

# **EDMONTON METROPOLITAN TRANSIT SERVICES COMMISSION REGULAR MEETING**

**February 18, 2021 at 1pm – 3pm**

**via: Zoom Video Meeting**

## **Agenda**

1. Call to order
2. Opening remarks
3. Approval of agenda
4. Approval of minutes
  - a) February 12 Inaugural Board Meeting minutes
5. Administrative Update
6. New Business
  - a) Authority Matrix
  - b) Proposed Interim 2021 Operating Budget
  - c) Audit & Finance Committee Establishment
  - d) Human Resources & Compensation Committee Establishment
  - e) Bylaws and Policy Task Force Establishment
7. Board member remarks and roundtable discussion
8. In camera discussion
9. Closing remarks
10. Adjournment

# **EDMONTON METROPOLITAN TRANSIT SERVICES COMMISSION INAUGURAL MEETING**

**February 12, 2021 at 3pm – 4pm**

**via: Zoom Video Meeting**

## **Minutes**

### **Board Directors Present**

Wes Brodhead, Councillor, City of St. Albert - Chair  
Michael Walters, Councillor, City of Edmonton - Vice Chair  
Ray Ralph, Mayor, Town of Devon  
Justin Laurie, Deputy Mayor, Town of Stony Plain  
Glen Finstad, Councillor, City of Leduc  
Gordon Harris, Councillor, City of Fort Saskatchewan  
Sam Munckhof-Swain, Councillor, City of Beaumont

### **Board Directors Absent**

Chantal McKenzie, Councillor, City of Spruce Grove

### **EY**

Alan Thom  
Josh Colle  
Haylee Ritchie  
Samantha Kelemen

### **Legal Counsel**

Bill Shores

1. Call to order

Wes Brodhead calls the meeting to order at 3:02pm.

2. Opening remarks

Treaty 6 Land Acknowledgement

3. Approval of agenda

**EMTSC-21-001**

Moved by Ray Ralph

That the February 12, 2021 agenda be adopted as presented.

At 3:06pm

CARRIED UNANIMOUSLY

4. New business

- Adoption of Governance Bylaw

**EMTSC-21-002**

Moved by Michael Walters

That the Board adopt the proposed draft Bylaw 1 - *A Bylaw Respecting the Governance of The Edmonton Metropolitan Transit Services*

*Commission* dated February 9, 2021 and as presented at the February 12, 2021 Board meeting.

At 3:09pm

CARRIED UNANIMOUSLY

- Adoption of Procedural Bylaw

**EMTSC-21-003**

Moved by Sam Munckhof-Swain

That proposed Bylaw 2 be amended so that time periods be expressed in "Business Days" rather than "days" as follows:

a. section 2 be amended

i. by adding the following definition after subsection b.;

- "Business Day" means any day other than a Saturday, Sunday or statutory holiday in Alberta;

ii. by renumbering the subsections that follow;

- b. section 9 be amended by deleting the words “business days” and replacing them with “Business Days”;
- c. section 11 be amended by deleting the words “five days” and replacing them with “five Business days”; and
- d. section 12 be amended by deleting the words “three days” and replacing them with “three Business days”.

At 3:11pm

CARRIED UNANIMOUSLY

**EMTSC-21-004**

Moved by Glen Finstad

That the Board adopt the proposed amended draft *Bylaw 2 - A Bylaw Respecting Procedure at Meetings of The Edmonton Metropolitan Transit Services Commission* dated February 9, 2021 and as presented at the February 12, 2021 Board meeting and amended at the February 12, 2021 Board meeting.

At 3:18pm

CARRIED UNANIMOUSLY

- 5. Board member remarks and roundtable discussion
- 6. In camera discussion

**Also in attendance:**

- Alan Thom, EY
- Josh Colle, EY
- Haylee Ritchie, EY
- Samantha Kelemen, EY
- Bill Shores, Legal Counsel

**EMTSC-21-005**

Moved by Justin Laurie

That the Board move in camera, in accordance with the provisions of Division 2, Exceptions to Disclosure, of the Freedom of Information and Protection of Privacy Act (FOIP), R.S.A 2000, c.F-25. Including:

- 16(1) Disclosure harmful to business interest of a third party
- 17(1) Disclosure harmful to personal privacy
- 19(1) Confidential evaluations
- 21(1) Disclosure harmful to intergovernmental relations
- 22(1) Cabinet and Treasury Board confidences

- 23(1) Local public body confidences
- 24(1) Advice from officials
- 25(1) Disclosure harmful to economic and other interests of a public body
- 27(1) Privileged information
- 28(1) Information that is or will be available to the public

At 3:40pm

CARRIED UNANIMOUSLY

**EMTSC-21-006**

Moved by Michael Waters

That the Board move out of camera.

At 4:24pm

CARRIED UNANIMOUSLY

**EMTSC-21-007**

Moved by Glen Finstad

That no motions to be made coming out of camera.

At 4:27pm

CARRIED UNANIMOUSLY

7. Closing remarks

8. Adjournment

**EMTSC-21-008**

Wes Brodhead moves to adjourn the meeting at 4:28pm

## **Request for Decision – Authority Matrix**

### **Summary/Issue**

An Authority Matrix is required to outline the signing and spending authority delegated by the Board of Directors to Committees of the Board and the CEO, and which authority will remain with the Board, to support the stand-up of the Edmonton Metropolitan Transit Services Commission (“Commission”).

### **Previous Commission Direction/Policy**

Previously contracted subject matter resources (SMRs) recommended the development and implementation of an Authority Matrix to delegate signing and spending authority of the Edmonton Metropolitan Transit Services Commission. As a result of adopting a strong matrix in the early days, the Commission will realize increased efficiency of decision making and management of financial controls.

### **Recommendation:**

That the Commission:

- Approve the Authority Matrix as presented in this report.

### **Investigation**

Although not legally required, an Authority Matrix is recommended to support the effective development of sound decision making and financial administration that will provide accountability and contribute to internal controls for the Commission.

### **Implications**

An Authority Matrix will be prudent for the Commission to adopt as a procedural document that will improve the efficiency and oversight of key business processes, including those requiring the establishment of contracts and approval of expenditures.

## **Business Plan/Budget Implications**

The Authority Matrix only provides delegated authority to Committees of the Board and the CEO to authorize agreements and expenditures that are outlined in the operating and capital budgets. Committees of the Board and/or the CEO must inform and seek direction from the Board for any expenditures outside of the operating and capital budget, as per the Municipal Government Act (MGA).

## **Risks**

An Authority Matrix is a key requirement of an organization to maintain proper internal controls. Without an Authority Matrix to assign delegated signing and spending authority, the Commission is at risk of ineffective or unauthorized decision making. The Authority Matrix should be reviewed on an ongoing basis so that it remains effective based on the future growth and structure of the Commission.

## **Attachments**

1. EDMONTON METROPOLITAN TRANSIT SERVICES COMMISSION Authority Matrix

*\*See pages 8-11 of this agenda package*

# EDMONTON METROPOLITAN TRANSIT SERVICES COMMISSION

## Authority Matrix

Version	Approval Date	Description
1	TBD	Original version created

### **Purpose**

An Authority Matrix is a key internal control required by the Edmonton Metropolitan Transit Services Commission (EMTSC) to ensure the integrity of financial and accounting information, promote accountability, and prevent fraudulent activity. It provides procedural guidance to key EMTSC roles, positions and governance bodies, thereby supporting an effective system of signing and spending authority, financial administration, and effective governance. Specifically, it outlines what decision authority resides with the Board of Directors, committees of the Board, the Chief Executive Officer, and other positions or governance bodies created by the EMTSC.

### *Signing and Spending Authority Statement*

The following EMTSC roles are thereby granted signing and spending authority within their areas of responsibility and limits set out in this Authority Matrix:

1. Board of Directors (“the Board”)
2. Committees of the Board
3. Chief Executive Officer (CEO)

As other positions or governance bodies are created by the Commission, the Board may approve updates or changes to this Authority Matrix by way of an Ordinary Resolution.

### **Tactical Application of the Authority Matrix**

#### *Context*

This Authority Matrix supports and aligns with the Governance Bylaw, which states the Board may delegate any of its duties, authorities or powers to the Chair, a committee of the Board or the CEO, except:

- a. The power or duty to pass bylaws;
- b. The power to expropriate;
- c. The power to authorize a borrowing;
- d. The power to adopt budgets;
- e. The power to approve financial statements; and
- f. The power to make, suspend or revoke the appointment of a person to the position of CEO.

The initial Authority Matrix illustrates that the majority of duties and authority initially resides with the Board; however, as Committees and new positions are created, delegations can occur.

### *Key delegations*

According to the Governance Bylaw and in the absence of a CEO, the Board may appoint by special resolution a person, a firm, or an organization to exercise the authority of an perform the duties of the CEO on an interim basis. When this occurs, the authority ascribed to the CEO as outlined by the Authority Matrix is also delegated.

When the Board Chair is unable to perform their duties as Chair or if the office of the Chair is vacant, the Board Vice Chair must act as the Chair and therefore assumes authority ascribed to that role, as defined by the Authority Matrix.

### *Approvers, preparers and reviewers*

This Authority Matrix defines which role or governance body is responsible for **preparing** or **approving** various documents or payments associated with business processes central to the effective operation, governance, and oversight of the Commission. It also explains what role or governance body is responsible for **reviewing** prepared documents prior to them being brought to the Approver. Definitions for Approvers, Preparers, and Reviewers are as follows:

- **Preparer (P):** The individual or governance body granted authority by the Board to prepare the document or payment which must then be signed by the Approver(s)
- **Approver (A):** The individual or governance body with authority held by or granted by the Board to commit to and execute agreements or commit to an expenditure
- **Reviewer (R):** The individual or governance body responsible for applying increased capacity, rigour, and oversight to the execution of key business processes outlined by the Authority Matrix

### *Expenditures*

While the Authority Matrix outlines signing and spending authorities, as per section 602.26(1) of the Municipal Government Act (MGA), the Commission may make an expenditure only if it is:

- a) included in the Commission's operating budget or capital budget or otherwise authorized by its Board,
- b) for an emergency, or
- c) legally required to be paid.

The authority thresholds may not evade the limits by subdividing payment, invoice, or contracts into smaller amounts. Depending on the size of the agreement or expenditure, signatures may be required from more than one Approver for it to be binding. In these cases, two spending authorities or signing authorities may be required as denoted by an 'A' in the Authority Matrix. Board approval by way of a motion may also be necessary, such as to approve a contract valued at \$75,000 or more where signatures from the Chair and CEO would also be needed.

**EDMONTON METROPOLITAN TRANSIT SERVICES COMMISSION**  
**Authority Matrix**

Business Process	Board	Board Chair	Audit & Finance Committee	HR & Compensation Committee	CEO
<b>Policies - Creation and Revision</b>					
Bylaws and Transit Fare	A	-	-	-	P
Transit Customer Experience & Operations	A	-	-	-	P
Human Resources	A	-	-	R	P
Legal	A	-	-	-	P
Finance, Risk and Internal Controls	A	-	R	-	P
Technology Information Management (including data privacy and security)	A	-	-	-	P
Communications, Marketing and Advertising	A	-	-	-	P
Investment	A	-	R	-	P
<b>Budget</b>					
Annual Business Plan and Budget	A	-	R	-	P
Annual Budget - Approval	A	-	-	-	-
Budget Revisions - Individual Line Items	A	-	R	-	P
Budget Revisions - Categorical	A	-	R	-	P
<b>Bank Accounts</b>					
Bank Accounts - Creation	A	-	-	-	P
Transfers Between Operating Accounts	-	-	-	-	A
<b>Contracts</b>					
Vendor Selection	-	-	-	-	A
Contracts - \$75,000 or Greater (2 signatures required)	A	A	-	-	A
Contracts - \$75,000 or Less	-	-	-	-	A
<b>Disbursements</b>					
Cheque Signing/Electronic Transfers > \$25,000 (2 signatures required)	-	A	-	-	A

Business Process	Board	Board Chair	Audit & Finance Committee	HR & Compensation Committee	CEO
Cheque Signing/Electronic Transfers ≤ \$25,000 (2 signatures required)	-	A	-	-	A
<b>Credit and Borrowing</b>					
Credit Accounts – Creation	-	-	-	-	A
Credit Accounts – Use	-	-	-	-	A
Indebtedness / Borrowing	A	-	R	-	-
<b>Expenditures (Invoices)</b>					
Expenditure - \$75,000 or Greater (2 signatures required)	-	A	-	-	A
Expenditure - Up to \$75,000	-	-	-	-	A
Expense Reimbursements - Employees	-	-	-	-	A
Expense Reimbursements - CEO	-	A	-	-	-
Expense Reimbursements - Board	A*	-	-	-	-
<b>Payroll</b>					
Payroll runs	-	-	-	-	A
<b>Grant Application</b>					
Planning	R	-	-	-	P
<b>Workforce</b>					
CEO Hiring/Termination/Extension	A	-	-	R	-
<b>Other</b>					
Authority Matrix	A	-	-	-	P

\*With the exception that only the Board Vice Chair may approve the Board Chair's expense reimbursements.

# Request for Decision – 2021 Operating Budget

## Summary/Issue

The Edmonton Metropolitan Transit Services Commission (EMTSC) must adopt an operating budget for each calendar year, as per Section 602.23(1) of the Municipal Government Act (MGA).

## Previous Commission Direction/Policy

The eight member municipalities re-affirmed their decision to establish the Commission through Council voting which occurred in December 2020. Council decisions were based upon a due diligence process, including financial estimates provided under the *Accelerating Transit in the Edmonton Metropolitan Region Business Case* and *Addendum*. These documents outlined projected incremental costs of standing up the Commission over 2020 and 2021 (See Table 9 – Revised RTSC Case: Funding shortfall Build-up on page 20 of the Addendum, which was publicly issued on June 1, 2020). These operating cost projections were used by the Interim Board as a ‘transitional budget’ during the Pre-implementation Phase and form the basis of the proposed 2021 Operating Budget.

## Recommendation

That the Commission:

- Adopt the proposed 2021 Operating Budget as presented in this report.

## Investigation

As per section 602.26 of the MGA, the EMTSC may make an expenditure only if it is included in the Commission’s operating budget or capital budget or otherwise authorized by its board, unless the expenditure is for an emergency or is legally required to be paid. Furthermore, it states that each board must establish procedures to authorize and verify expenditures that are not included in a budget, which is addressed by the Authority Matrix discussed under Agenda Item 6a) above.

As outlined by the business case and application to the Province, expenditures required to facilitate the transition to, and stand-up of the Commission will be funded through borrowing in accordance with section 602.31 of the MGA and debt limit regulation determined by the Minister of Municipal Affairs. As per the Business Case, Commission borrowings are projected to be gradually recovered over time once the EMTSC is operational and savings from a reduction in duplication of existing services are achieved.

### **Implications**

Without an operating budget formally in place for the 2021 calendar year, every expenditure decision may need to come in front of the Board for decision. Especially during the start-up period, Commission administration will need the ability to act nimbly to prevent a delay in the roll-out of regional services by mid-to-late 2022. The adoption of an operating budget by the Board provides the parameters needed to make authorized and timely expenditure decisions, also governed by the Authority Matrix.

### **Business Plan/Budget Implications**

The formal adoption of a 2021 Operating Budget will enable the Commission to carry out the activities associated with the *Formation and Set-up Phase* of the implementation plan for the Commission and reimburse municipalities for necessary work that occurred during the *Pre-implementation Phase* (see *Appendix H: Detailed Implementation Plan* on page 210 of the [Business Case](#) for further information). It should be expected that once the CEO is in place, an updated budget for 2021 may be brought forward at a later date for Board consideration.

### **Risks**

If an interim budget is not approved by the Board and in place to support the ongoing activities related to the standing up of the Commission, timelines may be impacted because all financial decisions will need to be escalated to the Board for approval.

### **Attachments**

1. EDMONTON METROPLITAN TRANSIT SERVICES COMMISSION Proposed Interim 2021 Operating Budget

*\*See pages 14-15 of this agenda package*

# EDMONTON METROPOLITAN TRANSIT SERVICES COMMISSION

## Proposed Interim 2021 Operating Budget

### Context

A detailed [Business Case](#) was developed prior to the legal formation of the Commission, which included estimated financials required to stand up and operate a Regional Transit Services Commission (RTSC) between the years 2020-2026. This Business Case was titled *Accelerating Transit in the Edmonton Metropolitan Region: Building a Regional Transit Services Commission* and was published publicly on January 22, 2020. Following a process of voting by the thirteen municipalities in the region, Councils from eight municipalities voted over 2020 to join the Commission based on a due diligence process largely documented by the Business Case and an [Addendum](#) document released publicly on June 1, 2020 that adjusted financial estimates to reflect a smaller number of anticipated Commission member municipalities.

Following the initial Council voting process that occurred in the Spring of 2020, prospective member municipalities proceeded to execute those activities outlined by the *Pre-implementation Phase* in the Business Case. Key activities included working with the Province of Alberta to satisfy the requirements of an application to form the Commission, managing the executive search for the Commission's Chief Executive Officer (CEO), and program delivery activities required to facilitate a smooth transition to the Commission. For example, this included work to develop draft bylaws required to govern the Commission, execution of communications activities, and compilation of recommendations from municipal transit and planning professionals for how to tactically transition existing municipal transit operations to the EMTSC.

### Overview

To proceed with activities required to stand up the Commission over 2021, an Operating Budget must be put in place. While the back-office functions of the newly formed Commission are stood up and resourced over the next few months, a proposed interim Operating Budget for the 2021 calendar year has been developed (see next page). This interim 2021 Operating Budget reflects the sum of 2020 and 2021 costs estimated and published under the revised business case, as documented in the Addendum. It includes estimated one-time and startup costs, as well as recurring costs of operating the Commission for the period prior to it commencing operations in 2022. For a description of each expense category and details of how associated costs were estimated, please see *Appendix K: RTSC Case incremental cost descriptions and assumptions* on pages 224-227 of the Business Case.

Over the next few months, the EMTSC will stand up and resource its finance function. This will include setting up Commission bank accounts, establishing a Chart of Accounts and finance software, as well as negotiating credit financing within provincially approved debt limits to cover the operating shortfall until operational savings from services consolidation are realized.

**EDMONTON METROPOLITAN TRANSIT SERVICES COMMISSION  
PROPOSED INTERIM 2021 OPERATING BUDGET**

<i>In thousands \$CAD</i>	<i>Business Case for Reference Only</i>		<b>Proposed Operating Budget 2021</b>
	<i>Non-operating Period</i>		
	2020	2021	
<b>INCOME</b>			
Total Advertising & Marketing Revenue	\$ -	\$ -	\$ -
Total Farebox Revenue	\$ -	\$ -	\$ -
Total Grant Revenue	\$ -	\$ -	\$ -
Total Interest Revenue	\$ -	\$ -	\$ -
Total Other Income	\$ -	\$ -	\$ -
Total Partner Programs Revenue	\$ -	\$ -	\$ -
Total Pass Sales	\$ -	\$ -	\$ -
<b>TOTAL INCOME BEFORE REQUISITIONS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>EXPENSES</b>			
Total Recoveries - Operating	\$ -	\$ -	\$ -
Total Requisitions - Capital	\$ -	\$ -	\$ -
Total Requisitions - Operating	\$ -	\$ -	\$ -
<b>TOTAL INCOME</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>EXPENSES</b>			
Branding	\$ -	\$ 100	\$ 100
Infrastructure & Assets	\$ -	\$ 76	\$ 76
Legal & Professional	\$ 40	\$ 80	\$ 120
Organizational	\$ 74	\$ 461	\$ 535
Public Engagement	\$ -	\$ 100	\$ 100
Service Delivery	\$ -	\$ 250	\$ 250
Program Delivery	\$ 300	\$ 580	\$ 880
<b>TOTAL ONE-TIME AND START-UP EXPENSES</b>	<b>\$ 414</b>	<b>\$ 1,647</b>	<b>\$ 2,061</b>
			\$ -
Incremental Resourcing Cost	\$ -	\$ 1,340	\$ 1,340
Office Lease & Utilities	\$ -	\$ 96	\$ 96
Policy & Legal	\$ -	\$ 29	\$ 29
Technology Licenses & Services	\$ -	\$ 70	\$ 70
Interest Carrying Costs	\$ 8	\$ 81	\$ 89
Other Incremental Costs	\$ -	\$ 80	\$ 80
<b>TOTAL RECURRING EXPENSES</b>	<b>\$ 8</b>	<b>\$ 1,695</b>	<b>\$ 1,704</b>
			\$ -
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 422</b>	<b>\$ 3,342</b>	<b>\$ 3,765</b>
<b>SURPLUS / DEFICIENCY PRIOR TO AMORTIZATION</b>			
	\$ -	\$ -	\$ -
Amortization Expense	\$ -	\$ -	\$ -
<b>TOTAL AMORTIZATION EXPENSE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>NET INCOME*</b>	<b>-\$ 422</b>	<b>-\$ 3,342</b>	<b>-\$ 3,765</b>

\*Referred to as *Total RTSC Funding Shortfall* under the Business Case

# Request for Decision – Audit & Finance Committee Establishment

## Summary/Issue

An Audit & Finance Committee is required to assist the Board in:

- Overseeing the integrity of the Commission’s financial management and reporting systems;
- Overseeing the effectiveness of the Commission’s internal controls;
- Ensuring the independence of the Commission’s internal and external auditors;
- Monitoring risk management policies and systems; and,
- Such other initiatives as may be necessary or desirable to enhance Board effectiveness.

## Previous Commission Direction/Policy

Based on industry leading practice, the establishment of an Audit & Finance Committee is required to assist in the oversight of the financial reporting and audit processes, the review of the operating and capital budgets, the review internal control maintenance, and the monitoring of risk management.

Previously contracted subject matter resources (SMRs) recommended the establishment of an Audit & Finance Committee as one of the first acts of the Board to allow for the efficient and effective stand-up of the Finance function of the Edmonton Metropolitan Transit Services Commission (EMTSC).

## Recommendation

That the Commission:

- Approve the establishment of an Audit & Finance Committee as presented in this report, including the appointment of members to that Committee.

## Investigation

The EMTSC is required to prepare audited annual financial statements for the immediately preceding calendar year under Section 602.36 of the Municipal Government Act (MGA), adopt an operating budget for each calendar year under

Section 602.23, adopt a capital budget for each calendar year under Section 602.25, and adopt an annual budget under Section 602.27.

### **Implications**

The Audit & Finance Committee will be required to assist the Board in overseeing the integrity of the Commission's financial management, reporting systems, and budget development.

### **Business Plan/Budget Implications**

The Audit & Finance Committee will assist the Board in the oversight of the development of the operating and capital budgets to be used by the Commission.

### **Risks**

Without the establishment of an Audit & Finance Committee, the Board will have less flexibility and capacity to carry out its fiduciary duty that a committee structure provides for. It may also be viewed as operating in a manner that deviates from standard industry practices, which may pose a reputational risk to the Commission.

### **Attachments**

*None.*

# Request for Decision – HR & Compensation Committee Establishment

## Summary/Issue

The Human Resources (HR) & Compensation Committee will provide strategic leadership and advice to the Board regarding human resource (HR) strategies, principles and managing risks; compensation framework; HR policies; the review and recommendation of annual performance and compensation of the Chief Executive Officer (CEO).

## Previous Commission Direction/Policy

Based on standard industry practice, the establishment of an HR & Compensation Committee is required to oversee the performance and recommended annual compensation of the CEO, as well as the compensation framework for all employees of an organization.

Previously contracted subject matter resources (SMRs) recommended the establishment of an HR & Compensation Committee as one of the first acts of the Board to review and advise on the offer package for the successful CEO candidate, review the developed compensation framework for the initial employees of the Commission, and oversee the development of the required HR policies and procedures for the Edmonton Metropolitan Transit Services Commission (EMTSC).

Prior to formal establishment, there was an informal HR & Compensation Committee that met to oversee the commencement of the CEO candidate search and to provide flexibility to progress these activities in between Interim Board meetings.

<p><b><u>Recommendation:</u></b></p> <p>That the Commission:</p> <ul style="list-style-type: none"><li>• Approve the establishment of an HR &amp; Compensation Committee as presented in this report, including the appointment of members to that Committee.</li></ul>
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## **Investigation**

As outlined under *Part 3 – Chief Executive Officer of the Commission* of the Governance Bylaw for the Edmonton Metropolitan Transit Services Commission, the Board is responsible for:

- a. Ensuring that the CEO appropriately performs the duties and functions and exercises the powers assigned to the CEO by this Bylaw or any other bylaw or resolution of the Board; and
- b. Undertaking an annual performance evaluation of the results that the CEO has achieved with respect to fulfilling the Chief Executive Officer's responsibilities under this Bylaw and any other bylaw or resolution of the Board and providing a written copy of that evaluation to the CEO.

A committee structure allows for the flexibility to monitor the performance of the CEO, as well as human resources matters influencing the overall health of the organization in between formal Board meetings.

## **Implications**

The HR & Compensation Committee will support the fulfillment of Part 3 of the adopted Governance Bylaw. Additionally, the HR & Compensation Committee will be looked upon to provide strategic leadership and advice to the Board regarding the stand-up and ongoing monitoring of the HR function of the EMTSC.

## **Business Plan/Budget Implications**

The endorsed CEO and organizational compensation framework reviewed by the HR and Compensation Committee will be reflected in the Commission's annual operating budget.

## **Risks**

Without the establishment of an HR & Compensation Committee, the Commission may be viewed as not having established a committee to provide proper oversight of CEO performance and human resources matters impacting the overall health of the EMTSC.

## **Attachments**

*None.*

# Request for Decision – Bylaw and Policy Task Force Establishment

## Summary/Issue

A Bylaw and Policy Task Force will provide strategic direction and oversight on Governance Bylaw refinement, Code of Conduct policy development, Operational Bylaw development, in addition to other elements required under the Governance Bylaw.

## Previous Commission Direction/Policy

To increase the efficiency of the continued refinement of the Governance Bylaw as the Edmonton Metropolitan Transit Services Commission (EMTSC) grows, and support the development of a Code of Conduct policy and Operational Bylaw, it is recommended that a Bylaw and Policy Task Force composed of Board Directors be formed.

Prior to formal establishment, a Regional Transit Services Commission (RTSC) Bylaws Task Force was informally created in 2019 for a period of time to refine the drafted initial bylaws necessary to satisfy the Commission application requirements under the version of the Municipal Governments Act (MGA) that was in effect at that time. Legal counsel was later retained to provide independent legal advice on drafted bylaws to ensure compliance after the new MGA requirements were implemented in September 2020; legal counsel also provided direct support in developing the Governance Bylaw.

### Recommendation:

That the Commission:

- Approve Bylaw and Policy Task Force Establishment as presented in this report, including the appointment of Board members to that Task Force.

## Investigation

The Edmonton Metropolitan Transit Services Commission is required to pass bylaws as defined and outlined in Section 602.09 of the Municipal Government Act (MGA). The Governance Bylaw will fulfill the following requirements under Section 602.09(1):

- a. Respecting the administration of the Commission;
- b. Respecting the process for changing the directors of the board and the chair of the Commission and for setting the terms of office of the board and chair;

- c. Respecting the process for adding and removing members;
- d. Respecting the process for disestablishment of the Commission, including the treatment of assets and liabilities on disestablishment.

An Operational Bylaw will be required to fulfill the following requirements under Section 602.09(1):

- a. Respecting the provision of the commission's services;
- b. Respecting the fees to be charged by the commission for services provided to its customers or to any class of its customers;
- c. Respecting the disposal of assets by the commission.

A Code of Conduct is also required for the purposes of clarifying the Commission's mission, values, and principles, while linking them to standards of professional conduct required by the Board.

### **Implications**

The Governance Bylaw, Operational Bylaw, and Code of Conduct will be prudent for the Commission to adopt as it will frame how the Commission is set up to act.

### **Business Plan/Budget Implications**

Legal counsel may be required by the Board to further refine the Governance Bylaw as well as draft of the Operational Bylaw to ensure compliance with the Municipal Government Act (MGA). Additionally, the Code of Conduct will need to align with bylaws adopted by the Commission. These costs have been contemplated as part of the business case, which was developed to support the formation of the Commission.

### **Risks**

Without the additions to the Governance Bylaw and the development of an Operating Bylaw, the Commission will be at risk of non-compliance with the acceptable governance of its continued operation. Without a Code of Conduct, the EMTSC will not have guidance upon which employees can base their decision-making and the Commission may be exposed to liability that would otherwise be preventable.

### **Attachments**

*None.*