

**METRO VANCOUVER REGIONAL DISTRICT
GOVERNANCE COMMITTEE**

MEETING

Wednesday, July 16, 2025

9:00 am

28th Floor Committee Room, 4515 Central Boulevard, Burnaby, British Columbia

Webstream available at <https://www.metrovancouver.org>

A G E N D A

A. ADOPTION OF THE AGENDA

1. July 16, 2025 Meeting Agenda

That the Governance Committee adopt the agenda for its meeting scheduled for July 16, 2025 as circulated.

B. ADOPTION OF THE MINUTES

C. DELEGATIONS

D. INVITED PRESENTATIONS

1. Shayne Gregg, Partner, Governance & Risk, Deloitte Canada

Subject: Deloitte Governance Review Recommendations

E. REPORTS FROM COMMITTEE OR CHIEF ADMINISTRATIVE OFFICER

1. Governance Committee Priorities

pg. 5

Executive Summary

At its May 23, 2025 Board meeting, the MVRD Board considered Deloitte Canada's final report on the independent Metro Vancouver Board Governance Review dated May 20, 2025 and referred it to the newly formed Governance Committee for its consideration. At today's inaugural Governance Committee meeting, Deloitte will be providing an overview of the report and the Committee will have an initial discussion about priorities. This report conveys the Deloitte report and sets the stage for that early conversation.

Recommendation

That the Governance Committee receive for information the Board Governance Review report dated May 20, 2025 from Deloitte Canada.

2. 2025 Governance Committee Meeting Schedule and Work Plan

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Executive Summary

The Terms of Reference for the Governance Committee set out the committee responsibilities in assisting the Board in ensuring the effective governance of the organization by overseeing the development, implementation, and continuous improvement of governance policies and practices, and ensuring the governance framework is compliant and aligned with Metro Vancouver's strategic objectives. The Committee also provides guidance and oversight on the implementation of its annual work plan. Pursuant to the Terms of Reference, the meeting schedule proposes four Committee meetings for the remainder of 2025 inclusive of today's inaugural meeting.

Work plan priorities for 2025 and intended for 2026 are:

- **Governance Framework:** prioritize and make recommendations to the Board on issues identified in the recently completed independent Board Governance Review, develop and make recommendations to the Board on Metro Vancouver's governance framework including Board policy completeness and clear roles and responsibilities, and consider means to improve the flow of information to support decision making;
- **Board Effectiveness:** develop a Board calendar, develop a Board self-evaluation tool, review Code of Conduct with the Board, review fiduciary responsibility with the Board, and support the Board with an updated onboarding and education program;
- **Standing Committees:** review Standing Committee Terms of Reference for clarity of roles and responsibilities, and make recommendations to the Chair on the number and composition of standing committees; and

- **Remuneration:** Consider recommendations from the independent Board Governance report referred to the Committee.

Recommendation

That the MVRD Board:

- a) receive for information the Governance Committee Terms of Reference and the 2025 Annual Meeting Schedule, as presented in the report dated July 4, 2025, titled “2025 Governance Committee Meeting Schedule and Work Plan”; and
- b) endorse the 2025 Work Plan, as presented in the report dated July 4, 2025, titled “2025 Governance Committee Meeting Schedule and Work Plan”, incorporating the following requested changes from Governance Committee members:
 - _____
 - _____

3. Conveying Recommendations to the Province Stemming from the Independent Board Governance Review

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Executive Summary

At the May 23, 2025 Board meeting, the MVRD Board considered Deloitte Canada’s final report on the independent Metro Vancouver Board Governance Review dated May 20, 2025 and referred it to the newly formed Governance Committee for its consideration. Within the report, two recommendations are provided for provincial consideration regarding remuneration for elected officials. These recommendations are not within Metro Vancouver’s jurisdiction. The recommendations are that the Province consider:

- providing detailed Crown, agency and local government-related income data in a simple, publicly accessible format; and
- introducing a cap or maximum remuneration threshold for total income from all local government-related appointments (e.g. Metro Vancouver, TransLink, E-Comm 9-1-1).

This report seeks to convey these recommendations to the Province for consideration. Deloitte notes in their report that if the Province actions the recommendations, it would create greater visibility and more transparency regarding the equity of compensation across the BC public sector.

Recommendation

That the MVRD Board write a letter to Minister Khalon, Minister of Housing and Municipal Affairs, conveying two recommendations directed at the Province from Deloitte Canada’s final report on the Metro Vancouver Board Governance Review regarding remuneration for elected officials.

F. INFORMATION ITEMS

G. OTHER BUSINESS

H. RESOLUTION TO CLOSE MEETING

Note: The Committee must state by resolution the basis under section 90 of the Community Charter on which the meeting is being closed. If a member wishes to add an item, the basis must be included below.

I. ADJOURNMENT

That the Governance Committee adjourn its meeting of July 16, 2025.

Membership:

Dominato, Lisa (C) – Vancouver
Kruger, Dylan (VC) – Delta
Albrecht, Paul – Langley City

Dhaliwal, Sav – Burnaby
MacDonald, Nicole – Pitt Meadows
Muri, Lisa – North Vancouver District

Sager, Mark – West Vancouver
Towner, Teri – Coquitlam

To: Governance Committee

From: Heather McNell, Deputy Chief Administrative Officer, Policy and Planning

Date: July 7, 2025

Meeting Date: July 16, 2025

Subject: **Governance Committee Priorities**

RECOMMENDATION

That the Governance Committee receive for information the Board Governance Review report dated May 20, 2025 from Deloitte Canada.

EXECUTIVE SUMMARY

At its May 23, 2025 Board meeting, the MVRD Board considered Deloitte Canada's final report on the independent Metro Vancouver Board Governance Review dated May 20, 2025 and referred it to the newly formed Governance Committee for its consideration. At today's inaugural Governance Committee meeting, Deloitte will be providing an overview of the report and the Committee will have an initial discussion about priorities. This report conveys the Deloitte report and sets the stage for that early conversation.

PURPOSE

To provide the Governance Committee with Deloitte Canada's final report on the independent Metro Vancouver Board Governance Review and to provide the Committee with the opportunity to discuss priorities.

BACKGROUND

At its May 23, 2025 Board meeting, the MVRD Board considered the Board Governance Review report dated May 20, 2025 from Deloitte Canada. The Board subsequently passed the following recommendation:

That the MVRD Board:

- a) receive for information the Board Governance Review report dated May 20, 2025 from Deloitte Canada; and*
- b) refer the Board Governance Review report to the Governance Committee for its consideration.*

This matter is now before the Governance Committee for its consideration.

EARLY PRIORITIES – ROUND TABLE DISCUSSION

Chair Dominato and Vice Chair Kruger have requested that a round table discussion be the first item on the agenda of the inaugural meeting of the Governance Committee, following an invited presentation from Deloitte Canada. Subsequently, the Committee will be discussing its terms of reference and workplan.

ALTERNATIVES

As this is an information report, no alternatives are provided.

FINANCIAL IMPLICATIONS

There are no financial implications to this report.

CONCLUSION

At its May 23, 2025 Board meeting, the MVRD Board considered Deloitte Canada's final report on the independent Metro Vancouver Board Governance Review dated May 20, 2025 and referred it to the newly formed Governance Committee for its consideration. At today's inaugural Governance Committee meeting, Deloitte will be providing an overview of the report and the Committee will have an initial discussion about priorities.

ATTACHMENTS

1. "Board Governance Review", dated, May 20, 2025.

77601215



Board Governance Review

Metro Vancouver

May 20, 2025

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Deloitte acknowledges that the region's residents of Metro Vancouver live, work, and learn on the shared territories of many Indigenous peoples, including 10 local First Nations: ǵícǵý (Katzie), ǵʷa:ńǵǵń (Kwantlen), kʷikwǵǵǵm (Kwikwetlem), máthxwi (Matsqui), xʷmǵǵkʷǵǵǵm (Musqueam), qiqǵýt (Qayqayt), se'mya'me (Semiahmoo), Skwxwú7mesh úxwumixw (Squamish), scǵǵwǵǵǵ mǵsteyǵxʷ (Tsawwassen), and sǵlǵlǵwǵtaǵ (Tsleil-Waututh).

1. Executive Summary

Background

The Metro Vancouver Board functions as the directing mind of the organization, providing strategic direction and oversight. Metro Vancouver is by far the largest Regional District in British Columbia, providing services to 2.6 million residents from the 21 municipalities, the Treaty First Nation and the unincorporated parts of the region (Electoral Area A). It is in fact four legal entities (a water district, a sewage and waste treatment district, a housing corporation, and the broader regional district), all governed by separate legislation. The Boards of these four entities are comprised of appointed Mayors and Councillors from the 23 member jurisdictions. Over the past century, these entities have been created and evolved into a very complex regional model. More recently, a \$2.8 billion cost increase on a significant infrastructure project (the North Shore Wastewater Treatment Plant Program) has accelerated media and public scrutiny on the governance of Metro Vancouver. This was a significant contributor in the Board deciding to engage Deloitte in February 2025 to complete a comprehensive independent Board Governance Review. The review responds to concerns regarding the Board governance structure and composition, roles and accountabilities, process, information flows, decision-making and remuneration. The independent review was completed in May 2025.

Key Findings & Summary Recommendations

- The Board size over the four entities has become large and unwieldy, and will only continue to grow. A new Board and Committee structure is required to provide more effective governance and oversight, to introduce a balance of professional experience, and enhance decision-making and risk management.
- There are opportunities to continue to reduce the size, composition and meeting frequency of Board Standing Committees without negatively impacting the governance of the organization.
- The Board directors are challenged by their competing fiduciary duties to advocate for their local municipality and their regional accountability. In order to balance this dual accountability, Board members are going to require continued education, support from Metro Vancouver staff, and a personal investment in maintaining the high threshold required.
- There is a need for a Governance Committee of the Board to increase the integrity, oversight and ethical implementation of the Board's policies, procedures and agenda.
- The quadrennial municipal election cycle creates a high turnover of board members, resulting in the loss of institutional knowledge. This increases the need for better onboarding, education and practical ways of accelerating the knowledge and extending the tenure of Board members.
- The Board continues to require objective insights and assurance regarding the risks, project controls and internal financial controls in the organization. To this end stronger enterprise risk management and Internal Audit functions are required.
- Increasing tensions and political differences are creating a culture of heightened mistrust and frustration. The Board needs to find ways to improve the efficiency of Board meetings while improving the level of respect and trust within itself and between staff and other stakeholders.
- Litigation and confidentiality around closed information is restricting the free flow and transparency of this information, resulting in further frustrations. Finding mechanisms to balance the need for confidentiality and the need for transparency will be paramount.

- The overall remuneration of Board and Committee members is comparable with other similar organizations and minimal relative to the significant investment of time and experience the directors bring to the organization. However, there are several immediate opportunities to reduce the overall and per individual remuneration costs while streamlining the governance structures and processes.

Conclusion

Metro Vancouver has outgrown its Board governance structure. The regional district model has served the organization well for several decades and in many instances has been recognized as a leader in sustainable regional planning and quality of infrastructure services. However, the past 40 years have seen a rapid acceleration of population growth and infrastructure investment in the region. Metro Vancouver and the municipalities that make up the organization should be commended on the extent of collaboration it has taken to drive their vision of attracting economic investment and creating a globally desirable livable region. However, this creates an inherent conflict. The more successful and effectively the Board and management govern and operate the organization, the more desirable the region will become – further increasing immigration, demand for services and infrastructure, growth outside of Vancouver, and the many challenges that will come with that. At the same time, the legacy infrastructure is aging and in need of upgrade and expansion. So, it is no surprise that the Board is beginning to struggle to govern the growing complexity of the organization.

The context in which the current Board is operating is also very relevant. Challenges with the North Shore Wastewater Treatment Plant program and the subsequent funding impacts have created an environment of extreme tension within the Board and with municipalities. This and other major infrastructure projects are only continuing to become larger, longer and carry significantly greater delivery, financial and reputational risk. The global economic climate has become volatile, further impacting the planning and management of costs relating to projects of this magnitude.

In this context, the challenges for Board directors to balance the interests of both their rapidly growing electorate as well as those of the broader Metro Vancouver region will only become more politically and legally challenging – creating an untenable conflict between their fiduciary duties at times.

Metro Vancouver staff are working harder to manage these risks and elevate the right discussions to a Board that is constantly changing, trying to absorb a significant volume of complex data, and is becoming increasingly more politically divided. Unfortunately, the actions of staff in trying to solve for these risks and challenges create an impression of flooding and filtering information and driving decisions faster than the Board can consume it. As the risks and tensions escalate, this effort to focus the Board has created a perception of mistrust and wariness of staff on their behalf.

The Board meeting-based stipend model is comparable with those in other similar public sector Boards, however there are opportunities to reduce remuneration costs. The solution, however, cannot be to reduce compensation to reflect public dissatisfaction with the governance of the Board, but to improve the governance to justify the remuneration.

From a governance and risk management perspective, there is a need to streamline the Board size and structure, adding professional support and acumen. There is a need to create visibility to risks and options, to strengthen the quality of information and discussion at the Board and Committee level, and in general rebuild a culture of trust within the Board and with staff and the member jurisdictions.

2. Introduction & Context

2.1. Purpose of this Document

The purpose of this document is to provide our findings regarding an independent governance review of the Board of Metro Vancouver ("the Board"). The objective of our review was to perform a comprehensive evaluation of the governance structures, decision-making framework, procedures and processes, and remuneration of the Metro Vancouver Board Directors, with the ultimate objective of delivering actionable recommendations to enhance the Board's effectiveness to best govern the organization and serve the region. This review was initiated in response to public scrutiny regarding the current effectiveness of the Board and the appropriateness of its compensation, as well as concerns surrounding the composition and structure of the Board and its committees.

2.2. Governance Assessment Methodology

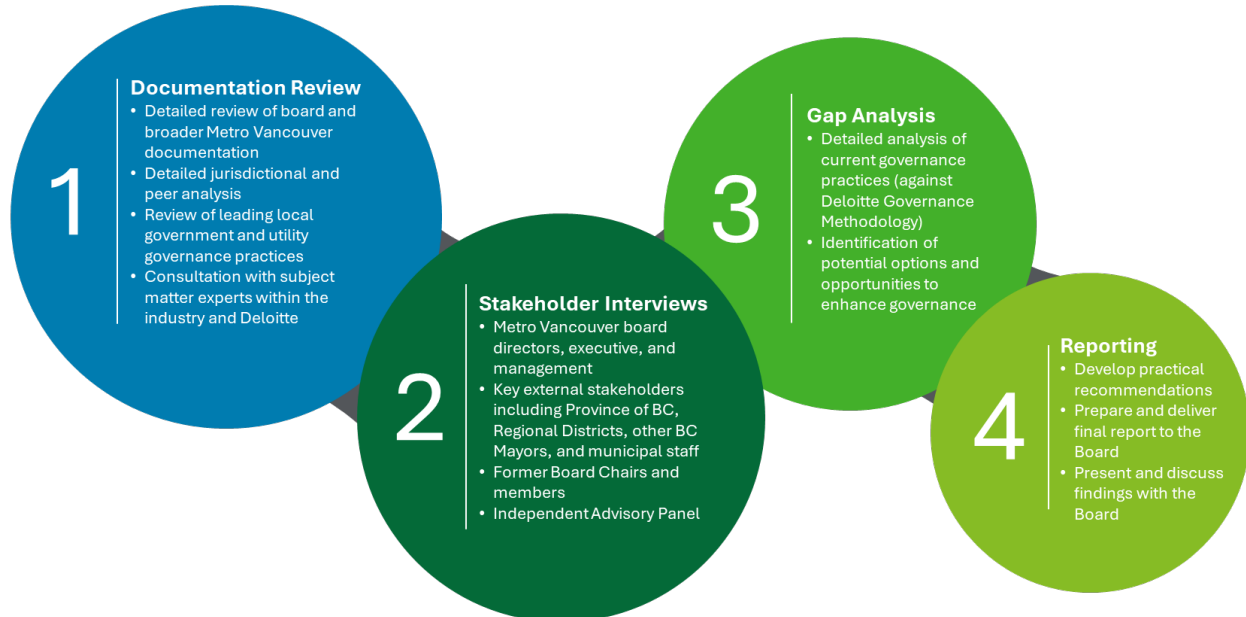
Governance refers to the systems, processes, and structures used to direct and manage an organization. It involves establishing decision-making authority, defining how decisions are made, and overseeing the implementation of policies and strategies, as well as risks to the strategies. Good governance aims to ensure an organization operates effectively, ethically, and in the best interests of its stakeholders. Our assessment of the effectiveness of the Board and governance framework of Metro Vancouver was based on a comprehensive analysis of six core principles or pillars of success in a strong governance framework, as illustrated below:



Figure 1: Deloitte Governance Assessment Methodology

2.3. Approach to the Review

The Board governance assessment was performed from February 2025 to May 2025. Our approach to this review followed four primary phases as follows:



We commenced with a detailed **documentation review**, including materials such as Board bylaws and procedures, Board agendas and materials, management Board briefings, Committee structures and mandates, and a significant number of other documents and information requests of management. Given the transparency of the operations of the Board and Metro Vancouver, it should be noted the vast majority of these documents are available on the Metro Vancouver, Province of BC, and other municipal websites.

Our review involved **confidential interviews** with a broad range of key stakeholders. These included the following:

- All Board directors (i.e. Mayors and Councillors from the 21 municipalities, the elected official from Electoral Area A, and the Chief of Tsawwassen First Nation)
- Metro Vancouver Commissioner & Chief Administration Officer, and the executive leadership team.
- A number of other Councillors, Chief Administrative Officers, Chief Financial Officers and staff from member jurisdictions within Metro Vancouver.
- Several former Metro Vancouver Board Chairs, Committee Chairs and Directors to understand their perspectives on what worked and didn't work well in past governance models
- Current neighbouring BC regional district Directors and mayors
- Leadership from the BC Ministry of Housing and Municipal Affairs.

We also **consulted** with industry subject matter expertise, both within Deloitte and the broader community for their perspectives and insights.

We performed a **jurisdictional scan** across Canada and into the US, identifying a number of similar regional districts and utility organizations, to understand their current organizational structure and

scope and associated Board governance framework, as well as Board remuneration and other practices.

The Metro Vancouver Board appointed an **Independent Advisory Panel** who volunteered to provide input into our review of the Board remuneration practices. This panel provided extremely valuable insights and, given the depth of experience and leadership in the Panel, we requested to expand our Terms of Reference with them to support us on our full governance review. We would like to acknowledge and extend our thanks to the Independent Advisory Panel members:

- Glen Clark – Chair of BC Hydro, former President and COO of Jim Pattison group, and former Premier
- Colin Hansen – former BC Minister of Finance and Deputy Premier
- Martin Thibodeau – Regional President of RBC
- Jennifer Podmore Russell – Chief Development Officer of Nch'kaŷ Development Corporation
- Diana Vuong – former CFO and VP Finance at Vancouver Airport Authority

Limitations of our review

It should be noted that the scope of our independent review is board governance review and is not intended to be an audit or legal assessment of Metro Vancouver's processes. Specifically, we did not perform an assessment of the North Shore Wastewater Treatment Plant project as a Special Independent Review of this project has been commissioned by the Board. We also did not perform an audit of Metro Vancouver project management, budget, and financial reporting processes and internal controls, processes supporting the confidentiality of information, or an audit of individual travel and other out-of-pocket expenses. Review of directors' municipal roles, salaries and governance effectiveness unrelated to their role as a board member of Metro Vancouver's Boards was also outside of the scope of this review.

Format of our Report

The document has been designed to ensure clarity for all stakeholders by providing essential context and background information on the evolution of the Metro Vancouver governance structure to its current format. Our observations regarding the current state of governance challenges, synthesizing key insights gathered throughout the documentation review and interview discovery phase, have been categorized under the key governance themes described above. We have provided examples of the options considered where gaps in the governance framework were identified, assessing them against guiding principles tailored to the complex Metro Vancouver Board governance environment in a manner that is adaptable and future focused.

The recommendations presented in this report have been classified into two categories:

1. **Immediate recommendations** or "quick wins" that offer high-impact, low-effort solutions well within the scope and mandate of the Board, perhaps requiring some Board consultation and refinements to Board policy or procedural bylaws;
2. Short- to medium-term **strategic recommendations** that bring enhanced governance but require legislative change (e.g. the Local Government Act), more detailed analysis, or additional consultation with member jurisdictions.

The remainder of this report provides our observations, analysis, findings and recommendations.

3. Background

3.1. Mission and Vision

Metro Vancouver embraces collaboration and innovation in providing sustainable regional services that contribute to a livable and resilient region and a healthy natural environment for current and future generations.¹

Metro Vancouver is a federation of 21 municipalities, one electoral area, and one Treaty First Nation (collectively the “member jurisdictions”) that collaboratively plan for and delivers regional-scale services to 2.6 million residents. Metro Vancouver is made up of four separate legal entities: the Greater Vancouver Water District (GVWD) that delivers drinking water to the region, the Greater Vancouver Sewerage and Drainage District (GVS&DD) that treats wastewater and addresses solid waste in the region, the Metro Vancouver Housing Corporation (MVHC) that provides affordable rental housing to nearly 10,000 tenants, and the Metro Vancouver Regional District (MVRD) that provides 13 services to member jurisdictions including regional parks, regional planning, economic development, E-911 call transfer service, air quality management and regulation, local government services for the unincorporated parts of the region (the “Electoral Area”), and others.

Metro Vancouver serves as the main political forum for discussion of significant community issues at the regional level. It is governed by four separate Boards of Directors comprised of elected officials from member jurisdictions. The regional district framework recognizes that some services can be provided more efficiently and cost effectively at the regional scale, benefiting from economies of scale and collaboration. Regional districts are by design, collaborative structures where the scope of their mandate is largely determined by the membership it serves. Metro Vancouver’s accountability to the residents of the regional district comes primarily from provincial legislation, the responsibilities of its governing board, and the municipal and public scrutiny and review of its budgets and financial performance.

3.2. Why Regional Districts?

The Greater Vancouver Water District and the Greater Vancouver Sewerage and Drainage District were established in 1924 and 1956 respectively to provide economies of scale in the delivery of water and wastewater management for the greater Vancouver area. By the 1960’s, the province was experiencing significant growth, with rural areas expanding rapidly but lacking general-purpose local government. This absence created serious issues regarding rural communities’ access to critical services, such as water and fire protection, and a lack of political accountability. This created planning, cost-sharing, and provision of service issues at the fringes of municipal boundaries. More importantly there was no simple means to achieve economies of scale in service provision beyond the amalgamation of municipalities, inter-municipal contracting, or the creation of special purpose regional service agencies. The Government of British Columbia incorporated a regional district for the western portion of the Lower Mainland named the Regional District of Fraser-Burrard in 1967. Just under a year later, the regional district was renamed as the Greater Vancouver Regional District.

An additional issue also drove the creation of regional districts - long-term capital borrowing for municipalities. Before the creation of the Municipal Finance Authority (MFA) in 1971, each municipality had to undertake its own capital borrowing. This situation disadvantaged most municipalities in the marketplace. Those without solid credit ratings faced higher interest rates or were unable to borrow

¹ <https://metrovancover.org/about-us/Board-strategic-plan>

funds, which significantly increased the costs of capital projects. The MFA allows municipalities today, through their regional districts, to pool their assets and collectively approach the marketplace for capital borrowing. This collective approach of joint and several liability generally results in better credit ratings and lower rates, with the MFA maintaining a AAA+ credit rating and very favourable borrowing terms. The Municipal Finance Authority Act mandated that all municipalities, except the City of Vancouver and special Boards, borrow through their regional districts.

Regional districts in BC such as Metro Vancouver provide a government for unincorporated areas, a forum for inter-municipal cooperation and an organization upon which provincial mandates can be imposed such as for regional waste management planning. This forum, while defined by the *Local Government Act*, proceeds primarily through voluntary agreement, collaboration and a utilitarian mindset by the municipalities and First Nations that govern it today and likely well into the future.

3.3. Governance Framework

The four legal entities that make up Metro Vancouver are governed by separate legislation: The GVS&DD is governed by the *GVS&DD Act*, the GVWD is governed by the *GVWD Act*, the MVHC is governed by the *Corporations Act*, and the MVRD is governed by the *Local Government Act*.



Figure 3 – Metro Vancouver Map of Member Jurisdictions Boundaries and Population

The four Boards of Metro Vancouver are comprised of Mayors and Councillors from the 23 member jurisdictions, as illustrated above. The council of a member jurisdiction appoints a director(s) to the MVRD board. They also assign an alternate, and the alternate will attend meetings when the board director is unable to attend. The term of office aligns with the general local election cycle (i.e. every

four years, with the next being October 17, 2026) or if another director is appointed to take their place. In most instances, municipalities have tended to appoint the Mayor (and Councillors for additional seats) as their representative director(s).

The number of directors appointed is based on a representative population-based formula. This also provides a formula for voting representation by the directors. This model ensures the Board represents the citizens of the municipalities in a manner proportionate to the size of their community and therefore generally proportionate to the costs allocated to their taxpayers, while controlling the overall size of the board. Each electoral area in the regional district is entitled to a minimum of one directly appointed board member, regardless of population size.

The number of votes to which each member jurisdiction is entitled, for the purposes of weighted voting, is determined by dividing the population of the jurisdiction by the voting unit number specified in the Letters Patent of the regional district. As a rule, the voting unit is approximately equal to the smallest municipal population in the regional district. For Metro Vancouver, the voting unit is 20,000. That means that a municipality has a Board Director with one vote for every 20,000 residents in their municipality, and a Board Director for every 100,000 residents in their municipality².

Metro Vancouver's other legal entities have separate Boards.

- The *GVS&DD Act* specifies that the GVS&DD Board is comprised of the individuals who are directors on the MVRD Board for those municipalities that are members of the GVS&DD, as well as the director for the Electoral Area on the MVRD Board.
- Similarly, the *GVWD Act* specifies that the GVWD Board is comprised of the individuals who are directors on the MVRD Board for those municipalities that are members of the GVWD, as well as the director for the Electoral Area on the MVRD Board.
- The MVHC is a subsidiary of the MVRD, and the MVRD Board has chosen to structure the MVHC Board the same way as the MVRD Board.

In this report, where we refer to the 'Metro Vancouver Board' we are referring to all four Boards of Directors. There is a public misperception that there is only one Board of Directors.

Aside from the *Local Government Act* and the other governing legislation, Metro Vancouver also operates in a complex framework of regulations and legislation governing its activities – covering areas such as air quality, environmental, building codes, zoning bylaws, island habitat preservation, etc. Importantly, it should be noted that although Metro Vancouver provides water and sewerage utility services, it is not directly governed by or accountable to a rate regulatory body, such as the BC Utilities Commission (which regulates the operation of energy and other utility services). Instead, the governance framework depends heavily on the oversight and accountability of Metro Vancouver staff to the Board and key stakeholders.

² <https://metrovanancouver.org/boards/board-members>

4. Governance Principles

The LGA Section 186 specifically defines the governance principles of the regional district with its key stakeholders as follows:

The relationship between regional districts and the Provincial government in relation to this Act is based on the following principles:

- a) *cooperative relations between the Provincial government and regional districts are to be fostered in order to efficiently and effectively meet the needs of the citizens of British Columbia;*
- b) *regional districts need the powers that allow them to draw on the resources required to fulfill their responsibilities;*
- c) *notice and consultation is needed for Provincial government actions that directly affect regional district interests;*
- d) *the Provincial government recognizes that different regional districts and their communities have different needs and circumstances and so may require different approaches;*
- e) *the independence of regional districts is balanced by the responsibility of the Provincial government to consider the interests of the citizens of British Columbia generally.*

However, while creating the overall goals and boundaries for a governance framework, there are challenges translating this into specific objectives. Through our stakeholder interviews, we identified specific guiding principles which directly represent feedback from Board directors and management on the values and governance ideals that should drive the organization and therefore could be used to objectively evaluate governance structures and options. These governance principles set a clear benchmark for defining “good governance” for Metro Vancouver. We have also used these standards to assess the current state governance framework and determine potential gaps or deficiencies.

Objective	Implications for Metro Vancouver’s Governance Framework:
Accountable	The Metro Vancouver Board is ultimately accountable for the execution of the strategy and managing risks to the strategy. The Board must be accountable to all of the communities it serves, as well as the provincial government. Similarly, the governance framework must ensure management is appropriately accountable to the Board.
Collaborative	The governance framework should support collaborative and efficient interactions between Board directors, with constituent jurisdictions, and with management.
Efficient	By its nature, Metro Vancouver is a large, complex organization accountable for significantly material and complex decisions. The governance framework supporting Metro Vancouver should be optimized and efficient in its design and operation, empowering Directors, Board Committees and management to make informed decisions at the appropriate levels within its structure.
Equitable	Decisions made within the governance framework should take into account the needs of all the communities Metro Vancouver serves and ensure such decisions are made in the best interests of the region as a whole. Although the governance framework must allow Metro Vancouver to treat all communities within the region equitably and respectfully, this may not necessarily mean equally – but decisions should not be overly punitive to any one community or minority of constituents.

Objective	Implications for Metro Vancouver's Governance Framework:
Informed	Decisions within the Metro Vancouver governance framework should be made by knowledgeable and experienced individuals based on accurate factual data and information. The Board should be provided with adequate and sufficient information to support their oversight responsibilities and the risks associated with this.
Sustainable	The purpose of Metro Vancouver is to create a long-term sustainable, livable region, and therefore its governance framework should also be designed to support the same multi-generational vision.
Transparent	Metro Vancouver's governance framework should ensure, as a public entity accountable to the communities it serves, it governs and communicates in a clear and transparent manner. Information should be provided to the Board in a clear format and the Board should ensure all information and decisions are communicated to key stakeholders in a similarly transparent manner.

5. Findings & Recommendations

This section provides the observations, findings and resulting recommendations from this Board governance review. Our conclusions have been grouped thematically against the six key components of a strong leading-practice governance framework, namely:

1. **Structures** – The effectiveness of the Metro Vancouver Board is influenced by the legal, organizational and political structures of the organization.
2. **Roles & Competencies** – Effective governance relies on clear accountabilities and the integrity, acumen and experience of the Metro Vancouver directors and executive.
3. **Strategy & Risk Management** – The Metro Vancouver Board and the executive must be aligned on the strategic direction and appetite for risk as they make key decisions.
4. **Policies & Processes** – The efficient operation of the governance and decision-making model depends on a sound principles-based policy, procedural framework and effective delegation of authority.
5. **Information** – The Board can only govern effectively when provided with the right information they need to provide effective oversight and insight into decisions.
6. **Culture & Behaviours** – A high performing Board operates collaboratively and discipline, executing their fiduciary duties with integrity while creating the space for healthy debate.



Each governance theme below includes a **current state assessment**, identifying the **key observations** and themes emerging from this review. In some cases, a **jurisdictional scan** is included to provide additional context through comparative research. Subsequently, an **options analysis** provides alternative strategies to remediate any deficiencies, informing the ultimate **recommendations**.

5.1. Structures

5.1.1. Current State Assessment

Governance structures and complexity

Under the *Local Government Act*, each regional district is a corporation. The governing body of the corporation is its Board. The Board may only exercise its powers and duties within the boundaries of the regional district (unless authorized by another Act). Metro Vancouver is comprised of four primary legally incorporated entities which are quite different in nature – a water distribution utility (GVWD), a sewerage and waste management infrastructure entity (GVS&DD), a non-profit housing corporation (MVHC), and the Metro Vancouver Regional District (MVRD), a regional federation with 13 service areas (such as Regional Parks, Regional Planning, Invest Vancouver, Air Quality management & regulation, etc.).

Each of these entities brings different layers of complexity, reporting, and governance decisions. It is fair to conclude that this complexity is significantly increasing, as is the financial size and risk associated with these governance decisions. The entire Board meets monthly with agendas produced

for each of these four entities. With regard to relative size and scale, the total approved 2025 operating expenditure budget of \$1.464B is allocated across each of these entities as follows:

Entity	Activity	2025 Budget (\$M)	%
MVRD	13 service areas	152.2	10.4
GVWD	Water	408.9	27.9
GVS&DD	Liquid Waste	681.9	46.6
	Solid Waste	160.1	10.9
MVHC	Affordable Housing	60.7	4.2
Total		1,463.7	100.0

Table 1 –2025 Approved Metro Vancouver Operating Expenditure Budget by Entity

The majority of Metro Vancouver’s operating and capital budgets are financed primarily through utility fees for drinking water supply, sewerage, and solid waste management. Property taxes form a smaller part of the budget (approximately 9%), while the Housing Corporation is a non-profit reliant on rental income and some provincial government funding. In the 2025 budget, Metro Vancouver residents will pay an average of \$875 annually (or \$73 per month) per household for all regional services.

In order to minimize the impact of rate increases, Metro Vancouver reviewed its capital plan in 2023 through a Financial Plan Task Force and subsequently postponed or eliminated a number of lower- and medium-priority projects (\$650 million cost reduction in the five-year plan), as well as increasing development cost charges (DCCs) for liquid waste and water services, and introducing new DCC fees for parks acquisition (as opposed to increasing the utility levies on residents).

Key Observations – Governance structures and complexity:

- The majority of expenditures are incurred by the GVS&DD (57.5%) and the GVWD (27.9%) – exceeding 85% of the organization’s total operating budget. However, the Board often spends a significant proportion of their time in MVRD-related discussion on matters that are less than 10% of the total expenditure, and although often strategic in nature, usually have much lower risk.
- A significant contributor to this review has been the \$2.8 billion cost overrun on the new North Shore Wastewater Treatment Plant³. Although not in the scope of our review (the Metro Vancouver Board has commissioned a separate review into this particular project), it is relevant to our governance review given the fact that it has generated a significant level of media scrutiny on the Board and staff and in part has created a wedge of mistrust between the member jurisdictions and Metro Vancouver. Metro Vancouver have since implemented new project management and financial monitoring and reporting structures related to significant capital projects (especially those under the oversight of the GVS&DD and GVWD Boards).
- Board directors indicated that the volume of information provided, complexity of decisions, and overall risk were greatest related to the GVS&DD and GVWD entities. Given the long-term nature, magnitude and specialized engineering aspects of the assets and related capital projects of these entities, this was not seen as surprising. The longer-tenured directors appeared to be more comfortable with this level of complexity and risk than newer directors. There is a high dependency on the Water, Liquid and Zero Waste Standing Committees of the Board to prioritize capital projects, assess the business cases for key decisions and assess the risks associated with them, ultimately bringing the summary reports and conclusions to the broader Board for ratification.

³ <https://metrovancover.org/services/liquid-waste/north-shore-wastewater-treatment-plant-project>

- The lowest level of complexity and concern by directors was attributed to the MVHC entity, which is consistent with the fact that it only comprises about 4% of overall capital expenditure and operates at no cost to the taxpayer.

Board Size

Based on the voting formula described in *Section 3.2 Governance Framework*, there are currently **41** directors appointed to the Boards of MVRD and MVHC, 38 for GVWD, and 37 for GVS&DD. The relative number of directors for the MVRD and the voting strength of each can be illustrated as follows:

Member Jurisdiction	Type	Population ⁴	# of Directors	Voting Strength	Voting %
Vancouver	City	662,248	7	34	23.4
Surrey	City	568,322	6	29	20.0
Burnaby	City	249,125	3	13	9.0
Richmond	City	209,937	3	11	7.6
Coquitlam	City	148,625	2	8	5.5
Township of Langley	District	132,603	2	7	4.8
Delta	City	108,455	2	6	4.1
Maple Ridge	City	90,990	1	5	3.4
District of North Vancouver	District	88,168	1	5	3.4
New Westminster	City	78,916	1	4	2.8
Port Coquitlam	City	61,498	1	4	2.8
City of North Vancouver	City	58,120	1	3	2.1
West Vancouver	District	44,122	1	3	2.1
Port Moody	City	33,535	1	2	1.4
City of Langley	City	28,963	1	2	1.4
White Rock	City	21,939	1	2	1.4
Pitt Meadows	City	19,146	1	1	0.7
Metro Vancouver A	Electoral Area	18,612	1	1	0.7
Bowen Island	Island municipality	4,256	1	1	0.7
Anmore	Village	2,356	1	1	0.7
Tsawwassen	First Nation	2,256	1	1	0.7
Lions Bay	Village	1,390	1	1	0.7
Belcarra	Village	687	1	1	0.7
Metro Vancouver		2,642,825	41	145	100

Table 2 – Metro Vancouver Member Jurisdiction Board representation

Board meetings for the four entities are generally held together on the same day on a monthly cadence, to minimize the impact on directors' time. Staff prepare Board materials for all the Boards concurrently.

⁴ Based on 2021 Census data.

Key Observations – Board Size:

- Based on projected population growth, the MVRD Board size is expected to expand to more than 50 directors within 10 years and to continue to grow.
- Almost all directors indicated the Board size is too large and unwieldy. From a governance perspective, directors suggested that the high number of directors results in situations where the desire to contribute would result in too many individuals taking more time than necessary, leaving others feeling unable or unwilling to speak.
- Concerns around reducing the Board size primarily related to the risk of creating a situation where a reduced number of directors from a member jurisdiction would result in automatic 'block voting' (i.e. the total votes for a jurisdiction would be 100% assigned to one side of a motion), whereas the larger municipal directors indicated it was not unusual to have a split vote from one municipality.
- There was a secondary concern from some directors who felt it important to have representation beyond the mayor or single appointee on the Board to provide differing experiences and perspectives.

Board & Staff Advisory Committees

Metro Vancouver has historically utilized an extensive Standing Committee structure to optimize and delegate the overall Board workload, to mitigate the volume and complexity of Board decision-making, to provide a mechanism to engage and allocate roles to Board directors, and in some cases to bring other jurisdictional representatives or subject matter expertise into the Board decision evaluation processes.

Standing Committees are established as needed at the discretion of the Board Chair, as per Section 218 of the LGA. It is not unusual for a number of these committees to be sustained from the prior Board, and in some cases Task Forces are struck which may be temporary in nature depending on a particular Board issue or project at hand. The Chair and composition of each Committee is determined by the Metro Vancouver Board Chair. Similar to the Board Chair, Committee Chairs preside at committee meetings and act as spokesperson on matters within the scope of the committee. Section 218 of the LGA also requires that "at least one member must be a director" but also allows the Chair to appoint non-directors to a Committee as well. Metro Vancouver's Procedure Bylaw requires that at least 50% of Committee members be Board Directors.

There are currently 13 Board Standing Committees, as follows:

Committee	Primary Activity	# members	Scheduled Meeting Frequency
Water	Water District work program	13	10
Liquid Waste	Liquid Waste work program	14	10
Zero Waste	Solid Waste work program	11	10
Regional Planning	regional growth strategy and collaboration on regional planning issues	15	10
Air Quality & Climate	Air Quality monitoring, regulation and policy development, and flood resiliency	14	10
Indigenous Relations	Elevate and discuss indigenous opportunities	15	4
Invest Vancouver	Attract foreign direct investment and support a collaborative approach to economic development	32	4
Housing	Housing work program, capital development	11	10

Committee	Primary Activity	# members	Scheduled Meeting Frequency
Regional Parks	Policy, parks management	16	10
Finance	Financial policy, DCCs, budgeting & reporting	10	10
Mayors Committee	Forum for municipal issue resolution	23	6
Caucus of Committee Chairs	Caucus of Committee Chairs – coordination	13	6
Electoral A & Small Communities	Responsible as local government for Electoral Area and act as a forum to discuss issues affecting smaller communities	8	4

Table 3 – Metro Vancouver Board Committees and Meeting Attendance

Typically, the majority of the Board’s governance ‘heavy lifting’ relevant to a specific topic (e.g. liquid waste or regional planning) is performed at the Committee level. Staff attend the Committee meetings and work with the Committee Chair and Vice Chair to review agenda packages in advance. Staff provide presentations to the Committee to explain reports and to support Board decisions when reports come to the Board. The Board Committees are responsible for making recommendations to the broader Board that either support the staff recommendation or differ based on discussions at the Committee.

Staff Advisory Committees are also used to gather input and evaluation for key strategic initiatives, issues, and decisions. These Committees are comprised of municipal staff (e.g. city managers, financial officers, engineers, planners, human resource officers) as well as additional associate members (e.g. Agricultural Land Commission, Port, YVR, TransLink), that act as a forum for issues of common concern and provide input and feedback on Metro Vancouver issues in advance of the Standing Committees’ and Board consideration.

Key Observations – Board & Staff Advisory Committees:

- The Chair has made some moves to reduce the overall number of Standing Committees to reflect shifts in the focus of the Board as well as to seek efficiencies in the demands on Committee members (eliminating and merging the Flood Resiliency, Fraser River Crossing and Culture Committees into the existing Committee structure). There remain opportunities to further consolidate Committees, reduce the frequency of meetings, and change the composition and reduce the number of Committee members without negatively impacting the governance of the Board.
- There is currently no Standing Committee accountable for the governance of the Board and its activities. This role is partly left to the Chair and the overall Board and partly embedded in the terms of reference of the Finance and Caucus of Committee Chairs Terms of Reference.
- The allocation of Committee members is a subjective process, based around ensuring an equitable allocation of roles across the Board, ensuring regional representation, as well as trying to manage the engagement of members in the operations of the Board and Committees. This has created an impression of preferential allocation amongst Board directors.
- In many instances, directors indicated that the volume and complexity of the effort in the Committees often leads to detailed complicated reports coming to the Board for decision-making (as Committees have no decision-making authority). Those directors on the specific Standing Committees are far more comfortable with the nature of the subsequent motions than those not sitting on or familiar with the Committee’s discussions and presentations from staff. Directors not sitting on a Committee recognize the complexity of the decisions and indicated they have a strong need to trust the effort of the Committee.

- The staff advisory committees representing the member jurisdictions - Regional Administrators Advisory Committee (RAAC), Regional Finance Advisory Committee (RFAC), Regional Engineers Advisory Committee (REAC), Regional Planning Advisory Committee (RPAC), others - provide input to Metro Vancouver staff and sometimes Board reports. In some cases, directors indicated they would turn to staff from their member jurisdictions for advice or guidance rather than their Metro Vancouver staff. This can result in an inconsistent or biased perspective as municipal staff may not have the appropriate technical information or skills, or may not effectively consider broader regional interests.
- Municipal staff do not have access to closed Committee, Board or Board agenda materials as per the Local Government Act and/or for legal reasons. The inability of directors sharing materials with the municipal staff from their member jurisdiction is legally sound, but does create challenges in managing the efficient and effective flow of information for decision-making by the directors, both as elected officials and Metro Vancouver directors. Metro Vancouver staff have created a mechanism whereby they can meet with local member jurisdiction Board Directors in a confidential closed forum, but this is not consistently taken advantage of. These real and perceived information gaps have sometimes led to a break-down in the communication of information between municipal staff, Metro Vancouver staff, and the Board directors.

5.1.2. Jurisdictional Scan

Our review of other jurisdictions or similar organizations identified that the Board and Committee structure within Metro Vancouver is generally aligned with other Canadian regional districts. However, other utilities and non-profit housing providers do tend to have a crown corporation or private sector professional Board structure. Often other utilities have some form of regulatory oversight to compensate for the lack of budget oversight and scrutiny from elected officials, municipal staff, and others representing the interests of residents and taxpayers. It should also be noted that the Committees in some peer regional districts can also be quite substantial in number – often multiples of those in Metro Vancouver.

Although not necessarily endorsing the governance structure in place today, we did note that the Metro Vancouver regional district and utility model was identified as embodying many leading practices by other jurisdictions who have sought to emulate them in various ways.

5.1.3. Options Analysis

Board Size & Structure

Given our observations on the significant size of the Board, the volume of documentation and the complexity of the decisions facing the directors, we considered alternative Board structures to determine the relative advantages and disadvantages against the governance principles identified in *Section 4 – Governance Principles* of this report. Based on our analysis of alternative jurisdictions and industry models, we have identified the following Board options for consideration:

1. **Independent Board.** This would be a professional Board (similar to that of a crown corporation such as BC Hydro). It could be selected by the Board Governance/ Nominating Committee and the Provincial Government and could have approximately 10-14 directors. Given the lack of direct accountability to the taxpayer, it might require some form of regulatory oversight (e.g. BC Utilities Commission). As independent directors, the ability to discharge fiduciary responsibilities to the region would be somewhat easier. The remuneration for directors would likely have to approximate those in provincial Crown or private sector Boards.
2. **Single Representative Board.** This alternative Board model can be easily achieved by reducing the appointed members back to one per member jurisdiction, likely the mayor or Chief with an alternate. This would bring the number of directors to 23. All voting units would be

allocated to these regional representatives. However, without adjustment to voting procedures, it would introduce automatic 'block voting' as all votes for a jurisdiction would sit with that single appointee. The Committee structure and broader council participation in standing committees would need to be retained to support the leaner Board. Remuneration structures would not change, but total remuneration would be reduced.

3. **Capped Board.** If a primary goal is reducing the size of the Board without significantly impacting governance, this alternative Board structure would meet those objectives while also future proofing the Board size for projected regional population growth. This option would retain the current director and voting allocation but set a maximum of three directors for the larger cities (e.g. 200,000+). This would reduce the current Board to around 34 directors – still likely a challenging Board size from a governance perspective but provides higher representation than the Single Representative Board option. Voting units would be allocated to these regional representatives as in the current allocation with consolidation for the larger cities. The Committee structures would remain largely unchanged as would the remuneration model.
4. **Federated Assembly.** *This is largely the status quo model.* The current population-based model is still a valid structure from a governance perspective, but would need refinement to strengthen its ability to effectively govern and better meet the governance principles outlined in the prior Section. This could include revisiting Committee constructs and composition, accountabilities, and information flows. This may have some impact on remuneration and time commitment, but ultimately it is the model with the least inherent change. The Board size could be reduced by increasing the voting divisor for Metro Vancouver (e.g. from five to seven)⁵. This would reduce the number of seats from 41 to 35 and limit the growth over time.
5. **Hybrid Board Structure.** One of the challenges with the current Board structure is the uniform approach to governing the various legal entities that comprise Metro Vancouver. The governance needs of a complex water or waste utility are significantly different than those of a regional federation or non-profit housing corporation. The volume of information, program size and duration, decision complexity, and overall financial risk to the taxpayer are considerably different. A hybrid Board structure would involve retaining the current MVRD Board with its regionally appointed federation model as a form of parent Board, but then create separately resourced and accountable Boards for the GVWD and GVS&DD entities with appropriate specialty subcommittees such as a Crown or private sector utility Board structure (rather than the one large Committee today). The MVHC Board could be left intact or adapted to a leaner version of a Crown or non-profit sector Board. These subsidiary Boards should maintain an equilibrium of MVRD Board members as well as independent Board members in order to balance the objectives of the municipalities and taxpayers with those of a private sector utility. This may create some increase in remuneration costs, but this could be offset by the reduced size and improved governance and risk management.

The adoption of these different board governance structures would require legislative change, with potential implications for other regional districts in the province. We did consider one further model, which would be the corporatization or privatization of the utility entities, with appropriate oversight from a regulatory body such as the BC Utilities Commission to protect the taxpayer. There are a variety of case studies demonstrating mixed results (including Thames Water or Severn Trent Water in the United Kingdom; EPCOR owned utilities in Edmonton, for example). However, these privatized or semi-privatized models would require significantly more investigation, consultation and analysis, and

⁵ Under the LGA s. 41(4)(a), the HMA Minister can recommend to Cabinet to amend the MVRD Letters Patent by an Order-in-Council.

certainly would only be approached by Metro Vancouver and the provincial government as solutions to broader operational and financial opportunities than just strengthening Board governance.

The various Board structures and options can be illustrated as follows:

Attributes:	1 Independent	2 Representative	3 Capped	4 Federated	5 Hybrid
Board Size:	10-14	23	34	35-41	MVRD 34-41 Others 10-14
Independent Directors:	Yes	No	No	No	Some
Appointed by:	Governance Committee	Member jurisdictions (likely Mayors)	Member jurisdictions	Member jurisdictions	Member jurisdictions & Independent
Accountability to taxpayer:	Indirect or through regulator	Direct	Direct	Direct	Direct
Fiduciary conflicts:	Low	Moderate	High	High	Low
Fit to Governance principles (Sec 4)	Moderate	Moderate	Moderate	Moderate	Strong
Change to LGA:	Yes	Yes	Yes	No	Yes
Committees:	New	Unchanged	Unchanged	Unchanged	New
Average Individual Remuneration:	\$\$\$	\$	\$	\$	\$\$
Overall Board Remuneration:	\$\$\$	\$	\$\$	\$\$\$	\$\$\$

Table 4 – Potential Metro Vancouver Board Structures and Implications

Elected or Appointed Directors

In considering the Board structure and composition, we considered the option of maintaining the current appointment model versus an elected official format. There is provision for an elected official approach (likely requiring some legislative change) - certainly the Electoral Area Board seat is elected in this manner. In fact, the elected model was implemented during the early 1970's but abandoned after three years. Upon assessing the advantages and disadvantages of this approach, we concluded the appointment model is likely the stronger from a governance perspective. Although the current appointed directors are already elected in municipal elections, there are a number of political advantages to the elected official model, but also several concerns including:

- An elected official would carry the same fiduciary risks as an appointed director in the sense they would still be accountable for balancing their responsibilities to both the taxpayers who elected them and the broader longer-term interests of Metro Vancouver.
- The election of a director would also likely form part of the ballot in the municipal elections. There is a risk that the average voter will not understand the complexity and governance needs of Metro Vancouver and the intricate relationship between the municipalities. The intent of having the municipalities select their Board members is to ensure there is some logic behind the appointment.
- There is no guarantee that an individual elected by the public onto the Board of Metro Vancouver is able to bring better skills, municipal experience, or otherwise better govern the significant risk and complexity related to a multi-billion dollar utility, housing and regional service organization. It might be more advantageous to create a slate of independent, highly qualified directors if a change was being considered.

- One of the key expectations of a Metro Vancouver Board member is not only that they understand the implications of their decisions on the municipalities, but that they also can go back into the municipality and implement the decision in a collaborative effective manner over time. Metro Vancouver decisions often have multi-year implications on the financial and operational decisions of its members and how a municipality collaborates with its neighbouring jurisdictions.
- Both the elected and appointed official models have a common issue in that their term may only be four years. Given the steep learning curve, complexity of the organization, and risk and impacts of the multi-decade decisions, neither option creates the necessary advantages of institutional knowledge and tenure.
- There is no certainty that a slate of elected directors would work together more effectively than the current appointed officials. In some instances, the political leverage or the need for several municipalities to collaborate on other initiatives force the appointed officers to collaborate today.
- There are mechanisms in place in to remove or mitigate Board members who are not performing at the level of integrity, competency or mutual benefit required of a Board director. An elected official model could create scenarios where the Board becomes divided or driven towards a different strategic agenda at the expense of the municipalities.
- Any change to the format of appointing directors would require legislative change and potentially could have impacts on other regional districts administered under the LGA.

Ultimately the quality and effectiveness of the Board governance of Metro Vancouver is likely far more impacted by the knowledge and experience of the Board directors, as well as the Board behaviours, actions and processes. As such, we did not see any significant advantages from such an investment in changing to this source of candidates and in fact it may perpetuate or complicate current governance challenges. The desired advantages could simply be achieved by identifying and recruiting several external candidates with appropriate skills and experience to the Boards of GVWD and GVS&DD.

5.1.4. Recommendations – Structures

1. The Board should consider the **Hybrid Board Structure**, as described above. This will require consultation and detailed design to better achieve the governance objectives outlined in this report. From a governance and efficiency perspective, this proposed model would likely involve the following key attributes:
 - a) Legislative change to support the appointment of non-elected directors for the GVWD and GVA&DD Boards (and MVHC, if desired). The 50% requirement for member jurisdiction appointed directors to Committees could also be applied to the Boards.
 - b) Development of a skills matrix to ensure an appropriate mix of requisite knowledge, competency and experience is recruited into the Boards.
 - c) Implementation of a governance structure (e.g. Governance Committee) to recruit and recommend appointment of non-elected directors, as well as to resource the remainder of the Boards with directors from the member jurisdictions. These would be smaller Boards to enable more effective collaboration and efficient governance (approximately 10-14 individuals).
 - d) Update the Terms of Reference for the Boards to reflect the shift in director composition and Board structure.
 - e) Consider four-year terms for the non-elected directors staggered against the current four-year cycle of elected officials appointed to these Boards (i.e. two-years after municipal elections). These terms could be extended at the discretion of the Chair and Governance Committee to further facilitate the retention of institutional knowledge.
 - f) Implement appropriate committees to support the operations of these Boards. These could include technical or specialty committees and smaller general-purpose committees (e.g. Finance, Governance) which might have cross-representation from the broader MVRD and other Board Committees.

2. The Board should consider **reducing the size** of the Boards regardless of the Board structure selected. In the Hybrid Board option whereby the utility Boards are reduced in size, this could be achieved for the MVRD Board by either adopting the Capped Model or increasing the voting divisor from five to seven, for example. The former would require legislative change, while changing the divisor can simply be achieved through an Order-in-Council under the LGA.
3. The Board should consider creating a **Governance Committee** of the Board. The purpose of this committee would be to oversee the governance, ethics and integrity of the Board's policies and conduct. Specific responsibilities could include but not be limited to:
 - a) Board policy and procedure review and recommendation
 - b) Objectively determining the membership of committees
 - c) Maintaining a Board skills matrix to support committee appointments
 - d) Receiving and addressing management and Board integrity issues/complaints
 - e) Board remuneration policies and concerns
 - f) Conflict of interest investigation and resolution
 - g) Board performance evaluation and effectiveness
 - h) Board and Committee succession planning

The Governance Committee would be a logical body to work with the Board to **review and implement the findings** of this independent governance assessment, as well as lead future Board performance evaluations or other governance related reviews. It could be supported by a Chief Governance Officer (perhaps an additional responsibility to Legal Counsel) to assist with the flow, adequacy and timeliness of information to support Board-related decisions.

4. The Board should continue to seek ways to reduce or **optimize the time investment in Committee meetings**. Ultimately the selected Board structure will influence the number and composition of Committees. In the interim, this could immediately be achieved by:
 - a) Continuing to reduce and amalgamate Committees. Amalgamation could include: Air Quality and Climate Regional Parks, and possibly Regional Planning,
 - b) Tightening the scope and terms of the current Committees,
 - c) Reducing the number of Committee members, and
 - d) Reducing the frequency and duration of the meetings.

Committees could still be scheduled for 10 meetings per year but nominate two meetings as optional for critical issues, for example or continue to cancel meetings if there are not time sensitive or substantive agendas. Committees that make less time-sensitive or high-risk decisions and are currently scheduled on regular (i.e. more than quarterly) basis include: Regional Planning, Regional Parks, and the Mayors Committee.

5. The Board should ensure that Staff reports going to the Committees and Board include feedback **from the Staff Advisory Committees** regarding the specific options, risks and direct impacts on the member jurisdictions. These Advisory Committees (RAAC, RFAC, REAC, and others) do already provide input into staff reports, but specific relevant risks or implications of Board decisions on member jurisdictions may not be fully considered in Board materials.
6. The Terms of Reference for all Board Committees should be revisited to ensure the scope and mandate of the Committee is appropriate for the new Board structures, the overall vision and direction of Metro Vancouver, and supports strong governance of the Board.

5.2. Roles & Competencies

5.2.1. Current State Assessment

Board Leadership

Pursuant to Section 216 of the LGA, the Chair is the head and Chief Executive Officer of the regional district. Within Metro Vancouver, all four legal entities are led by a single Chair and CEO. The Chair (and Vice Chair) are elected by the Board each November (with each director having a single vote). Therefore, the tenure of any given Chair may only be one year from the date of election, but in practice have usually extended for a full municipal election term.

The LGA extends the Board Chair's duties to the following:

In addition to the chair's powers and duties as a Board member, the chair has the following duties:

- a) to see that the law is carried out for the improvement and good government of the regional district;*
- b) to communicate information to the Board;*
- c) to preside at Board meetings when in attendance;*
- d) to recommend bylaws, resolutions and measures that, in the chair's opinion, may assist the peace, order and good government of the regional district in relation to the powers conferred on the Board by an enactment;*
- e) to direct the management of regional district business and affairs;*
- f) to direct the conduct of officers and employees in accordance with sections 239 [chair to direct and inspect officers and employees] and 240 [suspension of officers and employees].*

In the absence of the Board Chair, the Vice-Chair acts as Chair. Although this does not happen often, when the Chair is unable to attend or must leave early, the Vice-Chair does take leadership of the Board meeting. Besides chairing the occasional meeting, the Vice-Chair primarily supports the Chair with Board Director engagement, agenda review, and Board strategy.

Key Observations – Board Leadership:

- The Chair role is the single most important Board member, directly impacting the effectiveness of the governance of the Board and Metro Vancouver. The annual election cycle for the Chair (and Vice-Chair) can lead to challenges in Board continuity and potential for loss of institutional knowledge and control. Leading practices indicate that a Board Chair should help develop strategy with the Board and see it through to natural points of transition.
- The role of Chair and CEO is a significant time commitment. The Chair is a Mayor or Councillor of a member jurisdiction, so already has significant time and community commitments.
- The CAO is also a board member, reporting directly to the Chair and CEO and ultimately accountable for the operations of Metro Vancouver and bridging the relationship between the Board and staff. This balance between operating as a Board member and an 'employee' of the Board can create some frustration amongst directors as they see the role as a more traditional executive leadership role reporting to the Board versus the legislated dual role.

Fiduciary Duty

The role of a Metro Vancouver Board Director entails a complex interplay of responsibilities that extend beyond the typical duties of elected officials within member jurisdictions. One of the most commonly cited challenges and obligations faced by Metro Vancouver Board Directors is the dual nature of their governance role, and the implications for regional decision-making versus their role as an elected

official in their local jurisdiction. At the highest level, under common law in Canada each Director must meet certain fiduciary duties including the following:

- a) **Duty of Loyalty** - Board members must prioritize Metro Vancouver's long-term interests above their own and those of their member jurisdiction, avoiding any conflicts of interest. The fiduciary duty is owed to the corporation, not to any particular stakeholder – although individual stakeholders must be treated equitably and fairly.

Metro Vancouver is a separate legal entity, distinct from its member jurisdictions including the municipalities, electoral area, and Treaty First Nation. Directors serving on the Metro Vancouver Board are tasked with fulfilling obligations to both their respective member jurisdiction and to Metro Vancouver itself. This dual responsibility creates a unique governance dynamic, where directors must navigate the differing expectations and obligations associated with each entity. While elected officials have a fiduciary duty to their constituents and to the specific needs of their local areas, their responsibilities as directors of Metro Vancouver encompass fiduciary, confidentiality, and other legal obligations that demand adherence and integrity.

- b) **Duty of Care** - Board members have a responsibility to exercise reasonable care and diligence in their decision-making, ensuring they are well-informed and act prudently.

This standard of care can be achieved by any director who devotes reasonable time and attention to the affairs of the corporation and exercises informed business judgment. The standard of care is measured against the objective standard of what a reasonably prudent person would do in comparable circumstances. Failure to meet the standard often stems from passivity and a failure to inquire.

- c) **Duty of Obedience** - Board members must ensure the organization complies with all applicable laws and regulations.

Beyond the large infrastructure projects, the scope of legal and regulatory compliance requirements faced by Metro Vancouver extend well into areas such as long-term borrowing, housing projects, regional parks, air quality management and regulation, water quality, as well as traditional municipal related processes and risks. This complexity places additional pressure on the directors' duty of care in their decision-making.

Key Observations – Fiduciary Duty:

- One of the most significant challenges faced by Directors is the necessity to sometimes balance potential competing interests between regional priorities and local concerns. Decisions made at the regional level may not always align with the interests of individual municipalities or the preferences of constituents. Where stakeholders' interests conflict, there is no principle that one set of interests should prevail over another set of interests⁶. This implies that directors cannot simply focus on what is best for Metro Vancouver (or their home jurisdiction), but must critically assess the regional impact of issues and decisions, striving for what is best for both the broader community and any aligned or diverging local interests. In some extreme cases, Board directors referred to these competing interests as "nearly impossible".
- This conflict does create an interesting dichotomy when directors are required to vote on issues at their municipal or First Nation council, and then again at the Metro Vancouver Board. There are situations where they may need to vote in differing directions. Their obligation is to make a decision in the best interests of Metro Vancouver when voting as part of the Board, however, when voting as part of their municipal or First Nations Council, they must make decisions that

⁶ *BCE Inc v 1976 Debentureholders*, 2008 SCC 69 (CanLII)

best serve the interests of that organization. These could be opposing decisions requiring them to find the right balance as they make these decisions. Additionally, decisions made in these Boardrooms are legally protected as long as they are made appropriately and are made in the best interests of the respective organization.

Time Commitment & Expectations

From a Duty of Care perspective, the expectations of a Board or Committee member can be summarized into at least eight key roles or responsibilities:

1. To *sufficiently prepare* for Board and Committee meetings by reviewing Board and Committee materials prepared and distributed by management in the week prior to and the day of the meeting(s) in question;
2. To gather sufficient insights and information to ensure the Board or Committee member *understands the nature of motions and decisions* proposed, particularly on their community as well as the region as a whole;
3. To *seek and clarify information* from Metro Vancouver staff to support their understanding of key issues and decisions;
4. To *attend the entire meeting* regardless of actual duration, ensuring appropriate input, debate and discussion to support informed decisions, including travelling to and from the Board or Committee meetings (in their own time and at their own expense);
5. To *attend site visits* of Metro Vancouver (or other neighbouring regional district) facilities or projects to support their understanding of the nature, risks and complexity of the operations of the organization, as required;
6. To *travel to national or international events* to promote, inform and support the strategic initiatives of Metro Vancouver, when required;
7. To *communicate and collaborate* with other Metro Vancouver Board directors and their municipal management teams to understand issues and concerns, and to facilitate efficient and informed decisions; and importantly,
8. To *consult their community* and staff, and ensure the decisions and actions taken by the Board are *supported and implemented* during their tenure as an elected official and Metro Vancouver Board member.

Key Observations – Duty of Care:

- It is often the last responsibility described above that can be the most onerous given the complexities of competing local community needs and interests versus regional needs as well as the financial implications of decisions on the electorate. In general, however, the time commitment for a Board member can average several days per month, and significantly more for Board Chair, Vice Chair and Committee Chairs. Many of those interviewed consistently described it as a 'second full time job' after their mayoral or council role.
- From a compensation perspective, Board and Committee members are only compensated for actual meeting attendances, but not: meeting preparation, Board/Committee meeting travel time or expenses, working with management to understand issues, or the implementation of decisions. The Board Chair and Vice Chair do receive an annual retainer, but are capped in their meeting attendance stipends at 18 meetings. Remuneration is discussed in further detail in *Section 6 – Remuneration* of this report.
- The competencies required of a Metro Vancouver Board director tend to extend beyond that of a normal public or private sector Board given their need to balance two perspectives on very large long-term decisions impacting their jurisdictional constituency as well as those of Metro Vancouver residents. There is a significant volume of technical information being provided to the

Board for review. The nature of the capital utility projects are financially material, long-term and bring unique risks not always encountered in municipal utilities. Many Board members reflected that their first year of Board membership was quite overwhelming, indicating it took a while before they felt more comfortable with the information being provided. This feedback was more pronounced for directors who were also newly elected to their municipal council.

- Many Board members reflected challenges in reading and absorbing all of the Board and Committee reports, with some choosing to focus on executive summaries or specific areas of interest or focus for their municipality. Others expressed frustration when they felt other directors had not read the materials sufficiently or were hindering Board proceedings as they struggled to understand the implications of the issue at hand.
- For some Board members, there is a tendency to consult local municipal staff and a correlating reluctance to seek out information from Metro Vancouver staff. Board members are required to make decisions based on the assumption that accurate, timely information is being presented to them, but they also have a responsibility to seek out additional information or answers to questions if that information is not deemed to be complete enough.
- A number of Board members expressed concerns that they struggled to understand or track key decisions and motions in meetings. Often this was the result of the nature and complexity of the issue being discussed, their lack of specific knowledge of the implications of the alternative options, or simply because the Board discussion had resulted in complicated or opposing language in the motion itself.

Roles and Responsibilities

The roles and responsibilities of the Board Chair, Vice-Chair and Committee Chairs are generally understood. There was some frustration expressed at the lack of clarity around specific roles, and their decision rights and accountabilities. This may stem from a lack of familiarity with the various procedural bylaws and Delegations of Authority, and in part from shifting perspectives on what the Directors are able or not able to decide in their specific circumstances. There were also questions raised about the specific delegations to, and responsibilities of, the CAO.

Director Knowledge and Experience

The Board experiences turnover every four years after every municipal election when municipal councils appoint their Board members. Beyond this natural turnover cycle, there are instances where councils may replace their Board directors or send alternates. This can bring new insights and strength but can also create loss of institutional knowledge.

Board Standing Committees are resourced by both Directors and municipal Councillors. The selection of Committee members is at the discretion of the Chair. Staff also play an active role in supporting the Committees to ensure that the members have access to the information they require.

Upon appointment to the Board, Directors participate in an orientation program. The orientation occurs over a 3-month period coinciding with their inaugural orientation and efforts as a new Councillor or Mayor in their home municipality.

Board education is relatively sparse but does include some governance training and Metro Vancouver site visits or other regional activities and events. In some cases, directors may attend national or international conferences, summits or other events, at the discretion of the Board Chair.

Key Observations – Director Knowledge and Experience:

- Sustaining good governance depends heavily on institutional knowledge across the Board. Currently there are 29 Board directors (of the total 41) who have joined the Metro Vancouver Board after the last election.

- The selection of Committee members is at the discretion of the Chair. Experience and knowledge factor into the decision of who should Chair and sit on the Committees, but there is no formal skills matrix utilized to inform these decisions and even so, there is a widely varying set of knowledge and experience in the director cohort as well as other political considerations, challenging a traditional skills-based selection approach.

5.2.2. Recommendations – Roles & Competencies

7. The Board should consider appointing an **independent Chair** for the Boards, particularly the utility Boards under a Hybrid Board structure. The role of the Chair is critical to the success of the governance of the Board. As Metro Vancouver continues to grow in size and complexity, the time commitment for the Board Chair will also increase potentially creating the need for a full-time Chair. Ideally this individual would have senior municipal and/or utility experience.
8. The Board should consider seeking legislative change to set the term of the Chair to a **four-year** period, beyond the current annual term. It is unlikely that a Chair will have sufficient time to develop their Board and begin to implement the strategy within a one-year timeframe. The magnitude and importance of the role to good governance would suggest a longer term. In addition, if the Chair is an independent non-elected official, the Board should consider offsetting their term with the traditional four-year municipal election cycle and associated high turnover of Board members.
9. The Board should consider enhancing the **education plan** including Board orientation, professional Board development, education on the operations of Metro Vancouver and its projects (including site visits), and other subject matters relevant to Board decisions (e.g. regulations pertinent to a Committee, historical decisions and implications, etc.). This could include building stronger personal connections with management and staff through this program.
10. The Chair should allow sufficient time and question Board directors in the meeting to ensure the directors **understand the motion**, has the opportunity to safely ask questions relating to it, and ultimately ensure everyone can make the right informed decision.
11. The Board should consider regularly and clearly defining and communicating the **roles and responsibilities** of Board members and the CAO with regard to decision rights, delegations and other responsibilities to ensure clear accountability and effective decision-making.
12. The Board and staff should continue to explore ways to **bring municipal interests and perspectives** into the discussion at the Board and Committee meetings in order to help directors achieve a balance in discharging their dual fiduciary duties and reducing the likelihood of polarizing viewpoints dominating the meetings. Directors should also endeavour to manage the risk of polarizing discussions and seek to leverage Metro Vancouver staff to bring the right balance of information to reports and discussions. Training provided to Directors should also specifically address the inherent duality in fiduciary duties they face and provide guidance on how to seek the right balance (versus simply requiring them to take a Metro Vancouver regional perspective only).
13. The Board should consider developing a **formal skills matrix** to assist in the allocation of Committee roles and Board duties to directors, particularly if the resulting Board structures include non-elected officials. The maintenance and monitoring of this could be the responsibility of the Governance Committee.

5.3. Strategy & Risk Management

5.3.1. Current State Assessment

Strategic Alignment

Section 185 of the LGA provides that:

Recognizing that regional districts are an independent, responsible and accountable order of government within their jurisdiction, the purposes of a regional district include:

- a) providing good government for its community,*
- b) providing the services and other things that the Board considers are necessary or desirable for all or part of its community,*
- c) providing for stewardship of the public assets of its community, and*
- d) fostering the current and future economic, social and environmental well-being of its community.*

Metro Vancouver has a 2022-2026 Board Strategic Plan. The Plan is built around five strategic priorities:

- Financial Sustainability and Regional Affordability
- Resilient Services and Infrastructure
- Reconciliation
- Climate Action
- Housing

The plan was developed early in the term of the new Board members and was built upon the prior strategic plan. The Plan was due to be refreshed this spring, but this regular two-year update has been postponed due to the various reviews underway.

Risk Management

One of the key responsibilities of the Board is to establish strategic priorities for the organization and to understand and support staff in mitigating the risks to the strategy. The Board should be aware of all material and strategic risks, and be confident staff are in control of them. Currently there is no overarching program to assess the strategic risks facing Metro Vancouver and its strategic priorities.

From an operational and project management perspective, however, a strong risk management program was established in 2019 when the current CAO was hired. This includes the creation of the Project Delivery department, providing standardized project delivery tools, enhanced project oversight, independent project expert advisory, structured project stage gating, and other project risk management mechanisms.

Internal Audit

Metro Vancouver does have one Internal Auditor reporting into the Finance Department. A strong internal audit function is critical to the integrity and governance of any large organization. For an organization with multi-billion-dollar operating plus significant capital budgets, an Internal Audit function is imperative. Internal Audit is both a strategic advisor on risks and controls, as well as the last line of defense in ensuring management is following key policies and procedures with integrity.

Key Observations – Strategy and Risk Management:

- Since the development of the Board Strategic Plan, the organization has continued to evolve and there no longer appears to be consistent alignment and commitment across the Board to the Strategic Plan and its scope and direction. Directors also indicated that the strategic direction and

investment strategies are not universally defined or agreed upon. This fosters an environment where directors prepare for meetings and vote on critical motions without broader strategic alignment.

- A strong project risk management framework exists, as does some of the necessary operational risk management activities – but Metro Vancouver is lacking an enterprise-wide strategic risk management program providing the Board assurance that staff are aware of and in control of their key risks, and the Board and staff are aligned in their perspectives on risk and risk mitigation. Identifying and assessing these strategic risks is critical to inform the strategy as well as to develop pragmatic risk mitigation as part of the key strategic initiatives
- Metro Vancouver lacks a comprehensive independent Internal Audit function providing the necessary assurances to the Board around the internal control environment within Metro Vancouver. The Internal Audit function works with the CAO and CFO, but does not report directly to the Board or any of its Committees.

5.3.2. Recommendations – Strategy & Risk Management

14. The Board should lead a refresh of the **strategic plan**, seeking alignment around a common set of goals and initiatives. The exercise should consider the purpose of the organization, and the values, roles and responsibilities of the Board in executing it. There also needs to be a focus on strategies to continue to build trust and confidence with key stakeholders and the public.
15. The Board should consider introducing a program to assess the enterprise-wide **strategic risks** facing Metro Vancouver and its strategic priorities. This effort should inform the Board and management as to the key risks facing the organization, and the strategy to mitigate and increase resilience to these risks.
16. The Board should consider strengthening the **Internal Audit** function, focused on assessing and reporting to management and the Board (Finance Committee) on the design and effectiveness of internal controls and other specific operational risks. Initial internal audits should focus on the areas of most concern to the Board (e.g. strategic risks, project management oversight, financial controls, etc.).

5.4. Policies & Processes

5.4.1. Current State Assessment

Board Policies and Procedures

Board policies and procedures are well defined in a series of bylaws, policy and standards documents. Each Standing Committee has clearly defined terms of reference. Board materials and communications adhere to strict protocols on content, timing and confidentiality. All policies, procedures and board materials are publicly available, except for materials deemed confidential for legal or other confidential (e.g. competitive pricing) purposes. Any closed information received by a Board member in their capacity as Metro Vancouver Director is required to be kept confidential. All open materials are posted publicly and shared with staff advisory committees.

Key Observations – Board Policies and Procedures:

- One of the strengths of the Metro Vancouver Board governance framework is the detailed procedural bylaws that provide direction around key Board processes and decisions. However, there is a lack of understanding of them, as well as roles and responsibilities relating to them. Although the policies are comprehensive and grounded in appropriate legal due diligence, they are not the easiest to understand or apply without guidance.
- Board directors indicated that they are dependent on staff to provide clarity on policy and process. Some indicated the framework of policies and procedures require comprehensive review and refresh.

Board Decision Making

The Board has a well-documented decision making and voting process. A formal Delegation of Authority exists (within the Officers and Delegation Bylaw), clarifying the key Board delegations to management and the authorities granted with them.

Key Observations – Board Decision Making:

- Recent increases in the delegation of authority around procurement decisions has created an executive approval threshold (\$10 million). Some Board members expressed concern that this could result in limited Board visibility regarding projects / initiatives under the threshold, by encountering a series of significant change orders without visibility or Board approval for the total amount. All contracts are posted monthly on the Metro Vancouver website, and the Board receives two reports a year report on financial performance with all contracts listed and one audited year-end financial statement, followed by an annual statement on vendor and employee remuneration known as the SOFI report.
- Reports containing recommendations are elevated to the Board from Committees for a decision. In some cases, however, directors may not support the Committee's recommendations. This tends to happen when certain directors have a significant personal investment in an issue, but are not effectively represented on the underlying Committee; or less frequently, the issue was debated at the Committee level without a clear consensus, resulting in conflicting opinions at the Board level. In some instances, the Committee recommendations may also differ from the staff recommendation (which may include advice from the member jurisdiction staff advisory committees as well).
- There is no formal dispute resolution process to address significant differences in opinion between the Board and the member jurisdictions. Where possible the Chair, CAO and Metro Vancouver staff will try to address these concerns proactively with member jurisdiction staff.

Board and Committee Meetings

Meeting attendance is highly encouraged to be in-person, to facilitate meetings more easily and encourage relationship building among Board directors. However, electronic meeting attendance via Zoom is permitted and under the Local Government Act and is regarded equally as attendance in person.

Board and Committee meetings are run by the respective Chair following strict procedural rules. Active discussion and debate are encouraged, but procedural rules exist to support time management.

Key Observations – Board and Committee Meetings:

- Committees are the Board’s mechanism for information aggregation. Formal reports and resolutions are elevated to the Board by the Committees for formal ratification. However, many directors (particularly those not on particular Committees) struggle to understand the information provided and the implications of key decisions.
- We observed a number of instances where Board members were not familiar with specific Board procedures relating to motions or other procedural rules and bylaws. In some instances, they were able to identify this and seek clarification, but during our interviews Directors expressed some frustration with the general lack of knowledge of or adherence to the Board’s procedural rules.
- Despite the formality of strict procedures, as is the case in any large Boardroom, a minority of Board or Committee members will consistently dominate the floor on topics regardless of expertise or relevance; add onto existing statements rather than letting opposing views be presented; shift conversations off topic to personal agendas; or otherwise consume an inequitable amount of Board discussion time. Some directors indicated they often remain silent in certain discussions as they did not feel adequate time or a safe space was available to them, nor did they want to perpetuate a conversation they felt was not moving in an appropriate direction. The Chair is accountable for managing the meeting, but in the spirit of fair governance the Board is allowing democratic debate and all directors to voice an opinion.
- Weighted voting is employed by regional district Boards for financial decisions and for decisions regarding the administration and operation of services. The Board uses a consensus agenda to good effect, however a roll call is used to individually record voting decisions for contentious decisions when the Chair or a Board member calls for a recorded vote. This roll call can be a manual, time consuming effort, often leading to some confusion surrounding the motion at hand.
- Metro Vancouver has had video-recorded Board meetings for over a decade. During the pandemic, there was a decision to leverage the video-enabled Board room for committee meetings. Post pandemic, the Board has continued with video-recorded Board and Committee meetings. We gathered mixed feedback on this format, with directors citing the transparency and accountability benefits, but sharing their frustrations with the directors speaking to the media rather than engaging in meaningful conversations with the Board. Some Board directors indicated they prefer to remain silent rather than perpetuating an off-topic discussion or demonstrating their lack of understanding of a specific issue.
- All Board members typically remain in the boardroom for all board meetings of the four legal entities, despite the fact that they may not be eligible to participate in the discussion on certain topics.

5.4.2. Recommendations – Policies & Processes

17. The Board should consider a comprehensive **review of bylaws, policies and procedures**, to ensure they are current and appropriate, but also to identify ways to simplify them for ease of use, understanding and adoption. In some instances, they may require enhancement to provide further clarification and direction for those utilizing them.
18. The Board should consider **enhancing Board training** to ensure there is a stronger understanding of key policies and Board procedures.
19. The Board and Committee Chairs should **strictly enforce** speaking time limits, repeating speakers, keeping discussion to the confines of the motion at hand, restricting additive commentary while allowing opposing commentary, and otherwise ensuring directors respect each other, staff and the Board's time. In some situations, this may also be encouraging silent voices to speak. Where possible, Board members should ensure they are present for the duration of Board meetings. A mechanism for identifying those Board members not eligible to participate in specific discussions should also be implemented.
20. The Board should investigate **electronic voting solutions** in the Board room to preserve the integrity of voting and avoid unnecessary prolonged roll call voting.
21. The Board should seek to be apprised of **cumulative expenditures**, such as those with change orders aggregating to total balances over the Board approval threshold.
22. The Board should define and document **decision-making processes** with the intent of improving decision-making efficiency and managing conflict.
23. The Board should investigate creating an effective **dispute resolution mechanism** between Board and member jurisdiction councils and management.
24. The Board should consider making Board meeting attendance in person mandatory. While Committee meetings may take advantage of video-based meeting technologies (e.g. Zoom, Teams, etc.), where possible Board meetings should be **in-person** to facilitate more transparent dialogue and stronger networking and relationship building opportunities.
25. The Board should work with staff to find ways to close the **information and knowledge gap** between the Committees and the Board. Also, where possible, decisions should not be elevated to the Board until the appropriate directors (i.e. those with concerns or vested interests but not present on the Committee) can be consulted or their concerns be incorporated into the decision-making process. Similarly, directors should encourage their member jurisdiction management to participate and elevate key recommendations, facts or opinions into the staff advisory committees.

5.5. Information

5.5.1. Current State Assessment

Board & Committee Materials

Almost every Board director shared the challenge of reviewing 800-1400 pages (on average) of Board agenda materials. Directors with a longer tenure on the Board indicated that, over time, they had become more knowledgeable and efficient in their preparation. The materials are designed with a consent agenda, executive summaries, brief reports, and are accompanied by significant appendices to support the reports. Decision making reports received by the Board have already been discussed in Committee meetings, but are included in Board materials for all directors to allow equal access to the information and to support the Board's decision making.

The executive summary and recommendation are written to encapsulate what is required for any Board director to be appropriately well-informed in the meetings. Arguably, a director could read no more than those sections and still exercise good governance. However, the significant volume of information included in the Board package is described as overwhelming by most Board members and creates an assumption that members of the Board should make the time read all of the materials. This can lead to reduced attention to detail and may inadvertently result in directors not sufficiently reviewing the information.

Despite the large volume of Board materials, it is in alignment with Board packages for comparable organizations. This is the case when one considers the Board package for Metro Vancouver meetings is supporting four separate Board meetings. In addition, the supporting information and reporting for water utility and liquid waste-related decisions at the Board level require more supporting data due to the magnitude and impact of the capital projects in these entities.

Key Observations – Board & Committee Materials

- The significant volume of Board materials can be overwhelming and impede the review and processing of relevant information. However, there is an opportunity to streamline and re-organize the materials to make it more accessible and less detailed in some cases to uphold good governance with lean fit-for-purpose reporting.
- Staff provide presentations to the Committees, but in the interests of time and efficiency, Metro Vancouver has moved away from staff presentations at the Board level. There is an opportunity to utilize staff presentations to create stronger awareness and education on key issues, as well as to build increased trust in staff, if used appropriately and sparingly. Committee meetings do routinely include this format of knowledge transfer and education as they prepare key decisions. Task Forces have been struck to focus on particularly complex capital projects.
- Some directors expressed concerns that they perceived materials coming to the Board for decision as being overly influenced by Metro Vancouver staff objectives. The source of their concerns related to a lack of understanding regarding which alternate options were considered and why they might have been dismissed, differences in opinions on the proposals or treatment of options, or general mistrust of staff's intentions (fuelled in part by recent issues such as the North Shore Wastewater Treatment Plant project).

Confidentiality

Directors are bound by a Metro Vancouver Oath of Office that emphasizes confidentiality and ethical conduct. The oath requires Directors to maintain confidentiality of records and information discussed in closed meetings until they are lawfully released to the public. This commitment to confidentiality is essential for maintaining the integrity and trust necessary for effective governance.

Many Directors presented various challenges to the current confidentiality requirements regarding Board and Committee materials. For example, the LGA may require entire reports to be deemed confidential which prevents the director from sharing minor items of relevant information or alternatively trying to share materials with their member jurisdictional staff to better understand the implications on their municipality.

Key Observations – Confidentiality

- The investigations, reviews and litigation surrounding the North Shore Wastewater Treatment Plant project cost issues have created a complex environment that has exacerbated tensions regarding information sharing and transparency between Board members, member jurisdictions, and Metro Vancouver staff.
- The confidentiality of closed Board materials poses challenges for some Board directors who wish to educate or leverage resources in their member jurisdiction. Although Metro Vancouver staff strictly follow legislative requirements, they have made attempts to find ways to share information with municipal staff as permitted. In most cases, directors will find ways to meet their respective fiduciary accountabilities without compromising confidentiality requirements.
- There is a concern amongst Board members and municipal staff that key information and reports are being withheld. Much of this perception relates to information that is deemed confidential or restricted by legal privilege given legal actions underway. In addition, Board directors are frustrated by their inability to easily execute on their other (member jurisdictional) fiduciary duty as they must abide by confidentiality rules. In general, there is a need to better educate the Board regarding communication and information sharing protocols and continue to find ways to improve transparency regarding relevant information.

Capital Project Reporting

The typical large, complex capital projects commissioned by Metro Vancouver (generally water treatment and distribution or wastewater treatment and collection) can cost billions of dollars, span over a decade and include state-of-the-art technology. These projects require a unique skillset in project management, project delivery and engineering backgrounds that are not always available in the region. It is not uncommon for many of these projects to be delivered by global engineering and construction organizations.

Key Observations – Capital Project Reporting

- Most Board members expressed concern over the governance of mega projects led by Metro Vancouver. They were concerned about the Board and staff's ability to effectively oversee the significant complexity of these multi-billion-dollar projects, as well as ensuring the financial implications and risks are managed.
- Staff reporting and business case presentations to the Board often focus on a single, logical solution and leave limited room for analysis or discussion of other options for the largest capital projects.
- The Board is seeking more transparent and timely financial reporting regarding actual expenditure on capital projects relative to the original budgeted amounts. Similarly, directors are seeking more clarity on the accuracy of forecasted project expenditures and the implications and possible extent of forecast adjustments. Some frustration was expressed regarding staff's timeliness in providing the level of detail and accuracy sought (both due to limitations of corporate systems and the summarization of data from projects). This, in the context of the North Shore Wastewater Treatment Plant has created a mistrust of staff and is seen as impacting the effectiveness of fiscal controls and governance overall. It should be noted that a number of these concerns relating to large capital projects have been directly addressed with

the enhancement of the project management oversight processes and other project governance improvements.

5.5.2. Recommendations - Information

26. The Board should continue **reviewing the Board materials** with the objective of seeking ways to streamline or organize the information in a way that enhances the ability of the directors to better read, understand and govern. This may include revisiting which informational reports are elevated to the Board and how they are presented.
27. The Board should consider supporting more complex or controversial decisions with brief **staff presentations** oriented toward educating the Board regarding the decision at hand, options considered, and the implications and risks.
28. The Board should work with member jurisdictions to ensure robust analysis, especially in the **identification of risk and financial implications** for key stakeholders, is present in Board reporting. Although there is a substantial amount of reporting to the Board, it can lack these key elements critical for Board decision making.
29. The Board should consider staff presentations or Board reports **include multiple options for the Board** to consider, where practical. Committees and staff do consider different treatment options for significant expenditures, but are encouraged to provide the preferred option and the supporting rationale for the Board's decision. However, the broader Board may need to understand alternative options, the risks relating to each and the rationale for dismissing them.
30. Board members should seek to leverage Metro Vancouver staff as the key source of information. Pragmatic and legally acceptable protocols should be utilized regarding **information communication** in order to better facilitate the sharing of information with Committee members and other key stakeholders. These mechanisms should be highlighted in Board orientation and ongoing education.
31. The Board should ensure, for large complex and capital-intensive projects, management continue to **provide regular updates** to the Board as the project progresses. Directors are seeking transparency regarding actual expenditure on capital projects relative to the original budgeted amounts. Similarly, they are seeking clarity on the accuracy of forecasted project expenditures and the implications and possible extent of forecast adjustments on their member jurisdictions.
32. The Board should work with Metro Vancouver staff and municipal staff to find more efficient methods of **integrating municipal planning with Metro Vancouver strategies and projects**. Investments in housing, transportation, growth, etc. are both regional and local, therefore should be included in more cohesive planning integration between Metro Vancouver and its member jurisdictions.

5.6. Culture & Behaviours

5.6.1. Current State Assessment

Board Collaboration

As is the case in other public and private sector Boards, the Chair is accountable for the overall discipline, performance, health and well-being of the Board. Meetings are generally held in person at the Metro Vancouver offices with side rooms to facilitate offline discussion and knowledge sharing. Many directors indicated this was a critical mechanism to promote more effective and empathetic collaboration. The infrequent parochial nature of Board interactions (whether based on differences in philosophical values or regional interests) was cited however, as a challenge that can impair cordial and effective collaboration and communication between Board members.

The Board does periodically meet off-site for annual strategic planning or similar events, and these were identified as key mechanisms in strengthening Board collaboration and chemistry.

Key Observations – Board Collaboration

- In-person meetings at the Metro Vancouver Boardroom have facilitated positive experiences for Board members by creating a space for collaboration informally before and after meetings.
- Many Board directors do not feel they get enough time to connect with their peers in informal settings. This was identified as critical to forming strong foundational relationships among Board members.
- The current Board has more disparate beliefs and values than previous Boards, leading to more split voting. While there has historically been around 90-95% unanimous voting, in recent years this has shifted to more split or divided voting.
- Many Board directors indicated they struggle to help sustain a culture of regional collaboration when members of the Board advocate exclusively for their member jurisdiction. This can often create the appearance of a breakdown in fiduciary responsibilities.
- Certain Board members have a personal style that is considered dominating in meetings while causing others to remain silent. With 41 Board members it is difficult for the Chair to manage these individuals while seeking out silent participants to voice their opinions.
- A number of concerns were raised over the shift in the culture of the Board away from values of respect and accountability to a more politically divisive and hostile culture at times. This is a systemic issue arising in politics globally, let alone in federal, provincial or municipal politics. It can also be exacerbated by alignment and facilitation activities that are taking open, transparent debate out of the Boardroom. In some instances, the Board or Committee Chair was not seen as effectively controlling the room.

Board-Management Relationship

The relationship between the Board and staff is critical. They are a reflection of each other, and their relationship and collaboration have the greatest impact on efficiency and governance. Staff should provide the best possible information and options for the Board through formal reporting, as well as building relationships with the Board and engaging in dialogue on an as-needed basis. Staff currently aim to make themselves available to Board and Committee members whenever called upon, but there still appears to be a strain on the relationship preventing some Board members reaching out with questions or seeking information.

Key Observations – Board-Management Relationship

- Some Board members reported feeling as though they were being “controlled” by staff. In some cases, this perception may be generated as staff seek to determine which information needs to

be communicated, providing targeted education and in general moving projects and operational activities forward (given the significant cost implications of delays).

- The relationship between staff and some Board members has been strained in the last couple of years, in particular due to the North Shore Wastewater Treatment Plant project and other tensions relating to investment decision choices. This culture could benefit from more meaningful engagement outside the Boardroom. Sometimes the Board can be overly critical of staff, and in some instances indicated a sense of mistrust of staff. The key drivers are perceptions of: staff filtering messaging or reporting, overloading and volume of information, tailoring information towards a specific outcome or conclusion, a lack of perceived transparency in reporting to the Board, a sense of being controlled versus being the oversight body, and the misuse of secrecy/confidentiality to restrict access to information. These perceptions need to be addressed, and the culture of trust rebuilt.

Director Performance

One attribute of a healthy Board is an opportunity for self-reflection and personal performance assessment. Given the size of the Board, there are a wide variety of personalities. This also makes it challenging for the Chair to spend an appropriate amount of time with each Board member providing feedback or seeking opportunities to enhance the Board proceedings.

In some instances, certain Board members demonstrate behaviours that challenge the efficient governance of the Board (e.g. dominating speaking time in meetings, not exhibiting respectful behaviours, not taking a regional view, etc.)

Key Observations – Director Performance

- The Board has recently approved a Code of Conduct regarding the expected performance and behaviour of Board and Committee members. Although, relatively high level, this is a positive move toward improving mutual respect and the efficiency and effectiveness of governance in the boardroom.
- There are no formal opportunities for Board members to receive feedback and improve their individual Board governance capabilities, or that of the Board as a whole.

5.6.2. Recommendations – Culture & Behaviours

33. The Board should consider revisiting its **code of conduct** to ensure it does directly address respectful and productive behaviours in the Board and Committee meetings. The communication of this code of conduct should include a specific workshop or similar training to allow open discussion around expected and desired behaviours.
34. The Board should **explore new avenues for communication** between the Board and staff. This includes both within and outside of the Boardroom. Forums for enhanced informal dialogue between Board directors and management could provide additional clarity and foster a stronger environment of trust. Similarly, Board directors should seek to take advantage of and encourage the hosting of these conversations in their member jurisdictions.
35. The Chair should continue to reinforce the need for all directors to **take a regional perspective** at the outset of meetings. Opportunities to reinforce the ability to effectively balance the regional and local perspectives should be explored.
36. We recommend the Board consider implementing some form of **Board performance assessment** to solicit and identify opportunities to enhance group and individual behaviour. If possible, the Chair should meet with Board members as necessary to reinforce key messages.
37. The **role of Board Chair** is a critical one. They are the conductor of the Board. The Board should consider investing in specific Board management training and education for future Board Chairs.

6. Remuneration

Remuneration of Metro Vancouver Board directors has received substantial media coverage recently, particularly given public frustration with increased infrastructure project costs (particularly the North Shore Wastewater Treatment Plant) and concerns by Board members and the media regarding Board governance in general. This section of the report focuses exclusively on the Board remuneration model, including an assessment of the reasonableness of the existing model, grounded in a cross-country industry scan of peer organizations, as well as recommendations to address our findings. The remuneration model is inextricably linked with the governance model, and as such it should be noted that changes to the governance structures could have significant changes to total and individual remuneration expenses.

6.1. Current State Assessment

6.1.1. Core Compensation Analysis

There are three primary means of compensating Board members: annual retainer, monthly retainer, or per meeting stipends. The current remuneration model is detailed in the Metro Vancouver Remuneration Bylaw⁷. The Board Chair, the Vice Chair, and Electoral Area A Director receive annual stipends as detailed in Table 5 below. Committee Chairs receive a monthly stipend for agenda review and committee oversight. Otherwise, all directors receive a per meeting stipend of \$547. For meetings that run over 4 hours, albeit seldom occurring, a double meeting stipend of \$1,094 is paid.

Position	Amount (\$)
Board Chair	\$109,337/annum
Board Vice Chair	\$54,668/annum
Electoral Area Director	\$32,801/annum
Committee Chair	\$547/month
Board and Committee Members	\$547 for meeting up to 4 hours \$1,094 for meeting more than 4 hours Daily remuneration is capped at \$1,094

Table 5 – 2025 Metro Vancouver Board Remuneration

The meeting stipend is provided as a form of allowance in exchange for the expertise of the Board Directors and to recognize any sacrifice of time or cost to govern the organization. It is not designed to mirror an equivalent hourly wage rate for services provided, and were this the case, it would likely result in a low amount given the responsibilities of a director (see Section 5.2, specifically subsection *Time Commitments and Expectations*). The Board Directors commit varied hours to meeting preparation (4-12 hours per meeting on average), travel to and from the Metro Vancouver Board offices (which is not a reimbursable expense), and the time in the meetings.

⁷ Greater Vancouver Regional District Regional Board and Committee Remuneration Bylaw Number 1057 (2007)

Under the current model, the total cost of Board remuneration over the years has remained relatively consistent. The total cost of remuneration between 2020 and 2023 is detailed in Figure 4. The decline in 2021 and 2022 is a result of the COVID-19 pandemic. With around a \$1.5 billion operating budget at Metro Vancouver, the Board remuneration is roughly \$1.5 million, which is 0.1% of total operating costs, a relatively immaterial amount in perspective.

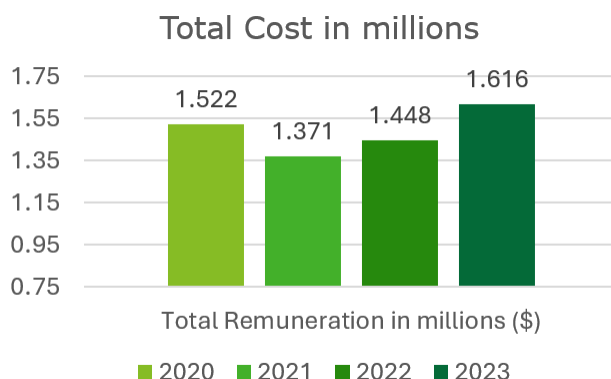


Figure 4 – Total Cost of Remuneration in Millions

The Board Chair receives the highest remuneration, and as such much of the focus has been on the annual Chair stipend. This has increased by 36% in the past five years, reflecting increases in the regional mayoral salaries. The Chair, Vice-Chair, and Board Committee Chair stipends are all based on a formula derived from a percentage of the median Metro Vancouver regional mayoral gross salaries (as per the UBCM Remuneration Guideline⁸) – with the Chair receiving 75% of the median of the gross mayoral salaries, the Vice-Chair receiving 50% of the Chair's stipend, Electoral Area A director receiving 30%, and the director meeting stipend set at 0.05% per meeting. Given the range of mayoral salaries (less than \$20,000 to \$210,000) using this number as an anchor creates a somewhat equitable formula that is neither punitive nor excessive relative to a typical mayoral salary, particularly given the size and scale of Metro Vancouver.

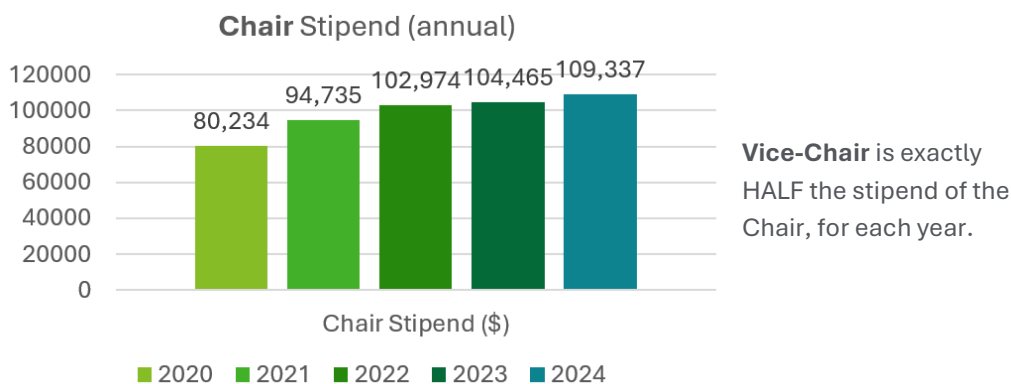


Figure 5 – Chair Stipend

As identified in Figure 6 below, approximately 50% of total Board remuneration was paid to 14 of the 147 total individuals that received Board remuneration in 2023.

⁸ Union of BC Municipalities, Board & Council Remuneration Guideline, September 2019

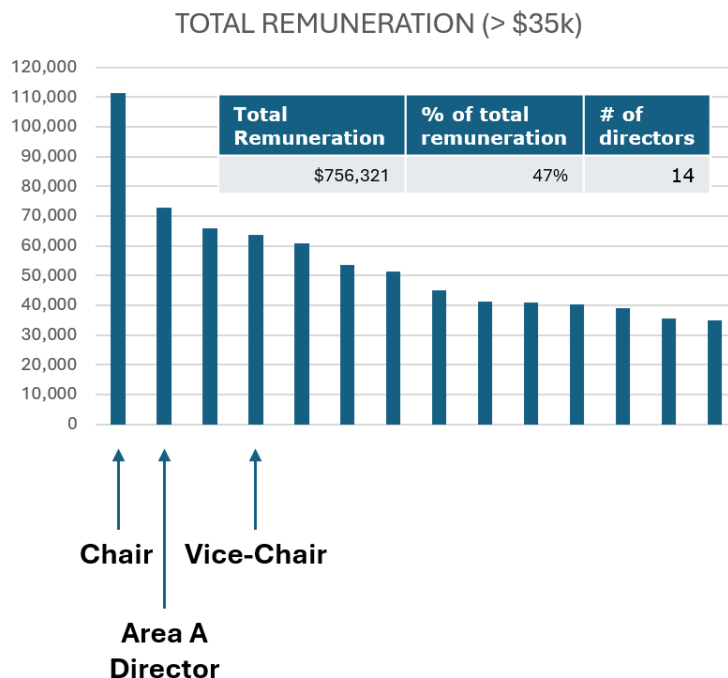


Figure 6 – Total Board Remuneration Over \$35k (2023)

Key Observations – Core Remuneration

- Board remuneration at Metro Vancouver is only 0.1% of total operating expenses, but there appears to be a significant amount of Board time spent discussing this topic as a result of recent media challenges, largely occurring post the increase to the NSWWTP program budget.
- The Chair, Vice-Chair, and Committee Chair stipends are all based on a formula derived from 75% of the median mayoral salary. Given the similarity of the role and subject matter to a municipal council, this seems a reasonable baseline. Similarly, given the range of mayoral salaries (\$20k to \$210k) using this number to anchor the formula also creates an equitable result that is not punitive for a mayor of a smaller or lesser compensated municipality.
- A drawback of using the UBCM mayoral salary guideline is that it does draw a comparison to the mayoral salary, and therefore creates an incorrect perception that a Board Chair or director role at Metro Vancouver is an extension of municipal duties, and raises the question as to whether it should be covered by the mayoral salary. Metro Vancouver is a separate organization / legal entity with a regional focus and significant decisions and risks outside of the scope of the director's municipal role.
- The Chair and Vice-Chair receive their stipend allowance for the first 18 meetings. Beyond that they do not receive any remuneration for attending meetings. They tend to achieve this maximum threshold about one-third of the way through a typical year, leaving them unpaid for the remainder of the year (other than their annual retainer).
- The Electoral Area A Board Director salary is also the mayoral salary for the region served, so this should not be considered as Metro Vancouver Board remuneration alone, and as such has been excluded from our review.
- There is no cap or maximum remuneration provision for any Director. Some Directors are asked to chair or attend a significant number of Committees given their experience and expertise, resulting in their remuneration being relatively higher than other Board members.

- Metro Vancouver Board Directors are not entitled to pensions, nor are they provided pensions in their role as elected officials in their member jurisdictions, or on other public sector Boards. This should be a factor in the total remuneration conversation relative to other public officials. Directors do not receive benefits either, nor travel expenses to meetings.
- The total remuneration costs are most heavily influenced by the number of Board, Committee and related meetings, and the number of attendees at these meetings. In 2024 this accounted for a total of 2407 meeting attendances (an increase of xx over 2023), as illustrated below:

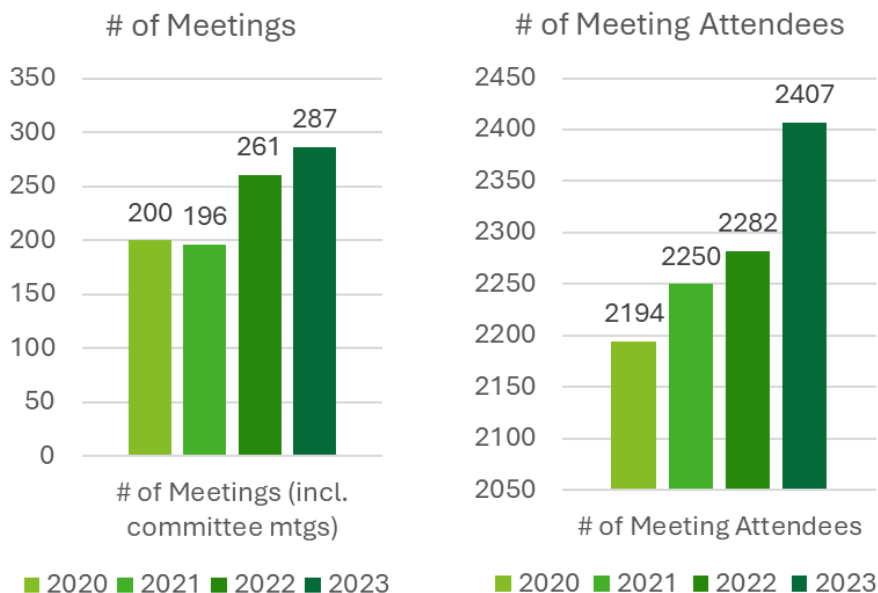


Figure 7: Total number of meetings

Figure 8: Total number of meeting attendances

6.1.2. Additional Meeting Expenses

There have been additional concerns raised around the concept informally referred to as “double dipping”. Many of the directors sit on various Boards and are often remunerated for their expertise and efforts. Some of these external Board roles are appointments from their municipal council, and some are representing Metro Vancouver. These include significant Boards such as TransLink, E-Comm 9-1-1, the Union of BC Municipalities, the Municipal Finance Authority, etc.

Although we did note concerns regarding the ability of individuals to effectively govern multiple Boards, including Metro Vancouver, a review of cumulative individual mayoral and council salaries is well outside the scope of this review. We did however, note the directors of Metro Vancouver are remunerated to sit on a number of Boards (at the discretion of the Chair). In total there were 31 (plus alternate) appointees attending 54 meetings in 2024, as follows:

Entity	# of Directors
Fraser Basin Council Board of Directors	1 + Alternate
Municipal Finance Authority of BC	11 + Alternates
Agricultural Advisory Committee	1
E-Comm Board of Directors	1
Fraser Valley Regional Library Board	1 + Alternate
Katzie Treaty Negotiations	1
Lower Mainland Local Government Association	1
Union of British Columbia Municipalities	3
Union of British Columbia Municipalities Indigenous Relations Committee	1
Western Transportation Advisory Council	1 + Alternate
Zero Emission Innovation Centre Board of Directors	1
Metro Vancouver Regional Parks Foundation	1 + Alternate
Ocean Watch Action Committee	1
National Zero Waste Council	2
Solid Waste and Recycling Industry Advisory Committee	1
Sasamat Volunteer Fire Department	1
Delta Heritage Airpark Management Committee	1
Delta Heritage Airpark Management Committee	1
Total number of Board appointments	31

Table 2 – Current Metro Vancouver External Appointments

6.1.3. Travel Expenses

Included in the total individual director remuneration amounts are meeting stipends for days of travel to national and international conferences. A double meeting stipend (\$1,094) is paid because the expectation is that travel and attendance will occupy the director for more than four hours each day. Out-of-pocket travel, accommodation and per diem expenses are also paid by Metro Vancouver.

Travel to summits, conferences and other events is seen to be of value to Metro Vancouver directors where it provides marketing visibility for the region and knowledge sharing regarding leading practices in Metro Vancouver's operational activities. The opportunity to attend these conferences is a privilege and therefore provides intrinsic non-monetary benefit to the directors travelling on behalf of Metro Vancouver.

Key Observations – Travel Expenses

- All travel is currently approved by the Chair. This is a relatively subjective approval process, but travel policies have been instituted to provide additional guidance around what can be expensed. Currently all travel has been paused.
- There is some level of opacity in the public disclosure of Board and Committee remuneration, meeting fees, travel, etc. as they are grouped in a single line-item disclosure as per the BC government's Statement of Financial Information (SOFI).

6.1.4. Comparator Organizations

Over 15 other jurisdictions and comparable organizations were researched as part of this governance review. The most relevant organizations have been included to provide insights as to the reasonableness of the current remuneration framework at Metro Vancouver. It is important to note

that none of these organizations are an exact comparison to Metro Vancouver, but they do serve populations of similar scale with a complex scope of services and infrastructure investment.

Comparator Crowns and Utilities

Position	MVRD	TransLink	BC Hydro	BC Ferries	YVRAA
Chair (total)	\$109,337	\$100,000	\$34,500	\$100,000	\$195,000
Vice Chair (total)	\$54,668	n/a	n/a	\$33,000	n/a
Board director retainer	-	\$25,000	\$17,250	\$25,000	\$65,000
Board meeting stipend	\$547/mtg	\$1,200/mtg	\$865/mtg	\$1,200/mtg	-
Committee Chair retainer (total)	\$6,564	\$5,000 – \$8,000	\$3,450 – \$5,750	\$5,000 – \$8,000	\$15,000- \$19,500
Committee Member retainer	-	\$3,000	-	\$3,000	\$6,000
Committee meeting stipend	\$547/mtg	\$1,200/mtg	\$865/mtg	\$1,200/mtg	-

Table 6 – Summary of Remuneration Data from Other Organizations

It is evident that Metro Vancouver is paying a stipend in line with other comparative organizations. The Metro Vancouver Board Chair is capped at 18 meeting fee payments, while the BC Hydro Board Chair is capped at 60. Nuances such as this create a layer of complexity when comparing the overall remuneration for Board Chairs.

Committee chairs at Metro Vancouver are remunerated monthly with a \$547 meeting stipend to allow for preparation and staff meeting time – a total of \$6,564 per year. This is paid regardless of whether the meeting occurs, but as a total is in line with other comparative organizations.

The Board member remuneration across the Board varies based on the remuneration model for each entity. Metro Vancouver is the only organization to not pay an annual stipend. Unless Directors take on multiple committee roles, their remuneration for being on the Board is on average less than other comparators.

The meeting stipend is common in the industry for Board and Committee meetings. Metro Vancouver has a lower meeting stipend relative to other organizations, but doubles for meetings over four hours. This is not common to other organizations. As a direct comparison to another Regional District, the CRD has a very low per meeting fee but pays higher annual stipend amounts.

Comparator Regional Districts/Councils

Position	MVRD	Mean (BC ⁹)	Mean (Outside BC ¹⁰)	Median (BC)	Median (Outside BC)
Chair (total)	\$109,337	\$38,622	\$247,193	\$39,481	\$253,132
Vice Chair (total)	\$54,668	\$20,836	n/a	\$20,679	n/a
Board director retainer	\$0	\$11,165	\$70,179	\$14,335	\$63,085
Board meeting stipend	\$547 mtg	\$73	n/a	\$73	n/a
Committee Chair retainer (total)	\$6,564	\$2,402	n/a	\$2,351	n/a
Committee Member retainer	\$0	\$13,330		\$15,980	
Committee meeting stipend	\$547/mtg			\$1,084	

Table 7 – Summary of Mean and Median Remuneration for Regional Districts and Regional Councils

The Chair remuneration in Metro Vancouver is significantly higher than other regional districts in British Columbia. Metro Vancouver represents over 50% of the province's population, has more than \$1B operating budget, and is considerably more complex, so comparing directly to these other regions was not seen as insightful. However, when comparing to other regional councils of comparative populations in Ontario and the United States, it was clear their Council/Board Chairs are remunerated significantly more – consistent with more of a private sector scale. These regions of comparable size, scope and complexity do provide better benchmarks for the remuneration based on expectations of the job. For example, Board Chairs in Ontario were remunerated over \$200,000 and receive benefits – often twice the total compensation of the Metro Vancouver Chair.

Board directors, or Regional Council Members, in other jurisdictions receive annual stipends that compensate for their time and experience. There is an expectation that these directors will attend committee meetings and all Board meetings. Therefore, no additional compensation is paid for committee membership. In general, there are far fewer Board members in other regions - more akin to a professional Board structure, and as such they are all compensated at a higher level.

Most regions do not have the Vice-Chair role, therefore there are no easy comparators outside of BC. Within BC, other regional district Vice-Chairs are paid approximately half of the Metro Vancouver Vice-Chair retainer, but again the complexity of population is greatly reduced.

Some jurisdictions, such as Ontario's Broader Public Sector Executive Compensation Framework, *Public Sector Executive Compensation Act* and the *Public Sector Salary Disclosure Act* provide for restrictions on compensation, as well as public disclosure requirements.

⁹ BC: three Regional Districts were deemed most comparable to Metro Vancouver for the purposes of this review

¹⁰ Outside BC: three regional Districts from Ontario were deemed most comparable

6.2. Recommendations

38. The Board should consider **maintaining the current \$547/meeting stipend** as it appears reasonable and allows flexibility in managing meeting attendance and frequency, but revisit it on an annual basis to ensure it remains appropriate. We have identified opportunities throughout this report to create efficiencies and reduce the total individual remuneration expenses.
39. The Board should consider eliminating the **double meeting stipend** for meetings over 4 hours and seek to create efficiencies in the meeting agenda and schedule to manage within this timeframe.
40. The Board should consider replacing the monthly retainer for **Committee Chairs with a double meeting fee** for any committee meetings held. This would eliminate payment for Committee meetings that do not occur, but still provide Chairs with a preparation and attendance meeting stipend for meetings held.
41. The Board should consider removing the payment of a double meeting stipend for **travel days** and **conference attendance**.
42. The **Chair, Vice-Chair and Committee Chair total remuneration** appear reasonable relative to other comparatives (such as municipal mayoral/council salaries, BC public sector Crown and agency Board remuneration, and other similarly complex regional governance bodies and utilities across Canada). No change is recommended in this formula, however it should continue to be assessed on a periodic basis to ensure alignment with other similar public sector entities. The exception to this would be a shift to a new Board structure (e.g. Hybrid Structure), in which case the Board and Chair remuneration may need to be reconsidered to accommodate the recruiting of qualified non-elected officials.
43. The Board should consider a review of Board **travel policies** to ensure equitable access to learning or representation opportunities, in a manner that respects the financial costs of this travel.
44. The Board should consider a threshold for **non-payment of the meeting stipend** – perhaps for those attending Zoom meetings of less than 30 minutes hour in duration, or some other similar minimum threshold. This could incentivize the deferral or consolidation of these meetings.
45. Review and reduce the **number of external Board appointments** that are not explicitly required under agreement or otherwise seen as beneficial to Metro Vancouver. Directors may be willing to attend as an unpaid Board member, but the primary governance objective is to not overload Board directors with ancillary or unrelated activity, and to reduce the remuneration costs associated with these attendances.
46. Introduce **maximums for the number of meetings attended** per year to ensure directors are not overloaded from a governance perspective, and to prevent the perception of excessive remuneration. For example, 50 meeting stipends (i.e. weekly) per year are approximately \$27,000.
47. Given the consolidated disclosure in the BC government SOFI, the Board could consider proactively publishing a simple **more transparent disclosure** of Board remuneration and travel expenses to promote comparability and transparency.

During our review, we identified two other recommendations for the consideration of the Provincial Government that would address and perhaps reduce some of the concerns levied at Metro Vancouver regarding Board remuneration.

1. Providing detailed **Crown, agency and local government-related income data** in a simple, publicly accessible format may alleviate some remuneration pressure on the regional

mayors and Metro Vancouver directors, as it would create greater visibility and more transparency regarding the equity of compensation across the BC public sector.

2. Consider introducing a **cap or maximum remuneration threshold** for total income from all local-government-related appointments (such as Metro Vancouver, TransLink, E-Comm 9-1-1, etc.). For example, this amount might not exceed that of a BC Provincial Cabinet Member (currently \$183,085). Other than managing the risk of role accumulation, it would serve as a mechanism for ensuring roles are appropriately allocated and therefore governance risks relating to Board responsibility overload are minimized.

7. Conclusion

Metro Vancouver has outgrown its Board governance structure. The regional district model has served the organization well for several decades and in many instances has been recognized as a leader in sustainable regional planning and quality of infrastructure services. However, the past 40 years have seen a rapid acceleration of population growth and infrastructure investment in the region. The combined operating and capital budget has grown significantly to \$3.2 billion in the last five years alone and is only going to continue to grow with complexity, population, and demands on the infrastructure and services. Metro Vancouver and the regional municipalities that make up the organization should be commended on the extent of collaboration it has taken to drive their vision of attracting economic investment and creating a globally desirable livable region.

This creates an inherent conflict. The more successful and effectively the Board and management govern and operate the organization, the more desirable the region will become – further increasing immigration, demand for services and infrastructure, growth outside of Vancouver, and the many challenges that will come with that (climate impact, air quality issues, affordable housing, the preservation of parks and recreational areas, and other concerns). At the same time, the legacy infrastructure is aging and in need of upgrade and expansion. So, it is no surprise that the Board is beginning to struggle to govern the growing complexity of the organization.

The context in which the current Board is operating is also very relevant. Challenges with the North Shore Wastewater Treatment Plant project and the subsequent funding impacts have created an environment of extreme tension within the Board and with municipalities. This and other major infrastructure projects are only continuing to become larger, longer and carry significantly greater delivery, financial and reputational risk. The global economic climate has become volatile, further impacting the planning and management of costs relating to projects of this magnitude.

In this context, the challenges for Board directors to balance the interests of both their rapidly growing electorate as well as those of the broader Metro Vancouver region will only become more politically and legally challenging. The personal and reputational risk for Metro Vancouver directors is increasing with the challenge of governing this complex set of Boards and the broader organization as well as their own municipality – creating an untenable conflict between their fiduciary duties at times.

Metro Vancouver staff are working harder to manage these risks and elevate the right discussions to a Board that is constantly changing, trying to absorb a significant volume of complex data, and is becoming increasingly more politically divided. Unfortunately, the actions of staff in trying to solve for these risks and challenges create an impression of flooding and filtering information and driving decisions faster than the Board can consume it. As the risks and tensions escalate, this effort to focus the Board has created a perception of mistrust and wariness of staff on their behalf.

The Board meeting-based stipend model is comparable with those in other similar public sector Boards, however there are opportunities to not only improve governance and the workload on directors, but also to reduce the costs through reductions in the composition, frequency and number of meetings. The solution, however, cannot be to reduce compensation to reflect public dissatisfaction with the governance of the Board, but to improve the governance to justify the remuneration.

From a governance and risk management perspective, there is a need to streamline the Board size and structure, adding professional support and acumen. There is a need to create visibility to risks and options, to strengthen the quality of information and discussion at the Board and Committee level, and in general rebuild a culture of trust within the Board and with staff and the member jurisdictions.

Appendix – Summary of Recommendations

Throughout the report, numerous recommendations have been made. The recommendations presented can be classified into two categories:

1. **Immediate recommendations** or “quick wins” that offer high-impact, low-effort solutions well within the scope and mandate of the Board, perhaps requiring some Board consultation and refinements to Board policy or procedural bylaws;
2. Short- to medium-term **strategic recommendations** that bring enhanced governance but likely require legislative change (e.g. the Local Government Act), more detailed analysis, or additional consultation with member jurisdictions.

Structures:

1. The Board should consider the Hybrid Board Structure, as described above. This will require consultation and detailed design to better achieve the governance objectives outlined in this report. From a governance and efficiency perspective, this proposed model would likely involve the following key attributes:
 - a) Legislative change to support the appointment of non-elected directors for the GVWD and GVA&DD Boards (and MVHC, if desired). The 50% requirement for member jurisdiction appointed directors could remain in place .
 - b) Development of a skills matrix to ensure an appropriate mix of requisite knowledge, competency and experience is recruited into the Boards.
 - c) Implementation of a governance structure (e.g. Governance Committee) to recruit and recommend appointment of non-elected directors, as well as to resource the remainder of the Boards with directors from the member jurisdictions. These would be smaller Boards to enable more effective collaboration and efficient governance (approximately 10-14 individuals).
 - d) Update the Terms of Reference for the Boards to reflect the shift in director composition and Board structure.
 - e) Consider four-year terms for the non-elected directors staggered against the current four-year cycle of elected officials appointed to these Boards (i.e. two-years after municipal elections). These terms could be extended at the discretion of the Chair and Governance Committee to further facilitate the retention of institutional knowledge.
 - f) Implement appropriate committees to support the operations of these Boards. These could include technical or specialty committees and smaller general-purpose committees (e.g. Finance, Governance) which might have cross-representation from the broader MVRD and other Board Committees.
2. The Board should consider reducing the size of the Boards regardless of the Board structure selected. In the Hybrid Board option whereby the utility Boards are reduced in size, this could be achieved for the MVRD Board by either adopting the Capped Model or increasing the voting divisor from five to seven, for example. Both would require legislative change.
3. The Board should consider creating a Governance Committee of the Board. The purpose of this committee would be to oversee the governance, ethics and integrity of the Board’s policies and conduct. Specific responsibilities could include but not be limited to:
 - a) Board policy and procedure review and recommendation
 - b) Objectively determining the membership of committees
 - c) Maintaining a Board skills matrix to support committee appointments

- d) Receiving and addressing management and Board integrity issues/complaints
- e) Board remuneration policies and concerns
- f) Conflict of interest investigation and resolution
- g) Board performance evaluation and effectiveness
- h) Board and Committee succession planning

The Governance Committee would be a logical body to work with the Board to review and implement the findings of this independent governance assessment, as well as lead future Board performance evaluations or other governance related reviews. It could be supported by a Chief Governance Officer (perhaps an additional responsibility to Legal Counsel) to assist with the flow, adequacy and timeliness of information to support Board-related decisions..

- 4. The Board should continue to seek ways to reduce or optimize the time investment in Committee meetings. Ultimately the selected Board structure will influence the number and composition of Committees. In the interim, this could immediately be achieved by:
 - a) Continuing to reduce and amalgamate Committees. Amalgamation could include: Air Quality and Climate Regional Parks, and possibly Regional Planning,
 - b) Tightening the scope and terms of the current Committees,
 - c) Reducing the number of Committee members, and
 - d) Reducing the frequency and duration of the meetings.

Committees could still be scheduled for 10 meetings per year but nominate two meetings as optional for critical issues, for example or continue to cancel meetings if there are not time sensitive or substantive agendas. Committees that make less time-sensitive or high-risk decisions and are currently scheduled on regular (i.e. more than quarterly) basis include: Regional Planning, Regional Parks, and the Mayors Committee.

- 5. The Board should ensure that Staff reports going to the Committees and Board include feedback from the Staff Advisory Committees regarding the specific options, risks and direct impacts on the member jurisdictions. These Advisory Committees (RAAC, RFAC, REAC, and others) do already provide input into staff reports, but specific relevant risks or implications of Board decisions on member jurisdictions may not be fully considered in Board materials.
- 6. The Terms of Reference for all Board Committees should be revisited to ensure the scope and mandate of the Committee is appropriate for the new Board structures, the overall vision and direction of Metro Vancouver, and supports strong governance of the Board.

Roles & Competencies:

- 7. The Board should consider appointing an independent Chair for the Boards, particularly the utility Boards under a Hybrid Board structure. The role of the Chair is critical to the success of the governance of the Board. As Metro Vancouver continues to grow in size and complexity, the time commitment for the Board Chair will also increase potentially creating the need for a full-time Chair. Ideally this individual would have senior municipal and/or utility experience.
- 8. The Board should consider seeking legislative change to set the term of the Chair to a four-year period, beyond the current annual term. It is unlikely that a Chair will have sufficient time to develop their Board and begin to implement the strategy within a one-year timeframe. The magnitude and importance of the role to good governance would suggest a longer term. In addition, if the Chair is an independent non-elected official, the Board should consider offsetting their term with the traditional four-year municipal election cycle and associated high turnover of Board members.

- 9. The Board should consider enhancing the education plan including Board orientation, professional Board development, education on the operations of Metro Vancouver and its projects (including site visits), and other subject matters relevant to Board decisions (e.g. regulations pertinent to a Committee, historical decisions and implications, etc.). This could include building stronger personal connections with management and staff through this program.
- 10. The Chair should allow sufficient time and question Board directors in the meeting to ensure the directors understand the motion, has the opportunity to safely ask questions relating to it, and ultimately ensure everyone can make the right informed decision.
- 11. The Board should consider regularly and clearly defining and communicating the roles and responsibilities of Board members and the CAO with regard to decision rights, delegations and other responsibilities to ensure clear accountability and effective decision-making.
- 12. The Board and staff should continue to explore ways to bring municipal interests and perspectives into the discussion at the Board and Committee meetings in order to help directors achieve a balance in discharging their dual fiduciary duties and reducing the likelihood of polarizing viewpoints dominating the meetings. Directors should also endeavour to manage the risk of polarizing discussions and seek to leverage Metro Vancouver staff to bring the right balance of information to reports and discussions. Training provided to Directors should also specifically address the inherent duality in fiduciary duties they face and provide guidance on how to seek the right balance (versus simply requiring them to take a Metro Vancouver regional perspective only).
- 13. The Board should consider developing a formal skills matrix to assist in the allocation of Committee roles and Board duties to directors, particularly if the resulting Board structures include non-elected officials. The maintenance and monitoring of this could be the responsibility of the Governance Committee.

Strategy & Risk Management:

- 14. The Board should lead a refresh of the strategic plan, seeking alignment around a common set of goals and initiatives. The exercise should consider the purpose of the organization, and the values, roles and responsibilities of the Board in executing it. There also needs to be a focus on strategies to continue to build trust and confidence with key stakeholders and the public.
- 15. The Board should consider introducing a program to assess the enterprise-wide strategic risks facing Metro Vancouver and its strategic priorities. This effort should inform the Board and management as to the key risks facing the organization, and the strategy to mitigate and increase resilience to these risks.
- 16. The Board should consider strengthening the Internal Audit function, focused on assessing and reporting to management and the Board (Finance Committee) on the design and effectiveness of internal controls and other specific operational risks. Initial internal audits should focus on the areas of most concern to the Board (e.g. strategic risks, project management oversight, financial controls, etc.).

Policies & Process:

- 17. The Board should consider a comprehensive review of bylaws, policies and procedures, to ensure they are current and appropriate, but also to identify ways to simplify them for ease of use, understanding and adoption. In some instances, they may require enhancement to provide further clarification and direction for those utilizing them.

- ☒ 18. The Board should consider enhancing Board training to ensure there is a stronger understanding of key policies and Board procedures.
- ☒ 19. The Board and Committee Chairs should strictly enforce speaking time limits, repeating speakers, keeping discussion to the confines of the motion at hand, restricting additive commentary while allowing opposing commentary, and otherwise ensuring directors respect each other, staff and the Board's time. In some situations, this may also be encouraging silent voices to speak. Where possible, Board members should ensure they are present for the duration of Board meetings. A mechanism for identifying those Board members not eligible to participate in specific discussions should also be implemented.
- 20. The Board should investigate electronic voting solutions in the Board room to preserve the integrity of voting and avoid unnecessary prolonged roll call voting.
- ☒ 21. The Board should seek to be apprised of cumulative expenditures, such as those with change orders aggregating to total balances over the Board approval threshold.
- ☒ 22. The Board should define and document decision-making processes with the intent of improving decision-making efficiency and managing conflict.
- 23. The Board should investigate creating an effective dispute resolution mechanism between Board and member jurisdiction councils and management.
- ☒ 24. The Board should consider making Board meeting attendance in person mandatory. While Committee meetings may take advantage of video-based meeting technologies (e.g. Zoom, Teams, etc.), where possible Board meetings should be in-person to facilitate more transparent dialogue and stronger networking and relationship building opportunities.
- ☒ 25. The Board should work with staff to find ways to close the information and knowledge gap between the Committees and the Board. Also, where possible, decisions should not be elevated to the Board until the appropriate directors (i.e. those with concerns or vested interests but not present on the Committee) can be consulted or their concerns be incorporated into the decision-making process. Similarly, directors should encourage their member jurisdiction management to participate and elevate key recommendations, facts or opinions into the staff advisory committees.

Information:

- ☒ 26. The Board should continue reviewing the Board materials with the objective of seeking ways to streamline or organize the information in a way that enhances the ability of the directors to better read, understand and govern. This may include revisiting which informational reports are elevated to the Board and how they are presented.
- ☒ 27. The Board should consider supporting more complex or controversial decisions with brief staff presentations oriented toward educating the Board regarding the decision at hand, options considered, and the implications and risks.
- 28. The Board should work with member jurisdictions to ensure robust analysis, especially in the identification of risk and financial implications for key stakeholders, is present in Board reporting. Although there is a substantial amount of reporting to the Board, it can lack these key elements critical for Board decision making.
- ☒ 29. The Board should consider staff presentations or Board reports include multiple options for the Board to consider, where practical. Committees and staff do consider different treatment options for significant expenditures, but are encouraged to provide the preferred option and the supporting rationale for the Board's decision. However, the broader Board may need to

understand alternative options, the risks relating to each and the rationale for dismissing them.

- ③ 30. Board members should seek to leverage Metro Vancouver staff as the key source of information. Pragmatic and legally acceptable protocols should be utilized regarding information communication in order to better facilitate the sharing of information with Committee members and other key stakeholders. These mechanisms should be highlighted in Board orientation and ongoing education.
- ③ 31. The Board should ensure, for large complex and capital-intensive projects, management continue to provide regular updates to the Board as the project progresses. Directors are seeking transparency regarding actual expenditure on capital projects relative to the original budgeted amounts. Similarly, they are seeking clarity on the accuracy of forecasted project expenditures and the implications and possible extent of forecast adjustments on their member jurisdictions.
- 32. The Board should work with Metro Vancouver staff and municipal staff to find more efficient methods of integrating municipal planning with Metro Vancouver strategies and projects. Investments in housing, transportation, growth, etc. are both regional and local, therefore should be included in more cohesive planning integration between Metro Vancouver and its member jurisdictions.

Culture & Behaviours:

- ③ 33. The Board should consider revisiting its code of conduct to ensure it does directly address respectful and productive behaviours in the Board and Committee meetings. The communication of this code of conduct should include a specific workshop or similar training to allow open discussion around expected and desired behaviours.
- ③ 34. The Board should explore new avenues for communication between the Board and staff. This includes both within and outside of the Boardroom. Forums for enhanced informal dialogue between Board directors and management could provide additional clarity and foster a stronger environment of trust. Similarly, Board directors should seek to take advantage of and encourage the hosting of these conversations in their member jurisdictions.
- ③ 35. The Chair should continue to reinforce the need for all directors to take a regional perspective at the outset of meetings. Opportunities to reinforce the ability to effectively balance the regional and local perspectives should be explored.
- ③ 36. We recommend the Board consider implementing some form of Board performance assessment to solicit and identify opportunities to enhance group and individual behaviour. If possible, the Chair should meet with Board members as necessary to reinforce key messages.
- ③ 37. The role of Board Chair is a critical one. They are the conductor of the Board. The Board should consider investing in specific Board management training and education for future Board Chairs.

Remuneration:

- ③ 38. The Board should consider maintaining the current \$547/meeting stipend as it appears reasonable and allows flexibility in managing meeting attendance and frequency, but revisit it on an annual basis to ensure it remains appropriate. We have identified opportunities throughout this report to create efficiencies and reduce the total individual remuneration expenses.

- ☒ 39. The Board should consider eliminating the double meeting stipend for meetings over 4 hours and seek to create efficiencies in the meeting agenda and schedule to manage within this timeframe.
- ☒ 40. The Board should consider replacing the monthly retainer for Committee Chairs with a double meeting fee for any committee meetings held. This would eliminate payment for Committee meetings that do not occur, but still provide Chairs with a preparation and attendance meeting stipend for meetings held.
- ☒ 41. The Board should consider removing the payment of a double meeting stipend for travel days and conference attendance.
- ☒ 42. The Chair, Vice-Chair and Committee Chair total remuneration appear reasonable relative to other comparatives (such as municipal mayoral/council salaries, BC public sector Crown and agency Board remuneration, and other similarly complex regional governance bodies and utilities across Canada). No change is recommended in this formula, however it should continue to be assessed on a periodic basis to ensure alignment with other similar public sector entities. The exception to this would be a shift to a new Board structure (e.g. Hybrid Structure), in which case the Board and Chair remuneration may need to be reconsidered to accommodate the recruiting of qualified non-elected officials.
- ☒ 43. The Board should consider a review of Board travel policies to ensure equitable access to learning or representation opportunities, in a manner that respects the financial costs of this travel.
- ☒ 44. The Board should consider a threshold for non-payment of the meeting stipend – perhaps for those attending Zoom meetings of less than 30 minutes hour in duration, or some other similar minimum threshold. This could incentivize the deferral or consolidation of these meetings.
- ☒ 45. Review and reduce the number of external Board appointments that are not explicitly required under agreement or otherwise seen as beneficial to Metro Vancouver. Directors may be willing to attend as an unpaid Board member, but the primary governance objective is to not overload Board directors with ancillary or unrelated activity, and to reduce the remuneration costs associated with these attendances.
- ☒ 46. Introduce maximums for the number of meetings attended per year to ensure directors are not overloaded from a governance perspective, and to prevent the perception of excessive remuneration. For example, 50 meeting stipends (i.e. weekly) per year are approximately \$27,000.
- ☒ 47. Given the consolidated disclosure in the BC government SOFI, the Board could consider proactively publishing a simple more transparent disclosure of Board remuneration and travel expenses to promote comparability and transparency.

Provincial Consideration:

- 48. Providing detailed Crown, agency and local government-related income data in a simple, publicly accessible format may alleviate some remuneration pressure on the regional mayors and Metro Vancouver directors, as it would create greater visibility and more transparency regarding the equity of compensation across the BC public sector.
- 49. Consider introducing a cap or maximum remuneration threshold for total income from all local-government-related appointments (such as Metro Vancouver, TransLink, E-Comm 9-1-1, etc.). For example, this amount might not exceed that of a BC Provincial Cabinet Member (currently \$183,085). Other than managing the risk of role accumulation, it would serve as a mechanism for ensuring roles are appropriately allocated and therefore governance risks relating to Board responsibility overload are minimized



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This report has been provided to Metro Vancouver for the purpose of providing a summary of our findings and recommendations relating to an Independent Governance Review. Other conclusions and recommendations beyond those provided in this report should not be inferred from this document.

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We believe that our analyses must be considered as a whole and that selecting portions of the analyses or the factors considered by it, without considering all factors and analyses together, could create a misleading view of the issues related to the report. Amendment of any of the assumptions identified throughout this report could have a material impact on our analysis contained herein. Should any of the major assumptions not be accurate or should any of the information provided to us not be factual or correct, our analyses, as expressed in this report, could be significantly different.

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To: Governance Committee

From: Heather McNell, Deputy Chief Administrative Officer, Policy and Planning

Date: July 4, 2025

Meeting Date: July 16, 2025

Subject: **2025 Governance Committee Meeting Schedule and Work Plan**

RECOMMENDATION

That the MVRD Board:

- a) receive for information the Governance Committee Terms of Reference and the 2025 Annual Meeting Schedule, as presented in the report dated July 4, 2025, titled “2025 Governance Committee Meeting Schedule and Work Plan”; and
- b) endorse the 2025 Work Plan, as presented in the report dated July 4, 2025, titled “2025 Governance Committee Meeting Schedule and Work Plan”, incorporating the following requested changes from Governance Committee members:

- _____
 - _____
-

EXECUTIVE SUMMARY

The Terms of Reference for the Governance Committee set out the committee responsibilities in assisting the Board in ensuring the effective governance of the organization by overseeing the development, implementation, and continuous improvement of governance policies and practices, and ensuring the governance framework is compliant and aligned with Metro Vancouver’s strategic objectives. The Committee also provides guidance and oversight on the implementation of its annual work plan. Pursuant to the Terms of Reference, the meeting schedule proposes four Committee meetings for the remainder of 2025 inclusive of today’s inaugural meeting. Work plan priorities for 2025 and intended for 2026 are:

- **Governance Framework:** prioritize and make recommendations to the Board on issues identified in the recently completed independent Board Governance Review, develop and make recommendations to the Board on Metro Vancouver’s governance framework including Board policy completeness and clear roles and responsibilities, and consider means to improve the flow of information to support decision making;
- **Board Effectiveness:** develop a Board calendar, develop a Board self-evaluation tool, review Code of Conduct with the Board, review fiduciary responsibility with the Board, and support the Board with an updated onboarding and education program;
- **Standing Committees:** review Standing Committee Terms of Reference for clarity of roles and responsibilities, and make recommendations to the Chair on the number and composition of standing committees; and
- **Remuneration:** Consider recommendations from the independent Board Governance report referred to the Committee.

PURPOSE

To provide the Governance Committee with the 2025 Work Plan, Terms of Reference, and the Annual Meeting Schedule.

BACKGROUND

In May 2025, the Board Chair struck the Governance Committee; the Board Chair establishes the committee structure and the terms of reference for each committee. To support the Committee in its work, this report brings forward the Committee's Work Plan for 2025 and 2026 and the Schedule of Meetings for the remainder of 2025.

2025 WORK PLAN

The Annual Work Plan for the Governance Committee can be accommodated within the 2025 Budget approved by the MVRD/GVWD/GVS&DD/MVHC Boards on November 1, 2024. The Committee's draft 2025 workplan was developed in response to Deloitte's recommendations in the recently completed Independent Board Governance Review. As there are only three committee meetings remaining in the calendar year, the draft workplan (Attachment 1) is broken into two sections – to be approved for the remainder of 2025, and a draft of what can be completed in 2026 subject to Board budget approval and the continuation of the Governance Committee in 2026.

In advance of the Committee's inaugural meeting, staff met with the Committee Chair and Vice Chair regarding the workplan. They have provided early direction regarding the Committee's workplan to support the Committee's discussion. In addition, Deloitte has been invited to review the Governance Review Report recommendations, and to participate in the Committee's discussion about priorities.

The Work Plan presented in this report is consistent with the Governance Committee's Terms of Reference (Attachment 2), and is being brought forward for the Committee's information, review and endorsement. Key actions in the 2025 Work Plan for the Committee are described below and listed according to Committee responsibilities in its Terms of Reference.

- **Governance Framework:** prioritize and make recommendations to the Board on issues identified in the recently completed independent Board Governance Review, develop and make recommendations to the Board on Metro Vancouver's governance framework including Board policy completeness and clear roles and responsibilities, and consider means to improve the flow of information to support decision making;
- **Board Effectiveness:** develop a Board calendar, develop a Board self-evaluation tool, review Code of Conduct with the Board, review fiduciary responsibility with the Board, and support the Board with an updated onboarding and education program;
- **Standing Committees:** review Standing Committee Terms of Reference for clarity of roles and responsibilities, and make recommendations to the Chair on the number and composition of standing committees; and
- **Remuneration:** Consider recommendations from the independent Board Governance report referred to the Committee.

2025 Governance Committee Meeting Schedule and Work Plan

Governance Committee Regular Meeting Date: July 16, 2025

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The Committee will be updated on the status of the actions and projects in this Work Plan on a monthly basis per the Committee's schedule.

2025 COMMITTEE MEETING SCHEDULE

The *Procedure Bylaw* requires the Corporate Officer to provide the Committee with an Annual Meeting Schedule for the upcoming year, including the date, time, and place of the meetings (Attachment 3).

Meeting Place

Committee meetings will be held at Metro Vancouver Committee Room, 28th Floor, 4515 Central Blvd, Burnaby, BC, at 9:00 am, unless otherwise specified on the Metro Vancouver public notice board, the Metro Vancouver website, and the respective agenda.

ALTERNATIVES

1. That the MVRD Board:
 - a) receive for information the Governance Committee Terms of Reference and the 2025 Annual Meeting Schedule, as presented in the report dated July 4, 2025, titled "2025 Governance Committee Meeting Schedule and Work Plan"; and
 - b) endorse the 2025 Work Plan, as presented in the report dated July 4, 2025, titled "2025 Governance Committee Meeting Schedule and Work Plan", incorporating the following requested changes from the Governance Committee:
 - _____
 - _____
2. That the Governance Committee refer the work plan, as presented in the report dated July 4, 2025, titled "2025 Governance Committee Meeting Schedule and Work Plan", to staff to incorporate input from the Committee at its July 16, 2025 meeting and bring an updated work plan for 2025 forward for endorsement at the next Governance Committee meeting.

FINANCIAL IMPLICATIONS

The priorities in the 2025 Work Plan of the Governance Committee are consistent with the 2025 Budget approved by the MVRD/MVHC/GVWD/GVS&DD Boards on November 1, 2024. Committee meeting expenses and remuneration associated with meeting attendance have been re-allocated from Committees that have been removed by the Chair.

CONCLUSION

The Work Plan presented in this report identifies the priorities for the Governance Committee in 2025 and is consistent with its Terms of Reference and the 2025 Budget approved by the MVRD/MVHC/GVWD/GVS&DD Boards. To assist the Committee, the 2025 Annual Meeting Schedule has been established to guide the Committee's success in completing the business of the Work Plan.

2025 Governance Committee Meeting Schedule and Work Plan

Governance Committee Regular Meeting Date: July 16, 2025

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ATTACHMENTS

1. Governance Committee 2025 and Provisional 2026 Work Plan.
2. Governance Committee Terms of Reference.
3. Governance Committee 2025 Annual Meeting Schedule.

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Governance Committee 2025 Work Plan

Report Date: July 9, 2025

Priorities*

3rd Quarter	Status
Receive and discuss Committee Terms of Reference	Pending
Endorse a workplan for the remainder of 2025 and set the blueprint for a 2026 workplan	Pending
Prioritize and make recommendations to the Board on issues identified in the recently completed independent Board Governance Review	Pending
4th Quarter	Status
Recommendations to the Board supporting the Committee's role around Board Effectiveness including the addition of a Board self-evaluation tool and 2026 Board Calendar	Pending
Recommendations to the Board regarding Standing Committee Chair remuneration as directed by the MVRD Board	Pending
Standing Committees: Review and make recommendations to the Chair on number and composition of committees, terms of reference, roles and responsibilities, and recruitment process	Pending

* The Governance Committee will provide input and additions to the 2025 and 2026 workplans at its inaugural and subsequent meetings.

Potential Workflow for 2026 Subject to Board Budget Approval and Continuance of the Governance Committee

1st Quarter	Status
Recommendations to the Board supporting the Committee's role around Metro Vancouver's Governance Framework including Board Policy completeness and accountability	Pending
Review Remuneration Bylaw to consider further recommendations from the Governance Review	Pending
Review Committee and Board materials and flow of information	Pending
2nd Quarter	Status
Receive update on strengthened Internal Audit and Enterprise Risk functions	Pending
Review roles and responsibilities of the Board and Management	Pending
3rd Quarter	Status
Recommendation on a Board education plan including onboarding and orientation for new members as well as ongoing opportunities	Pending
4th Quarter	Status
Recommendations for early input on Board Strategic Plan for upcoming term	Pending
Review Board Code of Conduct	Pending

Governance Committee

Terms of Reference

The Governance Committee is the standing committee of the Metro Vancouver Board (collectively the Greater Vancouver Water District, Greater Vancouver Sewerage and Drainage District, Metro Vancouver Regional District and Metro Vancouver Housing Corporation Boards) that assists the Board in ensuring the effective governance of the organization by overseeing the development, implementation, and continuous improvement of governance policies and practices, and ensuring the governance framework is compliant and aligned with Metro Vancouver's strategic objectives. The Governance Committee is responsible for supporting the Board in maintaining high standards of governance and operational integrity.

COMMITTEE RESPONSIBILITIES

The Governance Committee is responsible for the following areas:

Governance Framework

- a) Consider Metro Vancouver's governance framework and potential updates that would improve governance and ensure effectiveness and alignment with the Board's strategic objectives; the governance framework includes Board and Committee Structure and Composition, Flow of Information, Roles and Responsibilities, Decision Making Authority and other governance issues.
- b) Develop, and make recommendations to the Board on Metro Vancouver's governance framework.
- c) Explore and make recommendations to the Board on implementing recommendations from the 2025 Board Governance Review.

Board Effectiveness

- a) Support the Board's understanding and use of the Code of Conduct for Elected Officials.
- b) Conduct regular evaluations of Board performance, including self-assessments and peer reviews to identify areas for improvement.
- c) Ensure effective orientation and learning processes for Board Directors and Committee members regarding: the organization's goals, objectives, programs and services; budget and financial statements; and roles and responsibilities for Boards and Committees.
- d) Support the Board with an ongoing Board education and training program.
- e) Support the Chair with overall Board meeting governance.
- f) Assess current Committee composition, skill gaps, and undertake succession planning; make recommendations to the Chair in this regard.
- g) Identify, assess and make recommendations to mitigate governance-related risks.

Standing Committees

- a) Maintain skills matrices to ensure that Standing Committees have the necessary expertise and diversity.
- b) Support the Chair in making Committee appointments.

Governance Committee Terms of Reference

Page 2 of 2

- c) Periodically review the effectiveness and efficiency of existing Standing Committees.
- d) Review the Terms of Reference of Standing Committees to ensure clarity of roles and responsibilities.

Remuneration

- a) Periodically review and make recommendations to the Board regarding the MVRD Remuneration Bylaw to ensure alignment with best practices.

COMMITTEE MEMBERSHIP AND MEETINGS

The Committee Chair, Vice Chair and six additional Committee members are appointed annually by the Board Chair. Committee membership is intended to last one municipal election cycle, which is four years. Committee members will be MVRD Board Directors for all four legal entities. The Committee meets monthly, except for August and December, and holds special meetings as required. A quorum of 50% plus one of the Committee membership is required to conduct Committee business.

The Province of British Columbia has been invited to take part in meetings where issues of Provincial interests are on the agenda.

COMMITTEE MANAGEMENT

The Committee Chair, supported by the Vice Chair, shall manage the Committee's activities, including setting agendas and ensuring effective meeting facilitation. The Chair shall report on the Committee's activities and recommendations to the Board of Directors regularly.

The Committee Chair, or in the absence of the Chair, the Vice Chair is the chief spokesperson on matters of public interest within the Committee's purview. For high profile issues the role of spokesperson rests with the Metro Vancouver Board Chair or Vice Chair. On technical matters, or in cases where an initiative is still at the staff proposal level, the Chief Administrative Officer or designate is the appropriate spokesperson. Where necessary and practical, the Board Chair, Committee Chair and Chief Administrative Officer will confer to determine the most appropriate representative to speak.

The Chief Administrative Officer assigns a Committee Manager for the Committee. The Committee Manager is responsible for supporting the Committee meetings, and is the principal point of contact for Committee members.

Governance Committee 2025 Annual Meeting Schedule*

- **Wednesday, July 16, 2025 at 9:00 am**
- **Friday, September 12, 2025 at 1:00 pm**
- **Friday, October 17, 2025 at 1:00 pm**
- **Friday, November 14, 2025 at 1:00 pm**

** Committee Meetings are subject to change.*

To: Governance Committee

From: Heather McNell, Deputy Chief Administrative Officer, Policy and Planning

Date: July 7, 2025

Meeting Date: July 16, 2025

Subject: **Conveying Recommendations to the Province Stemming from the Independent Board Governance Review**

RECOMMENDATION

That the MVRD Board write a letter to Minister Khalon, Minister of Housing and Municipal Affairs, conveying two recommendations directed at the Province from Deloitte Canada's final report on the Metro Vancouver Board Governance Review regarding remuneration for elected officials.

EXECUTIVE SUMMARY

At the May 23, 2025 Board meeting, the MVRD Board considered Deloitte Canada's final report on the independent Metro Vancouver Board Governance Review dated May 20, 2025 and referred it to the newly formed Governance Committee for its consideration. Within the report, two recommendations are provided for provincial consideration regarding remuneration for elected officials. These recommendations are not within Metro Vancouver's jurisdiction. The recommendations are that the Province consider:

- providing detailed Crown, agency and local government-related income data in a simple, publicly accessible format; and
- introducing a cap or maximum remuneration threshold for total income from all local government-related appointments (e.g. Metro Vancouver, TransLink, E-Comm 9-1-1).

This report seeks to convey these recommendations to the Province for consideration. Deloitte notes in their report that if the Province actions the recommendations, it would create greater visibility and more transparency regarding the equity of compensation across the BC public sector.

PURPOSE

To provide the MVRD Board with the opportunity to convey recommendations from the Deloitte Canada final report on the Metro Vancouver Board Governance Review to the Province.

BACKGROUND

At its May 23, 2025 Board meeting, the MVRD Board considered Deloitte Canada's final report on the independent Metro Vancouver Board Governance Review dated May 20, 2025 and referred it to the newly formed Governance Committee for its consideration. Within the report, two recommendations were provided by Deloitte for provincial consideration. The recommendations are not within Metro Vancouver's jurisdiction.

BOARD GOVERNANCE REVIEW RECOMMENDATIONS TO THE PROVINCE

Deloitte Canada's Final Report on the independent Metro Vancouver Governance Review contained 47 recommendations for the Metro Vancouver Board's consideration, and 2 recommendations for provincial consideration. These latter recommendations are beyond the scope of Metro Vancouver's jurisdiction to consider as they address the collective remuneration for elected officials for their leadership and participation in multiple organizations. The two recommendations for provincial consideration are as follows:

- "That the Province consider providing detailed Crown, agency and local government-related income data in a simple, publicly accessible format, which may alleviate some remuneration pressure on the regional mayors and Metro Vancouver directors, as it would create greater visibility and more transparency regarding the equity of compensation across the BC public sector.
- That the Province consider introducing a cap or maximum remuneration threshold for total income from all local government-related appointments (such as Metro Vancouver, TransLink, E-Comm 9-1-1, etc.). For example, this amount might not exceed that of a BC Provincial Cabinet Member (currently \$183,085). Other than managing the risk of role accumulation, it would serve as a mechanism for ensuring roles are appropriately allocated and therefore governance risks relating to Board responsibility overload are minimized".

ALTERNATIVES

1. That the MVRD Board write a letter to Minister Khalon, Minister of Housing and Municipal Affairs conveying two recommendations directed at the Province from Deloitte Canada's final report on the independent Metro Vancouver Board Governance Review regarding remuneration for elected officials
2. That the MVRD Board receive the report titled "Conveying recommendations to the Province stemming from the independent Board Governance Review", dated July 7, 2025 for information.

FINANCIAL IMPLICATIONS

There are no direct financial implications to this report. However, Deloitte Canada has noted in its final report for the independent Metro Vancouver Board Governance Review, that the Province may wish to consider the recommendations enclosed in the report with an aim to improving transparency on the sum or total of compensation for elected officials across the BC public sector.

CONCLUSION

At its May 23, 2025 Board meeting, the MVRD Board considered Deloitte Canada's final report on the independent Metro Vancouver Board Governance Review dated May 20, 2025 and referred it to the newly formed Governance Committee for its consideration. Within the report, two recommendations were provided by Deloitte for provincial consideration. This report seeks to convey the recommendations to the Province.