

Community Services Report to
Organizational Meeting of Council
2025 October 29

ISC: UNRESTRICTED
C2025-0913

Wholly-Owned Subsidiary Appointments

PURPOSE

This report provides an approach to appointing members of Council and Administration to six of The City's wholly-owned subsidiaries' boards of directors to avoid time delays between Council's approval of nominees at the Organizational Meeting of Council, and the wholly-owned subsidiaries' annual general meeting ("AGM") (usually in June) when Council appoints candidates to each wholly-owned subsidiary's board of directors.

PREVIOUS COUNCIL DIRECTION

A similar report was presented at the 2024 Organizational Meeting of Council.

RECOMMENDATIONS:

That Council:

1. Confirm and approve Council and Administration member nominations for appointment to the boards of directors of The City's wholly-owned subsidiaries; and
2. Authorize the Mayor, or in the Mayor's absence, the Deputy Mayor, to execute a resolution on behalf of the shareholder of The City's wholly-owned subsidiaries appointing the Council and Administration nominees for the terms specified to each subsidiary's respective board of directors; and
3. Direct that any Closed Meeting discussions remain confidential pursuant to Sections 20, 22 and 28 of the Access to Information Act (Alberta).

CHIEF ADMINISTRATIVE OFFICER/GENERAL MANAGER COMMENTS

GM Katie Black concurs with the content on this report.

HIGHLIGHTS

- The City is the sole shareholder of seven wholly-owned subsidiaries and appoints all members of each subsidiary's board of directors at each subsidiary's AGM.
- Council appoints Members of Council and Administration to the board of directors of six of the seven wholly-owned subsidiaries. The shareholder may, by written shareholder resolution, appoint Members of Council and Administration prior to each wholly-owned subsidiary's AGM.
- Coordinating the wholly-owned subsidiary appointments process through this report to Council and written shareholder resolutions meets requirements under the *Business Corporations Act* (Alberta) and each subsidiary's Voting Procedure Resolution, supports Council's responsibilities as a shareholder and provides a timely and transparent appointment process by avoiding time delays between Council approving nominees and the nominees' appointment to the board at each wholly-owned subsidiary's AGM.
- Background and Previous Council Direction is included as Attachment 1.

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DISCUSSION

Annually at the Organizational Meeting of Council, Council nominates Members of Council who will serve as directors on the boards of six of The City's seven wholly-owned subsidiaries. Council has historically appointed Members of Council to the boards of directors of the following wholly-owned subsidiaries:

- Attainable Homes Calgary Corporation (Mayor and one Councillor that also sits on the Calgary Housing board),
- Calgary Arts Development Authority Ltd. (one Councillor),
- Calgary Economic Development Ltd. (one Councillor that also sits on the Opportunity Calgary Investment Fund board),
- Calgary Housing (Calhome Properties Ltd.) (up to three but no less than two Councillors),
- Calgary Municipal Land Corporation (Mayor and two Councillors), and
- Opportunity Calgary Investment Fund Ltd. (Mayor and one Councillor).

At the same meeting, Council also appoints members of Administration to selected wholly-owned subsidiaries' boards (Attachment 2). Members of Council are not currently appointed to the ENMAX board of directors.

In accordance with the requirements of the Business Corporations Act (Alberta), Council as shareholder appoints directors at each wholly-owned subsidiary's AGM. Without the process outlined in this report, there would be a gap of approximately seven months between when a Member of Council or Administration is nominated by Council at the Organizational Meeting of Council and when they are appointed to the board at a wholly-owned subsidiary's AGM. The process proposed in this report has been used since 2019 to resolve this issue.

Under Section 141(1) of the Business Corporations Act (Alberta) and as set out in governance documents for each wholly-owned subsidiary, The City as sole shareholder can sign a written shareholder resolution that is as valid as if it had been passed at a meeting of shareholders. Any member of Council is authorized to sign a shareholder resolution if approved via resolution at a duly convened shareholder meeting.

Administration is recommending that the Mayor, or in the Mayor's absence, the Deputy Mayor, be granted the authority to execute resolutions on behalf of the shareholder to appoint the 2025 board nominees (Members of Council and Administration) to the respective boards of the wholly-owned subsidiaries. A sample appointments resolution is included as Attachment 3.

Once the 2025 Organizational Meeting is adjourned, the Mayor (or Deputy Mayor), as the authorized representative of the shareholder, will execute a shareholder resolution appointing each approved candidate to the appropriate wholly-owned subsidiary board. A copy of the resolution will be provided to the respective wholly-owned subsidiary to retain with the minutes of the meetings of shareholders.

The Governance and Appointments to Boards, Commissions and Committees Policy (CP2016-03, the "Policy") directs that Councillors provide their appointment preferences to the City Clerk's Office for Council's consideration during the annual Organizational Meeting of Council. A summary of Council Member 2025 preferences for wholly-owned subsidiary appointments will be distributed at the Organizational Meeting of Council.

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In accordance with the Policy, the Chief Administrative Officer provides Council with the names of members of Administration recommended for appointment. This year's nominees are included in Attachment 2. Under the Policy, members of Administration are appointed until the next annual Organizational Meeting, unless otherwise specified by a resolution of Council, shareholder resolution or a wholly-owned subsidiary's governance documents. These appointments terminate immediately if an appointed member of Administration leaves employment with The City.

EXTERNAL ENGAGEMENT AND COMMUNICATION

- | | |
|--|---|
| <input type="checkbox"/> Public engagement was undertaken | <input type="checkbox"/> Dialogue with interested parties was undertaken |
| <input type="checkbox"/> Public/interested parties were informed | <input checked="" type="checkbox"/> Public communication or engagement was not required |

The proposed approach has been used since 2019 and is based on a review of Administration's previous work on governance for wholly-owned subsidiaries including the *Shareholder Alignment Review of Wholly-Owned Subsidiaries Report (AC2021-1354)*. Each of the affected wholly-owned subsidiaries, Law, Legislative Services and Security department were consulted in previous years regarding this approach.

IMPLICATIONS

Social

N/A

Environmental

N/A

Economic

N/A

Service and Financial Implications

No anticipated financial impact

RISK

Timely appointments to wholly-owned subsidiary boards supports strong governance and provides consistent shareholder direction to support these organizations to effectively deliver on Council approved mandates.

Risk may arise for The City if an appointee's duties and obligations to The City conflict, or are perceived to conflict, with their duties as a board member of a wholly-owned subsidiary. The likelihood and impact of this risk is mitigated by providing information about wholly-owned subsidiaries and their governance to newly elected members of Council as part of the orientation process. The Council-approved *Investing in Partnerships Policy (CP2017-01)* also encourages The City's partners, including wholly-owned subsidiaries, to maintain good

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governance policies and practices including codes of conduct, diversity, conflicts of interest, board orientation and education.

ATTACHMENTS

1. Background and Previous Council Direction
2. Administration Members Nominated to Wholly-Owned Subsidiaries
3. Sample Appointment Resolution
4. Administration Presentation

Department Circulation

General Manager/Director	Department	Approve/Consult/Inform
Katie Black, General Manager	Community Services	Approve
Katarzyna Martin, Director/City Clerk	Law, Legislative Services & Security	Inform

Author: Partnerships