



# **EXECUTIVE COMMITTEE**

**Wednesday, June 10, 2015  
11:45 AM**

**Henry Baker Hall, Main Floor, City Hall**



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Office of the City Clerk

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**Public Agenda  
Executive Committee  
Wednesday, June 10, 2015**

**Approval of Public Agenda**

**Minutes of the meeting held on May 13, 2015**

**Administration Reports**

EX15-15 Regina Regional Opportunities Commission Transition to a Non-Profit Corporation Controlled by the City of Regina

**Recommendation**

1. That the conversion of the Regina Regional Opportunities Commission (“RROC”) to a non-profit corporation under *The Non-Profit Corporations Act, 1995* (Saskatchewan), with the City as the sole voting membership holder be approved.
2. That the City Solicitor be authorized to finalize and file the Articles of Incorporation at the Saskatchewan Corporate Registry to bring effect to the conversion of RROC as outlined in recommendation #1.
3. That the Chief Financial Officer be designated as the City’s proxy for the purposes of exercising the City’s voting rights in RROC in accordance with such direction as may be provided by City Council from time to time.
4. That the Administration bring a subsequent report to Executive Committee with recommendations relating to a revised governance structure for RROC in last quarter of 2015.
5. That when the conversion of RROC under *The Non-Profit Corporations Act, 1995* (Saskatchewan) is complete, the Administration bring a report forward to repeal Bylaw No. 2009-20.
6. That item E15-24 be removed from the list of outstanding items for the Executive Committee.
7. That this report be forwarded to the June 22, 2015 City Council meeting.

**Resolution for Private Session**

AT REGINA, SASKATCHEWAN, WEDNESDAY, MAY 13, 2015

AT A MEETING OF THE EXECUTIVE COMMITTEE  
HELD IN PUBLIC SESSION

AT 11:45 AM

**These are considered a draft rendering of the official minutes. Official minutes can be obtained through the Office of the City Clerk once approved.**

Present: Councillor Bob Hawkins, in the Chair  
Mayor Michael Fougere  
Councillor Bryon Burnett  
Councillor Sharron Bryce  
Councillor John Findura  
Councillor Jerry Flegel  
Councillor Shawn Fraser  
Councillor Terry Hincks  
Councillor Wade Murray  
Councillor Mike O'Donnell

Also in Attendance: City Clerk, Jim Nicol  
Deputy City Clerk, Shelley Powell  
City Manager & CAO, Glen B. Davies  
Executive Director, Legal & Risk, Byron Werry  
Deputy City Manager & COO, Brent Sjoberg  
Chief Financial Officer, Ed Archer  
Executive Director, City Planning & Development, Diana Hawryluk  
Executive Director, City Services, Kim Onrait  
Executive Director, Human Resources, Pat Gartner  
A/Executive Director, Transportation & Utilities, Norman Kyle  
Director, Development Services, Louise Folk

(The meeting commenced in the absence of Councillor Flegel.)

APPROVAL OF PUBLIC AGENDA

**Councillor Sharron Bryce moved, AND IT WAS RESOLVED, that the agenda for this meeting be approved, as submitted.**

ADOPTION OF MINUTES

**Councillor Wade Murray moved, AND IT WAS RESOLVED, that the minutes for the meeting held on April 15, 2015 be adopted, as circulated.**

ADMINISTRATION REPORTS

EX15-14      Servicing and Compatability Agreement with Nekaneet First Nation

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**Recommendation**

1. That the Municipal Services and Compatibility Agreement between the City of Regina and Nekaneet First Nation in the form appended as Schedule A to this report be approved.
2. That the City Solicitor be instructed to bring forth the necessary bylaw authorizing execution of the Agreement.
3. That the Mayor and City Clerk be authorized to execute the agreement on behalf of the City of Regina.
4. That this report be forwarded to the May 25, 2015 meeting of City Council.

Chief Jordi Fourhorns, representing Nekaneet First Nation and Tom Waller, representing Olive Waller Zinkhan & Waller LLP addressed and answered questions of the Committee.

**Mayor Michael Fougere moved, AND IT WAS RESOLVED, that the recommendations contained in the report be concurred in.**

RESOLUTION FOR PRIVATE SESSION

**Councillor Sharron Bryce moved, AND IT WAS RESOLVED, that in the interest of the public, the remainder of the items on the agenda be considered in private.**

RECESS

**Councillor Wade Murray moved, AND IT WAS RESOLVED, that the Committee recess for five minutes.**

(The meeting recessed at 12:01 p.m.)

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Chairperson

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Secretary

June 10, 2015

To: Members,  
Executive Committee

Re: Regina Regional Opportunities Commission  
Transition to a Non-Profit Corporation Controlled by the City of Regina

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RECOMMENDATION

1. That the conversion of the Regina Regional Opportunities Commission (“RROC”) to a non-profit corporation under *The Non-Profit Corporations Act, 1995* (Saskatchewan), with the City as the sole voting membership holder be approved.
2. That the City Solicitor be authorized to finalize and file the Articles of Incorporation at the Saskatchewan Corporate Registry to bring effect to the conversion of RROC as outlined in recommendation #1.
3. That the Chief Financial Officer be designated as the City’s proxy for the purposes of exercising the City’s voting rights in RROC in accordance with such direction as may be provided by City Council from time to time.
4. That the Administration bring a subsequent report to Executive Committee with recommendations relating to a revised governance structure for RROC in last quarter of 2015.
5. That when the conversion of RROC under *The Non-Profit Corporations Act, 1995* (Saskatchewan) is complete, the Administration bring a report forward to repeal Bylaw No. 2009-20.
6. That item E15-24 be removed from the list of outstanding items for the Executive Committee.
7. That this report be forwarded to the June 22, 2015 City Council meeting.

CONCLUSION

The Regina Regional Opportunities Commission (“RROC”) has approached the Administration with a request to modify RROC’s governance structure to become a membership corporation pursuant to *The Non-Profit Corporations Act, 1995* (the “Non-Profit Act”) wherein the City would become the sole voting member of RROC.

The conversion of RROC into a municipal corporation would enable RROC to operate more independently, maintain its own set of financial statements (which would be consolidated into the City’s financial statements), take a long term business and financial planning approach and enable RROC to apply for Provincial and Federal funding and grants independently of the City of Regina.

## BACKGROUND

In 2009, Regina Region Economic Development Authority (RREDA) and Tourism Regina were merged out of the desire to have a single entity providing economic development and tourism services for the City of Regina. The merged entity, RROC, was created by Bylaw No. 2009-20 with RROC becoming a body of City Council established pursuant to section 55 of *The Cities Act* (Saskatchewan). The mandate of RROC is to:

- (1) create and implement an economic development strategy to grow and sustain prosperity in the City and Region;
- (2) encourage the retention, development, attraction and growth of business and tourism products and services for those who live, work, visit and invest in the City and Region; and
- (3) market and promote the City and Region for business and tourism.

As a creation of Council, RROC's current governance is established by Bylaw No. 2009-20 and provides that RROC is comprised of a ten member Board of Directors that is appointed by Council and is delegated certain authorities by Council. In effect, RROC functions very similarly to a separate corporation from the City but does not have the general capacity to act independently from Council or to establish its own financial structure (as RROC is subject to budgets imposed by Council).

## DISCUSSION

RROC has approached the Administration with a request to become a municipal corporation so that it can operate more independently, maintain its own set of financial statements (which would be consolidated into the City's financial statements), take a long term business and financial planning approach and apply for Provincial and Federal funding and grants independently of the City of Regina.

### ***Process to Modify Corporate Structure***

In order to modify the corporate structure of RROC, a corporation will have to be created under the Non-Profit Act that establishes the appropriate corporate name, maximum and minimum number of board members, classes of membership and the rights, privileges and restrictions on those membership interests. This process would be completed by the City Solicitor's Office and ensure that the structure of the corporation would follow current contemporary and best practices.

Once a new corporation is created, then Bylaw No. 2009-20 will be required to be repealed by Council and the first annual membership meeting must take place to appoint the initial board of directors, adopt corporate bylaws and appoint an auditor. A subsequent report will be brought forward to Council with a recommendation to repeal the bylaw when the conversion process is completed.

If this initiative proceeds, then following Council Approval, the City Solicitor's Office will arrange for all required documentation to be filed with the Saskatchewan Corporate Registry to bring effect to the creation of a new corporate entity with the City as the controlling member.

### ***Council Approval and Designation of Proxy***

As the sole membership holder of RROC, City Council must designate a proxy to represent and vote on behalf of the City at meetings of RROC. The Administration is recommending that the Chief Financial Officer be designated as the City's proxy for the purposes of exercising the City's voting rights in RROC in accordance with such direction as may be provided by City Council from time to time.

### ***Transition and Future Steps to Revise RROC's Governance***

In order to ensure a seamless transition of RROC into a municipal corporation that is controlled by the City, the Administration is recommending that the current internal governance structure and Board of Directors of RROC remain in place for an interim period. This continuity will allow RROC to conduct business and operations as usual.

Going forward, the Administration will be working with RROC's current executive management team and Board of Directors in order to develop a revised governance structure. Some of the modifications that will be considered going forward include (i) consideration of the appropriate number of individuals on the Board of Directors, (ii) modifications to how individuals are appointed to the Board of Directors, (iii) the development of an agreement and direction from the City to RROC setting out the decision making authority of RROC and (iv) how financial reporting is completed.

All parties will be working on developing a revised governance structure and will be reporting back to Council with recommended options in late 2015.

### ***Effect of Conversion of RROC into a Municipal Corporation***

A municipal corporation is a separate legal entity from the City that operates much like a wholly-owned subsidiary and generally has the following characteristics:

- a) operates through the governance structure that is set by the City;
- b) the City would be the majority controlling shareholder;
- c) the City (through City Council) would have control over the election and make-up of the Board of Directors;
- d) would prepare separate financial statements;
- e) unless alternative sources of funding are available, would be provided grants or loans by the City to operate; and
- f) although a separate legal entity with separate financial statements, the debts of the municipal corporation will be calculated against the City's debt limit.

The use of municipal corporations allows municipalities to take a more modern and flexible approach to structuring operations while still ensuring that a sufficient level of control is maintained over shareholdings and directorship appointments. The use of municipal corporations can permit municipalities to obtain a higher level of accountability and transparency for operational matters up to the same levels that would be expected between two private entities.

The municipal corporation model has been implemented effectively in a number of Canadian municipalities. EPCOR, Winnipeg Fleet Management Agency, Enbridge and TBayTel are examples. A recent City of Regina example is The Regina Exhibition Association Limited.

RECOMMENDATION IMPLICATIONS

Financial Implications

If continued as a non-profit municipal corporation, RROC will exist as a separate and distinct legal entity from the City. Although most contracts, collective agreements, employees and operations would be unchanged, reporting, audit and financial requirements would be modified to be consistent with other City-controlled corporations, such as The Regina Exhibition Association Limited.

Environmental Implications

None with respect to this report.

Policy and/or Strategic Implications

The City's relationship with RROC has been evolving since its creation in 2009. The move by RROC to a more contemporary governance structure aligns well with the City's strategic priorities, particularly in the area of leveraging the expertise of an external resource and in aligning the governance structures of all external organizations that are associated with the City.

Other Implications

Non with respect to this report.

Accessibility Implications

None with respect to this report.

COMMUNICATIONS

Communications to date have included extensive discussions between the City of Regina and RROC. If approved, RROC will be communicating the change to its shareholders, staff, business partners and customers but further communication will be required once a revised governance model is approved.

DELEGATED AUTHORITY

This report must be forwarded to City Council for approval.

Respectfully submitted,



Ed Archer,  
Chief Financial Officer

Respectfully submitted,



Glen B. Davies,  
City Manager and Chief Administrative  
Officer