

MEMORANDUM

TO: Economic Development Committee Members
City of Nanaimo

CC: Bill Corsan, Director of Community Development

FROM: Allan Neilson
Neilson Strategies Inc.

DATE: June 22, 2020

SUBJECT: **NANAIMO PROSPERITY AGENCY DRAFT CHARTER
SHARED OWNERSHIP VERSION**

Please see attached a handout titled *Nanaimo Prosperity Agency Draft Charter: Shared Ownership Version*. This document will be reviewed with the Committee at the meeting tomorrow afternoon, June 23, 2020.

The document was developed based on Committee's input provided at the February, 2020, meeting (pre-COVID). As the title suggests, the document features a shared ownership model in which key partner agencies would become shareholders in the corporation. This shared ownership model represents one approach only. An alternative approach would encourage the involvement of the same partner agencies as investors without shares. I will outline the differences between the models during our discussion tomorrow.



**Nanaimo Prosperity Agency
Draft Charter**

SHARED OWNERSHIP VERSION

| | |
|-------------------------|---|
| NAME: | Nanaimo Prosperity Agency Inc. |
| PURPOSE: | The Nanaimo Prosperity Agency is the economic development body through which business, government, First Nation, and community partners collaborate to build Nanaimo's economy, and increase the level of shared prosperity enjoyed by those who live here. |
| MANDATE: | <p>The Nanaimo Prosperity Agency has three primary responsibilities:</p> <ul style="list-style-type: none">> to implement, maintain, and update as required the Nanaimo Economic Development Strategy> to coordinate the sector-specific and other economic development activities undertaken by a range of stakeholder organizations> to develop and directly undertake initiatives aimed at attracting businesses, employers, talent, and investment to the community |
| LEGAL STRUCTURE: | <p>The Nanaimo Prosperity Agency is a City of Nanaimo local government corporation, created pursuant to section 185 of the <i>Community Charter</i>. The Agency is incorporated under the British Columbia <i>Business Corporations Act</i>, and is registered as a non-profit corporation under the <i>Income Tax Act</i> of Canada, exempt from paying income taxes.</p> |
| MEMBERS: | <p>The Nanaimo Prosperity Agency is jointly-owned by the City of Nanaimo and five other governments and organizations, including (in alphabetical order):</p> <ul style="list-style-type: none">> Nanaimo Chamber of Commerce> Nanaimo Airport Commission> Nanaimo Port Authority> Snuneymuxw First Nation> Vancouver Island University <p>All six partner organizations, including the City, are designated as <i>Members</i> in the Agency's <i>Articles of Incorporation</i>.</p> |

The City of Nanaimo, as the lead Member, holds one Class A share in the Agency; each of the other Members holds one Class B share. All Class A and Class B shares are without par value.

**MEMBER
DECISIONS:**

Key decisions related to the mandate, governance, expansion, funding, membership, and dissolution of the Agency are made by the Members in accordance with the following voting rules:

- > All Members (i.e., Class A and Class B shareholders) participate in, and receive one vote on, decisions related to:
 - the Agency's purpose and mandate
 - the composition and authority of, and method of appointment to, the Agency's Board of Directors
 - the appointment of individual Directors to the Board
 - the Agency's funding model, including changes to cost-sharing arrangements to support the work of the Agency
 - the inclusion of additional Class B shareholder Members

Decisions on these matters require a simple majority of Members present.

- > The City of Nanaimo, as the sole Class A shareholder, makes all decisions related to:
 - the borrowing of monies by or on behalf of the Agency
 - any change to the Agency's non-profit status
 - the inclusion of additional Class A shareholder Members
 - dissolution of the Agency

**BOARD OF
DIRECTORS
(Composition):**

The Nanaimo Prosperity Agency is governed by its own Board of Directors which is comprised of nine (9) individuals appointed by the Members at the corporation's Annual General Meeting, in accordance with the following rules on composition:

- > The City of Nanaimo designates two (2) individuals to serve as Directors, including:
 - one member of City Council (i.e., elected official)
 - one senior City staff member
- > Each of the other Members designates one (1) individual to serve as a Director.
- > The Members together select and appoint the remaining two (2) Directors from persons who apply to the Board through a public call for applicants.

Members are guided in the appointment of all nine (9) Directors by a skills matrix which identifies the skill sets and backgrounds that should, to the extent possible, inform the decisions of the Board. Ideally, the Board as a whole has persons with skills and experience in:

- > Finance and Investment
- > Business and Business Development
- > Marketing and Business Attraction
- > Community Development
- > Law
- > Governance
- > Human Resources

**BOARD OF
DIRECTORS
(Term):**

Each Director is appointed for a term of two (2) years, and may be reappointed by the Members for two (2) consecutive additional terms, for a maximum period of six (6) years. Additional rules on term of office are intended to promote continuity in Agency governance, and including the following:

- > Five (5) of the nine (9) Directors of the inaugural Board are appointed for a three (3) year term; these Directors may be re-appointed for an additional two (2) consecutive terms, each of which is two (2) years in duration.
- > Directors are appointed (or reappointed, as the case may be) on a staggered basis beginning at the start of year three (3) when four (4) Director positions become open.

**BOARD OF
DIRECTORS
(Chair/Vice):**

At the first Board meeting of each calendar year, following the Annual General Meeting, the Board Directors elect from among their numbers a Board Chair and Vice Chair. The duties of the Chair include:

- > presiding at all meetings of the Board
- > providing leadership to the Board, including by recommending resolutions
- > providing, on behalf of the Board, general direction to the Agency's Executive Director
- > acting as the Board's chief liaison with the Members, the media, and external agencies
- > signing contracts and other legal documents in accordance with Board decisions
- > carrying out other duties assigned by the Board

The Vice Chair acts in place of the Chair when the Chair is absent.

**BOARD OF
DIRECTORS
(Remuneration):**

All Board members serve without remuneration. Expenses incurred to conduct Agency business may be claimed in accordance with Board policies.

**BOARD OF
DIRECTORS
(Decisions):**

The Board of Directors is an autonomous decision-making body, appointed to direct and oversee the activities of the Nanaimo Prosperity Agency. The Board is empowered to make a broad range of decisions, including those related to:

- > the Agency's annual financial plan (i.e., operating and capital budgets)
- > the Economic Development Strategy for Nanaimo
- > the hiring of the Executive Director for the Agency
- > empowering and holding to account the Agency's Executive Director
- > the approval of other staff positions
- > the development of policies and protocols to govern Agency business
- > entering into agreements and contracts, and terminating such agreements and contracts
- > appointing an independent auditor to prepare the Agency's *Annual Financial Statements*
- > the creation, and appointment of members to, Board advisory committees

All Directors vote on all decisions of the Board; each Director including the Chair holds one vote. Decisions in favour of a resolution require a straight majority of Directors present.

**BOARD OF
DIRECTORS
(Committees):**

The Board of Directors creates advisory committees to engage the broader community in the economic development of Nanaimo, to assist in implementing the Economic Development Strategy, and to provide advice on new and ongoing initiatives. The Board's choice of committees is informed by the Economic Development Strategy, opportunities or issues that arise, and requests made by different sectors of the community.

All committee members are appointed by the Board as a whole. The Board as a whole also appoints a Chair and Vice Chair for each committee.

**BOARD OF
DIRECTORS
(Reporting):**

The Board is accountable to the Members for the operation and performance of the Nanaimo Prosperity Agency. Accountability is achieved through:

- > the presentation to the Members, and to the public, of *Annual Financial Statements* prepared by an independent auditor
- > the presentation to the Members, and to the public, of an *Annual Report* that:

- provides information on the Agency's initiatives and efforts over the previous year
- assesses the Agency's past year performance using progress measures that are informed by the Economic Development Strategy
- sets out important initiatives and events that are planned for the upcoming year, as per the Economic Development Strategy

- > presentations to the Members at the Agency's Annual General Meeting
- > semi-annual briefings to each Member
- > other means, formal and informal, that the Members may request

**FUNDING
MODEL
(Base Funding):**

Base funding is provided by the Members in accordance with the following formula:

- > the City of Nanaimo, as the sole Class A shareholder, provides 85% of the total base funding required
- > the remaining Members together provide the remaining 15%

Base funding is intended to cover:

- > Agency staffing costs
- > the operation of the Board
- > office expenses including rent/lease
- > an amount for destination marketing, business development, talent development, and other initiatives aimed at attracting business and investment to Nanaimo
- > community outreach and reporting
- > other costs identified by the Board and approved as "base funding" by the Members

**FUNDING
MODEL
(Projects):**

Project funding is provided in part by Members through their investment in base funding, and in part by private businesses, governments, and public agencies in the form of conditional, initiative-related grants. In identifying the need for project funding, and in pursuing sources of funds, the Agency is guided by the Economic Development Strategy.

**EXECUTIVE
DIRECTOR:**

Nanaimo Prosperity Agency is headed by an Executive Director who is hired by and accountable to the Board of Directors. The Executive Director:

- > directs and oversees the work of Agency staff, contractors, and consultants
- > recommends to the Board the development of new staff and contract positions

- > advises the Board on the implementation, updating, and maintenance of the Economic Development Strategy
- > identifies for Board approval initiatives aimed at fulfilling the Agency's mandate
- > works with the Board Chair to develop agenda packages for Board meetings
- > liaises with senior staff at the City of Nanaimo, key representatives of the other Members, and businesses, associations, and other groups in Nanaimo
- > represents the Agency at various events inside and outside of Nanaimo

OPERATIONS:

The Nanaimo Prosperity Agency leases its own office space in Downtown Nanaimo. The Agency attends to its own operational needs, including those related to financial management and accounting, legal matters, human resources, purchasing, information technology, and others.

Where cost-effective, the Agency may contract the City of Nanaimo to provide corporate and other services required for the Agency's operations.