
Governance Review – Controlled Corporations – Governance Structure

Recommendation

That the Governance and Priorities Committee recommend to City Council that:

1. A governance model for the Controlled Corporations be chosen;
2. The Leadership Team Governance Subcommittee report further on next steps for implementation of the chosen governance model; and
3. It adopt the interim recruitment process for the City's Controlled Corporations and Statutory Boards subject to changing the requirement that the Boards provide their recommendations in advance of the November meeting of the Governance and Priorities Committee and that *Policy No. C01-003, Appointments to Civic Boards, Commissions, Authorities and Committees* be amended accordingly.

Topic and Purpose

This report is part of a series of reports respecting the Governance Review of the City of Saskatoon's Advisory Committees, Controlled Corporations, Business Improvement Districts (BIDs) and other agencies, boards and commissions.

In particular, the report shares the engagement results from the City's Controlled Corporations about the general governance structure.

Strategic Goals

This report aligns with the Strategic Goals of Continuous Improvement and Quality of Life as it supports City Council in providing good governance to the citizens of Saskatoon.

Background

At the February 13, 2017 meeting of the Governance and Priorities Committee (GPC), the Committee resolved:

“that the project parameters for the review of governance structures, models, practices and procedures of Advisory Committees, Controlled Corporations, Business Improvement Districts and any other agency, board or commission established by the City of Saskatoon be approved.”

In Phase One of the governance review, the approved project parameters provide that the Leadership Team Governance Subcommittee (“Governance Subcommittee”) will offer recommendations respecting a general governance model for the City's Controlled Corporations and Statutory Boards. At its meeting held on March 19, 2018, GPC received a report from the Governance Subcommittee that identified various governance model options for the City's Controlled Corporations. The Governance

Subcommittee asked that consideration of the report be deferred to provide an opportunity for further engagement with the Controlled Corporation Boards and Chief Executive Officers (CEO). GPC resolved, in part:

- “1. That the report of the Leadership Team Governance Subcommittee dated March 19, 2018 entitled Governance Review – Controlled Corporations and Statutory Boards – Governance Structure be tabled and considered at the May 2018 meeting of the Governance and Priorities Committee; and
2. That the report be forwarded to the respective Boards (through the Board Secretary) and the respective Chief Executive Officers for review and comment at the May 2018 meeting of the Governance and Priorities Committee.”

Additional time for review and consideration of the report was requested. At the Regular Business meeting of City Council on April 30, 2018, Council resolved:

“That the report of the Leadership Team Governance Subcommittee dated March 19, 2018 entitled “Governance Review – Controlled Corporations and Statutory Boards – Governance Structure” be considered at the June 2018 meeting of Governance and Priorities Committee.”

Once a governance model is chosen, the Governance Subcommittee will report further on implementation of the chosen model, which may include policy and corporate document amendments.

Report

The Governance Subcommittee provided options for the general governance structure of the City’s Controlled Corporations, in addition to providing information as to appropriate considerations for City Council in considering and choosing its desired model. While the Board Chairs of each of the Controlled Corporations was engaged, the Governance Subcommittee sought, and received direction from GPC to further engage with the Boards and CEOs. The Governance Subcommittee seeks to provide GPC with as much information as possible so that it can make an informed decision.

Board and CEO Engagement

In accordance with GPC’s direction, the Governance Subcommittee wrote to the Board secretaries and the CEO’s respectively, seeking information and feedback on the Governance Subcommittees March, 2018 report. In particular, the Governance Subcommittee asked the Boards and CEOs to consider and answer the questions posed at pages 4 and 5 of its March 19, 2018 report to help inform Council’s decision as to the appropriate governance structure. A copy of the Governance Subcommittee’s communications can be found at Attachment 1.

The Governance Subcommittee also offered to meet with all of the Boards to facilitate discussion of the report. On May 17, 2018, representatives of the Core Committee of the Governance Subcommittee attended TCU Place's Board meeting. No other meetings were attended.

The Boards and their respective CEOs provided comment and feedback on the Governance Subcommittee report and specifically sought to answer the questions posed to inform the selection of the appropriate governance model.

TCU Place and Sasktel Centre

The comments of both the Boards and CEOs of TCU Place and Sasktel Centre are similar in terms of the nature of businesses and the advantages of the current governance model. For example, both operate in a highly competitive environment. Confidentiality is paramount to success in this environment. However, the current model permits transparency with the inclusion of members of Council and the Mayor on the respective Boards. Both identify the benefit of diverse perspectives and community connections provided by the Board. TCU Place specifically recommends that the current governance structure remain.

Remai Board

The Remai Board divided its comments into three sections; background of the Remai Modern, governance observations and recommendations generally and responses to the specific comments posed.

Generally, the Remai Board favours the Museum London model, which is a model that does not neatly fit into any of the approaches identified in the Governance Subcommittee's March 19, 2018 report. The Museum London approach would properly be characterized as a City-owned but independently or board controlled facility where the board elects its own directors. This can be contrasted with the Member Controlled Non-Profit Corporation approach (approach 2) described in the March 2018 Governance Subcommittee Report. Under that approach, a majority of directors are elected by members of the public who have purchased a museum membership.

In the current Museum London model, there are 15 directors, only one of which is a member appointed by the City Council of London, and the City has no further ability beyond its one appointee to elect the directors. In other words, the City of London currently has very little control over this City-owned facility. If Council were to adopt this structure in Saskatoon, the same would be true for governance of the Remai Modern.

In the alternative to the Museum London model, the Remai Board appears to be requesting that:

- City Council approve Corporate Bylaw amendments previously submitted to it for approval. In particular, the Board would like to see an increase to the number of directors on the Board and the ability to add directors from outside of Saskatoon; and
- Council accept recommendations for director vacancies advanced by the Board.

The proposed Corporate Bylaw amendments have been referred to the Governance Subcommittee, and reporting is pending City Council's decision as to the appropriate governance structure.

The submissions from each of the TCU Place, Sasktel Centre and Remai Boards can be found in their entirety at Attachment 2.

Future Reporting

Once Council provides direction on the general governance structure desired for the City's Controlled Corporations, the Governance Subcommittee will proceed to consider next steps to implement the desired model. In the meantime, the Governance Subcommittee continues to work on the Advisory Committee review and intends on commencing the BID review.

Public and/or Stakeholder Involvement

Existing Boards and CEOs were contacted for information and feedback on the current governance model and proposed variations.

Communication Plan

If the recommendations are adopted, a plan for education and communication in respect of any changes would be required and formulated prior to implementation.

Policy Implications

A thorough review of policy implications will be considered once Council has adopted the desired Controlled Corporation governance model.

Public Notice

Public Notice pursuant to Section 3 of Policy No. C01-021, Public Notice Policy, is not required.

Attachments

1. Governance Subcommittee communications with Boards and CEOs inviting engagement
2. Board and CEO Engagement Responses
 - (a) TCU Place
 - (b) Sasktel Centre
 - (c) Remai Art Gallery

Report Approval

Written by: Christine G. Bogad, Director of Administrative & Municipal Law
Shellie Bryant, Deputy City Clerk
Candice Leuschen, Executive Assistant to the City Solicitor

Approved by: Patricia Warwick, City Solicitor
Joanne Sproule, City Clerk
Mike Jordan, Director of Policy & Government Relations