

**ATTACHMENT “B”**

**Recommended Changes to the Declaration of the Sole Shareholder**

LMHC Board Request of Shareholder and PwC Board Related Recommendation	Related Proposed Civic Administration Recommendation and Justification
<b>1. Composition of Board</b> Section 6.2 (c) of Shareholder Declaration	
<p>Board request to increase number of Directors by 4 members from current 7 to 11 Directors, based upon manageable size, quorum size, support of committee work, access to new competencies, and stability of subcommittee structure.</p> <p>Currently the Board has 7 Directors:                      2 City Council representatives,                      1 County Council representative, and                      4 citizens-at-large</p> <p><i>Related PwC Organizational Review Recommendation:                      Addition of new Board members, to be discussed and determined by the board</i></p>	<p><b>Recommendation 1:</b>  <b>Increase the total Board size by 2 Directors to 9 Directors</b>, noting the following:</p> <ul style="list-style-type: none"> <li>i) one of the two additional members should initially be the Service Manager liaison (Civic Administration). This is based on former Board composition and other municipal boards (e.g. Convention Centre). Further, the Service Manager should not be Chair or Treasurer in order to allow for continued liaison between the Chair and Service Manager.</li> <li>ii) Following the 2014 Municipal Election, the composition of Councillors on the LMHC Board should be 1 City Council representative and 1 County Council-recommended representative, with the latter not necessarily being a County Council member.</li> <li>iii) The position currently held by a second City Council representative would instead be held by a citizen-at-large.</li> </ul> <p>The proposed Board composition would be:                      1 City Council representative                      1 Service Manager representative                      1 County Council-recommended representative                      6 Citizens-at-large</p> <p>These changes also support the Board’s desire for staggered terms for continuity purposes.</p>
<b>2. Board Terms</b> Sec. 6.2 (f) of Shareholder Declaration	
<p>Board request for staggered terms for Directors to ensure a strong and sustainable Board through staggered terms.</p>	<p><b>Recommendation 2:</b>  <b>Provide for staggered Board terms, which may require a one-time extension of existing terms beyond the current terms and/or an immediate recruitment, with the transition process to be implemented in consultation with the LMHC.</b></p> <p>Similar to other boards.</p>

<b>3. LMHC Participation in New Board Selection and Competencies</b> Section 6.2 (b) of Shareholder Declaration	
<p>Board request and PwC recommendation to increase LMHC Board's ability to select Board members with consideration for areas of expertise required by the Board</p> <p><i>PwC Organizational Review Recommendation: Addition of new Board members, to be discussed and determined by the Board</i></p>	<p><b>Recommendation 3:</b>  <b>Provide LMHC with the opportunity to advise City Council of the desired competencies when seeking applicants for vacancies and to put forward names of applicants they would like to have considered for those vacancies.</b></p> <p>Appointment of LMHC Board members resides with the City Council as a sole shareholder responsibility, in accordance with Council Procedure By-law A-15 and share capital business corporations. However, the City Council is able to seek input from the LMHC, if it so chooses.</p>
<b>4. Board Attendance</b> Section 4.5 of Shareholder Declaration	
<p>PwC recommendation to support greater Board meeting stability and quorum through increasing board size and modifying rules related to attendance.</p> <p><i>PwC Recommendation: Amendment of mandate related to meeting attendance (to avoid missing a defined number of meetings).</i></p>	<p><b>Recommendation 4:</b>  <b>Amend Shareholder Declaration related to attendance requirements.</b></p> <p><b>Current</b> criteria reflect removal in the event of absence from three (3) consecutive meetings of the Board during any calendar year, without prior written approval of the Board.</p> <p><b>Proposed</b> criteria to reflect removal in the event of absence from three (3) meetings, consecutive or non-consecutive, in any 12 month period, without prior written approval of the Board.</p>

In addition to the above changes, there are also minor housekeeping changes that should be made to the *Declaration of the Sole Shareholder* and the *Accountability Rules* in order to update legislative references (e.g. Housing Services Act replacing Social Housing Reform Act), to update position and title changes (e.g. CEO to Executive Director), and to better reflect the ongoing work of the Board and the Administration at LMHC. These housekeeping changes would not be substantive and would be vetted by the LMHC, the City Solicitor's Office, and the City Clerk.