

**AGENDA**  
GOVERNANCE STEERING COMMITTEE MEETING  
BOARD ROOM, 411 DUNSMUIR STREET, NANAIMO, BC  
TUESDAY, 2013-NOV-19, AT 1:00 P.M.

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1. **CALL THE GOVERNANCE STEERING COMMITTEE MEETING TO ORDER:**

2. **INTRODUCTION OF LATE ITEMS:**

3. **ADOPTION OF AGENDA:**

4. **ADOPTION OF MINUTES:**

- (a) Minutes of the Special Open Governance Steering Committee Meeting held in the Board Room, 411 Dunsmuir Street, Nanaimo, BC, Wednesday 2013-SEP-04 at 9:03 a.m. *Pg. 2-11*

5. **REPORTS:**

- (a) Governance Review Recommendations *Pg. 12-24*

*Purpose: To obtain Steering Committee direction on the implementation of the Governance Review recommendations in order to prepare a report to Council for approval.*

Staff Recommendation: That the Governance Steering Committee adopt Appendix "B" re the implementation of the Governance Review recommendations, or to provide alternate direction.

6. **OTHER BUSINESS:**

7. **ADJOURNMENT:**

**MINUTES**  
**SPECIAL OPEN GOVERNANCE STEERING COMMITTEE MEETING**  
**BOARD ROOM, 411 DUNSMUIR STREET, NANAIMO, BC,**  
**WEDNESDAY, 2013-SEP-04, AT 9:03 A.M.**

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**PRESENT:** Councillor G. E. Greves, Chair

**Members:** Councillor G. Anderson 9:19 a.m.  
Councillor M. D. Brennan  
Councillor D. K. Johnstone  
Councillor W. B. McKay

**Others:** Mayor John Ruttan 10:26 a.m.  
Councillor W. L. Bestwick  
Councillor J. A. Kipp  
Councillor J. F. K. Pattje  
Teresa Budd, Watson Inc.  
Elizabeth Watson, Watson Inc.

**Staff:** E. C. Swabey, City Manager  
T.L. Hartley, Director of Human Resources and Organizational Planning  
T. Hickey, General Manager of Community Services  
I. Howat, Acting General Manager of Corporate Services  
Melanie Lefurgey, Recording Secretary

**1. CALL THE OPEN MEETING TO ORDER:**

The Special Open Governance Steering Committee Meeting was called to order at 9:03 a.m.

**2. ADOPTION OF AGENDA:**

It was moved and seconded that the agenda be adopted. The motion carried unanimously.

**3. ADOPTION OF MINUTES:**

(a) It was moved and seconded that the minutes of the Special Governance Steering Committee held in the City Manager's Meeting Room, 238 Franklyn Street on Tuesday, 2013-MAR-07 at 9:00 a.m. be adopted as circulated. The motion carried unanimously.

(b) It was moved and seconded that the minutes of the Special Governance Steering Committee held in the Board Room, 411 Dunsmuir Street on Thursday, 2013-JUL-04 at 9:03 a.m. be adopted as circulated. The motion carried unanimously.

4. OTHER BUSINESS:

(a) Consideration of Watson Inc. Appendix A: Summary of Recommendations

Ms. Elizabeth Watson, Watson Inc., provided an overview of the meetings and work to date on Watson Inc.'s Governance Framework: Summary Report and introduced Appendix A: Summary of Recommendations for Committee (attached). Committee agreed on prioritization and timing (timing of a priority noted where different):

Priorities:	Timing:
A - Must do, high	0-6 months
B - Must do, medium	0-12 months
C - Nice to do	0-18 months
D - do NOT recommend	

Councillor Anderson entered the Board Room at 9:19 a.m.

Ms. Watson advised the Recommendations in the Summary provide a foundation for interaction, they are not intended to be specific (restrictive) but form a framework and order for discussion amongst Council and staff.

- 1) Recommendations related to Charter and Conflict of Interest Guidelines 1, 2 & 3 of Summary – Committee agreed to assign Priority B, timing 0-12 months.
  - framework in clear language on the website for residents.
- 2) Recommendations related to City Manager Performance Evaluation 4, 52 & 53 of Summary – Committee agreed to assign Priority A, timing 0-6 months.
  - create opportunity for discussion between Council and the City Manager with clarity around focus and goals.
- 3) Recommendations related to Committee Structure 5 to 9 of Summary – Committee agreed to assign Priority A, timing 0-12 months.
  - committee functionality and process set out clearly with more structure and mandates;
  - formalize a process to match experience, background and skills against Committee needs.

Councillor Kipp vacated the Board Room at 9:56 a.m. and returned at 9:58 a.m.

- 4) Recommendations related to Governance Framework 10, 11, 12 & 13 of Summary – Committee agreed to assign Priority B, timing 0-12 months.
  - provide guidance for Councillors and order to information flow with a balanced framework to manage information.

Councillor Brennan vacated the Board Room at 10:26 a.m. and returned at 10:28 a.m.

Mayor Ruttan entered the Board Room at 10:26 a.m.

- current process generally works;
- include section identifying Councillor request for information procedure with principles set out in policy for internal requests;

- process and protocol for citizen requests, enquiries and comments.

Councillor Kipp vacated the Board room at 10:34 a.m. and returned at 10:36 a.m.

- 5) Recommendations related to Consultation and Communication Policies 57 and 58 of Summary – Committee agreed to assign Priority A, timing 0-18 months.
  - aligns with Recommendations 10-13 for good governance framework;
  - provides accountability to the public;
  - policy ensures requests are met in an orderly manner while providing certainty and time-frame.

The meeting recessed at 10:53 a.m. and resumed at 11:06 a.m.

- 6) Recommendations related to Strategic Plan Vision and Goals 14-16 of Summary – Committee agreed to assign Priority A; Ongoing.
  - Council set direction and continue proactively building out the process, including regular reporting;
  - development of a quarterly reporting format “dashboard” to Council around measures;
  - staff to advise of major issues as they come up.

Councillor Kipp vacated the Board Room at 11:09 a.m. and returned at 11:12 a.m.

- 7) Recommendations related to Decision Making Process 17 to 19, 21-24 of Summary – Committee agreed to assign Priority B, timing 0-12 months.
  - standardize meeting formats, materials and reporting to enable decision making and review Council Procedure Bylaw for required changes;
  - Council, together with staff, establish a work plan with more guidance around meetings, standardized information packages and timely information reports.
- 8) Recommendations related to Consultation and Communication 20, 57 & 58 of Summary – Committee agreed to assign Priority A, timing 0-18 months.
  - relates to public questions and answers (together with Recommendations 57 and 58 for bigger picture public communication);
  - template for meeting question period.
- 9) Recommendations related to In-Camera Confidentiality 25-27 of Summary – Committee agreed to assign Priority A, timing 0-12 months.
  - agree on balance with transparency, what is confidential, when it stops being confidential, while considering individual confidentiality;
  - align with Recommendation 59 (Code of Conduct).

Councillor Bestwick vacated the Board Room at 11:36 a.m.

- 10) Recommendation related to Shaw Auditorium seating 28 of Summary – Committee agreed to assign Priority C, timing 0-12 months.

- build stronger relationships by reconfiguring seating arrangements for meetings (visual perception - Council and staff have different roles but are on the same team).
- 11) Recommendation related to Delegated Authorities 29 of Summary – Committee agreed to assign Priority A.
    - review bylaws for consistency and alignment with changes under Recommendations 4, 52 and 53 (Terms of Reference and City Manager).
  - 12) Recommendation related to Regular Reporting 30 of Summary – Committee agreed to assign Priority A, timing 0-12 months.
    - aligns with Committee Mandate.
  - 13) Recommendations related to Committee Process 31-36 of Summary – Committee agreed to assign Priority A, timing 0-12 months.
    - Committee standardized report, reporting and minute framework being developed.
  - 14) Recommendations related to Council Code of Conduct 37-38 of Summary – Committee agreed to assign Priority A.
    - for individual Councillors, with Council to exhibit and adhere to values;
    - obligation to act in the best interest of the municipality, with decorum (attack issue not person, have respect, expected behavior and culture);
    - Council most effective working together as a team while bringing different points of view - have healthy debate, walk away with good relations following decision making;
    - self-imposed commitment to integrity and non-harassment.
  - 15) Recommendation related to Communications Strategy 39 of Summary – Committee agreed to assign Priority A, timing 0-18 months.
    - aligns with Recommendations 57 & 58.
  - 16) Recommendations related to Stewardship of Community Assets 40-45 of Summary – Committee agreed to assign Priority B.
    - Governance framework articulates Council responsibility - need to address how the Strategic Plan works with this;
    - process ensures Council deals with what it needs to, a scheduled work plan outlines processes – already doing, need the framework.

Councillor Kipp vacated the Board room at 12:19 p.m.

- 17) Recommendations related to Positive Culture and Dynamic 46-47 of Summary – Committee agreed to assign Priority A.
  - process to change how to interact with staff in regular sessions;
  - Council committed to functioning better, discuss issues in a timely manner to make it work.
- 18) Recommendations related to Accountability 48-51 of Summary – Committee agreed to assign Priority A; Ongoing.

- align with Recommendations 14 and 15;
  - performance measures are in progress –Balanced Scorecard and Taking Responsibility;
  - working towards more frequent regular reporting schedule.
- 19) Recommendation related to City Manager Review 54 of Summary – Committee agreed to Priority A, timing 0-6 months.
- aligns with Recommendations 52 and 53;
  - review process occurs once per Council term with the Mayor leading, someone to tabulate - Watson Inc. can assist in how this works.
- 20) Recommendations related to Internal and External Audit 55-56 of Summary – Committee agreed to Priority B - In Progress.
- Purchasing is pilot project;
  - audit not just financial, performance management look internally at what we do, if we can improve, i.e. plan, react, evaluate, plan again cycle, measure and learn from it;
  - review annually to determine what to include in internal plan.
- 21) Recommendation related to Council Code of Conduct 59 of Summary – Committee agreed to Priority A, timing 0-18 months.
- aligns with Recommendations 57 and 58.

Next Steps

Ms. Watson advised a summary will go to Council with a recommendation to proceed. They have policy templates to accomplish 80-90%; the remaining 10-20% require further information. Watson Inc. will report to the GSC including chart, costing, suggested responsibility and time frame. This work will establish a foundation.

5. ADJOURNMENT:

It was moved and seconded at 1:02 p.m. that the meeting terminate. The motion carried unanimously.

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CHAIR

CERTIFIED CORRECT:

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CORPORATE OFFICER

## **APPENDIX A: SUMMARY OF RECOMMENDATIONS**

1. Create a charter that sets out explicitly the areas of Council responsibility. The charter should include Council responsibilities set out in the Charter together with Council's general responsibilities to ensure a sound, sustainable organization.
2. Create a position description for the Mayor's position that provides more detailed guidance on the Mayor's responsibilities.
3. Create a position description for the Councillor position that provides guidance for individual Councillors on their individual roles and responsibilities.
4. Revise the City Manager performance evaluation process to include the creation of annual goals and objectives for the City Manager.
5. Review the Committee structure with a view to determining whether current Committees remain relevant to the City's current activities and Strategic Plan. Sunset those Committees that are no longer relevant.
6. Reformat all Committee terms of reference to a standard format that addresses: purpose, composition and quorum, accountability, duties and responsibilities, meeting practices, reporting requirements and City staff support.
7. Within the overall governance framework for the City, include a Committee framework that identifies the various types of Committees that can be established by Council (along with Commissions and Boards) and how they relate to Council's decision-making authority.
8. Develop a process to govern the appointment of Committee members.
9. Ensure all Committee members receive orientation and training around their role and their Committee's role in the context of City-wide governance.
10. Ensure the role descriptions for individual Councillors, the Mayor and the City Manager identify applicable working relationships and emphasize the importance of constructive relationships.
11. Prepare written guidelines that provide guidance on the appropriate level of interaction between Councillors and individual staff members. The guidelines should provide guidance on how Councillors should handle concerns about the City Manager or staff performance.
12. Prepare written guidelines that set out the protocol for information requests by individual Councillors (e.g., through the Mayor and the City Manager, by request at a Council meeting).
13. Consider hiring an employee of Council whose job is to process information requests from Councillors. While the employee works with the City Manager to process requests, the employee answers to Council, rather than the City Manager.

14. Revisit the Strategic Plan to ensure alignment between and among Councillors on key issues, and alignment between Council and City staff.
15. To ensure progress against the Strategic Plan, ensure enough of Council's time is dedicated to discussing and making decisions relating to the priority issues in the Strategic Plan. Proactively schedule these items into future agendas (a "forward agenda") to ensure they receive the focus they deserve.
16. Review and establish key performance measures for the Strategic Plan and ensure staff reports regularly on progress against those measures.
17. Enhance the Council Procedure Bylaw (or establish another governance framework document) to outline more specifically the expected decorum of Councillors and the role of the Mayor in relation to presiding at meetings, including action to be taken when Councillors break the rules of decorum.
18. For the annual agenda of topics, consider adopting a "forward agenda".
19. For the regular agenda, ensure that the order of business corresponds with the most important topics, placing those that are most significant at the beginning when Councillors are fresh and leaving routine reports to later.
20. Restrict the public question and answer period to interacting with media as contemplated by Section 20.1 of the Council Procedure Bylaw. In addition to the 10 minute limit for delegations to speak at Council meetings, develop guidelines for speakers at the public question and answer period.
21. Review forms of City staff reports and consider revising the standardized form of reporting to Council.
22. Ensure that materials are provided sufficiently in advance in order for Councillors to prepare.
23. For lengthier materials, ensure there is an executive summary that outlines the key items referenced above.
24. If Councillors have seen previous copies of materials, provide Councillors with black lined copies so they can easily find the revisions to the materials.
25. Review the use of *in camera* meetings to ensure compliance with applicable legislation and guidance from the Ombudsperson.
26. Discuss as a group and decide on how Council wants to approach *in camera* meetings and then create a written policy relating to *in camera* meetings.
27. Review the use of agenda reviews to ensure compliance with applicable legislation and guidance from the Ombudsperson.



28. Consider whether the seating arrangements in the Shaw Auditorium can be changed so that Councillors are not perceived to be debating with City staff. Alternatively, consider an alternate venue for Council meetings.
29. Review delegated authorities and ensure they are consistent with Council's overall governance framework.
30. Ensure that those having delegated authority report regularly to Council so Council can effectively monitor their performance.
31. Consider creating separate Committee Operating Guidelines.
32. Ensure there is written guidance on the preparation and timing of delivery of pre-reading materials for Committees.
33. Consider adopting a standard template for minute-taking at Committee meetings and a standard protocol for approving minutes and providing them to Council.
34. For advisory Committees, consider implementing a standardized form of Committee reporting to Council, including:
  - a) a summary of Committee meeting dates;
  - b) issues addressed by the Committee since the last Committee report;
  - c) submission to Council, if any; and
  - d) issues to be addressed by the Committee in the future.
35. For Committees who have been delegated responsibility to make decisions, consider implementing a standardized form of Committee reporting to Council, including:
  - a) a summary of Committee meeting dates;
  - b) statistics appropriate to its mandate
  - c) items of note - i.e., issues that may require Council attention from a strategic perspective; and
  - d) policy recommendations - any policy recommendations arising from its decisions.
36. Where Committees are bringing forward items for decision by Council, ensure the information provided is in accordance with Council requirements.
37. Adopt a Code of Conduct that incorporates the responsibilities regarding ethical conduct set out in the *Charter* and clearly articulates:
  - a) the conduct expected of individual Councillors;
  - b) confidentiality provisions;
  - c) conflict of interest guidelines; and
  - d) the consequences of failing to abide by the Code of Conduct.
38. Ensure that each Councillor reads and signs an annual declaration acknowledging that he/she understands the content of the Code of Conduct and agrees to abide by it.
39. Develop a communications strategy that articulates guidelines for communications between Councillors and the media and Councillors and staff.

40. As part of the overall governance framework, articulate a strategic planning framework that outlines Council's long-term approach to strategic planning.
41. As part of the overall governance framework, articulate Council's responsibility for financial and operational stewardship and outline how Council exercises this responsibility.
42. Consider introducing quarterly reporting to Council on financial and operational matters, using the balanced scorecard format.
43. Create a framework for risk oversight that can be used at the Council level to support an annual review of the City's risk profile and risk mitigation strategies.
44. Ensure that the City's Code of Conduct addresses conduct that may cause potential reputational damage to the City.
45. As part of the governance framework, establish a Council policy on stewardship of the City's human resources, including Council's role in ensuring the City has an appropriate approach to managing human resources, planning for leadership succession and ensuring potential future leaders are identified and developed.
46. Create a comprehensive governance framework, incorporating the various recommendations set out in this report.
47. Engage in a process to establish agreed-upon values and behaviours for Council and senior staff, together with a process to review and evaluate progress towards better functioning.
48. Incorporate in the City's governance framework a formal requirement for quarterly reporting to the Council on key performance measures.
49. Confirm the organizational performance measures (in both the Balanced Scorecard and Taking Responsibility) to ensure they are agreed to be the salient measures.
50. Consider a dashboard for reporting – so Councillors can see 'at a glance' what initiatives are on track and which are at risk.
51. Ensure that reports on progress include recommendations for adjustments, or at least a discussion point, if key targets are not being met.
52. Consider revising the City Manager performance evaluation process to include annual goals and objectives and an annual feedback and review process. Enhancements to the current process should be developed and agreed to by both Council and the City Manager.
53. Ensure that the City Manager performance management process incorporates the following elements:
  - a) An outline of the process, including clarity around the roles and responsibilities of parties involved in the process
  - b) A timeline outlining when key steps in the process are completed

- c) An opportunity for Council and the City Manager to set the City Manager's goals and objectives at the beginning of the period
  - d) A process to obtain objective feedback on the City Manager's performance against the agreed-upon goals
  - e) A process for Councillors as a group to review the feedback and determine key messages to be delivered to the City Manager
  - f) A process for the City Manager to receive and respond to the evaluation feedback.
54. If there is any concern about the process being managed internally (i.e., by the Human Resources Director), consider having the process managed externally.
55. Consider establishing an internal audit function within the City.
56. Set out in writing Council's involvement with the external and internal audit functions.
57. Adopt a Consultation Policy, outlining Council's commitment to consultation as part of its accountability to stakeholders.
58. Adopt a Communications Policy as part of Council's governance framework.
59. Ensure the Councillor's Code of Conduct includes specific reference to the handling of confidential information.

**City of Nanaimo**  
**REPORT TO GOVERNANCE STEERING COMMITTEE**

DATE OF MEETING: 2013-November-19

AUTHORED BY: Terry Hartley, Director of HR & Organizational Planning

RE: Governance Review Recommendations

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**STAFF RECOMMENDATION:**

That the Governance Steering Committee adopt Appendix "B" re the implementation of the Governance Review recommendations, or to provide alternate direction.

**PURPOSE:**

To obtain Steering Committee direction on the implementation of the Governance Review recommendations in order to prepare a report to Council for approval.

**BACKGROUND:**

The Corporate Strategic Plan identifies "Taking Responsibility" as one of its strategic priorities. One of the initiatives relating to this priority is a Governance Policy, Structure and Processes Review and Audit (a "Governance Review"). On March 7, 2013, Council awarded Request for Proposal No. 1389 re the Governance Review to the consulting firm of WATSON.

After engaging in interviews with Council members and senior staff, WATSON prepared a report known as the "Governance Framework: Summary Report." On July 4, 2013, the governance consultant attended a meeting of the Governance Steering Committee to present the report and to respond to questions. A follow-up Steering Committee meeting was held on September 4, 2013 at which time the consultant facilitated discussion and decision-making in relation to the recommendations.

A spreadsheet was prepared by WATSON (attached as Appendix "A") following the September 4, 2013 meeting with the Steering Committee. The spreadsheet contains a summary of recommendations along with their priority level (high, medium, low) and timing for completion (0-6 months, 0-12 months, 0-18 months, on-going or in progress).

In some cases, the implementation of the governance consultant's recommendations may require additional consulting services from WATSON or some other external service provider. Accordingly, staff sought proposals from several consultants who have governance expertise. The discussion portion of this report includes information about these proposals.

Attached as Appendix "B" is the WATSON spreadsheet as modified by staff in order to show the recommended assignment of responsibility for implementing each of the governance consultant's recommendations. This attachment will also serve as the Executive Summary for this report.

DISCUSSION:

**Priority Level**  
**High**

**Time-frame**  
**0-6 Months**

**Code of Conduct**

Recommendations #37, 38, 44, 47 and 59 relate to the development, documentation and use of a Code of Conduct. The governance consultant suggests that Council consider whether WATSON should be involved in the process to establish agreed upon values and behaviours.

Staff have been advised by WATSON that the fees for the firm to facilitate a process to establish agreed upon values and behaviour would range from \$15,000 (including a ½ day session) to \$20,000 (including a full day session). The work would include an interactive session with Council to outline Councillor's responsibilities and approach to ethical conduct and conflict of interest. A portion of the facilitated session would include participation from senior staff to focus on establishing agreed upon values and behaviours to promote better functioning of the City. Based on the feedback provided at the facilitated session, WATSON would develop a Code of Conduct, a draft of which would be reviewed by the Steering Committee before being finalized for adoption by Council

The City Manager has indicated a willingness to engage Council in a Code of Conduct discussion without the presence of an external facilitator. The results of such a session would be translated by staff into a Code of Conduct for Council's review and approval.

Subject to alternate direction, staff has suggested the latter approach in Appendix "B."

**Priority Level**  
**High**

**Time-frame**  
**0-12 Months**

**Council Committees/Delegated Authorities**

There are 13 recommendations relating to Committee structure, membership, terms of reference, reporting relationship to Council and operating guidelines (#5, 6, 7, 8, 9, 29, 30, 31, 32, 33, 34, 35 and 36). WATSON has provided a proposal to assist the City with the recommendations concerning the development of standard terms of reference for each Advisory Committee (#6), the creation of Advisory Committee Operating Guidelines (#31) and the development of a standardized form of Advisory Committee report to Council (#34 and #35). Many of the other recommendations respecting Council Committees/delegated authorities can be supported through the documentation of the Operating Guidelines. The governance consultant estimates the professional fees for this component of the project to be in the range of \$17,000-\$20,000.

A prerequisite to implementing recommendations concerning Advisory Committee Operating Guidelines is an assessment of whether or not the current committee structure remains relevant in the context of the Corporate Strategic Plan (#5) and a review of delegated authorities to ensure they are consistent with Council's overall governance framework (#29). As part of his organizational structure review, the City Manager intends to make recommendations on committee structure and delegated authorities. Once Council has made decisions in this regard, staff believes the documentation of terms of reference, the creation of operating

guidelines and the development of a standardized committee report format can be done in-house after research into municipal best practices in this area.

**Priority Level**  
**High**

**Time-frame**  
**0-18 Months**

### **Communication and Consultation**

The governance consultant recommends that Council adopt a consultation policy, showing its commitment to consultation as part of its accountability to stakeholders (#57), to develop a communications strategy that articulates guidelines for communication between Council members and the media and between Council members and staff (#39, 58), and to make changes to practices with respect to delegations (#20).

WATSON has provided a proposal in relation to recommendations #39 and #58. The firm proposes to work with the Steering Committee to develop a formal communications protocol for Councillors and staff that delineates what needs to be reported, when, by whom and to whom. This would involve meeting jointly with Council and senior staff members to discuss needs, expectations and a potential process for communications and then drafting the communications protocol for review by the Steering Committee, the City Manager and the Communications Manager, before finalizing it for adoption by Council. The estimated professional fees for this work would range from \$5,000 to \$10,000.

As an alternative to the above, the Communications Manager could be tasked with implementing the recommendations in this area. If Council chooses instead to use WATSON for recommendations #39 and #58, staff believes the other recommendations in this section (#20 and #57) are appropriately assigned to the Communications Manager given there is a natural alignment between these recommendations and the goals in the City's Communication Plan.

**Priority Level**  
**High**

**Time-frame**  
**In progress/Ongoing**

### **Strategic Plan Alignment**

Most of these recommendations in this area were contemplated as a follow-up to the development of the Corporate Strategic Plan but had not been implemented at the time of the Governance Report. WATSON proposes that Council revisit the strategic plan to ensure alignment (#14), to be sure Council has dedicated time for discussing and making decisions relating to the priority issues in the strategic plan (#15) and to review and establish key performance measures for the strategic plan, ensuring staff reports regularly on progress against those measures (#16).

Council has a scheduled session for a one year update of the Corporate Strategic Plan. The intention at this session is to determine:

1. Whether the six strategic priorities identified continue to be the critical few areas that need attention and focus over the term of the plan, or whether other priorities have arisen that need to be added or substituted.
2. Whether the strategies and/or initiatives that are proposed to advance the priorities continue to be appropriate and whether others should be added or substituted.

3. The timing that is proposed for completion of each of the strategies and/or initiatives and whether or not this timing is in accordance with the wishes of Council.
4. Whether the performance measures established for each of the six priorities and pillars of sustainability meet Council's needs.

Staff believes that the Corporate Strategic Plan review session will address the recommendations of the governance consultant in this area.

### **Organizational Performance Management**

There are a number of recommendations in the WATSON report relating to organizational performance management. This includes creating a formal requirement for quarterly reporting to Council on key financial and operational matters (#42 and 48), confirming organizational performance measures to ensure they are agreed as salient measures (#49), considering a dashboard for reporting (#50), and ensuring that reports on progress include recommendations for adjustments, or at least a discussion point, if key targets are not being met (#51).

Staff are in the process of creating quarterly financial reports for Council. In addition, the Finance Director is continuing to implement the remaining aspects of the Balanced Scorecard. Staff believes that the remainder of the work in this area (quarterly operational reporting, confirming performance measures, creating a dashboard for reporting, and ensuring progress reports include a discussion point if key targets for performance measures are not being met) are most appropriately completed internally. It is expected that the implementation of these items will be dictated by staff capacity.

**Priority Level**  
**Medium**

**Time-frame**  
**0-12 Months**

### **Council Roles, Responsibilities and Relationships**

The governance consultant recommended that a charter be created that explicitly sets out areas of Council responsibilities (#1), that the position description for Mayor and Council members be enhanced to provide more detailed guidance on individual responsibilities (#2 and 3) and that role descriptions and written guidelines be prepared to assist with constructive relationships (#10 and 11). It was also suggested that the Council Procedure Bylaw or another governance framework document outline more specifically the expected decorum of Council members and the role of the mayor in relation to presiding at meetings, including action to be taken when Council members break the rules of decorum (#17).

In the past, the City has used external specialists to provide orientation and training on Mayor and Council roles and responsibilities (i.e. George Cuff, Allison Habkirk, Eli Mina). Staff believes that this is an area of governance that is appropriate to outsource. Accordingly, staff have solicited proposals on the recommendations in this area.

Eli Mina, a Board Effective Consultant & Registered Parliamentarian whom Council has used as a consultant previously, has provided a quote to implement the recommendations in this section. His work with respect to recommendations #1, 2 and 3 would consist of preparing a Charter for Council and role descriptions for the Mayor and Council members that would include statutory duties, quasi-judicial duties, meeting related duties, functioning as a decision-making body and leadership roles.

Allison Habkirk is a former Mayor and Councillor who provides leadership training to local government elected officials and senior staff through the Local Government Leadership Academy. She has also bid on this project. Council has worked with Ms. Habkirk previously in the area of roles and responsibilities. In order to implement recommendations #1, 2 and 3, Ms. Habkirk would prepare a 2-3 page document outlining the overarching purpose and responsibilities of Council, a 1-2 page document outlining the responsibilities and obligations of the Mayor and a 5-10 page document that would provide guidance to Council members in such areas as the delineation between Council members as governors versus the role of staff, conflicts of interest, standards of conduct in meetings, relations with staff, and preparation for and attendance at meetings.

With respect to recommendation #10 (working relationships) and #11 (interactions between Councillors and staff members), Eli Mina would create documents to describe the desired characteristics of these relationships, the steps needed to maintain and build collegial and collaborative relationships at all levels and protocols for Council members in interacting and directing staff and addressing staff performance issues. As an alternative, Allison Habkirk proposes to create a document that discusses the interrelationships between the Mayor, Councillors, City Manager and City staff, and a separate 5-10 page document detailing guidelines for how members of Council should interact with staff (including guidelines and protocols for how councillors request information, raise issues and communicate concerns about staff).

For the implementation of recommendation #1, 2, 3, 10 and 11, Eli Mina would charge professional fees in the range of \$5,250-\$7,125. Allison Habkirk would charge fees in the range of \$7,225-\$8,500 for this work.

Finally, Eli Mina proposes to work with the City's Corporate Officer to implement recommendation #17 (re the Council Procedure Bylaw). The work would include identifying outdated and unenforceable provisions to be removed, exploring how the bylaw can be made easier to follow, highlighting fundamental principles, making the bylaw more usable, improving provisions relating to the meeting agenda and late agenda items, establishing procedures to suspend some procedural rules, proposing changes to the public participation options and creating a procedural summary document to be available to citizens. Mr. Mina would also propose a periodic review of procedures to help improve focus and efficiency at meetings. His professional fees for this work would be \$7,500-\$9,000. Ms. Habkirk advises that reviewing the Council Procedure Bylaw would not be within her field of expertise.

### **Councillor Information Requests**

The governance consultant recommends the development of written guidelines setting out the protocol for information requests by individual Council members (#12) and further, that consideration be given to designating an employee of Council whose job is to process such information requests (#13).

Since the Governance Review was conducted, there have been a number of changes designed to improve information sharing. A recent example is the report the City Manager has implemented to provide information to Councillors on items discussed at the weekly Mayor's meeting. The City Manager has also made adjustments to have the Communications Manager more available to Council members as a way of facilitating the exchange of information.

Staff recommends sufficient time be taken to evaluate whether or not the information sharing changes that have been made are providing the desired results before taking specific action to implement the governance consultant's recommendations.



## **Agendas and Reports**

The recommendations in this section include adopting a “forward” agenda so that annual events are calendarized and routinized (#18), ensuring the order of business on the agenda corresponds with dealing with the most important topics first (#19), ensuring that materials are provided sufficiently in advance in order for Councillors to review (#22) and suggestions relating to the format of reports (#21, 23 and 24).

As part of the organizational planning effort in 2010-2012, a working group was established to review the Council report format. The working group consisted of a current Councillor, a former Councillor and two staff members. This working group reviewed the report format and recommended changes that were subsequently adopted by Council. Although these format changes have now been implemented, it is evident from the WATSON recommendations that further improvements could be made. In particular, staff need to be more diligent about using an executive summary for lengthier materials and about black-lining copies of reports that have been revised following distribution.

Staff have been making greater efforts to ensure that reports are provided sufficiently in advance for Council to review the information. To move forward with this recommendation, the City Manager has implemented a practice whereby staff who wish to submit a late report are required to first discuss this with the City Manager and provide an explanation for the delay.

WATSON has provided a sample template for a “forward” agenda and it is expected that the implementation of this recommendation can be carried out by staff following the development of the governance framework (see below). Similarly, staff is already working on a project to ensure the implementation of recommendation #19 regarding the ordering of agenda items.

## **Governance Framework**

The governance consultants recommend the development of a comprehensive governance framework that incorporates the various recommendations set out in the WATSON report (#46). The framework would include an outline of Council's long-term approach to strategic planning (#40), an articulation of Council's responsibility for financial and operational stewardship and how Council exercises this responsibility (#41, 42 and 48) an outline for risk oversight that can be used by Council to support an annual review of the City's risk profile and risk mitigation strategies (#43) and a Council policy on stewardship of the City's human resources (#45).

Staff believes that the governance framework can be developed internally once the various components of the framework have been implemented.

**Priority Level**  
**Medium**

**Time-frame**  
**In Progress/Ongoing**

## **In-Camera Meetings and Agenda Reviews**

WATSON recommends that the use of in camera meetings and agenda review meetings be examined to ensure compliance with applicable legislation and Ombudsperson guidance (#25 and 27). Further, it is suggested that Council discuss and decide its approach to in-camera meetings and to create an in-camera meeting policy (#26).

Staff believes that this work is appropriately undertaken by an external expert. Eli Mina has provided a quote in support of the recommendations in this area. His approach would be to

conduct interviews with staff about practices relating to in-camera meetings, agenda reviews and other meetings, identify any legal issues that need to be addressed, lead discussions with Council and senior staff to establish best practices, and finally, to create a policy document on in-camera, agenda review and other private meetings. The professional fees that would be involved in this work would range from \$2,250-\$2,625.

### **Audit Function**

The governance consultant recommends consideration of the establishment of an internal audit function (#55) and setting out in writing Council's involvement with the external and internal audit functions (#56).

Staff have prepared a report for Council (scheduled for the November 18, 2013 Council meeting) that recommends the engagement of an outside consultant to review the Waterworks contract to assess "value for money." If Council approves the staff recommendation, this project would give Council the opportunity to see whether an external audit such as this produces the desired results, and whether additional "value for money," or other types of audits, should be conducted. Staff believes it would be appropriate to assess the effectiveness of the aforementioned approach to the audit function prior to any consideration of the need for an internal auditor.

**Priority Level**  
**Low**

**Time-frame**  
**0-12 Months**

### **Seating Arrangements**

The governance consultant recommends that Council consider whether the seating arrangements in the Shaw Auditorium could be improved or whether an alternate venue for Council meetings should be considered (#28). Staff are in the process of seeing if there is a low-cost method for improving seating arrangements at the Shaw Auditorium. A report will be provided to Council on the results of this review.

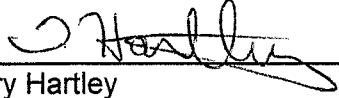
### **CONCLUSION**

Appendix "B" provides a summary of the recommended assignment of responsibility for implementing each of the Governance Review recommendations. Staff believes that most of the work can be performed in-house, however, there are specific areas where it would be appropriate to use an external specialist. The areas in which staff is recommending the use of external consultants and the associated costs are set out below:

- 1) Council Roles, Responsibilities and Relationships
  - Eli Mina: recommendation #17 - \$7,500-\$9,000
  - Allison Habkirk: recommendation #1, 2, 3, 10 and 11 - \$7,225-\$8,500
- 2) In-Camera Meetings and Agenda Reviews
  - Eli Mina: recommendation #25, 26 and 27 - \$2,250-\$2,625

Staff believes there are sufficient funds remaining from the Governance Review budget to fund the implementation of these recommendations.

Respectfully submitted,



Terry Hartley  
Director, HR & Organizational Planning

Respectfully submitted,



Ian Howat  
General Manager, Corporate Services

CITY MANAGER COMMENT:

I concur with the staff recommendation.

Drafted: November 12, 2013  
TH



## APPENDIX B: SUMMARY OF RECOMMENDATIONS WITH PROPOSED ASSIGNED RESPONSIBILITY FOR IMPLEMENTATION

### A. MUST DO, HIGH PRIORITY

Description		Related Documents	Estimated Timing to Complete	Responsibility
<b>City Manager Performance Management</b>				
4, 52, 53, 54	Revise the City Manager performance evaluation process to include the creation of annual goals and objectives for the City Manager.	Community Charter; City Manager Job Description; Officers Appointment and Delegation Bylaw 2006 No.7031	0-6 months	City Manager to meet with Council to discuss (not listed in report)
	Consider revising the City Manager performance evaluation process to include annual goals and objectives and an annual feedback and review process. Enhancements to the current process should be developed and agreed to by both Council and the City Manager.			
4, 52, 53, 54	Ensure that the City Manager performance management process incorporates the following elements: a) An outline of the process, including clarity around the roles and responsibilities of parties involved in the process b) A timeline outlining when key steps in the process are completed c) An opportunity for Council and the City Manager to set the City Manager's goals and objectives at the beginning of the period d) A process to obtain objective feedback on the City Manager's performance against the agreed-upon goals e) A process for Councillors as a group to review the feedback and determine key messages to be delivered to the City Manager d) A process for the City Manager to receive and respond to the evaluation feedback	Community Charter; City Manager Job Description; Officers Appointment and Delegation Bylaw 2006 No.7031	0-6 months	City Manager to meet with Council to discuss (not listed in report)
	If there is any concern about the process being managed internally (i.e. by the Human Resources Director).			
<b>Code of Conduct</b>				
37, 59	Adopt a Code of Conduct that incorporates the responsibilities regarding ethical conduct set out in the Charter and clearly articulates: a) the conduct expected of individual Councillors; b) confidentiality provisions; c) conflict of interest guidelines; and d) the consequences of failing to abide by the Code of Conduct.	Community Charter; Conflict of Interest Guidelines	0-6 months	Staff
38	Ensure that each Councillor reads and signs an annual declaration acknowledging that he/she understands the content of the Code of Conduct and agrees to abide by it.		0-6 months	Staff
44	Ensure that the City's Code of Conduct addresses conduct that may cause potential reputational damage to the City.		0-6 months	Staff
47	Engage in a process to establish agreed-upon values and behaviours for Council and senior staff, together with a process to review and evaluate progress towards better functioning.		0-6 months	Staff
<b>Council Committees/Delegated Authorities</b>				
5, 29	Review the Committee structure with a view to determining whether current Committees remain relevant to the City's current activities and Strategic Plan. Sunset those Committees that are no longer relevant.  Review delegated authorities and ensure they are consistent with Council's overall governance framework.	Strategic Plan; Advisory Committees Terms of Reference (Jan 2010); each Committee's Terms of Reference; Individual Commission Bylaws; Bylaw No. 7148 A Bylaw to provide for the Delegation of Council Executive and Administrative Powers; Officers Appointment and Delegation Bylaw 2006 No. 7031	0-12 months	Staff



# APPENDIX B: SUMMARY OF RECOMMENDATIONS WITH PROPOSED ASSIGNED RESPONSIBILITY FOR IMPLEMENTATION

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Description		Related Documents	Estimated Timing to Complete	Responsibility
<b>Council Committees/Delegated Authorities (continued)</b>				
6, 30, 32, 33, 34, 35, 36	Reformat all Committee terms of reference to a standard format that addresses: purpose, composition and quorum, accountability, duties and responsibilities, meeting practices, reporting requirements and City staff support.	Advisory Committees Terms of Reference (Jan 2010); each Committee's Terms of Reference; individual Commission Bylaws; Council Procedure Bylaw 2007 No. 7060; Report to Council	0-12 months	Staff
	Ensure that those having delegated authority report regularly to Council so Council can effectively monitor their performance.			
6, 30, 32, 33, 34, 35, 36	Ensure there is written guidance on the preparation and timing of delivery of pre-reading materials for Committees.	Advisory Committees Terms of Reference (Jan 2010); each Committee's Terms of Reference; individual Commission Bylaws; Council Procedure Bylaw 2007 No. 7060; Report to Council	0-12 months	Staff
	Consider adopting a standard template for minute-taking at Committee meetings and a standard protocol for approving minutes and providing them to Council.			
6, 30, 32, 33, 34, 35, 36	For advisory Committees, consider implementing a standardized form of Committee reporting to Council, including: a) a summary of Committee meeting dates; b) issues addressed by the Committee since the last Committee report; c) submission to Council, if any; and d) issues to be addressed by the Committee in the future.	Advisory Committees Terms of Reference (Jan 2010); each Committee's Terms of Reference; individual Commission Bylaws; Council Procedure Bylaw 2007 No. 7060; Report to Council	0-12 months	Staff
	For Committees who have been delegated responsibility to make decisions, consider implementing a standardized form of Committee reporting to Council, including: a) a summary of Committee meeting dates; b) statistics appropriate to its mandate c) items of note - i.e., issues that may require Council attention from a strategic perspective; and d) policy recommendations - any policy recommendations arising from its decisions.			
<i>Where Committees are bringing forward items for decision by Council ensure the information provided is in</i>				
7	Within the overall governance framework for the City, include a Committee framework that identifies the various types of Committees that can be established by Council (along with Commissions and Boards) and how they relate to Council's decision-making authority.	Community Charter ; Advisory Committees Terms of Reference (Jan 2010); each Committee's Terms of Reference; individual Commission Bylaws	0-12 months	Staff
8	Develop a process to govern the appointment of Committee members.	Advisory Committees Terms of Reference (Jan 2010); each Committee's Terms of Reference; individual Commission Bylaws	0-12 months	Staff
9	Ensure all Committee members receive orientation and training around their role and their Committee's role in the context of City-wide governance.	Orientation Material	0-12 months	Staff
31	Consider creating separate Committee Operating Guidelines.	Advisory Committees Terms of Reference (Jan 2010); each Committee's Terms of Reference; individual Commission Bylaws; Council Procedure Bylaw 2007 No. 7060	0-12 months	Staff



## APPENDIX B: SUMMARY OF RECOMMENDATIONS WITH PROPOSED ASSIGNED RESPONSIBILITY FOR IMPLEMENTATION

Description		Related Documents	Estimated Timing to Complete	Responsibility
<b>Communication and Consultation</b>				
20, 57	Restrict the public question and answer period to interacting with media as contemplated by Section 20.1 of the Council Procedure Bylaw. In addition to the 10 minute limit for delegations to speak at Council meetings, develop guidelines for speakers at the public question and answer period.  Adopt a Consultation Policy, outlining Council's commitment to consultation as part of its accountability to stakeholders.	Council Procedure Bylaw 2007 No. 7060, [Communication Plan]	0-18 months	Staff
39, 58	Develop a communications strategy that articulates guidelines for communications between Councillors and the media and Councillors and staff.  Adopt a Communications Policy as part of Council's governance framework.	[Communication Plan]	0-18 months	Staff
<b>Alignment on Vision and Goals</b>				
14	Revisit the Strategic Plan to ensure alignment between and among Councillors on key issues, and alignment between Council and City staff	Strategic Plan	In progress	Staff
15	To ensure progress against the Strategic Plan, ensure enough of Council's time is dedicated to discussing and making decisions relating to the priority issues in the Strategic Plan. Proactively schedule these items into future agendas (a "forward agenda") to ensure they receive the focus they deserve.	Strategic Plan; Council Procedure Bylaw 2007 No. 7060	In progress	Staff
16	Review and establish key performance measures for the Strategic Plan and ensure staff reports regularly on progress against those measures.	Strategic Plan; Council Procedure Bylaw 2007 No. 7060; Report to Council	In progress	Staff
<b>Organizational Performance Management</b>				
42	Consider introducing quarterly reporting to Council on financial and operational matters, using the balanced scorecard format.	Council Procedure Bylaw 2007 No. 7060	0-12 months	Staff
48	Incorporate in the City's governance framework a formal requirement for quarterly reporting to the Council on key performance measures.	Report to Council	0-12 months	Staff
49	Confirm the organizational performance measures (in both the Balanced Scorecard and Taking Responsibility) to ensure they are agreed to be the salient measures.	Strategic Plan	Ongoing	Staff
50	Consider a dashboard for reporting – so Councillors can see 'at a glance' what initiatives are on track and which are at risk.		Ongoing	Staff
51	Ensure that reports on progress include recommendations for adjustments, or at least a discussion point, if key targets are not being met.	Report to Council	Ongoing	Staff



# APPENDIX B: SUMMARY OF RECOMMENDATIONS WITH PROPOSED ASSIGNED RESPONSIBILITY FOR IMPLEMENTATION

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## B. MUST DO, MEDIUM PRIORITY

Description		Related Documents	Estimated Timing to Complete	Responsibility
<b>Council Roles, Responsibilities &amp; Relationships</b>				
1, 10	Create a charter that sets out explicitly the areas of Council responsibility. The charter should include Council responsibilities set out in the Charter together with Council's general responsibilities to ensure a sound, sustainable organization.  Ensure the role descriptions for individual Councillors, the Mayor and the City Manager identify applicable working relationships and emphasize the importance of constructive relationships.	Community Charter	0-12 months	Allison Habkirk
2	Enhance the position description for the Mayor's position to provide more detailed guidance on the Mayor's responsibilities.	Community Charter ; Conflict of Interest Guidelines	0-12 months	Allison Habkirk
3, 11	Enhance the position description for the Councillor position to provide guidance for individual Councillors on their individual roles and responsibilities.  Prepare written guidelines that provide guidance on the appropriate level of interaction between Councillors and individual staff members. The guidelines should provide guidance on how Councillors should handle concerns about the City Manager or staff performance.	Community Charter ; Conflict of Interest Guidelines; City Manager Job Description	0-12 months	Allison Habkirk
<b>Councillor Information Requests</b>				
12	Prepare written guidelines that set out the protocol for information requests by individual Councillors (e.g., through the City Manager, by request at a Council meeting).		0-12 months	Staff
13	Consider designating an employee of Council whose job is to process information requests from Councillors. While the employee works with the City Manager to process requests, the employee answers to Council, rather than the City Manager. [Note: there is a Mayor and Council's secretary - consider adding to this job description]	[Mayor and Council Secretary Job Description]	[0-12 months]	Staff
<b>Agendas and Reports</b>				
17	Enhance the Council Procedure Bylaw (or establish another governance framework document) to outline more specifically the expected decorum of Councillors and the role of the Mayor in relation to presiding at meetings, including action to be taken when Councillors break the rules of decorum.	Council Procedure Bylaw 2007 No. 7060	0-12 months	Eli Mina
18	For the annual agenda of topics, consider adopting a "forward agenda".	Council Procedure Bylaw 2007 No. 7060	0-12 months	Staff
19	For the regular agenda, ensure that the order of business corresponds with the most important topics, placing those that are most significant at the beginning when Councillors are fresh and leaving routine reports to later.	Council Procedure Bylaw 2007 No. 7060	0-12 months	Staff
21	Review forms of City staff reports and consider revising the standardized form of reporting to Council.	Report to Council	0-12 months	Staff
22	Ensure that materials are provided sufficiently in advance in order for Councillors to prepare.		0-12 months	Staff
23	For lengthier materials, ensure there is an executive summary that outlines the key items referenced above.		0-12 months	Staff
24	If Councillors have seen previous copies of materials, provide Councillors with black lined copies so they can easily find the revisions to the materials.		0-12 months	Staff
<b>Governance Framework</b>				
40	As part of the overall governance framework, articulate a strategic planning framework that outlines Council's long term approach to strategic planning.	Strategic Plan; planNanaimo; Nanaimo Cultural Plan; Communication Plan; Transportation Master Plan; Budget	0-12 months	Staff
41	As part of the overall governance framework, articulate Council's responsibility for financial and operational stewardship and outline how Council exercises this responsibility.		0-12 months	Staff
43	Create a framework for risk oversight that can be used at the Council level to support an annual review of the City's risk profile and risk mitigation strategies.		0-12 months	Staff
45	As part of the governance framework, establish a Council policy on stewardship of the City's human resources, including Council's role in ensuring the City has an appropriate approach to managing human resources, planning for leadership succession and ensuring potential future leaders are identified and developed.		0-12 months	Staff



## APPENDIX B: SUMMARY OF RECOMMENDATIONS WITH PROPOSED ASSIGNED RESPONSIBILITY FOR IMPLEMENTATION

Description		Related Documents	Estimated Timing to Complete	Responsibility
Governance Framework (continued)				
46, 48	Create a comprehensive governance framework, incorporating the various recommendations set out in this report.		0-12 months	Staff
In-Camera Meetings and Agenda Reviews				
25	Review the use of <i>in camera</i> meetings to ensure compliance with applicable legislation and guidance from the Ombudsperson.	<i>Community Charter</i> ; "Open Meetings: Best Practices Guide for Local Governments", Special Report No. 34, September 2012, Ombudsperson, Province of British Columbia	0-12 months	Eli Mina
26	Discuss as a group and decide on how Council wants to approach <i>in camera</i> meetings and then create a written policy relating to <i>in camera</i> meetings.	<i>Community Charter</i> ; "Open Meetings: Best Practices Guide for Local Governments", Special Report No. 34, September 2012, Ombudsperson, Province of British Columbia	0-12 months	Eli Mina
27	Review the use of agenda reviews to ensure compliance with applicable legislation and guidance from the Ombudsperson.	<i>Community Charter</i> ; "Open Meetings: Best Practices Guide for Local Governments", Special Report No. 34, September 2012, Ombudsperson, Province of British Columbia	0-12 months	Eli Mina
Audit Function				
55	Consider establishing an internal audit function within the City.		In progress - Staff doing an audit pilot project to see if it meets Council's needs	Staff
56	Set out in writing Council's involvement with the external and internal audit functions.		In progress - Staff doing an audit pilot project to see if it meets Council's needs	Staff

### NICE TO DO

Description	Related Documents	Estimated Timing to Complete	Responsibility
<b>Seating Arrangements</b>			
28	Consider whether the seating arrangements in the Shaw Auditorium can be changed so that Councillors are not perceived to be debating with City staff. Alternatively, consider an alternate venue for Council meetings.	0-12 months	Staff