



GOVERNANCE REVIEW OF CONTROLLED CORPORATIONS – GOVERNANCE DETAILS

Special Subcommittee – February 3, 2021



Summary

- November 12, 2019 GPC Meeting
- Presented a series of recommendations
- Recommendations were a series of building blocks aimed at clarifying the relationship, roles and responsibilities of both the Controlled Corporations and the City
- About building relationships between the Controlled Corporations and the City
 - At the City Council and Board level
 - At the City Manager and CEO level
 - At the Administration level

- Controlled Corporations are separate arms' length corporations, not City departments:
- They have:
 - Different governance structures
 - Different roles and relationships between them and the City



But....The City

- Is sole Member
- Retains ultimate control and can provide direction to the Controlled Corporations
- Owns the buildings in which the Controlled Corporations operate and
- Contributes financially in varying degrees to each of the Controlled Corporations



Overview of Structure

City



Controlled Corporations

Memorandum of Understanding

- *governance framework
- * role of City
- *role of Controlled Corps
- *need for consistent employee salary & terms & conditions of employment
- *reporting relationship

City Council

- *establishes boards
- *appoints Directors including Council member appointments
- *reporting responsibility between boards & City Council

Operating Agreements

- *clarity around operating facilities
- *relationship between CEOs & City Manager & other members of City Administration
- *shared services

Policy Guidance & Consistency

- *uniform policies
- *board policies

Recommendations Approved by Council:

Board of Directors:

1. That it set a range for Board size of 6 to 15 Directors for each Controlled Corporation
2. That two City Councillors be appointed to the Board of each Controlled Corporation
3. That the Corporate Bylaws be amended to codify that a Director who also serves as a member of Council has the ability to report to City Council and the Governance and Priorities Committee *In Camera*
4. That each Controlled Corporation adopt meeting procedures within 60 days of this resolution being passed by City Council
5. That it limit meetings to occur within Saskatoon census metropolitan area
6. That the City Clerk's Office conduct mandatory Board Orientation with each of the Controlled Corporations on an annual basis

Directors:

That the appointment policy be maintained to reflect two-year appointments to a maximum of six consecutive years

Recommendations Approved by Council (Continued):

Committees of the Boards:

1. That an Audit Committee be required to be established and that the Corporate Bylaws of the Controlled Corporations be amended to clarify that committees shall be advisory in nature only and that all decisions must be made by the Boards
2. That the determination of committee composition be left up to the Boards

Management of the Controlled Corporations

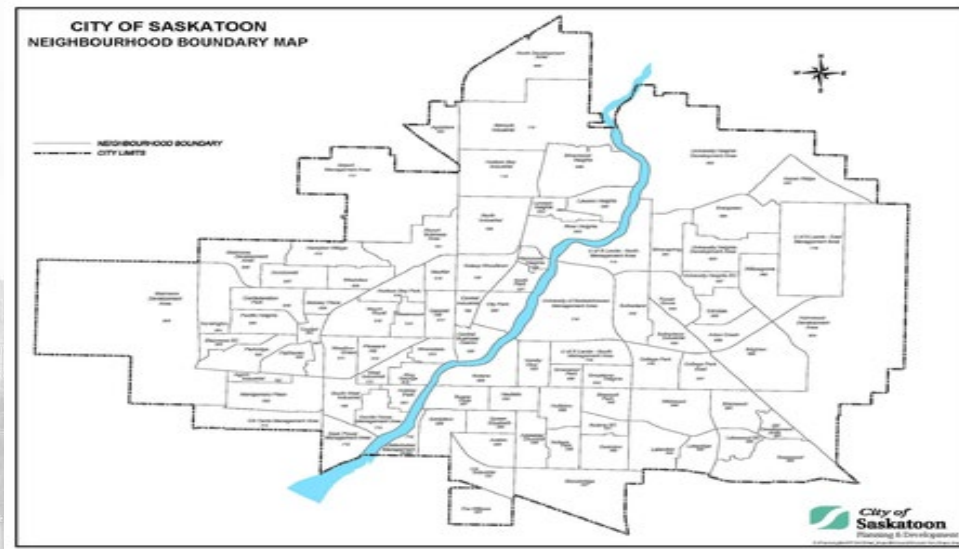
1. That the Governance Subcommittee update the *Directors Code of Conduct* and the *Directors' Anti-Harassment Policy* and that the new policies be provided to the Controlled Corporations for adoption
2. That the Governance Subcommittee draft Financial/Transparency policies, a Respectful and Harassment-Free Workplace Policy, a Drug and Alcohol Policy, an Employee Code of Conduct and Conflict of Interest Policy, and any other policies as required, in consultation with the Controlled Corporations and that the new policies be provided to the Controlled Corporations for adoption
3. That the Governance Subcommittee develop a list of other policies for consideration by the Controlled Corporation Boards
4. That services be provided to the Controlled Corporations only upon request and that Service Agreements be entered into for the provision of those services
5. That a uniform CEO Recruitment Policy be drafted by the Governance Subcommittee and provided to the Controlled Corporations for adoption
6. That the Corporate Bylaws of the Controlled Corporations be amended to require the establishment of a CEO Recruitment/Performance Committee for each Controlled Corporation
7. That a City Councillor be appointed to the CEO Recruitment/Performance Committee for each Controlled Corporation
8. That the City Solicitor negotiate a Memorandum of Understanding with each Controlled Corporation and bring each back to City Council for approval
9. That the City Solicitor negotiate an Operating Agreement with each Controlled Corporation and bring each back to City Council for approval

Appendix 3 – Issue #1 Appointment of Directors

- City Council should maintain ability to appoint Directors in their sole discretion
- Key principle of promoting accountability
- City is sole Member of Controlled Corporations
- Bylaws could be clarified to make it more clear

Appendix 3 - Issue #2 – Residency of Directors

- Currently, an individual must be a resident of Saskatoon to be appointed to the Board



Issue #2 – Options

Option 1

- Continue with Status Quo

Option 2

- Appoint up to two non-resident members

Option 3

- Remove residency requirement

Recommendation: That the Governance and Priorities Committee recommend to City Council that the Corporate Bylaws and Policy No. C01-003, *Appointments to Civic Boards, Commissions, Authorities and Committees* be amended to allow each Controlled Corporation to have a maximum of two non-resident members but that the non-resident members not be allowed to vote on the annual budget.

Appendix 3 – Issue #4 – Board Recruitment

- Board Recruitment Process provides:
 - Procedures for identifying skill gaps
 - Conducting performance reviews of past Directors

Recommendation: That the Governance and Priorities Committee recommend to City Council that the Board Recruitment Process remain status quo.