

**Community Services Report to
Combined Meeting of Council
2020 April 27**

**ISC: UNRESTRICTED
C2020-0513**

Wholly-Owned Subsidiary 2020 Annual General Meetings

EXECUTIVE SUMMARY

The City of Calgary has established seven wholly-owned subsidiaries (WOS) where The City is the sole shareholder. The *Alberta Business Corporations Act* (ABCA) requires these organizations to hold an annual meeting of shareholders (AGM) not later than 15 months after the previous AGM. In 2020, WOS AGMs are scheduled for June and given the gathering restrictions in place, it is not anticipated they will be able to hold in person AGMs. In addition, not all WOS documents including bylaws or voting procedures resolutions permit meetings of shareholders to occur remotely. This report brings forward recommendations to permit remote meetings and confirm the authority to exercise the resolutions of the shareholder at the 2020 annual meeting of shareholders.

ADMINISTRATION RECOMMENDATION:

That Council:

1. Authorize the Mayor, or in the Mayor's absence, the Deputy Mayor, to execute resolutions on behalf of the shareholder of wholly-owned subsidiaries to amend the respective documents including bylaws, voting procedures and other documents to permit meetings of shareholders to be conducted remotely, as required; and
2. Authorize the Mayor, or in the Mayor's absence, the Deputy Mayor, to exercise the powers and voting rights of the shareholder to execute the written resolutions in the event a quorum of Council is not present at the 2020 annual meeting of shareholders for The City's wholly-owned subsidiaries.

PREVIOUS COUNCIL DIRECTION / POLICY

BACKGROUND

The City has established seven wholly-owned subsidiaries (WOS) to indirectly deliver programs and services to Calgarians, manage and operate City owned assets, or steward city-wide strategies. These include Attainable Homes Calgary Corporation; Calgary Arts Development Authority Ltd.; Calgary Economic Development Ltd.; Calhome Properties Ltd (operating as Calgary Housing Company); Calgary Municipal Land Corporation; Enmax Corporation; and Opportunity Calgary Investment Fund Ltd.

The *Alberta Business Corporations Act* (ABCA) requires that WOS hold an annual meeting of shareholders (AGM) not later than 15 months after the last annual meeting. Regular business at an AGM includes (1) financial disclosure with the consideration of the financial statement and auditor's report, (2) fixing the number of directors for the following year, (3) election of directors, and (4) reappointment of the incumbent auditor. Any other business is considered special business and requires a notice of the meeting of shareholders.

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INVESTIGATION: ALTERNATIVES AND ANALYSIS

For the past number of years, WOS AGMs have been scheduled consecutively over the course of two days for efficiency purposes. In 2019, the AGMs were held on June 24th and 25th. For 2020, AGMs are scheduled for June 22nd and June 23rd.

With the current restrictions on public gatherings of more than 15 people, the Government of Alberta has passed a Ministerial Order suspending any obligation for corporations to convene in-person meetings including an AGM. Most WOS have indicated that they wish to move forward with the 2020 AGMs to complete regular business at the scheduled times in June. However, not all of the WOS bylaws, voting procedure resolutions or other related corporate documents allow for meetings to occur through remote means such as videoconference, teleconference or other means. To resolve this issue, it is proposed that the Mayor, or in the Mayor's absence, the Deputy Mayor, be authorized to execute a shareholder resolution to amend the bylaws, voting procedures resolution and other related corporate documents of the WOS, as required, to enable meeting of shareholders to occur through remote means.

In addition, it is recommended that Council authorize the Mayor, or in the Mayor's absence, the Deputy Mayor, to have the ability to exercise the powers and voting rights of the sole shareholder to execute written shareholder resolutions, in the event a quorum of Council is not present at the 2020 AGMs for each WOS.

Stakeholder Engagement, Research and Communication

Preparation of this report included a review of Administration's previous work on governance for WOS, and current best practices in other jurisdictions to comply with mass gathering measures.

Strategic Alignment

The recommendations align with One Calgary's Citizen Priority of a Well Run City by seeking an approach to WOS AGMs that avoids time delays for conducting regular business.

Social, Environmental, Economic (External)

Supporting effective WOS governance provides shareholder direction in a consistent manner to continue to effectively serve Calgarians.

Financial Capacity

Current and Future Operating Budget:

There are no impacts from this request.

Current and Future Capital Budget:

There are no impacts from this request.

Risk Assessment

Holding the 2020 WOS AGMs in a timely manner mitigates risk for The City as shareholder.

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REASON(S) FOR RECOMMENDATION(S):

The proposed approach to 2020 wholly owned subsidiary annual meetings ensures that business can be conducted in a timely manner.

ATTACHMENT(S)

None