

## **Governance Review – Controlled Corporations – Quorum at Director’s Meetings – Repeal and Replacement of Bylaw No. 1 – Member Resolution**

### **ISSUE**

As part of the Governance Review of the City’s Controlled Corporations, City Council directed the repeal and replacement of Bylaw No. 1 for each of The Art Gallery of Saskatchewan Inc. (“Remai Modern”), Saskatchewan Place Association Inc. (“SaskTel Centre”) and The Centennial Auditorium & Convention Centre Corporation (“TCUP”). One provision regarding the quorum requirements for board of directors’ meetings required further consultation with the Controlled Corporations. What should the quorum requirements for board of director meetings be?

### **RECOMMENDATION**

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.

### **BACKGROUND**

Governance review of the Controlled Corporations by the Leadership Team Governance Subcommittee (“Governance Subcommittee”) has been an ongoing project since the spring of 2018. The following is a list of the relevant reports and links:

- [February 13, 2017](#)
  - Governance and Priorities Committee (“GPC”) approved of the project parameters for the Governance Review.

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- [June 18, 2018](#)
  - GPC recommended continuation of existing governance structure for the Controlled Corporations.
- [June 25/26, 2018](#)
  - City Council approved continuation of existing governance structure for the Controlled Corporations and referred proposed corporate bylaw and Articles of Amendment by Remai Modern to Governance Subcommittee.
- [November 12, 2019](#)
  - GPC considered the governance details report and created a Special Subcommittee to consider some proposed recommendations for change.
- [November 18, 2019](#)
  - City Council approved governance details.
- [February 22, 2021](#)
  - City Council approved further governance details on recommendation of the Special Subcommittee.
- [April 25, 2022](#)
  - City Council as the sole Member of each of the Controlled Corporations approved: (1) amendments to the Articles of Incorporation; (2) the repeal and replacement of their respective corporate bylaws; and (3) directed further reporting on the issue of quorum at board of director meetings.

A more fulsome explanation and history of the progress of the project and related resolutions identified above can be found at Appendix 1.

### **DISCUSSION/ANALYSIS**

This report submits resolutions of the sole member, the City of Saskatoon (“Member”), to repeal and replace Bylaw No. 1 for each of the Remai Modern, SaskTel Centre and TCUP to change section 3.18 of the respective corporate bylaws regarding the quorum required at board of director meetings. Unlike municipal bylaws, corporate bylaws are not consolidated each time an amendment is made. Therefore, rather than amend the new Bylaw No. 1 that was passed by City Council on April 25, 2022, the Governance Subcommittee is proposing to repeal and replace Bylaw No. 1 again for each of the Controlled Corporations. The new Bylaw No. 1s will reflect the amended language of section 3.18 and each of the Controlled Corporations will have a current, clean, consolidated Bylaw No. 1 as a result of the Governance Review.

Section 3.18 in its current form reads:

#### **3.18 Quorum**

Subject to section 3.08, the quorum for the transaction of business at any meeting of the board shall consist of a majority of the directors then in office, provided that in no event shall the quorum consist of less than four directors or such greater number of directors as the board may from time to time determine. If a quorum is present at the opening of any meeting of directors, the directors present may proceed with the business of the meeting notwithstanding that a quorum is not present throughout the

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meeting. If a quorum is not present at the opening of any meeting of directors, the directors present may adjourn the meeting to a fixed time and place but may not transact any other business.

The Governance Subcommittee understood the concern regarding section 3.18 to be that, in its current form, it would permit the conduct of business at a board meeting of directors even if quorum were lost. On May 18, 2022, the Governance Subcommittee wrote to the Controlled Corporations identifying the concern and proposing amended language to rectify the problem. The Governance Subcommittee recommends amending section 3.18 to make it a requirement that quorum be present throughout a meeting for the business of the meeting to proceed. If quorum is lost during the meeting, the meeting would be required to be adjourned or ended.

Language for the proposed section 3.18 would read:

**3.18 Quorum**

Subject to section 3.08, the quorum for the transaction of business at any meeting of the board shall consist of a majority of the directors then in office, provided that in no event shall the quorum consist of less than four directors or such greater number of directors as the board may from time to time determine. If a quorum is not present at the opening of any meeting of directors or is lost at any time during the meeting, the directors present may adjourn the meeting to a fixed time and place but shall not transact any other business.

The proposed change is more in line with the direction of City Council regarding the role of the board and advisory committees; that is to ensure that all decisions of the Controlled Corporations are made by the full complement of the board.

Feedback from the Controlled Corporations was sought, and any comments were incorporated. The Controlled Corporations were also invited to provide other options for consideration, but none were brought forward. To ensure that no further business is transacted if quorum is lost, the final sentence above was changed slightly from what was originally proposed to the Controlled Corporations. The provision now reads that further business “shall” not be transacted rather than “may” not be transacted (as indicated by the underlined above).

Attached at Appendix 2 is the draft Resolution of the Member, City of Saskatoon, to repeal and replace Bylaw No. 1 of The Art Gallery of Saskatchewan Inc., including the new draft Bylaw No. 1 for City Council’s consideration.

Attached at Appendix 3 is the draft Resolution of the Member, City of Saskatoon, to repeal and replace Bylaw No. 1 of Saskatchewan Place Association Inc., including the new draft Bylaw No. 1 for City Council’s consideration.

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Attached at Appendix 4 is the draft Resolution of the Member, City of Saskatoon, to repeal and replace Bylaw No. 1 of The Centennial Auditorium & Convention Centre Corporation, including the new draft Bylaw No. 1 for City Council’s consideration.

As the City is the sole Member of each Controlled Corporation, the prudent course is for the City to repeal and replace the corporate bylaw of each Controlled Corporation by written resolution (in lieu of a meeting), pursuant to section 132 of *The Non-Profit Corporations Act, 1995*. The resolution would take effect upon signing; there would be no need for the directors to take action, or for the corporate bylaws to be discussed further at a subsequent meeting.

This report has been shared with the Controlled Corporations and they were advised of the date that this matter was to be considered by City Council.

### **NEXT STEPS**

Notice of the amendment to the corporate bylaws will be provided to the respective Controlled Corporations once the Resolution of the Member is executed. A clean copy of the consolidated Bylaw No. 1 for each Controlled Corporation will be provided.

### **APPENDICES**

1. Controlled Corporation Governance Review Project Background and History of Resolutions
2. Draft Resolution of the Member including Schedule “A”, Bylaw No. 1, “[a] bylaw relating generally to the conduct of the business and affairs of The Art Gallery of Saskatchewan Inc.”.
3. Draft Resolution of the Member including Schedule “A”, Bylaw No. 1, “[a] bylaw relating generally to the conduct of the business and affairs of Saskatchewan Place Association Inc.”.
4. Draft Resolution of the Member including Schedule “A”, Bylaw No. 1, “[a] bylaw relating generally to the conduct of the business and affairs of The Centennial Auditorium & Convention Centre Corporation”.

### **Report Approval**

Written by: Christine G. Bogad, Director of Legal Services  
Reviewed by: Adam Titemore, City Clerk  
Mike Jordan, Chief Public Policy & Government Relations Officer  
Approved by: Cindy Yelland, City Solicitor

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