

Report

Report No. ES2018-10	To: Council	Prepared By: Michelle Jakobi & Robin Dunn
Meeting Date: November 14, 2018	Subject: Municipal Services Corporation – Board of Directors Skills Criteria	Motion # _____
Roll #:		R.M.S. File #:

Recommendation(s):	Requires Action <input checked="" type="checkbox"/>	For Information Only <input type="checkbox"/>
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It is recommended:

1. That Report No. ES2018-10 be received and adopted;
2. That Council endorse the skills criteria for the Municipal Services Corporation Board of Directors and the draft Board of Directors Skills Matrix;
3. And further that Staff finalize the process for Board of Director selection & evaluation to be utilized in the MSC implementation.

Background:

On July 18, 2018, Council adopted Report ES2018-08 and through Motion No. C180718-19, Council endorsed:

- the Business Case Study as prepared by KPMG for creation of Municipal Service Corporation(s) and
- the incorporation of two Municipal Service Corporations (MSCs); specifically, a holding company (HoldCo MSC) and an operating company (Operating MSC) that would be responsible for the ownership, operation, maintenance and funding of the Township's drinking water, streetlights, stormwater management, communal tile beds and wastewater services ("Environmental Services").

Staff were also provided direction to report back to Council with the Skills Based Board Screen Criteria.

Analysis:

The primary purpose of the skills based Board of Directors is to provide governance oversight for the Municipal Services Corporation(s). It is envisioned that the Board of Directors will include individuals with varied backgrounds who are committed to the evolution of the provision of Environmental Services across the municipality. The Board is also anticipated to include a member of Council who will primarily support the relationship between the MSC and Council.

Based on the services to be provided by the MSC, the following skills criteria are recommended when determining the composition of the MSC(s) Board of Directors:

Civil Engineering/Water Resource/Environmental Engineering – Strong working knowledge and/or direct experience in civil engineering/water resource/environmental engineering and general project management. This experience would preferably include knowledge of provincial regulations and industry trends and best practices related to the provision/delivery of environmental services.

Financial Expertise – Strong financial acumen as it relates to financial reporting and analysis within the public sector.

Awareness of Services Provided by the MSC & Overall MSC Business Model – Candidates for the Board should be aware of the services provided by the MSC and specific challenges related to the provision of Environmental Services in a rural community with urbanized pockets. Candidates should also be aware of the Municipal Act (municipal governance) and the governing principles of an MSC.

Government Relations – Possess a solid understanding of managing government relations at all levels, either acquired at a senior leadership role or having been engaged in a consulting capacity within an institutional/government environment, along with a proven track record of developing and implementing a strategic approach to government relations.

Corporate Social Responsibility/Public Relations & Communications – Experience and expertise with respect to environmental stewardship at an organizational or the broader community level; demonstrated track record of success in building strong external relationships with internal and external stakeholders.

Risk Management – Professional expertise as it relates to assessing and advising on the issue of risk management within a financial/business environment.

Board Experience – Ideally all candidates should have some previous experience and expertise serving on a Board of Directors for a similar business/undertaking.

These skills criteria are contained in the draft MSC Board of Director's Skills Matrix attached as Appendix A, that would be finalized for use in the MSC implementation.

The following persons are considered disqualified from being on the Board:

1. a person less than 18 years of age
2. a person who has been found under the Substitute Decisions Act or Mental Health Act to be incapable of managing property or who has been found to be incapable by a court in Canada or elsewhere
3. a person who is not an individual
4. a person who has the status of bankrupt

Preference will be given to Qualified Candidates for the Board of Directors who are Township residents, where possible.

Finally, all Board members must be Canadian citizens.

Financial / Legal Implications / Risk Management:

The Board selection criteria and process is not about "filling seats" on a Board. Board members must be willing and available to commit to the position for a predefined term. It is envisioned that the Board would include 5-7 individuals, including a member of Council and CAO.

Staff acknowledge as vacancies on the Board arise and based on the overall business strategy and vision, the Board selection process may require refinement over time.

The Board will be required to develop strong working and long-term relationships with Council and the community and the recruitment process will seek individuals with positive ideals and a focus on continued improvement.

Board compensation, meeting structure, term of office and delegation would be determined as the Unanimous Shareholder Agreements and the Articles of Incorporation are finalized.

Policies/Legislation:

Municipal Act
Ontario Regulation 599/06
Ontario Business Corporations Act

Corporate Strategic Goals:

Continuous Improvement & Fiscal Responsibility
Enhanced Communication & Customer Service
Balanced Growth
Inclusive, Healthy Community

Consultations:

Aird & Berlis

Attachments:

Appendix "A" - Municipal Service Corporation – Board of Directors Skills Matrix

Conclusion:

The primary purpose of the skill based Board of Directors is to provide governance and management oversight of the Municipal Services Corporation(s). As such, it is important that the Board include individuals with a variety of backgrounds who are committed to the evolution of the provision of Environmental Services across the municipality.

Upon Council's endorsement of the skills criteria for the Municipal Services Corporation Board of Directors, Staff will finalize the selection and evaluation process that will be utilized in the MSC implementation.

Respectfully submitted:

Michelle Jakobi, B.E.S., C.E.T.
Manager, Environmental Services

Robin Dunn, C.E.T., M.A.
CAO

SMT Approval / Comments:	C.A.O. Approval / Comments:
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Appendix "A"

Municipal Services Corporation

Board of Directors Skills Matrix

Directions: Apply the weighted importance for each Skills & Experience category by entering "X" in the appropriate box (Not Very Important/Not Applicable = 1, Very Important = 5). Enter only 1 response per category.

	Weighted Importance (1= Not Very/NA, 5 = Very)				
	1	2	3	4	5
Skills & Experience					
Engineering – Civil, Environmental, Water Resource					
Leadership					
Project Management					
Financial					
MSC Governance/Awareness					
Human Resources					
Government Relations					
CEO/Leadership Experience					
Public Sector Experience/ Municipal Governance					
Corporate/Social Responsibility/Environment					
Community Affiliation					
Public Relations and Communications					
Stakeholder Engagement					
Risk Management					
Legal					
Board Experience					
Strategic Planning					

Additional Comments:
