

Calgary aldermen, mayor at odds over Enmax

BY JASON MARKUSOFF, CALGARY HERALD MARCH 25, 2011

Presented By:



Enmax acting CEO Charles Ruigrok (LEFT) Enmax chair of the board Cliff Fryers, (MIDDLE), and Mayor Naheed Nenshi leave the Enmax building to talk with media in Calgary, Alberta on February 15, 2011.

Photograph by: Leah Hennel, Calgary Herald

CALGARY - Aldermen are at odds with Mayor Naheed Nenshi and believe he's in the minority with his views that council must replace several Enmax board members, including chairman Cliff Fryers.

The mayor has repeatedly talked tough about the conduct of Enmax brass amid repeated controversies like rock-star parties, high pay and the ex-CEO's supplier-paid Monaco trip, to the point that Fryers earlier this year suggested the whole 12-member board would resign if council didn't endorse their strategic direction for the city-owned utility.

But the latest meeting between council and Enmax directors saw Nenshi shrink back from his calls for a strategic review of the company, and there was no change on the board. And he might not have council's backing for a board purge at the May 20 annual general meeting.

Even though Ald. Andre Chabot agrees that Fryers ought to be replaced, he criticized Nenshi for telling aldermen in a confidential memo last week that he wants "new blood" to direct Enmax.

"Just saying that we need to replace five members and we need to send a message to the board and a message to Calgarians -well, this isn't about messaging, with this organization," Chabot said Thursday. "This should be about profitability and meeting the city's objectives."

Some board members may resign because of council's open skepticism of the power company, and replacing them may be hard, said Bob Hawkesworth, a former alderman and 13-year Enmax director.

"Who would want to serve if you're not going to be supported?" he asked. "City council as a whole is astute enough to know that if they drop the ball sometime in the next two years there will be hell to pay with the citizens."

Nenshi can count on some more reform-minded colleagues on council, like Ald. Peter Demong.

"There's no secret to the fact that citizens feel we should take a good hard look at the board composition," he said.

Demong said he wouldn't say whether Fryers should go.

Interim CEO Charles Ruigrok, who was appointed after Gary Holden resigned amid repeated scandals, said that while he retains good relations with Nenshi -the pair spoke at length Wednesday -he hadn't heard any wishes for Fryers' replacement.

Ruigrok isn't opposed to board "renewal," but wants his chairman to stay.

"I think that continuity's helpful, particularly at a time when we're embarking on a major investment like the Shepard project," he told reporters, referring to a \$1-billion natural-gas power plant the firm has planned east of Calgary.

Ruigrok said he wasn't aware of any board members who planned to clear the way for newcomers this year.

Some turnover isn't unusual on the Enmax board. Four directors stepped down at last year's AGM, including then-chairman Thompson MacDonald, paving the way for Fryers to helm the board.

However, the departures were voluntary, not forced or urged by city council, which acts as shareholder for the public utility.

Nenshi declined to comment Thursday on his memo.

The mayor's office cancelled a public appearance alongside Ruigrok on Thursday morning. Ald. Gord

Lowe spoke for the city instead.

One of the Enmax directors on council, Lowe said most aldermen agree with him that leadership must evolve but not change radically.

"Stability at the top is very, very important, and I believe council acknowledges that," Lowe said.

As usual, the mayor and aldermen have been asked to put forward a list of nominees to Enmax's governance committee to assess.

"That is the right and appropriate way to do it, rather than hand-pick the people you want put on and handpick the people you want gone," said Ald. Brian Pincott, another Enmax director.

Chabot joins Nenshi and Ald. Diane Colley-Urquhart as the only council members openly advocating for Fryers to leave, "just based on what I've seen publicly, how he's presented himself publicly."

But Chabot reasoned that only Nenshi's "strong followers" on council want broad-based change at the utility.

"You will see that the majority of council are more pragmatic, as far as keeping the status quo," the Ward 10 veteran said.

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