

Municipal Corporation Governance - Supplemental Report

Date	March 10, 2021
To	City Council
From	Financial Strategy & Sustainability
Service Area	Financial Services
Item No.	CM21-5

RECOMMENDATION

That City Council receive and file this report.

ISSUE

On February 3, 2021, Administration presented a report on the governance of the City's municipal corporations. The report described the structure of the municipal corporations, and the governance frameworks in use at these corporations. At that meeting, Council requested that a further report be provided at a future City Council meeting with information about how other cities govern their municipal corporations.

IMPACTS

None with respect to this report.

OTHER OPTIONS

None with respect to this report.

COMMUNICATIONS

None with respect to this report.

DISCUSSION

The purpose of this report is to provide information on the composition of the boards of municipal corporations owned by cities in Alberta, Saskatchewan, and Manitoba. In report EX21-12, Administration discusses that corporate governance best practices suggest boards are structured to ensure they have the requisite skills and experience for the type of operation the corporation is responsible for. The report also outlines some of the challenges of having elected officials on municipal corporation boards. The fiduciary duty of a board member who is also an elected official can place the individual in conflict.

Appendix A provides a regional scan covering 20 municipal corporations controlled by the cities of Saskatoon, Winnipeg, Calgary and Edmonton. Of the 21 municipal corporations reviewed:

- 2 corporations had zero (0) elected officials on their board;
- 8 corporations had one (1) elected official on their board;
- 6 corporations had two (2) elected officials on their board;
- 3 corporations had three (3) elected officials on their board; and
- for 1 corporation it could not be determined if the government members were elected as the board composition refers to the appointment of two (2) municipal government members.

The largest municipal corporations in the scan are Epcor and Enmax, which are governed by the cities of Edmonton and Calgary respectively. Both Epcor and Enmax, who are municipal utility corporations, leverage a skills-based Board with no City Administration nor Council representation.

For the reasons discussed in EX21-12, Administration's advice remains that the City limit the number of Council members appointed to municipal corporation boards.

To support Council's ability to provide oversight and make sound decisions, additional information about the operations of the municipal corporations can be obtained by requiring more reporting from the municipal corporation to the Council. Additional reporting requirements could be added to the Unanimous Membership Agreements.

The primary avenue to resolve ongoing concerns with the direction and operations of any of the municipal corporations is through the chair of the board and the board appointment process.

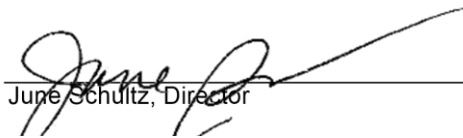
DECISION HISTORY

This report is in response to Council's request for additional information to report EX21-12 presented at the February 12, 2021 Executive Committee meeting.

This report is for informational purposes only.

Respectfully Submitted,

Respectfully Submitted,


June Schultz, Director

2/26/2021


Barry Lacey, Exec. Director, Financial Strategy & Sustainability

3/5/2021

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ATTACHMENTS

Appendix A - Jurisdictional Review