

May 2, 2017

Mary Cameron  
Chair

**VIA EMAIL**

Interim Board for the Edmonton Metropolitan Region Economic Development Initiative

**Email to:** [mary.cameron@shaw.ca](mailto:mary.cameron@shaw.ca)

**Subject: Sturgeon County Comments on Economic Development Entity Articles Package**

Ms. Cameron:

Thank you again for the Interim Board's willingness to receive municipal feedback on the draft Articles prior to finalizing for 'early adopter' sign-on later this month. Sturgeon County recognizes this group's work is important, but has concerns with the aggressive timelines mandated for municipal Councils to determine their involvement, given the 3-year budget commitment and that limited public engagement on this work has occurred. With that said, Sturgeon County Administration intends to bring forward an item for Council's direction at our May 23 Council meeting. We would respectfully request that the draft 3-year budget be shared with us prior to this date, to inform Council's decision-making process.

We have identified some initial high-level concerns including:

- The definition of 'shared investment/shared benefit' and how it is implemented needs to be a very thoughtful and accountable approach which considers the local decision-making powers of municipal Councils. We suggest that the Shareholders alone embark on this Initiative, with direct representation from municipal administrations, and supported by the Board when required; this should be enshrined in the Articles. Moreover, specific attention and definition will need to be given to the 'dividends' of growth directly attributed to local municipal efforts versus those attributable to the regional economic development entity.
- Given the roles and responsibilities other entities within the region have regarding economic development, some form of recognition of their role needs to be identified within the Articles. This is especially true of Alberta's Industrial Heartland Association, the Edmonton International Airport Authority, and the Leduc Nisku Economic Development Association.
- There has been a lack of public engagement on this Initiative. Given the public dollars that are being requested, mechanisms need to be engrained into the Articles to ensure that thoughtful member and public engagement occurs in the future; we suggest that in addition to having an annual general meeting, the Board CEO, Chair, and regional Director should meet with each municipal Council in Council Chambers to provide an update on Board Initiatives, and share the upcoming year's proposed budget.
- We are concerned around the alignment of this group's work with that of Provincial and Federal agencies, and believe that further thought and attention should be given to including representation from other orders of Government, within the articles to achieve this. Recognition within the definition of 'public official' makes note of this.

- In order to make a 3-year budget commitment, Sturgeon County Council needs to see a proposed 3-year budget.

More specific to the Articles, we offer the following recommendations. We expect to forward brief legal comments to you, once our legal counsel has had an opportunity to review:

- S. 4 (p. 9) should note that the 'order list' will be developed by the Board.
- S. 17 (p. 12) should be limited to the Chair and Vice Chair only.
- Section 41 (p. 41) the 'buy-in' fee for additional shareholders should be transparent, fair and equitable, given that individual funding scenarios are addressed through the 3-year funding commitment and corresponding formula.
- Section 42 (p. 19) needs to address what financial commitment may be required of the Shareholder, should a 'shared investment/shared benefit' model be employed.
- Section 46 & 78 (p. 20 & 27): the Shareholders should approve the Strategic Plan, not the Board. This will help to ensure effective governance and accountability for public dollars.
- Section 52 (p. 21): outside of annual general meetings, a direct mechanism for accountability is required of the Board back to member municipalities; we have suggested an annual presentation by the Board Chair, CEO, and regional Director to each Council.
- S. 71 (p. 24) needs to clarify what happens if a Shareholder representative is unable to attend, and alternative representation has not been achieved (S. 66). For instance, is absentia an automatic vote in the affirmative? We would recommend that it is not an automatic vote, and that simple majority remain constant for those members in attendance.
- Sections 78.m, 78.n, and 78.s (p. 27) should be removed, as well as any other reference to borrowing
- S. 80.c (p. 28) should give consideration to fraud, as well as bankruptcy.
- S. 104 (p. 31) needs to clarify conflicts of interest, potential and otherwise, whereby a Director could be receiving honorariums and remuneration from competing agencies, or 'double-dipping' on public funds.
- S. 110 (p. 32): more than just the Board Chair should be required to remove any committee member; a simple majority of Directors is preferred.
- S. 111 (p. 32): Shareholders should also be able to appoint advisors and advisory bodies. We would recommend that an advisory body of CAOs/designates to the Board be engrained within the Articles. This should also be clarified in S. 60 (p. 22) as a right to be present.

We hope to see our recommendations addressed in the revised Articles that are released May 10, and thank you again for considering our feedback.

Best Regards,



Peter Tarnawsky, County Commissioner-CAO  
Sturgeon County



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**Sturgeon County Council**  
**Stephane Labonne, General Manager, Integrated Growth**  
**Malcolm Bruce, CEO, Capital Region Board**

May 10, 2017

To: Peter Tarnawsky  
From: Mary Cameron

**Subject: Sturgeon County Comments on Economic Development Entity Articles Package**

Mr. Tarnawsky,

Thank you for your comments regarding the set of proposed Articles for the Edmonton Metropolitan Region Economic Development Entity. While the set of Articles is still considered a draft, we feel the Articles are 95% done and will be finalized by the municipalities who sign on May 24, 2017 (the "Early Adopters"). As such, some of your recommended changes are decisions that will be made by the Early Adopters and, if included, would then be incorporated into the Articles or through policy.

We are not able to provide a detailed budget as it will be up to the transition Board to deliver the initial budget and we are wary of being too prescriptive. The cost projections were finalized after reviewing similar organization in scope and scale.

In regards to your specific comments:

- The Shareholders should take a thoughtful approach in defining shared investment/shared benefit and how it would be implemented to ensure it is well received. This is a project to be addressed by the Shareholders. There are many successful models from which the Shareholders can determine the best practices that are best suited for our region.
- The CRB was recently granted \$300,000 to conduct an environmental scan that will look at the various organizations and how they work and interact presently in the region. This will assist in the launch the new Economic Development Entity and provide role clarification and avoid duplication.
- There are many ways for the Entity to report back to Shareholders, and it will be their job to determine the most appropriate method. In the Articles it outlines these processes which also includes an Article amending process.
- The Entity will work very closely with the Provincial and Federal Governments. While we do not yet have a written commitment, our conversations with the Province and the Federal Government have been promising, indicating their support as evidenced by the initial \$300, 000.00 provincial Grant.
- The Interim Board has provided cost projections after exploring the operations of other entities of this kind. It will ultimately be up to the Entity Board to approve an initial budget. Thereafter, it will be a Management responsibility to create and Entity Board to approve. It was the Interim Board's intent to ensure flexibility in the early stages for the Shareholders, and for the Entity's Board.

## **ARTICLES**

Specific to the Articles, we have noted some of your intent is already captured in the Articles and then provided clarification where needed.

Specifically the following has been done:

- ***S. 4 (p. 9) should note that the 'order list' will be developed by the Board.***

We have provided clarification for this Article.

- ***S. 17 (p. 12) should be limited to the Chair and Vice Chair only.***

By limiting this authority to the Chair and Vice Chair, it may become difficult to conduct business if one of those individuals is away or unavailable. The Board would need to make a resolution to authorize another individual while that person is away which may be easy to manage where the absence can be anticipated but more difficult for any unexpected absences.

- ***Section 41 (p. 41) the 'buy-in' fee for additional shareholders should be transparent, fair and equitable, given that individual funding scenarios are addressed through the 3-year funding commitment and corresponding formula.***

The particulars about adding shareholders and the buy-in fees will be contained in a policy to be developed the Shareholders.

- ***Section 42 (p. 19) needs to address what financial commitment may be required of the Shareholder, should a 'shared investment/shared benefit' model be employed.***

The Articles currently contemplate that the financial commitment of shareholders will be limited to the Annual Contribution Fee on a three year commitment basis. The shareholders will determine what shared investment/shared benefit might mean and what any agreement on this point between the shareholder might look like.

- ***Section 46 & 78 (p. 20 & 27): the Shareholders should approve the Strategic Plan, not the Board. This will help to ensure effective governance and accountability for public dollars.***

Good governance practices dictate Strategic Plans are the realm of Boards to approve. The Shareholders provide their oversight through the hiring and firing of the Board and its Chair.

- ***Section 52 (p. 21): outside of annual general meetings, a direct mechanism for accountability is required of the Board back to member municipalities; we have suggested an annual presentation by the Board Chair, CEO, and regional Director to each Council.***

Reporting will be determined by the Shareholders.

- ***S. 71 (p. 24) needs to clarify what happens if a Shareholder representative is unable to attend, and alternative representation has not been achieved (S. 66). For instance, is absentia an automatic vote in the affirmative? We would recommend that it is not an automatic vote, and that simple majority remain constant for those members in attendance.***

A Shareholder who is not present at a meeting does not have a vote and there is no automatic vote in the affirmative. Please refer to article 65. We've provided further clarity in articles 65 and 66.

- ***Sections 78.m, 78.n, and 78.s (p. 27) should be removed, as well as any other reference to borrowing***

All borrowing for the organization will be defined in policy for the organization. Article 78(s) was removed. Article 78(m) and 78(n) have been revised.

- ***S. 80.c (p. 28) should give consideration to fraud, as well as bankruptcy.***

Fraud has been added to Article 80.

- ***S. 104 (p. 31) needs to clarify conflicts of interest, potential and otherwise, whereby a Director could be receiving honorariums and remuneration from competing agencies, or 'double-dipping' on public funds.***

We have provided further clarity in Articles 101 and 104.

- ***S. 110 (p. 32): more than just the Board Chair should be required to remove any committee member; a simple majority of Directors is preferred.***

This has been changed to a simple majority of Directors.

- ***S. 111 (p. 32): Shareholders should also be able to appoint advisors and advisory bodies. We would recommend that an advisory body of CAOs/designates to the Board be engrained within the Articles. This should also be clarified in S. 60 (p. 22) as a right to be present.***

The Entity will ultimately determine the makeup of the Advisory Bodies. It will then be up to the Shareholders to determine if they want the Advisory Bodies enshrined in the Articles or better left to an Organizational Terms of Reference/Policy.

We will be distributing the revised articles later today.

Sincerely,



Mary Cameron, Chair  
Interim Board for the Edmonton Metropolitan Region Economic Development Initiative

Encl: Sturgeon County Letter, May 2, 2017

Cc. Sturgeon County Council,  
Stephane Labonne, General Manager, Integrated Growth,  
Malcolm Bruce, CEO, Capital Region Board,  
Capital Region Board,  
Capital Region CAOs,  
Interim Board for the Edmonton Metropolitan Region Economic Development Initiative