



Staff Report to Council

Administrative Services

FILE: 01-0360-30/24

REPORT DATE: September 02, 2024 **MEETING DATE:** September 10, 2024

TO: Mayor and Council

FROM: Kate Barchard, Manager of Administrative Services

SUBJECT: Proposed Changes to E-Comm Governance Structure

CHIEF ADMINISTRATIVE OFFICER REVIEW/APPROVAL:

On behalf of M. Roberts

RECOMMENDATION(S):

THAT Council:

- A. Receive for information the 'Proposed Changes to E-Comm Governance Structure' staff report as presented at the September 10, 2024 Council meeting; OR
- B. Other.

PURPOSE

The purpose of this staff report is to provide Council with an update on proposed changes to E-Comm's governance structure and to inform Council of an opportunity to attend a shareholder consultation session in September to provide feedback on those proposed changes.

- Information Report Decision Report Direction Report

DISCUSSION

Background:

As a user of E-Comm's radio system, the City of Pitt Meadows is a shareholder of the company, shares a seat on the E-Comm Board of Directors with Maple Ridge, and has a vested interest in E-Comm's corporate and operational success.

In October 2023, E-Comm engaged Deloitte to conduct an independent review of their governance and financial structure. This was in response to the evolving complexities and challenges that E-Comm is facing in serving their key stakeholders. The results of that review

have now been published and are available online at <https://www.ecomm911.ca/transformation/governance/>. A summary of the results are attached to this report as **Attachment A**.

After intensive consultation with 80 different E-Comm stakeholders and representatives (including CAO Roberts' involvement in that process), Deloitte is now recommending ten key changes to E-Comm's corporate and financial structure. These changes are expected to address shareholder concerns and ensure E-Comm's longterm success as a vital public safety communications organization in the province. A high level summary of those changes are as follows, with the expected benefits and further details provided through both the Summary Report attached, and the Full Report which can be found online at the link above:

- 1) Implement a new governance structure (including a streamlined Board).
- 2) Refine the use of representative service governance bodies, such as User and Service Committees with member-appointed representatives.
- 3) Propose revisions to Board and Management Committees to support enhanced decision-making and oversight.
- 4) Create a shareholder Nominating or Screening Committee to identify and approve new Board Director candidates.
- 5) Enfranchise all users regardless of regional geography by making them shareholders (rather than the current state in which only radio users are Class A shareholders).
- 6) Seek Board, member and ministerial approvals, as required, of proposed changes to the governance structure and articles/Members' Agreement.
- 7) Refine the Board agenda, cycle, materials, procedures, and policies, including a formal Delegation of Authorities.
- 8) Redesign the operating cost/budgeting model to provide greater equity and transparency by changing the cost and capital allocation processes and pricing by type of service.
- 9) Develop a streamlined service delivery and pricing process to drive stronger economies of scale and efficiency in the governance, pricing, and service delivery processes.
- 10) Develop investment funding and operating cost forecasting strategies to provide greater clarity of future costs and remove unexpected fluctuations from the pricing/funding models.

To quote from their Summary Report (page 2):

E-Comm's operating paradigm has changed dramatically since it was conceived. The increased number of stakeholders, rapid pace of technological change, pressure to meet diverse user and public expectations, the ability to find and retain strong talent, and to achieve all of this on a minimal budget, has left E-Comm in a position of financial and technological deficit and with a credibility gap with its stakeholders. While some aspects of the organization have evolved and

scaled with this growth trajectory, E-Comm’s governance framework has remained somewhat stagnant and is constantly challenged to provide effective oversight and accountability.

E-Comm is continuing their engagement process and is now inviting all shareholders to attend a consultation session on September 26, 2024 to provide feedback on Deloitte’s recommendations and to review the proposed approach for the financial governance changes. E-Comm will then prepare the implementation measures needed to enact the proposed corporate structure and board governance changes, and will present them to the shareholders for approval at a special general meeting in the spring 2025. A summary of these next steps can be found in the Shareholder Action Guide (**Attachment B**).

Involvement in the September shareholder consultation session is optional. If Council wishes to send a representative, they can pass a resolution to appoint that person, or leave that decision at the discretion of the Mayor. The City’s representative can be a Council member, staff member, or other person deemed appropriate and adequately informed to contribute to the discussion.

Once E-Comm has finalized their recommendations in the early spring, Staff will be coming back to Council to seek their endorsement of those changes and to appoint a representative or proxyholder to vote the City’s shares on these matters.

COUNCIL STRATEGIC PLAN ALIGNMENT

- Principled Governance Balanced Economic Prosperity Infrastructure
 Community Spirit & Wellbeing Corporate Pride Public Safety
-

WORKPLAN IMPLICATIONS

- Already accounted for in department workplan / no adjustments required
 Emergent issue / will require deferral of other priority(ies)
 Other
-

FINANCIAL IMPLICATIONS

- None Budget Previously Approved Referral to Business Planning

There are no financial implications associated with this report.

PUBLIC PARTICIPATION

- Inform Consult Involve Collaborate Empower

KATZIE FIRST NATION CONSIDERATIONS

Referral Yes No Other

SIGN-OFFS

Written by:

Kate Barchard,
Manager of Administrative Services

Reviewed by:

Stephane Drolet,
Fire Chief

ATTACHMENT(S):

- A. E-Comm Governance Review – Summary
- B. E-Comm Shareholder Action Guide