



CITY OF HAMILTON
CORPORATE SERVICES
Legal and Risk Management Services

TO:	Mayor and Members General Issues Committee
COMMITTEE DATE:	December 4, 2019
SUBJECT/REPORT NO:	Reappointment of Members of Council to the Board of Directors of City of Hamilton Owned Corporations (LS19046) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	David McKenna (905) 546-2424 Ext. 4025
SUBMITTED BY:	Nicole Auty City Solicitor Legal and Risk Management Services
SIGNATURE:	

RECOMMENDATION

- (a) That the Mayor and City Clerk be authorized and directed to execute resolutions in writing on behalf of the City of Hamilton as the sole shareholder or sole voting member, reappointing members of Council to the Board of Directors for the corporations listed below, substantially in the form attached as Appendices “A” through “D” of Report LS19046:
- (i) The Hamilton Street Railway Company;
 - (ii) Hamilton Renewable Power Inc.;
 - (iii) CityHousing Hamilton Corporation; and
 - (iv) Hamilton Farmers’ Market Corporation.
- (b) The term of office of members of Council appointed as directors for the corporations listed in Recommendation (a) of Report LS19046 be three years and shall run from November 30, 2019 to November 14, 2022.

EXECUTIVE SUMMARY

The Ontario *Business Corporations Act* provides that individuals appointed to a Corporation's Board of Directors shall hold office for terms not exceeding three years.

At the December 12, 2018 meeting of the General Issues Committee, members of the City of Hamilton's newly elected Council were appointed to the Board of Directors for the respective City owned Corporations. Such Council members were appointed for one-year terms, with the understanding that their terms as directors would subsequently be renewed to align with their terms of office.

The purpose of this Report LS19046 is to authorize the reappointment of Council members to the Board of Directors for the City owned Corporations listed in Recommendation (a) for additional three-year terms. Approval of the recommendations in Report LS19046 will result in Council members' terms as directors aligning with the remainder of the current Council's term of office. Therefore, no further reappointments will be required.

Staff are recommending that such reappointments be effected through individual resolutions for each corporation, substantially in the form attached as Appendix "A" through "D" of Report LS19046.

Alternatives for Consideration – See Page 4

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: N/A

Staffing: N/A

Legal: Approval of the recommendations in Report LS19046 will authorize the Mayor and City Clerk to execute written resolutions of the City of Hamilton as the sole shareholder or sole voting member of the City's wholly owned corporations. Such written resolutions will result in the reappointment of the required members of Council to the Board of Directors for the City owned corporations listed in Recommendation (a).

HISTORICAL BACKGROUND

In the 2018 municipal election, a new City of Hamilton Council was elected. As the sole shareholder or sole voting member, the City is required to appoint Council members to the Board of Directors for the respective City owned Corporations.

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At the December 12, 2018 meeting of the General Issues Committee, members of the City of Hamilton's newly elected Council were appointed to the Board of Directors for the respective City owned Corporations. In order to comply with the term limit restrictions set out in the Ontario *Business Corporations Act*, such members of Council were initially appointed for one-year terms, with the understanding that their terms as directors would subsequently be renewed for three years to align with their terms of office.

There are currently four City-owned corporations which require the following reappointments for three-year terms:

- (i) **The Hamilton Street Railway Company (HSR)** - all 16 members of Council;
- (ii) **Hamilton Renewable Power Inc. (HRPI)** - 3 members of Council;
- (iii) **CityHousing Hamilton Corporation (CHH)** - 5 members of Council;
and
- (iv) **Hamilton Farmers' Market Corporation (HFM)** - 1 member of Council.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

The Ontario *Business Corporations Act* requires a corporation to have a board of directors which consists of at least one individual.

The Ontario *Corporations Act* (Ontario), which regulates Ontario's not-for-profit corporations, also requires a corporation to have a board of directors, which must consist of a fixed number of directors not less than three.

Both statutes dictate that directors cannot serve for terms exceeding three years.

RELEVANT CONSULTATION

City Clerks was consulted in the preparation of Report LS19046.

ANALYSIS AND RATIONALE FOR RECOMMENDATION(S)

The legislative framework for the various City-owned corporations requires that a Board of Directors be elected or appointed to supervise the management of the business and affairs of those corporations.

For each Board of a corporation wholly-owned by the City of Hamilton, City Council approves the appointment of directors, among other matters, as part of the corporation's governance structure, subject to any specific legislative requirements.

At the December 12, 2018 meeting of the General Issues Committee, members of the City of Hamilton's newly elected Council were appointed to the Board of Directors for the respective City owned Corporations. In order to comply with the term limit restrictions set out in the Ontario *Business Corporations Act*, such members of Council were initially appointed for one-year terms, with the understanding that their terms as directors would subsequently be renewed to align with their terms of office.

The purpose of this Report LS19046 is to authorize the reappointment of members of Council to the Board of Directors for the City owned Corporations listed in Recommendation (a) for additional three-year terms to align with the current Council's term of office.

ALTERNATIVES FOR CONSIDERATION

For each of the City owned corporations identified in this report, separate shareholder meetings could be held to appoint members of Council to the Board of Directors. However, the shareholders' resolutions have the same effect as meetings for these purposes and eliminate the need to carry out repetitive meetings to achieve the same purpose.

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

Our People and Performance

Hamiltonians have a high level of trust and confidence in their City government.

APPENDICES AND SCHEDULES ATTACHED

Appendix "A" – The Hamilton Street Railway Company Shareholder Resolution

Appendix "B" – Hamilton Renewable Power Inc. Shareholder Resolution

Appendix "C" – CityHousing Hamilton Corporation Member's Resolution

Appendix "D" – Hamilton Farmers' Market Corporation Member's Resolution

Appendix "E" – Report LS18057