

TO:	CHAIR AND MEMBERS STRATEGIC PRIORITIES AND POLICY COMMITTEE MEETING ON NOVEMBER 24, 2014
FROM:	ART ZUIDEMA CITY MANAGER
SUBJECT:	BOARD STRUCTURE RESOLUTION FOR LONDON & MIDDLESEX HOUSING CORPORATION (LMHC)

RECOMMENDATION

That, on the recommendation of the City Manager, the attached proposed by-law **BE INTRODUCED** at the Municipal Council meeting to be held on November 25, 2014 to:

- a) ratify and confirm the resolution of the Shareholder of the London & Middlesex Housing Corporation (LMHC) attached as Schedule “1” to the by-law; and
- b) authorize the Mayor and the City Clerk to execute the resolution of the shareholder attached as Schedule “1” to the by-law.

PREVIOUS REPORTS

May 5, 2014, Item #4 – Strategic Priorities and Policy Committee

BACKGROUND

At its meeting held on May 20, 2014, the Municipal Council resolved:

That, on the recommendation of the City Manager, the following actions be taken with respect to the London & Middlesex Housing Corporation (LMHC):

- a) *the proposed by-law appended to the staff report dated May 5, 2014 as Attachment “A” BE INTRODUCED at the Municipal Council Meeting to be held on May 20, 2014 to:*
 - i) *ratify and confirm the Annual Resolutions of the Shareholder of the London & Middlesex Housing Corporation, attached as Schedule “1” to the by-law; and,*
 - ii) *authorize the Mayor and the City Clerk to execute the Annual Resolutions of the Shareholder of London & Middlesex Housing Corporation, attached as Schedule “1” to the by-law; and*
- b) *the following changes to the “Declaration of the Sole Shareholder” by the City of London to the London & Middlesex Housing Corporation (LMHC), including Appendix “A” - “Accountability Rules” BE ENDORSED IN PRINCIPLE; and the Civic Administration BE DIRECTED to bring forward the necessary by-law at the May 20, 2014 meeting of the Municipal Council to implement the following proposed changes:*
 - i) *amend the Board composition (Section 6.2(c)), as follows:*

*1 City Council representative
1 County Council-recommended representative
7 Citizens-at-Large;*

- ii) provide for staggered Board terms (Section 6.2(f)), which may require a one-time extension of a current appointment(s) in order to provide continuity, with the transition process to be implemented in consultation with the LMHC;*
- iii) provide for the LMHC to advise the Municipal Council of desired competencies when seeking applicants for vacancies on the Board (Section 6.2(b)), and to have the ability to put forward the names of applicants they would like to have considered for those vacancies;*
- iv) amend the attendance requirements for the Board (Section 4.5) 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; and*
- v) other minor housekeeping changes to reflect current legislative references and position titles and to better reflect the ongoing work of the LMHC Board and Administration;*

it being noted that the Strategic Priorities and Policy Committee heard the attached presentation from D. Reycraft, LMHC Board Chair, and S. Matthew, Executive Director, LMHC, with respect to this matter

The attached by-law and resolution amend the LMHC Board composition to a 9 member board comprised of 1 City Councillor, 1 County-Council Recommended Representative, and 7 Citizens-at-Large; recruited using a staggered term process to ensure continuity of governance expertise.

To achieve staggered terms for Board members, the recommended approach employs four classes of Board members, noting that each member is able to serve a maximum of two terms of three-plus-one years (or 2 terms of 4 years for a maximum of 8 years).

Summary of Board Structure for Staggered Terms:

Class *	Members	Term	Notes:
1	Gordon Saylor Robert Sexsmith	November 30, 2016	There are not currently “classes” of membership. By Council’s direction, the terms of the Class 1 incumbents can be extended beyond their maximum terms to facilitate staggering to 2016 .
2	Glenn Hadley Joan Ball	November 30, 2014	Incumbent members retain rights for one more term (3=1 years). These terms will need to be extended at a future date by 2 additional years to finalize the staggered term process (3 +3 years to 2018).
3	Dale Henderson Vacant Vacant	November 30, 2014	The Council approved increased to the number of citizen-at-large directors provides for this additional class to accommodate staggering. The incoming members in this class will have 2 full terms of eligibility (8 years to 2022).
4	Joseph Swan Douglas Reycraft	November 30, 2014	The future representation of one City Councillor and one County Council recommended representative allow for 2 members aligned with the four year terms of municipal councils. (On 4 year Council terms to 2020 .)

* “Class” reflects board member groupings for staggering purposes.

Existing incumbent Board members would retain their positions until successors are appointed, in accordance with the rules and conditions of the *Business Corporations Act (Ontario)*. The terms of those identified in Class 1 have reached their eight (8) year maximum, however, Council approved a two (2) year extension to support LMHC Board stability and staggered terms. This will again be required in the future for Class 2 directors in order to fully complete the transition to staggered terms.

Acknowledgement:

This report was prepared with the assistance of David Munteer, City Solicitor’s Office, Linda Rowe, City Clerk’s Office and Louise Stevens, Housing Division.

Next Steps:

These changes to the LMHC Board composition and structure support the LMHC Board’s interest and ability to work with the City Clerk to identify and recommend candidate applications for the Board based on anticipated vacancies and required competencies. These recommendations would be dealt with by the Municipal Council in accordance with the Council Procedure By-law.

PREPARED BY:	RECOMMENDED BY:
STEPHEN GIUSTIZIA MANAGER, HOUSING SERVICES	ART ZUIDEMA CITY MANAGER

Att. Appendix “A”: By-law and Schedule “1” Resolution

- C. David Munteer, Solicitor, City Solicitor’s Office
 Steve Matthew, Executive Director LMHC, and LMHC Board
 Bill Rayburn, CAO Middlesex County

Appendix “A”

Bill No.
200

By-law No. A.-

A by-law to ratify and confirm the Resolutions of the Shareholder of the London & Middlesex Housing Corporation.

WHEREAS the London & Middlesex Housing Corporation is a corporation incorporated under the *Business Corporations Act* R.S.O. 1990, c.B.16;

AND WHEREAS subsection 104(1)(b) of the *Business Corporations Act* provides that a resolution in writing dealing with all matters required by this Act to be dealt with at a meeting of shareholders, and signed by all the shareholders or their attorney authorized in writing entitled to vote at the meeting, satisfies all the requirements of this Act relating to that meeting of shareholders;

AND WHEREAS the Corporation of the City of London is the sole shareholder of the London & Middlesex Housing Corporation;

AND WHEREAS Subsection 9 of the *Municipal Act, 2001* provides that a municipality has the capacity, rights, powers and privileges of a natural person for the purpose of exercising its authority under this or any other Act;

AND WHEREAS Subsection 5(3) of the *Municipal Act, 2001* provides that a municipal power shall be exercised by by-law;

THEREFORE the Municipal Council of The Corporation of the City of London enacts as follows:

1. The Resolutions of the Shareholder of the London & Middlesex Housing Corporation, attached as Schedule “1” are ratified and confirmed.
2. The Mayor and the City Clerk are authorized to execute the Resolutions of the Shareholder ratified and confirmed under section 1 of this by-law.
3. This by-law comes into force on the day it is passed.

PASSED in Open Council on the day of , 2014.

J. Baechler
Mayor

Catharine Saunders
City Clerk

First reading - November , 2014
Second reading - November , 2014

Third reading - November , 2014

Schedule “1”

London & Middlesex Housing Corporation
(the “Corporation”)

WHEREAS subsection 104(1)(b) of the *Business Corporations Act* (Ontario) (the “Act”) provides that a resolution in writing dealing with all matters required by the Act to be dealt with at a meeting of shareholders, and signed by all the shareholders or their attorney authorized in writing entitled to vote at the meeting, satisfies all the requirements of the Act relating to that meeting of shareholders;

The following resolutions, signed by the sole shareholder of the Corporation entitled to vote thereon, are hereby passed pursuant to the provisions of the Act:

ELECTION OF DIRECTORS

WHEREAS pursuant to an Amended and Restated Shareholder Declaration, as amended (the “**Amended and Restated Shareholders Declaration**”) the board of directors of the Corporation shall consist of nine (9) directors, which shall be composed of various classes of directors, each serving for a three-year term;

AND WHEREAS the terms of the directors that are members of the first class expire at the annual meeting of shareholders held in 2015 pursuant to paragraph 4.4 of the Amended and Restated Shareholder Declaration;

NOW THEREFORE BE IT RESOLVED THAT:

1. Each of the following persons, being directors that are members of the first class pursuant to paragraph 4.4 of the Amended and Restated Shareholder Declaration, is hereby **elected** as a director of the Corporation to hold office for a term with the expiry as set out below, provided that when a successor is not duly elected, such director shall hold office until his or her successor is appointed:

<u>Class</u>	<u>Name of Director</u>	<u>Term</u>
First	Gordon Saylor	November 30, 2016
First	Robert Sexsmith	November 30, 2016

CONFIRMATION OF CONTINUING TERMS

2. Each of the following persons, being directors that are members of the second, third and fourth class, as provided for below, pursuant to paragraph 4.4 of the Amended and Restated Shareholder Declaration, are hereby confirmed as having a term continuing until the expiry as set out below, provided that such directors shall hold office until his or her successor is elected:

<u>Class</u>	<u>Name of Director</u>	<u>Term</u>
Second	Joan Ball	November 30, 2014
Second	Glenn Hadley	November 30, 2014
Third	Dale Henderson	November 30, 2014
Third	Vacant	
Third	Vacant	
Fourth	Joseph Swan	November 30, 2014
Fourth	Doug Reycraft	November 30, 2014

3. Pursuant to paragraph 6.2(b) of the Amended and Restated Shareholder Declaration, the LMHC may advise the Municipal Council of desired competencies when seeking applicants for vacancies on the Board and put forward the names of applicants for consideration for those vacancies;

REMOVAL OF DIRECTORS

4. Pursuant to paragraph 4.5 of the Amended and Restated Shareholder Declaration, the attendance requirements for the Board be amended to allow for the removal a Board member 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; and

HOUSEKEEPING CHANGES

5. Other minor housekeeping changes be made to the Amended and Restated Shareholder Direction to reflect current legislative references and position titles.

DATED this _____ day of _____, 2014.

The Corporation of the City of London

By: _____
Name: J. Baechler
Title: Mayor

By: _____
Name: Catharine Saunders
Title: City Clerk