



Vancouver Economic Commission Honorary Board
Extraordinary General Meeting - *Closed*
VEC Governance and Bylaws

November 4, 2019 (*continuation of October 22, 2019 meeting*)

By Sadhu Johnston, City Manager



Context and purpose

October 2019

November 2019

Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat
		1	2	3	4	5							
6	7	8					4	5					
13	14	15					11	12	13	14	15	16	
20	21	22					18	19	20	21	22	23	
27	28	29	30				25	26	27	28	29	30	

Staff presented in-camera VEC update to City Council re: governance and HR matters

VEC Honorary Board Extraordinary General Meeting, staff presented governance and bylaw change options

Continuation of 2019-10-22 VEC Honorary Board meeting

Today's agenda

1. Call to order, appointment of Chair and Secretary
2. Recap of recent discussion
3. Governance options analysis
4. Recommended Special Resolution

1.

Call to order,
appointment of
Chair and Secretary

1. Appointment of Chair
2. Appointment of Secretary



2.

Recap of
recent discussion

1. Key challenges, current VEC governance structure

- a. Mayor committed to resigning from the Ordinary Board
- b. Outdated bylaws
- c. Mandate evolving significantly ... Council priorities, City-wide Plan, Metro Vancouver's Regional Economic Prosperity Service
- d. VEC rely heavily on COV staff and leadership who have no formal authority or accountabilities for VEC

2. Presented Board governance options and proposed **Special Resolution**, for consideration, to amend the current bylaws and governance structure

- a. Ordinary Board options: New Chair, staff only, external only, dissolve
- b. Constitute a Vancouver Economic Development Advisory Board

3.

Governance options analysis

Governance model, recommended by City staff and VEC CEO

1. Retain VEC as arms-length entity

→ *Stability for City and VEC staff, no immediate budget implications*

2. Board comprised of small number of senior City staff members for interim period

→ *Interim governance structure provides flexibility and time to develop/refine City's and VEC's economic development mandate, priorities and core policies*

→ *Allows the City authority/control/ agility to support VEC's alignment with Council's policies and priorities*

3. Establish new external Vancouver Economic Development Advisory Board

→ *Focuses external experts on economic development rather than business administration*

4. Council retains Honorary Board role

→ *Council continues to control bylaws and director appointments*

Why change the governance structure now?

- 1. Mayor no longer available to be a member of the Ordinary Board**
 - *At least one new member needs to be appointed by the Honorary Board (note if not an elected official, a bylaw amendment is required)*
- 2. Significantly improved oversight/greater Council protection**
 - *Current VEC oversight is insufficient ... outdated bylaws, HR and financial issues, required policy framework review*
 - *Recommended governance structure will allow greater City control over all aspects of VEC, and better alignment between Council priorities and the VEC*
- 3. Better leverage external experts**
 - *VEC's external Board members are better positioned to provide meaningful economic development expert advice than administrative oversight*
- 4. More agility/control as mandates evolve**
 - *Both COV's and VEC's economic development mandates are evolving over next 18 months ... Council's "Protect and Build Our Economy" priority, MV's Regional Economic Prosperity Service, City-Wide Plan, etc.*

Governance options

Option 1 - Status Quo – COV and external Board

1a - Mayor chairs *(option unavailable)*

1b* - Other Elected Official chairs

1c* - Senior COV Staff chairs

Note: 1b & 1c still require bylaw amendments

Option 2 – Retain VEC as arms length entity with senior COV staff only Board

(option recommended)

- Establish external Vancouver Economic Development Advisory Board
- COV lead governance for interim, while, mandate, priorities and core policies refined

Option 3 – 100% External Board

100% external board, independent of COV and potentially remunerated. Similar to Crown corporation model

Option 4 – Dissolve VEC and bring economic development functions in-house

(not recommended)

Bring prioritised economic development activities in-house

* Options 1b, 1c and 3 - Requires Council and Chair's near-term commitment to:

- (Re-)appoint Board members as needed, finalise CEO contract and drive Board administration
- Work with Board and both COV and VEC staff to refine VEC's mandate and strategy and set establish a robust policy framework

Note: COV staff retain role as consulted SME, no formal authority

4.

2019-10-22 recommended

Special Resolution

- eight components ...

1. Board comprised of a small set of senior City staff members

- Vancouver Economic Commission bylaws be amended to create a new Board structure comprised solely of a small number of senior City staff

Alternatives to above:

- *Appoint an alternative elected official to Chair the VEC Board, OR*
- *Update bylaws to reflect the VEC Honorary Board's preferred governance structure*

2. Align Council role with that of other City-owned entities

- Amend Bylaws of Vancouver Economic Commission to remove requirements for two Non-Voting Members from Council
- Remove the requirement for all of Council to be notified of every meeting of the Members and Directors of the Society

3. Establish a Vancouver Economic Development Advisory Board

- Establish a Vancouver Economic Development Advisory Board, if governance Option 2 is approved (Board comprised solely of a small number of senior City staff:
 - Advisory Board to meet at least twice annually, focus on economic development priorities, strategies and trends
 - Would not have decision-making authority
- Establish a nominating process for any new Board members
 - Extend invitation to existing external Board members and Honorary Board members, as appropriate
- Appoint for one year, with option to extend to three to four year rolling terms

4. CEO, VEC reports to the VEC Board of Directors

- The CEO, VEC (Catherine Warren) reports to this Board of Directors
 - Amend current bylaw to reflect this - currently states that the CEO is the Chair of the Board

5. Current VEC Board members invited to tender resignations

- Thank all current VEC Board of Directors for their contributions, and invite to tender their resignations upon passage of this proposed Special Resolution.

Alternative to above:

- *Thank select members of the current VEC Board of Directors for their contributions, and invite to tender their resignations upon passage of this proposed Special Resolution*

6. Director removal, if necessary

- In the event that the above-noted resignations are not tendered and received by the VEC on or before November 14, 2019, Honorary Members, by Special Resolution will remove any and all Directors that have not so tendered their resignations, effective the end of November 14, 2019

7. New Board appointments

- That the following City staff be appointed as Directors and Ordinary Members of VEC Board, effective November 15, 2019, for so long as they hold the following positions at the City of Vancouver
 - Sadhu Johnston, City Manager
 - Paul Mochrie, Deputy City Manager
 - Patrice Impey, CFO (current VEC Board Director)

Alternate to above

- *Or alternate Board member/s be appointed*

8. No operational changes

- That at this time, no other changes be made to any other aspect of VEC's current business/financial model and that business operations proceed as they currently are

2019-10-22 recommended Special Resolution

Requires vote in favour by at least 75% of Honorary Board members present at meeting

That the Honorary Members of the VEC Board approve that:

- A. *RESOLVED AS A SPECIAL RESOLUTION that the current Constitution and By-laws of the Society be repealed and replaced with new Constitution and By-laws in the form attached to this resolution, such new Constitution and By-laws to take legal force and effect upon the completion of the necessary filing with the Registrar of Companies.*

- B. *RESOLVED AS A SPECIAL RESOLUTION that the Mayor, as the Chair of the Board and/or the Chief Executive Officer of the Society will call and then write to the following Directors, with attached letters of resignation thanking the directors for their service and asking the following directors to tender their resignations as directors as of the end of November 14, 2019: Kennedy Stewart, Joel Calvo, Jennifer Podmore Russell, Catherine Winder, Karri Schuermans, Mischa Steiner, Jill Tipping, and Denise Williams AND FURTHER RESOLVED THAT if any of the above directors have not so tendered such resignations on or before such date each such director's term will nonetheless be deemed to have ended effective as of the end of November 14, 2019 and each such director will cease to be a director and ordinary member as of and on such date.*

2019-10-22 recommended Special Resolution (continued)

- C. *AND FURTHER RESOLVED THAT the above outgoing directors, subject to their ongoing interest, be appointed to a newly formed Vancouver Economic Development Advisory Board as of Q4, 2020 for a one year term. The Vancouver Economic Development Advisory Board will:*
- meet twice annually (in a joint meeting with the Honorary Members) to advise the Society on economic development priorities and strategies;*
 - be governed by a Terms of Reference to be approved by the Chair of the Honorary Members; and*
 - be required to agree to abide by the Terms of Reference as a condition of participating on the Vancouver Economic Development Advisory Board.*
- D. *RESOLVED AS A SPECIAL RESOLUTION that Sadhu Johnston and Paul Mochrie be appointed as directors of the Society as of November 15, 2019 for so long as they hold their respective positions at the City of Vancouver. Patrice Impey will continue to hold her position as director of the Society for so long as she holds her position at the City of Vancouver.*

End