

Controlled Corporations Governance Review Project Background and History of Resolutions

At the [February 13, 2017 meeting of the Governance and Priorities Committee](#) (“GPC”), the Committee approved project parameters for the review of governance structures, models, practices and procedures of the City’s Controlled Corporations, in addition to other bodies established by the City of Saskatoon.

In Phase One of the governance review, the approved project parameters provided that the Leadership Team Governance Subcommittee (“Governance Subcommittee”) will provide recommendations respecting a general governance model for Controlled Corporations.

At [GPC's June 18, 2018 meeting](#), GPC resolved to recommend to City Council, in part, that:

1. The City Non-Profit Controlled Corporation Approach (governing a single facility), as outlined in the report of the Leadership Team Governance Subcommittee dated March 19, 2018 and described as option 1a. under Governance Structure, be chosen as the governance model for the Controlled Corporations; and
2. The Leadership Team Governance Subcommittee report further on next steps for implementation of the chosen governance model.

At the [Regular Business Meeting of City Council on June 25-26, 2018](#), City Council adopted GPC's recommendations. City Council’s direction is aligned with Phase Two reporting as described in the governance review approved project parameters, which provide that the Governance Subcommittee will provide recommendations respecting specific policy and bylaw amendments, in light of the general governance model selected.

Also referred to the Governance Subcommittee were Articles of Incorporation and corporate bylaw amendments proposed by the Remai Modern to:

- Increase the size of the board from a maximum of 14 to 16 directors.
- Permit the board to set the actual number of directors within the specified range.
- Require that City Council appoint directors from a list prepared by the board.
- Permit board members to serve for longer than a six-year maximum.
- Create a position of Director Emeritus.
- Provide for the ability of board members to meet outside of Saskatoon city limits.
- Specify the committees to be established by the board and the ability to have non-directors serve as members of a committee.
- Codify that a director who also serves as a member of City Council has the ability to report to City Council and GPC *in camera*.

The matter of proposed changes to The Art Gallery of Saskatchewan Inc. Articles and Bylaws was referred to the Governance Subcommittee for further review and reporting by City Council at its [Regular Business Meeting held on December 12, 2016](#).

Finally, at the [Preliminary Business Plan and Budget meeting](#) of City Council held on November 26 and 27, 2018, City Council resolved in part:

3. That the Administration do a detailed review (requirements, what can be provided in-house, etc.) of the HR, IT, Finance, Legal and Indigenous Relations of the Controlled Corporations and Saskatoon Public Library Board for consideration by the Governance and Priorities Committee prior to 2020 Corporate Business Plan and Budget deliberations.

The above noted direction culminated in a Governance Review of Controlled Corporations – Governance Details report that was considered by [GPC at its meeting on November 12, 2019](#) and by City Council at its [Regular Business Meeting held on November 18, 2019](#).

GPC resolved:

That a special committee be struck for the purposes of reviewing referred recommendations from the Leadership Team Governance Subcommittee on the governance options for the City's controlled corporations;

That this special committee report back to City Council through the Governance and Priorities Committee on recommendations related to this matter, including but not limited to advice on how to proceed on the recommendations provided by the Leadership Team Governance Subcommittee and other relevant recommendations as it sees fit;

That the Committee be comprised of four members of City Council, appointed by the Governance and Priorities Committee, with the understanding it will consult with Board representatives from the Controlled Corporations and the Administration as required; and

That the special committee report back in no later than 4 months with some recommendations for consideration of Council, along with any rationale as deemed desired;

That recommendation 2 (*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) be referred to the special subcommittee; and

That recommendations 1 (*That the appointments of Directors continue to be made by City Council in its sole discretion and the Corporate Bylaws of the Controlled Corporations be amended to make this clear*) and 4 (*That the Board Recruitment Process remain status quo*) be referred to the special subcommittee to explore possible changes to the appointment process, including those offered as options by the Leadership Governance Committee.

At that same meeting, GPC resolved following its in camera session, in part:

That the Governance and Priorities Committee appoint Councillors Jeffries, Davies, Block and Hill to the GPC Special Subcommittee with Councillor Block appointed as Chair; and

That the GPC Special Subcommittee provide the functions of the Subcommittee.

City Council resolved as follows:

Board of Directors of Controlled Corporations (Appendix 2):

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; and
6. That the City Clerk's Office conduct mandatory Board Orientation with each of the Controlled Corporations on an annual basis.

Directors of the Controlled Corporations (Appendix 3):

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

Committees of the Boards (Appendix 4):

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; and
2. That the determination of committee composition be left up to the Boards.

Management of the Controlled Corporations (Appendix 5):

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; and
9. That the City Solicitor negotiate an Operating Agreement with each Controlled Corporation and bring each back to City Council for approval.

Recommendations of the Special Subcommittee were debated at the [Regular Business Meeting of City Council on February 22, 2021](#) and it was resolved that:

1. 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;
2. The appointments of Directors continue to be made by City Council in its sole discretion and the Corporate Bylaws of the Controlled Corporations be amended to make this clear, and that the Board Recruitment Process remain status quo; and
3. The City Solicitor be requested to bring back the draft bylaws to Council for consideration.

At the Regular Business Meeting of City Council on [April 25, 2022](#), it considered companion reports; one entitled Governance Review – Controlled Corporations – Articles of Amendment – Special Resolution, and the other entitled Governance Review – Controlled Corporations – Repeal and Replacement of Bylaw No. 1 – Member Resolution.

With respect to the Articles of Amendment, City Council resolved:

That City Council as the sole Member of The Art Gallery of Saskatchewan Inc., Saskatchewan Place Association Inc. and The Centennial Auditorium & Convention Centre:

1. Pass a special resolution to amend the Articles of Incorporation for The Art Gallery of Saskatchewan Inc. to: (a) change the maximum number of directors that may be appointed to the Board of Directors to 15; and (b) provide that directors and officers may not receive reasonable remuneration for services provided to the corporation or indemnification for expenses incurred on behalf of the corporation, except as provided for in the bylaws or any unanimous member agreement;
2. Pass a special resolution to amend the Articles of Incorporation for Saskatchewan Place Association Inc. to: (a) change the maximum number of directors that may be appointed to the Board of Directors to 15; (b) provide that directors and officers may not receive reasonable remuneration for services provided to the corporation or indemnification for expenses incurred on behalf of the corporation, except as provided for in the bylaws or any unanimous member agreement; and (c) provide that vacancies among directors shall only be filled by members at a meeting of members;

3. Pass a special resolution to amend the Articles of Incorporation for The Centennial Auditorium & Convention Centre Corporation to: (a) change the maximum number of directors that may be appointed to the Board of Directors to 15; (b) provide that directors and officers may not receive reasonable remuneration for services provided to the corporation or indemnification for expenses incurred on behalf of the corporation, except as provided for in the bylaws or any unanimous member agreement'; and (c) update the proxyholder provision to ensure gender neutrality; and
4. Authorize the City Clerk as its representative to execute the special resolutions to amend the Articles of Incorporation for each of The Art Gallery of Saskatchewan Inc., Saskatchewan Place Association Inc. and The Centennial Auditorium & Convention Centre Corporation, as drafted by the City Solicitor.

City Council resolved to repeal and replace the respective corporate bylaws, in part, as follows:

1. That City Council authorize the City Clerk as its representative to execute a resolution of the Member of The Art Gallery of Saskatchewan Inc. approving the repeal and replacement of The Art Gallery of Saskatchewan Inc.'s Bylaw No. 1 as attached to this report;
2. That City Council authorize the City Clerk as its representative to execute a resolution of the Member of Saskatchewan Place Association Inc. approving the repeal and replacement of Saskatchewan Place Association Inc.'s Bylaw No. 1 as attached to this report;
3. That City Council authorize the City Clerk as its representative to execute a resolution of the Member of The Centennial Auditorium & Convention Centre Corporation approving the repeal and replacement of The Centennial Auditorium & Convention Centre Corporation's Bylaw No. 1 as attached to this report; ...; and
5. Whereas section 3.18 of the corporate bylaws for The Art Gallery of Saskatchewan Inc., Saskatchewan Place Association Inc. and The Centennial Auditorium & Convention Centre Corporation has not been considered recently by City Council and was not amended in the corporate bylaws outlined in this report, would the Leadership Team Governance Subcommittee report on options for changing section 3.18 addressing the quorum required at meetings of the board of directors.