-operative working relationship, resulting in the achievement of government's policy and performance expectations in a transparent and accountable manner.

CORPORATION ACCOUNTABILITIES - MANDATE

Government has provided the following mandate direction to BC Pavilion Corporation (PavCo) under the *BC Business Corporations Act* and the *British Columbia Enterprise Corporation Act*:

¹ The Province of British Columbia's Crown Agency Accountability System (<http://www.gov.bc.ca/caro/publications/index.html>) establishes guiding principles for the governance of Crown corporations. The *Government's Expectations For British Columbia Crown Agencies* provides for a Government's Letter of Expectations (Letter) to be developed.

- To generate economic and community benefit for the people of British Columbia through prudent management of public facilities.

For those Crown corporations that are commercial entities, they are expected to earn positive returns for their shareholders, the people of British Columbia.

SPECIFIC CORPORATION ACCOUNTABILITIES

To achieve this mandate, the Corporation is directed to take the following specific actions:

- Lead, and report back on, the Corporation's sales and marketing program for the Vancouver Convention Centre (domestic and international), that support PavCo's achievement of its performance goals, including tripling non-resident delegate days. In addition, PavCo will support regional British Columbia conference centres in order to share best practices and support their ability to increase revenue;
- Lead, and report back on, sponsorship and marketing plans for BC Place Stadium that support PavCo's achievement of its performance goals, including increasing attendance and economic benefits;
- Work with the Ministry of Transportation and Infrastructure (the Ministry) to ensure all financial management and fiscal targets and reporting requirements, as identified in the Ministry budget letter to PavCo, are met. Inform the Ministry in a timely manner of any pressures in meeting these financial targets and the related mitigation strategies; and
- Continue to explore options to maximize private sector revenue for the public facilities owned/managed by the Corporation and minimize reliance on government funding.

GENERAL CORPORATION ACCOUNTABILITIES

Over the past decades, British Columbians have come to expect high quality products and services delivered by their Crown corporations. The Province is well served by our Crown corporations and it is up to the Boards and Senior Management teams of these organizations to manage in the best interests of the Province and our citizens and conduct its affairs with the principles of integrity, efficiency, effectiveness, and customer service.

As a Crown corporation, it is critical that the operations of the entity be done as efficiently as possible, in order to ensure families are provided with services at the lowest cost possible.

Government sets broad policy direction to ensure the Corporation's operation and performance is consistent with the Government's Strategic Plan, found at:

http://www.bcbudget.gov.bc.ca/2013_June_Update/stplan/2013_June_Strategic_Plan.pdf

and as such, the Corporation will:

- Ensure that the Corporation's priorities reflect Government's priorities of:
 - **Strong Economy**
A government that supports our economy by controlling spending to balance the budget, keeping taxes and government debt affordable and protecting B.C.'s hard-earned triple-A credit rating.
 - **Jobs**
A government that is focused on job creation and investment in the province.
 - **Families**
A government that works continuously to improve social programs that support families of every description, and improve the lives of British Columbians.

- Comply with Crown Agency Accountability System guidelines, policy, due dates and best practices, as set out from time to time and as applicable to the Corporation, found at <http://www.gov.bc.ca/caro/publications/index.html> including the Information and Events Calendar for commercial and service delivery Crown corporations, Government's Expectations Manual for British Columbia Crown Agencies and the Best Practices Guideline & Disclosure Requirements for Governing Boards of British Columbia Sector Organizations.

- Comply with all legislation and policies applicable to the Corporation including but not limited to:
 - The executive compensation policies for Crown corporations. Found at: http://www.fin.gov.bc.ca/psec/disclosedocs/crown_corporation_executive_compensation_july_2012.pdf;
 - Ensure Government is advised in advance of the release of any information requests by the Corporation under the *Freedom of Information and Protection of Privacy Act*;
 - Government's requirements to be carbon neutral under the *Greenhouse Gas Reduction Targets Act*.

- Follow the spirit and intent of the financial policy requirements in the Ministry of Finance Core Policy and Procedures Manual found at: <http://www.fin.gov.bc.ca/ocg/fmb/manuals/CPM/CPMtoc.htm>

- Participate in government's Core and Crown reviews, which may include the review of Crown mandates, and implement the recommendations of these reviews.

- Ensure that any planned deficit spending or use of the retained earnings is approved in advance by Treasury Board.

- Inform Government immediately if the Corporation is unable to meet the performance and financial targets identified in its Service Plan.

GOVERNMENT RESPONSIBILITIES

Specific to the Corporation, Government will:

- Provide strategic advice and support to aid PavCo on achieving financial targets and reporting requirements as detailed in the Ministry budget letter to PavCo; and
- On a quarterly basis, or as required, meet with PavCo to review progress on specific corporation accountabilities and provide direction, advice and support to PavCo as required.

During the term of this Letter, Government may provide further policy direction to the Ministry of Transportation and Infrastructure, who will communicate any such direction, including implementation expectations, to the BC Pavilion Corporation as decisions are made.

AREAS OF SHARED ACCOUNTABILITY

Government and the Corporation are committed to transparency and accountability to the public and have planning, reporting and disclosure requirements in the *Budget Transparency and Accountability Act*, the *Financial Administration Act*, and/or the *Financial Information Act*.

On a quarterly basis, the Minister Responsible, Honourable Todd Stone, the Deputy Minister, Grant Main, and the Board Chair, Stuart McLaughlin, and the Interim President and Chief Executive Officer, Dana Hayden, will meet to discuss relevant and current corporation business. The meeting will be to review the achievement of the goals, objectives, performance measures, financial targets and risk assessments identified in the Corporation's Service Plan.

The parties agree that each will advise the other in a timely manner of any issues that may materially affect the business of the Corporation and/or the interests of Government, including information on any risks to achieving financial forecasts and performance targets.

The Corporation and the Crown Agencies Resource Office will post the most recent signed copy of the Government's Letter of Expectations on their respective websites.

REVIEW AND REVISION OF THIS LETTER

The Minister of Transportation and Infrastructure is accountable for undertaking reviews of this Letter and monitoring its implementation. Government and the Corporation may agree to amend this Letter on a more frequent than annual basis.



Honourable Todd Stone
Minister of Transportation and Infrastructure



Stuart McLaughlin
Chair, British Columbia Pavilion
Corporation

JAN 15 2014

Date

January 27, 2014

Date

cc. Honourable Christy Clark
Premier

John Dyble
Deputy Minister to the Premier and Cabinet Secretary

Peter Milburn
Deputy Minister and Secretary to Treasury Board
Ministry of Finance

Cheryl Wenezenki-Yolland
Associate Deputy Minister
Ministry of Finance

Grant Main
Deputy Minister
Ministry of Transportation and Infrastructure

Dana Hayden
Chief Executive Officer
British Columbia Pavilion Corporation