metrovancouver
SERVICES AND SOLUTIONS FOR A LIVABLE REGION

METRO VANCOUVER REGIONAL DISTRICT
GOVERNANCE COMMITTEE

MEETING
Thursday, April 9, 2026
9:00 am
28th Floor Committee Room, 4515 Central Boulevard, Burnaby, British Columbia

AGENDA

A. ADOPTION OF THE AGENDA

1. **April 9, 2026 Meeting Agenda**
THAT the Governance Committee adopt the agenda for its meeting scheduled for April 9, 2026 as circulated.

B. ADOPTION OF THE MINUTES

1. **March 12, 2026 Meeting Minutes** *pg. 4*
THAT the Governance Committee adopt the minutes of its meeting held March 12, 2026 as circulated.

C. DELEGATIONS

D. INVITED PRESENTATIONS

1. **Dana Hayden, Hayden Consulting Services** *pg. 8*
Subject: Capital Project Governance

E. REPORTS FROM COMMITTEE OR CHIEF ADMINISTRATIVE OFFICER

1. **Annual Review of Code of Conduct for Elected Officials Policy** *pg. 14*
Report dated April 2, 2026, from Dorothy Shermer, Corporate Officer.

Executive Summary
An annual review of the *Code of Conduct for Elected Officials Policy* is a recurring item on the Governance Committee work plan for the second quarter of each year. The *Code of Conduct for Elected Officials Policy* was adopted by the MVRD Board in January 2025, and is now being presented for its first annual review.

While the Policy is now before the Governance Committee for its first annual review, the Committee may wish to wait until further information is received from the Province, which just provided notice that two bills have been introduced regarding codes of conduct for local elected officials, and that additional guidance will be provided later this year. However, if the Committee does wish to review any specific areas at this time, this direction can be provided to staff at the April Governance Committee meeting, and staff will return with additional information at a subsequent meeting.

Recommendation
THAT the Governance Committee receive for information the report dated April 2, 2026, titled "Annual Review of Code of Conduct for Elected Officials Policy."

2. **Consideration of Changes to the Size and Structure of each of Metro Vancouver's Four Boards of Directors: Options Analysis** *pg. 50*

Report dated March 24, 2026, from Heather McNell, Deputy Chief Administrative Officer, Policy and Planning.

Executive Summary
The 2025 independent Metro Vancouver Board Governance Review concluded that there is an opportunity to optimize the size and structure of the four Metro Vancouver Boards to improve governance and oversight, and to enhance decision making and risk management. Considerations of such options is a major piece of work for the Governance Committee and Boards in 2026. Earlier this year, the MVRD Board approved a *process* to consider potential changes and approved an *evaluation framework*.

The March and April Governance Committee meetings have been dedicated to discussion and evaluation of the options presented for all four of Metro Vancouver's Boards. During its March 12, 2026 meeting, the Governance Committee considered the report titled "Consideration of Changes to the Size and Structure of each of Metro Vancouver's Four Boards of Directors: Options and Analysis", dated March 6, 2026 (Attachment 1). The Committee discussed and deliberated the options for the Metro Vancouver Regional District (MVRD) and the Metro Vancouver Housing Corporation (MVHC) Boards.

The same report is being provided to the Committee for the April 9, 2026 meeting so that the Committee can continue its discussions focusing on the Greater Vancouver Water District (GVWD) and the Greater Vancouver Sewerage and Drainage District (GVS&DD) Boards (Attachment 2).

In addition to the information prepared for Committee consideration last month, the Committee will also receive a presentation by Dana Hayden of Hayden Consulting Services. Hayden completed work for the Board in 2021 subsequent to the Project Delivery Department being instituted. The resulting report titled, "Project Delivery Best Practice Response – Capital Project Governance & Stage Gate Framework" (Attachment 3) was one in a series of updates on implementation of best practices for capital projects at Metro Vancouver as requested by the Boards. Dana Hayden will present the earlier findings, and support the Committee's discussion about potential governance models for the utility boards.

3. Manager's Report *pg. 125*

Report dated March 23, 2026, from Heather McNell, Deputy Chief Administrative Officer, Policy and Planning.

Recommendation

That the Governance Committee receive for information the report dated March 23, 2026, titled "Manager's Report".

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 April 9, 2026.

Membership:

Chair, Lisa Dominato, Vancouver	Coquitlam, Teri Towner	Pitt Meadows, Nicole MacDonald
Vice Chair, Dylan Kruger, Delta	Langley City, Paul Albrecht	West Vancouver, Mark Sager
Burnaby, Sav Dhaliwal	North Vancouver District, Lisa Muri	Province of BC, Andrew Mercier

metrovancouver
SERVICES AND SOLUTIONS FOR A LIVABLE REGION

METRO VANCOUVER REGIONAL DISTRICT
GOVERNANCE COMMITTEE

MEETING
Thursday, March 12, 2026
9:02 am
28th Floor Committee Room, 4515 Central Boulevard, Burnaby, British Columbia

MINUTES

MEMBERS PRESENT:
Chair, Lisa Dominato, Vancouver
Vice Chair, Dylan Kruger, Delta* (departed at 10:38 am)
Burnaby, Sav Dhaliwal
Coquitlam, Teri Towner
Langley City, Paul Albrecht
North Vancouver District, Lisa Muri*
Pitt Meadows, Nicole MacDonald*
West Vancouver, Mark Sager
Province of BC, Andrew Mercier

OTHERS PRESENT:
Shayne Gregg, Partner, Governance & Risk, Deloitte Canada

STAFF PRESENT:
Heather McNell, Deputy Chief Administrative Officer, Policy and Planning
Nikki Tilley, Acting Deputy Corporate Officer
Amanda McCuaig, Director, External Relations

A. ADOPTION OF THE AGENDA

1. March 12, 2026 Meeting Agenda

It was MOVED and SECONDED
THAT the Governance Committee adopt the agenda for its meeting scheduled for March 12, 2026 as circulated.

B. ADOPTION OF THE MINUTES

1. February 12, 2026 Meeting Minutes

It was MOVED and SECONDED
THAT the Governance Committee adopt the minutes of its meeting held February 12, 2026 as circulated.

CARRIED

2. February 19, 2026 Special Meeting Minutes

It was MOVED and SECONDED
THAT the Governance Committee adopt the minutes of its special meeting held February 19, 2026 as circulated.

CARRIED

C. DELEGATIONS
No items presented.

D. INVITED PRESENTATIONS
No items presented.

E. REPORTS FROM COMMITTEE OR CHIEF ADMINISTRATIVE OFFICER

1. Approach to Engagement on Consideration of the Size and Structure of each of the Four Metro Vancouver Boards
Report dated February 27, 2026 from Amanda McCuaig, Director, External Relations, providing the Governance Committee with a proposed engagement plan to support potential changes to the size and structure of Metro Vancouver's four Boards.

Amanda McCuaig gave the Committee an overview of the suggested engagement plan, including the timeline, intended audiences, and the types of engagement planned. Members were advised that engagement materials are being prepared and that a report will come to the Committee in April with engagement materials for consideration.

It was MOVED and SECONDED
THAT the MVRD Board endorse the engagement plan as outlined in the report dated February 27, 2026 titled "Approach to Engagement on Consideration of the Size and Structure of each of the Four Metro Vancouver Boards".

CARRIED

2. Consideration of Changes to the Size and Structure of each of Metro Vancouver's Four Boards of Directors: Options Analysis

Report dated March 6, 2026 from Heather McNell, Deputy Chief Administrative Officer, Policy and Planning, providing information to support the Governance Committee in evaluating options to potentially amend the size and structure of each of the four Metro Vancouver Boards.

Chair Dominato advised the Committee that focus of the March discussion would be on reviewing options for the Metro Vancouver Regional District (MVRD) and the Metro Vancouver Housing Corporation (MVHC), and that in April, the Committee would consider options for the Greater Vancouver Water District (GVWD) and Greater Vancouver Sewerage and Drainage District (GVS&DD).

Heather McNell gave a presentation titled "Consideration of Changes to the Size and Structure of each of Metro Vancouver's Four Boards of Directors: Options Analysis", which outlined potential options for size and structure for the MVRD and MVHC Boards.

The Committee discussed options for amending the size and structure of both the MVRD and MVHC Boards with the aim of improving governance effectiveness, scalability of the options into the future, how member jurisdictions are represented, broader stakeholder impact, and how readily the options could be implemented.

Committee members expressed that for the MVRD Board the principles of proportional representation and ensuring that each member has a voice at the table remain critically important. There was growing consensus that an equitable and effective shorter-term solution to limit further growth in Board size would be Option 5 – having one Director for every 140,000 residents rather than for every 100,000 residents, bringing the Board size to 34 Directors, while maintaining proportional votes. For the longer term, there was interest in continuing the discussion of Option 3 – capping the number of Directors per member jurisdiction while maintaining proportional votes. There was also some interest expressed in continuing to explore Option 2 – having one Director per member jurisdiction bringing the Board size to 23 Directors.

Recess and Reconvene

The Governance Committee recessed its meeting at 10:38 am and reconvened at 10:46 am with Vice Chair Kruger absent.

In considering options for the MVHC Board, Committee members expressed that as with the MVRD Board, the status quo option is not feasible. Some members expressed that Option 2 – aligning with whatever is chosen for the MVRD Board makes the most sense to ensure consistency, ease and municipal representation. Other members expressed that Option 3 – a Smaller Hybrid Non-profit Board would optimize governance and align with both other non-profits and funder programs and expectations while maintaining MVRD oversight. A fully appointed non-profit Board was not supported.

3. Manager's Report

Report dated March 5, 2026 from Heather McNell, Deputy Chief Administrative Officer, Policy and Planning, providing an update on the Committee's Work Plan.

It was MOVED and SECONDED
THAT the Governance Committee receive for information the report dated March 5, 2026 titled "Manager's Report."

CARRIED

F. INFORMATION ITEMS
No items presented.

G. OTHER BUSINESS
No items presented.

H. RESOLUTION TO CLOSE MEETING
No items presented.

I. ADJOURNMENT

It was MOVED and SECONDED
THAT the Governance Committee adjourn its meeting of March 12, 2026.

CARRIED
(Time: 11:09 am)

______________________________________	____
Nikki Tilley, Acting Deputy Corporate Officer	Lisa Dominato, Chair

83807383

Capital Project Governance

Dana Hayden, C.Dir

Metro Vancouver Governance Committee
April 9, 2026

Implementing Capital Projects

Metro Vancouver's Project Development Department has sought and implemented many recommendations and is continuing to make project management improvements

Project Management Framework
Stage Gate Framework
Project Information Systems Plan
Regulatory Team
Community of Practice
Quality Management System

What is still missing is a professional project governance framework

What Should Metro Vancouver do about Project Governance?

- Deloitte has identified an option to add a Major Projects Committee to oversee some or all of the highest value, risk, and consequence projects
- This option is available irrespective of the Board structure chosen for the GVS&DD and GVWD
- Deloitte suggests 3 options to establish a Major Projects Committee:
  1. Standing committee of GVS&DD and GVWD
  2. A committee with delegated authority
  3. A mix of GVW&DD/GVWD Board directors and external, appointed directors
- A combination of options 2 & 3 could enable the establishment of a Project Board

Project Boards are a Governance Standard for Managing Major Public Capital Projects

technical project delivery skills
continuity in oversight
protect elected officials
ensure confidentiality
speed of decision making
clarify competing jurisdictional interests/impacts
make decisions based on project need
attract project bidders
facilitate funding

Metro Vancouver Would Retain Significant Authority with a Project Board

- Determine what citizens need and therefore what infrastructure should be built
- Choose members of a project board
- Establish clear project goals and objectives:
  - Set overall scope, cost and schedule
  - Define other KPIs that are important (e.g. stakeholder input, employment)
- Establish reporting timelines, and what information is required
  - Current and forecast achievement of project goals
- Make project go/no go decisions
- Decide interjurisdictional cost allocation
- Seek funding from senior levels of government
- Operate facilities

With Delegated Authority a Project Board could

- Provide direction to project team (PDD) and assess performance
- Provide professional advice and counsel to staff
- Manage project expenditures
- Establish project controls and reporting procedures
- Procure construction contractors and 3rd party consultants
- Appoint a fairness advisor and conflict of interest adjudicator
- Recommend business priorities, strategic, and resource approvals
- Anticipate and manage issues, risks, and develop mitigation plans
- Oversee project communications, information, and consultation

Capital Regional District Example

- $775M upgrade to wastewater treatment system
- CRD delegated authority for management to a project board
  - Members chosen by CRD
  - CAO and 1 Director members of project board
- CRD established clear objectives and reporting requirements
  - Scope, schedule, budget and other KPIs
  - Monthly and quarterly updates to the CRD Board through the Core Area Liquid Waste management committee of CRD Board
  - Any material changes required CRD approval
- The project board managed cost pressures, contractor claims and scope modifications within its delegated authority
- All KPIs were met including cost, scope and schedule
- At the end of the project the Project Board was disbanded

How is a Project Board Different than an Advisory Board?

- Advisory boards are not fiduciary boards with delegated authority and responsibility to oversee projects
- They provide advice using their professional skills/experience but primarily based on what is presented to them
- They may endure during changes associated with electoral cycles, but they can't provide the other advantages of a Project Board

How is a Project Board Different than adding external, appointed directors to an MV Board?

- Adding external directors with capital project experience would provide additional skills
- If the board doesn't have fiduciary responsibility to make decisions, and if the majority of board members are elected officials MV likely won't overcome challenges with:
  - Continuity in oversight across elections
  - Perceived conflicts of interest
  - Confidentiality
  - Competing jurisdictional interests/impacts
  - Making decisions based on project need
  - Attracting project bidders
  - Attracting funding

What Would Change if Metro Vancouver Created a Project Board?

Project Board could:

- Have confidential, informed discussion on project claims and issues
- Provide counsel and oversight to project director and team
- Make informed technical project decisions
- Make timely contract decisions based on project need (within delegated authority)
- Anticipate issues based on experience with similar projects
- Endure over election cycles
- Streamline reporting
- Assist in attracting bidders and funders

Summary

- MV's Project Development Department has implemented many practices to improve the delivery of capital projects
- Governance of capital projects has not been fully addressed
- Governance oversight requires unique skill sets and correct positioning
- Project boards, correctly established and implemented, are an effective way to manage challenges and complexities that arise in large public capital infrastructure projects
- Metro Vancouver can retain the authority to identify needed capital projects and operate them, while delegating governance of project design, development and construction to a Project Board

metrovancouver
SERVICES AND SOLUTIONS FOR A LIVABLE REGION

To: Governance Committee

From: Dorothy Shermer, Corporate Officer

Date: April 2, 2026 Meeting Date: April 9, 2026

Subject: **Annual Review of Code of Conduct for Elected Officials Policy**

RECOMMENDATION

THAT the Governance Committee receive for information the report dated April 2, 2026, titled "Annual Review of Code of Conduct for Elected Officials Policy."

EXECUTIVE SUMMARY

An annual review of the *Code of Conduct for Elected Officials Policy* is a recurring item on the Governance Committee work plan for the second quarter of each year. The *Code of Conduct for Elected Officials Policy* was adopted by the MVRD Board in January 2025, and is now being presented for its first annual review.

While the Policy is now before the Governance Committee for its first annual review, the Committee may wish to wait until further information is received from the Province, which just provided notice that two bills have been introduced regarding codes of conduct for local elected officials, and that additional guidance will be provided later this year. However, if the Committee does wish to review any specific areas at this time, this direction can be provided to staff at the April Governance Committee meeting, and staff will return with additional information at a subsequent meeting.

PURPOSE

To present the *Code of Conduct for Elected Official Policy* (**Attachment 1**) to the Governance Committee for annual review.

BACKGROUND

An annual review of the *Code of Conduct for Elected Officials Policy* is on the Governance Committee's Work Plan in the second quarter. *The Code of Conduct for Elected Officials Policy* was adopted in January 2025.

LEGISLATED REQUIREMENT

The *Community Charter* requires local governments to consider a code of conduct. Within six months after its first regular meeting, the local government must decide whether to establish a code of conduct for elected officials, or whether to review a code of conduct if one has already been established. If the local government decides not to establish a code of conduct or review an existing code of conduct, it must make available to the public, upon request, a statement respecting the reasons for its decision.

POLICY HISTORY

At the MVRD Board meeting held on April 28, 2023, the Board was advised of the legislated requirement for considering the establishment of a code of conduct. The Board directed staff to bring forward a code of conduct based on the Model Code of Conduct produced by the *Working Group on Responsible Conduct*.

The *Code of Conduct for Elected Officials Policy*, which was eventually adopted by the Board on January 31, 2025, was first presented to the MVRD Board at the September 29, 2023 meeting. The Policy establishes guidelines for the conduct of Board and Committee members and assists in providing for the good governance of the Metro Vancouver Regional District, based on the four foundation principles of responsible conduct—integrity, respect, accountability, and leadership and collaboration. The Policy is self-enforcing and does not include enforcement processes to address violations of the code. In the absence of a codified complaint process, members retain the primary responsibility to ensure that the general standards of conduct are understood and met so that the public can continue to have full confidence in the integrity of the governance of the Regional District.

At the MVRD Board meeting held on September 29, 2023, the Board directed staff to bring forward a revised code of conduct with additional clauses covering confidentiality, conflict of interest, and acceptance of gifts, as well as a companion procedure document to address how complaints will be handled, investigation, resolution, enforcement, and whistleblower protection. A revised policy was presented to the Board for consideration at the January 31, 2025 meeting (**Attachment 2**). The Board opted to adopt the self-enforcing policy as recommended by staff.

The Province of British Columbia provided notice that on April 2, 2026 Bills 17 and 18 were introduced in the Legislature (**Attachment 3**). Bill 17 Housing and Municipal Affairs Statutes (Codes of Conduct) Amendment Act, 2026, and Bill 18 Housing and Municipal Affairs Statutes (Parental Leave) Amendment Act, 2026, propose amendments to legislation regarding codes of conduct and parental leave for local elected officials. The Province advised that guidance to help prepare for these changes will be available in the summer and early fall of this year.

While the Policy is now before the Governance Committee for its first annual review, the Committee may wish to wait until further information is received from the Province which may guide future amendments to the Policy. However, if the Committee does wish to review any specific areas at this time, this direction can be provided to staff at the April Governance Committee meeting and staff will return with additional information at a subsequent meeting.

ALTERNATIVES
This is an information report. No alternatives are presented.

FINANCIAL IMPLICATIONS
There are no financial implications with receiving this report for information.

CONCLUSION
An annual review of the *Code of Conduct for Elected Officials Policy* is a recurring item on the Governance Committee work plan for the second quarter of each year. The *Code of Conduct for Elected Officials Policy* was adopted in January 2025, and is now being presented for its first annual review. The Committee may wish to provide feedback on any changes as deemed appropriate.

ATTACHMENT
1. Code of Conduct for Elected Officials Policy.
2. “Code of Conduct for Elected Officials Policy”, dated July 6, 2026.
3. Correspondence re: Bill 17 Housing and Municipal Affairs Statutes (Codes of Conduct) Amendment Act, 2026, and Bill 18 Housing and Municipal Affairs Statutes (Parental Leave) Amendment Act, 2026, dated April 2, 2026.

839089

metrovancouver
SERVICES AND SOLUTIONS FOR A LIVABLE REGION

BOARD POLICY

CODE OF CONDUCT FOR ELECTED OFFICIALS

Effective Date: January 31, 2025

Approved By: MVRD Board

Policy No. GV-041

PURPOSE

The *Code of Conduct for Elected Officials* establishes guidelines for the conduct of Board and Committee members and assists in providing for the good governance of the Metro Vancouver Regional District.

INTRODUCTION

As elected representatives (“members”), we recognize that responsible conduct is essential to providing good governance for the Metro Vancouver Regional District. We further recognize that responsible conduct is based on the foundational principles of integrity, accountability, respect, and leadership and collaboration.

In order to fulfill our obligations and discharge our duties, we are required to conduct ourselves to the highest ethical standards by being an active participant in ensuring that these foundational principles, and the standards of conduct set out below, are followed in all of our dealings with every person, including those with other members, staff, and the public.

HOW TO APPLY AND INTERPRET THIS CODE OF CONDUCT

This *Code of Conduct* applies to the members of the Metro Vancouver Regional District, including its boards, committees, and advisory bodies. It is each member’s individual responsibility to uphold both the letter and the spirit of this Code of Conduct in their dealings with other members, staff, and the public.

Elected officials must conduct themselves in accordance with the law. This *Code of Conduct* is intended to be developed, interpreted, and applied by members in a manner that is consistent with all applicable Federal and Provincial Laws, as well as the bylaws and policies of the Regional District, the common law, and any other legal obligations which apply to members individually or as a collective board.

FOUNDATIONAL PRINCIPLES OF RESPONSIBLE CONDUCT

The four foundation principles of responsible conduct are integrity, respect, accountability, and leadership and collaboration.

1. **Integrity** – means being honest and demonstrating strong ethical principles. Conduct under this principle upholds the public interest, and is truthful and honourable.

2. **Respect** – means having due regard for others' perspectives, wishes, and rights; it also means displaying deference to the offices of local government, and the role of local government in community decision making. Conduct under this principle is demonstrated when a member fosters an environment of trust by demonstrating due regard for the perspectives, wishes, and rights of others and an understanding of the role of the local government.

3. **Accountability** – means an obligation and willingness to accept responsibility or to account for one's actions. Conduct under this principle is demonstrated when board members, individually and collectively, accept responsibility for their actions and decisions.

4. **Leadership and Collaboration** – means an ability to lead, listen to, and positively influence others; it also means coming together to create or meet a common goal through collective efforts. Conduct under this principle is demonstrated when a board member encourages individuals to work together in pursuit of collective objectives by leading, listening to, and positively influencing others.

STANDARDS OF CONDUCT

The following section provides general standards of conduct that reflect the foundational principles identified above.

Integrity

Integrity is demonstrated by the following conduct:

- Members will be truthful, honest, and open in all dealings, including those with other members, staff, and the public.
- Members will ensure that their actions are consistent with the shared principles and values collectively agreed to by the Board.
- Members will follow through on their commitments, correct errors in a timely and transparent manner, and engage in positive communication with the community.
- Members will direct their minds to the merits of the decisions before them, ensuring that they act on the basis of relevant information and principles and in consideration of the consequences of those decisions.
- Members will behave in a manner that promotes public confidence in all of their dealings.

Respect

Respect is demonstrated through the following conduct:

- Members will treat every person with dignity, understanding, and respect.
- Members will show consideration for every person's values, beliefs, experiences, and contributions to discussions.
- Members will demonstrate awareness of their own conduct, and consider how their words or actions may be, or may be perceived as, offensive or demeaning.

- Members will not engage in behaviour that is indecent, insulting, or abusive. This behaviour includes verbal slurs such as racist remarks, unwanted physical contact, or other aggressive actions that are harmful or threatening.

Accountability

Accountability is demonstrated through the following conduct:

- Members will be responsible for the decisions that they make and be accountable for their own actions and the actions of the collective council or board.
- Members will listen to and consider the opinions and needs of the community in all decision-making, and allow for appropriate opportunities for discourse and feedback.
- Members will carry out their duties in an open and transparent manner so that the public can understand the process and rationale used to reach decisions and the reasons for taking certain actions.

Leadership and Collaboration

Leadership and collaboration is demonstrated through the following conduct:

- Members will behave in a manner that builds public trust and confidence in the local government, including considering the different interests of the people who make up the community.
- Members will consider the issues before them and make decisions as a collective body. As such, members will actively participate in debate about the merits of a decision, but once a decision has been made, all members will recognize the democratic majority, ideally acknowledging its rationale, when articulating their opinions on a decision.
- Members will recognize that debate is an essential part of the democratic process and encourage constructive discourse while empowering other members and staff to provide their perspectives on relevant issues.
- As leaders of their communities, members will calmly face challenges, and provide considered direction on issues they face as part of their roles and responsibilities while empowering their colleagues and staff to do the same.
- Members will recognize, respect and value the distinct roles and responsibilities others play in providing good governance and commit to fostering a positive working relationship with and among other members, staff, and the public.
- Members will recognize the importance of the role of the Chair of meetings, and treat that person with respect at all times.

COMPLIANCE AND ENFORCEMENT

The *Code of Conduct for Elected* Officials expresses standards of ethical conduct expected for members. Members themselves have the primary responsibility to ensure that these ethical standards are understood and met, and that the public can continue to have full confidence in the integrity of the governance of the Regional District.

BOARD POLICY

The *Code of Conduct for Elected Officials* is intended to be self-enforcing. Members should view the *Code* as a set of guidelines that express collectively the standards of conduct expected of them. The *Code* is most effective when members are thoroughly familiar with the *Code* and embrace its provisions.

metrovancouver
SERVICES AND SOLUTIONS FOR A LIVABLE REGION

E3.1

To: Mayors Committee

From: Jerry W. Dobrovolny, Chief Administrative Officer

Date: January 6, 2025 Meeting Date: January 17, 2025

Subject: **Code of Conduct for Elected Officials Policy**

RECOMMENDATION
That the MVRD Board adopt the self-enforcing *Code of Conduct for Elected Officials Policy* as presented in Attachment 2 of the report dated January 6, 2025, titled "Code of Conduct for Elected Officials Policy".

EXECUTIVE SUMMARY
At the MVRD Board meeting held on September 29, 2023, the Board considered a report dated July 20, 2023, titled "Code of Conduct for Elected Officials Policy" (Attachment 1), which recommended the adoption of a self-enforcing *Code of Conduct for Elected Officials Policy* (Attachment 2). The Board directed staff to bring forward a revised code of conduct with additional clauses covering confidentiality, conflict of interests, and acceptance of gifts, as well as a companion procedure document to address how complaints will be handled, investigation, resolution, enforcement, and whistleblower protection. This revised Code of Conduct is presented in Attachment 3. Adoption of the self-enforcing Code of Conduct is recommended in order for members to retain the primary responsibility for ensuring that the general standards of conduct are understood and met.

PURPOSE
To return to the Board with a revised *Code of Conduct for Elected Officials Policy* as directed for Board discussion and consideration.

BACKGROUND
In June 2022, the *Community Charter* was amended to require local governments to establish or consider establishing a Code of Conduct for elected officials. At the MVRD Board meeting held on September 29, 2023, the Board began this process by considering the report dated July 20, 2023, titled "Code of Conduct for Elected Officials Policy" (Attachment 1). The Board passed the following resolution after discussion:

That the MVRD Board:

a) *refer the Code of Conduct for Elected Officials to staff for further revisions, including the addition of clauses that address confidentiality, conflict of interest, and accepting gifts; and*
b) *direct staff to develop a companion procedure document setting out: how complaints will be handled, investigation process, resolution, enforcement, and whistleblower protections.*

73385480

This report responds to this resolution bringing forward a revised version of the "Code of Conduct for Elected Officials Policy" for Board discussion and consideration.

POLICY CONSIDERATIONS

The initial "Code of Conduct for Elected Officials Policy" was prepared based on the Model Code of Conduct produced by the Working Group on Responsible Conduct, a joint initiative between the Union of BC Municipalities, the Local Government Management Association, and the Ministry of Municipal Affairs. In response to Board direction, staff conducted a review of member jurisdictions' codes of conduct to identify variations and commonalities. Each municipality has taken a slightly different approach based on their needs, within a common framework.

The "Code of Conduct for Elected Officials Policy" presented in the report dated July 20, 2023 was intended to be self-enforcing; members have the primary responsibility of ensuring that these ethical standards are understood and met. This policy is attached to this report in Attachment 2 for comparison and consideration by the Board.

A revised "Code of Conduct for Elected Officials Policy" is presented in Attachment 3. As directed by the Board, the revised code adds a detailed informal and formal dispute resolution process. The resolution process includes timelines, whistleblower protection, and a requirement for the public disclosure of the results of an investigation. It allows for culturally appropriate mediation such as restorative justice. The scope of the policy allows only Board or Committee members and employees of Metro Vancouver to request an investigation, and limits the investigation to the members' Metro Vancouver role. As directed by the Board, the revised code also duplicates *Community Charter* provisions on confidentiality, conflict of interest, and accepting gifts as set out in section 205 of the *Local Government Act*, which applies those *Community Charter* provisions to regional districts.

The self-enforcing code of conduct recommended by staff allows the Board flexibility to incrementally build on learnings, and allows Metro Vancouver's code of conduct to reflect the Board's specific governance structure and dynamics. Metro Vancouver's Board Chair and Vice Chair are elected annually by their peers. This annual election provides a level of self-governance that does not exist at the municipal level. The regional district governance model necessitates and fosters a collaborative working environment for members where members self-regulate. In the absence of a codified complaint process, members retain the primary responsibility for ensuring that the general standards of conduct are understood and met, allowing the public to continue to have full confidence in the integrity of the governance of the Regional District.

The self-enforcing code of conduct (Attachment 2), as recommended in the report dated July 20, 2023, titled "Code of Conduct for Elected Officials Policy", and the revised "Code of Conduct for Elected Officials Policy" (Attachment 3) are before the Board for consideration. Staff recommend the adoption of the self-enforcing code of conduct, noting that additional provisions can be added in the future during regular reviews as required.

ALTERNATIVES

1. That the MVRD Board adopt the self-enforcing Code of Conduct for Elected Officials Policy as presented in Attachment 2 of the report dated January 6, 2025, titled "Code of Conduct for Elected Officials Policy".
2. That the MVRD Board adopt the revised *Code of Conduct for Elected Officials Policy* as presented in Attachment 3 of the report dated January 6, 2025, titled "Code of Conduct for Elected Officials Policy".
3. That the MVRD Board, having considered the reports dated July 20, 2023 and January 6, 2025 regarding the establishment of a code of conduct, and having decided against establishing a code of conduct at the present time, reconsider the establishment of a code of conduct before January 1, 2026.

FINANCIAL IMPLICATIONS

There are no financial implications associated with Alternative 1. If the Board opts for Alternative 2 and adopts the revised *Code of Conduct for Elected Officials Policy* as presented in Attachment 3, the budget of the CAO's department will need to be amended to include the costs of the investigations contemplated within it.

CONCLUSION

A revised *Code of Conduct for Elected Officials Policy* has been prepared in accordance with the Board's direction at the September 29, 2023 meeting. The revised *Code of Conduct for Elected Officials Policy* (Attachment 3) and the self-enforcing *Code of Conduct for Elected Officials Policy* (Attachment 2) are presented to the Board for discussion and consideration. Consideration or Adoption of the policy meets the *Community Charter* requirement to consider a code of conduct. Staff recommend Alternative 1 – the adoption of a self-enforcing code of conduct.

ATTACHMENTS

1. ~~Mayors Committee report dated July 20, 2023, titled "Code of Conduct for Elected Officials Policy".~~
2. Draft Self-Enforcing *Code of Conduct for Elected Officials Policy*.
3. Draft Revised *Code of Conduct for Elected Officials Policy*.

73385480

Attachment 2

metrovancouver
SERVICES AND SOLUTIONS FOR A LIVABLE REGION

BOARD POLICY

CODE OF CONDUCT FOR ELECTED OFFICIALS

Effective Date: September 29, 2023

Approved By: MVRD Board

Policy No. XX-XXX

PURPOSE

The *Code of Conduct for Elected Officials* establishes guidelines for the conduct of Board and Committee members and assists in providing for the good governance of the Metro Vancouver Regional District.

INTRODUCTION

As elected representatives ("members"), we recognize that responsible conduct is essential to providing good governance for the Metro Vancouver Regional District. We further recognize that responsible conduct is based on the foundational principles of integrity, accountability, respect, and leadership and collaboration.

In order to fulfill our obligations and discharge our duties, we are required to conduct ourselves to the highest ethical standards by being an active participant in ensuring that these foundational principles, and the standards of conduct set out below, are followed in all of our dealings with every person, including those with other members, staff, and the public.

HOW TO APPLY AND INTERPRET THIS CODE OF CONDUCT

This *Code of Conduct* applies to the members of the Metro Vancouver Regional District, including its boards, committees, and advisory bodies. It is each member's individual responsibility to uphold both the letter and the spirit of this Code of Conduct in their dealings with other members, staff, and the public.

Elected officials must conduct themselves in accordance with the law. This *Code of Conduct* is intended to be developed, interpreted, and applied by members in a manner that is consistent with all applicable Federal and Provincial Laws, as well as the bylaws and policies of the Regional District, the common law, and any other legal obligations which apply to members individually or as a collective board.

FOUNDATIONAL PRINCIPLES OF RESPONSIBLE CONDUCT

The four foundation principles of responsible conduct are integrity, respect, accountability, and leadership and collaboration.

1. **Integrity** – means being honest and demonstrating strong ethical principles. Conduct under this principle upholds the public interest, and is truthful and honourable.

2. **Respect** – means having due regard for others' perspectives, wishes, and rights; it also means displaying deference to the offices of local government, and the role of local government in community decision making. Conduct under this principle is demonstrated when a member fosters an environment of trust by demonstrating due regard for the perspectives, wishes, and rights of others and an understanding of the role of the local government.

3. **Accountability** – means an obligation and willingness to accept responsibility or to account for one's actions. Conduct under this principle is demonstrated when board members, individually and collectively, accept responsibility for their actions and decisions.

4. **Leadership and Collaboration** – means an ability to lead, listen to, and positively influence others; it also means coming together to create or meet a common goal through collective efforts. Conduct under this principle is demonstrated when a board member encourages individuals to work together in pursuit of collective objectives by leading, listening to, and positively influencing others.

STANDARDS OF CONDUCT

The following section provides general standards of conduct that reflect the foundational principles identified above.

Integrity

Integrity is demonstrated by the following conduct:

- Members will be truthful, honest, and open in all dealings, including those with other members, staff, and the public.
- Members will ensure that their actions are consistent with the shared principles and values collectively agreed to by the Board.
- Members will follow through on their commitments, correct errors in a timely and transparent manner, and engage in positive communication with the community.
- Members will direct their minds to the merits of the decisions before them, ensuring that they act on the basis of relevant information and principles and in consideration of the consequences of those decisions.
- Members will behave in a manner that promotes public confidence in all of their dealings.

Respect

Respect is demonstrated through the following conduct:

- Members will treat every person with dignity, understanding, and respect.
- Members will show consideration for every person's values, beliefs, experiences, and contributions to discussions.
- Members will demonstrate awareness of their own conduct, and consider how their words or actions may be, or may be perceived as, offensive or demeaning.

- Members will not engage in behaviour that is indecent, insulting, or abusive. This behaviour includes verbal slurs such as racist remarks, unwanted physical contact, or other aggressive actions that are harmful or threatening.

Accountability

Accountability is demonstrated through the following conduct:

- Members will be responsible for the decisions that they make and be accountable for their own actions and the actions of the collective council or board.
- Members will listen to and consider the opinions and needs of the community in all decision-making, and allow for appropriate opportunities for discourse and feedback.
- Members will carry out their duties in an open and transparent manner so that the public can understand the process and rationale used to reach decisions and the reasons for taking certain actions.

Leadership and Collaboration

Leadership and collaboration is demonstrated through the following conduct:

- Members will behave in a manner that builds public trust and confidence in the local government, including considering the different interests of the people who make up the community.
- Members will consider the issues before them and make decisions as a collective body. As such, members will actively participate in debate about the merits of a decision, but once a decision has been made, all members will recognize the democratic majority, ideally acknowledging its rationale, when articulating their opinions on a decision.
- Members will recognize that debate is an essential part of the democratic process and encourage constructive discourse while empowering other members and staff to provide their perspectives on relevant issues.
- As leaders of their communities, members will calmly face challenges, and provide considered direction on issues they face as part of their roles and responsibilities while empowering their colleagues and staff to do the same.
- Members will recognize, respect and value the distinct roles and responsibilities others play in providing good governance and commit to fostering a positive working relationship with and among other members, staff, and the public.
- Members will recognize the importance of the role of the Chair of meetings, and treat that person with respect at all times.

COMPLIANCE AND ENFORCEMENT

The *Code of Conduct for Elected* Officials expresses standards of ethical conduct expected for members. Members themselves have the primary responsibility to ensure that these ethical standards are understood and met, and that the public can continue to have full confidence in the integrity of the governance of the Regional District.

BOARD POLICY

The *Code of Conduct for Elected Officials* is intended to be self-enforcing. Members should view the *Code* as a set of guidelines that express collectively the standards of conduct expected of them. The *Code* is most effective when members are thoroughly familiar with the *Code* and embrace its provisions.

Attachment 3

metrovancouver
SERVICES AND SOLUTIONS FOR A LIVABLE REGION

BOARD POLICY

CODE OF CONDUCT FOR ELECTED OFFICIALS

Effective Date: Click or tap to enter a date.

Approved By: MVRD Board

Policy No. XX-XXX
(Assigned by BIS)

PURPOSE

The *Code of Conduct for Elected Officials Policy* establishes guidelines for the conduct of Board and Committee Members to assist in providing for the good governance of Metro Vancouver.

DEFINITIONS

"*Act*" means the *Local Government Act*;

"Board" means the Board of Directors of the Metro Vancouver;

"Board Director" means a member of the Board, including the Chair and Vice Chair;

"CAO" means the person appointed from time to time as the Chief Administrative Officer or Commissioner as context requires.

"Chair" means, as the context requires, the Chair of the Board elected pursuant to the *Act*, or the person appointed as the Chair, Vice Chair, or other person presiding at a meeting of the Board or Committee;

"Charter" means the *Community Charter*;

"Committee" means, as the context requires, a select committee established by the Board, or a standing committee established by the Chair;

"Complaint" means a formal allegation that a Member has breached this Policy that has been submitted to the CAO in accordance with the complaints procedure set out in Schedule "A" of this Policy;

"Complainant" means a person who submitted a Complaint to the CAO;

BOARD POLICY

"Confidential information" means information that is not publicly available and is treated as confidential by Metro Vancouver, and includes information that may or must be considered by the Board in a closed meeting pursuant to section 117 of the *Community Charter* including but not limited to:

a) decisions, resolutions, or report contents forming part of the agenda for or from a closed meeting of the Board until a Board decision has been made for the information to become public or otherwise released;
b) information about the acquisition, disposition, or expropriation of land or improvements if disclosure could reasonably be expected to harm the interests of Metro Vancouver;
c) negotiations and related discussions respecting the provision of a service that are at their preliminary stages if disclosure could reasonably be expected to harm the interests of Metro Vancouver;
d) advice that is subject to any privilege at law; and
e) personal information that is prohibited from disclosure under the provisions of the *Freedom of Information and Protection of Privacy Act*;

"Corporate Officer" means the officer assigned corporate administration responsibilities under the *Act* and includes that officer's designate;

"Director" means a Member of the Board, whether as a municipal director, as an electoral area director, or as a Treaty First Nation director pursuant to the *Act*;

"Employee" means staff of Metro Vancouver;

"Gift or Benefit" means an item or service of value that is received by a Member for their personal use, including but not limited to: money, gift cards, tickets to events, clothing, jewelry, pens, food or beverages, discount/rebates on personal purchases, entertainment, participation in sport and recreation activities, and invitations to social functions;

"Investigator" means a third party individual who has the necessary professional skills, knowledge, and experience to investigate a Complaint.

"Member" means a Director of the Board, or a person appointed to a Committee, as the context requires;

"Metro Vancouver" means collectively or any one of the following entities as the context requires: Metro Vancouver Regional District, Greater Vancouver Water District, Greater Vancouver Sewerage and Drainage District, and Metro Vancouver Housing Corporation;

"**Personal Harassment/Bullying**" is behaviour that would be understood by a reasonable person to be contrary to a respectful workplace. Personal Harassment/Bullying includes any behaviour that demeans, embarrasses, humiliates, offends, intimidates, isolates, or abuses a person and that is known or would reasonably be expected to be known as unwelcome.

The means of Personal Harassment/Bullying may include, but are not limited to:
a) verbal and written communications;
b) communications sent by email, social media, or other electronic means;
c) improper physical contact, gestures, or expressions; or
d) offensive posters, cartoons, or other similar graphic materials.

To constitute Personal Harassment/Bullying there must be:
a) repeated conduct, comments, displays, actions, or gestures that have a harmful effect; or
b) a single, serious occurrence of conduct, or a single, serious comment, display, action, or gesture that has a harmful effect.

Personal Harassment/Bullying can occur even where there is no intention to harass or offend.

"Personal Information" means recorded information about an identifiable individual other than contact information as defined in Schedule 1 of the *Freedom of Information and Protection of Privacy Act*;

"Policy" means the *Code of Conduct for Elected Officials Policy;* and

"Respondent" means a Member whose conduct is the subject of a Complaint.

APPLICATION

3.1 This Policy applies to the Members, when acting in their capacity as Director of the Board or as a person appointed to a standing or select committee.

3.2 This Policy conduct does not apply to Metro Vancouver employees.

3.3 In the event of a conflict between this Policy and another Metro Vancouver policy governing Member conduct, this Policy shall prevail.

3.4 This Policy does not apply to a Member's conduct in their personal life, or when acting in their role as an elected local government or Treaty First Nation official, except to the extent that such conduct reasonably undermines, or has the potential to reasonably undermine, public confidence in Metro Vancouver governance.

FOUNDATIONAL PRINCIPLES OF RESPONSIBLE CONDUCT

A Member must uphold the following standards and values:

4.1 Integrity – means being honest and demonstrating strong ethical principles. Conduct under this principle upholds the public interest, and is truthful and honourable.

4.2 Respect – means having due regard for others' perspectives, wishes, and rights; it also means displaying deference to the offices of local government, and the role of local government in community decision making. Conduct under this principle is demonstrated when a member fosters an environment of trust by demonstrating due regard for the perspectives, wishes, and rights of others and an understanding of the role of the local government.

4.3 Accountability – means an obligation and willingness to accept responsibility or to account for one's actions. Conduct under this principle is demonstrated when board members, individually and collectively, accept responsibility for their actions and decisions.

4.4 Leadership and Collaboration – means an ability to lead, listen to, and positively influence others; it also means coming together to create or meet a common goal through collective efforts. Conduct under this principle is demonstrated when a board member encourages individuals to work together in pursuit of collective objectives by leading, listening to, and positively influencing others.

STANDARDS OF CONDUCT

The following section provides general standards of conduct that reflect the foundational principles identified above.

5.1 Integrity

Integrity is demonstrated by the following conduct:

- Members will be truthful, honest, and open in all dealings, including those with other members, Employees, and the public.
- Members will ensure that their actions are consistent with the shared principles and values collectively agreed to by the Board.
- Members will follow through on their commitments, correct errors in a timely and transparent manner, and engage in positive communication with the community.

- Members will direct their minds to the merits of the decisions before them, ensuring that they act on the basis of relevant information and principles and in consideration of the consequences of those decisions.
- Members will behave in a manner that promotes public confidence in all of their dealings.

5.2 Respect

Respect is demonstrated through the following conduct:

- Members will treat every person with dignity, understanding, and respect.
- Members will show consideration for every person's values, beliefs, experiences, and contributions to discussions.
- Members will demonstrate awareness of their own conduct, and consider how their words or actions may be, or may be perceived as, offensive or demeaning.
- Members will not engage in behaviour that is indecent, insulting, or abusive. This behaviour includes verbal slurs such as racist remarks, unwanted physical contact, or other aggressive actions that are harmful or threatening.

5.3 Accountability

Accountability is demonstrated through the following conduct:

- Members will be responsible for the decisions that they make and be accountable for their own actions and the actions of the collective committee or Board.
- Members will listen to and consider the opinions and needs of the community in all decision-making, and allow for appropriate opportunities for discourse and feedback.
- Members will carry out their duties in an open and transparent manner so that the public can understand the process and rationale used to reach decisions and the reasons for taking certain actions.

5.4 Leadership and Collaboration

Leadership and collaboration is demonstrated through the following conduct:

- Members will behave in a manner that builds public trust and confidence in the local government, including considering the different interests of the people who make up the community.
- Members will consider the issues before them and make decisions as a collective body. As such, members will actively participate in debate about the merits of a decision, but once a decision has been made, all members will recognize the democratic majority, ideally acknowledging its rationale, when articulating their opinions on a decision.

- Members will recognize that debate is an essential part of the democratic process and encourage constructive discourse while empowering other members and Employees to provide their perspectives on relevant issues.
- As leaders of their communities, members will calmly face challenges, and provide considered direction on issues they face as part of their roles and responsibilities while empowering their colleagues and staff to do the same.
- Members will recognize, respect and value the distinct roles and responsibilities others play in providing good governance and commit to fostering a positive working relationship with and among other members, staff, and the public.
- Members will recognize the importance of the role of the Chair of meetings, and treat that person with respect at all times.

COMMUNICATIONS AND CONFIDENTIALITY

Public Communications by a Member

6.1 A Member must not communicate on behalf of Metro Vancouver unless authorized to do so by Board resolution or by virtue of a position or role the Member has been authorized to undertake by the Board or Chair.

6.2 A statement or communication made by a Member is presumed to be made on the Member's own behalf, not Metro Vancouver's behalf.

6.3 Where a Member is authorized to communicate on behalf of Metro Vancouver, the Member must take reasonable efforts to ensure that the communication is fair and accurate.

6.4 Without limiting the ability of a Member to hold a position on an issue and respectfully express their opinions, a Member must:

a) ensure that their communications accurately reflect the facts of Board or Committee decisions;

b) ensure that all communications relating to Board or Committee business are accurate and not issue any communication that the Member knows, or ought to have known, to be false;

c) When presenting a Member's individual opinions and positions, Members should explicitly state that it is their own personal view and that they do not represent Metro Vancouver in those views. For a social media account, this may be accomplished through a statement on the Member's profile; and

d) ensure that all communications by, and on behalf of a Member, including communications made via social media, are respectful and do not discriminate, harass, Personal Harassment/bully, or defame any person.

Confidential Information

6.5 A Member must:

a) not disclose or release any confidential information acquired by virtue of their office, except as authorized by Board or Committee, or required by law;
b) use confidential information with the intention to cause harm or detriment to Metro Vancouver or any other person or body;
c) protect confidential information from inadvertent disclosure;
d) use confidential information only for the purpose for which it is intended to be used;
e) take reasonable care to prevent the examination of confidential information by unauthorized individuals; and
f) not take advantage of, or obtain private benefit from, confidential information acquired by virtue of their office.

6.6 A Member must access and use Metro Vancouver information only in the normal course of their Metro Vancouver duties.

6.7 A Member must retain records and other information in accordance with the procedures, standards, and guidelines established by Metro Vancouver, and must assist Metro Vancouver in good faith in responding to all requests for information made pursuant to the *Freedom of Information and Protection of Privacy Act*.

6.8 A Member must comply with the *Freedom of Information and Protection of Privacy Act* when dealing with personal information and take all reasonable and necessary measures to ensure that personal information is protected.

CONFLICTS OF INTEREST

Conflicts of Interest

7.1 A Member must comply with the conflict of interest requirements set out in sections 100, 101, and 104 of the *Charter*.

7.2 Members shall not participate in discussion of a matter or vote on a question in respect of that matter, if the Member has a conflict of interest.

7.3 In respect of each matter before the Board or Committee, Members shall:
   a) assess whether they have a conflict of interest; and
   b) determine whether it is necessary to seek independent legal advice at their own cost, except where Metro Vancouver's *Conflict of Interest and Payment of Legal Opinions Policy* permits Metro Vancouver to cover the costs.

7.4 If a member believes that they have a conflict of interest in respect of a matter in a Board or Committee meeting, the Member shall:
   a) prior to the matter's consideration, notify the Chair of the meeting that they have a conflict of interest, stating in general terms why they consider that to be the case;
   b) leave any such meeting if the matter is discussed, and not return until the discussion has ended or voting has concluded;
   c) refrain from discussing the matter with any other Member publicly or privately; and
   d) refrain from attempting in any way to influence the vote on any question in respect of the matter.

Use of Metro Vancouver Assets and Services

7.5 A Member may not direct the work of Employees, other than Employees assigned to assist a Member, and should follow the processes established by the CAO when communicating with Employees.

7.6 A Member must respect that it is the role of Employees to provide neutral and objective information without undue influence and interference.

7.7 A Member must not request or require Employees to undertake personal or private work on behalf of a Member, or accept an offer to perform such work from an Employee.

7.8 A Member must not use, or permit the use of, Metro Vancouver land, facilities, equipment, supplies, services, Employees, or other resources for activities other than the business of Metro Vancouver, except in accordance with Metro Vancouver policies permitting reasonable personal use.

7.9 A Member must not instruct or direct any Metro Vancouver contractors, tenders, consultants, or other service providers regarding Metro Vancouver business.

Use of Influence

7.10 A Member must only use the influence of their office for the exercise of their Metro Vancouver duties.

7.11 A Member must be independent and impartial, and must not provide preferential treatment to any person or organization except as warranted by the ordinary and lawful discharge of their Metro Vancouver duties.

7.12 A Member must not use the prospect of future employment by a person or entity, or other future economic opportunities, to detrimentally affect the performance of their Metro Vancouver duties.

7.13 A Member must not use, or attempt to use, their office for the purpose of Personal Harassment/bullying, improperly influencing, threatening, or coercing Employees.

Election Activities

7.14 A Member must not use, or permit the use of, Metro Vancouver land, facilities, equipment, supplies, services, Employees, or other resources for any election campaign or campaign-related activities, unless those resources are similarly available to all candidates and any associated fees have been paid for with election campaign funds.

7.15 A Member must not compel Employees to engage in partisan political activities. A Member must not be subjected to Personal Harassment/bullying, threats, or discrimination for refusing to engage in such activities.

Gift or Personal Benefit

7.16 Members have a statutory duty to comply with the provisions of the *Charter* on restrictions on accepting Gifts.

a) Members shall not accept gifts, hospitality, or other benefits that would to a reasonable member of the public, appear to be in gratitude for influence, to induce influence, or otherwise to go beyond the necessary and appropriate public functions involved.

b) A Member must comply with the restrictions on accepting Gifts in section 105 of the *Charter* and must disclose any permitted gifts over $250 from one source in any given year, in accordance with section 106 of the *Charter* to the Corporate Officer.

c) A Gift or Benefit provided to a Member's family member or Employee in relation to Metro Vancouver business is deemed to be a Gift or Benefit to that Member.

BOARD POLICY

COMPLAINT AND RESOLUTION PROCEDURES

Confidential Requests

8.1 If a Member or Employee believes that they have been subject to conduct by a Member in breach of this Policy, that individual may approach the CAO on a confidential basis, without the need to file a Complaint, to request that the CAO inform the Member of the alleged breach.

8.2 Upon receipt of the confidential request pursuant to section 8.1, the CAO may attempt to address the conduct with the Member, seek the assistance from an Investigator or third party with an informal resolution, or request the individual to file a Complaint in accordance with section 8.4 of this Policy.

8.3 The CAO shall protect the confidentiality of the individual making a request under section 8.1 unless the individual making the request consents in writing to disclosure.

Complaints

8.4 A Member or Employee may submit a Complaint to the CAO, or if the Complainant is the CAO, then to the Corporate Officer.

8.5 A Complaint shall be in writing and set out the following with sufficient detail:

a) name of the Complainant;
b) name of the Respondent;
c) provisions of this Policy alleged to have been breached;
d) conduct alleged to constitute the breach;
e) date or dates of the alleged breach;
f) basis for the Complainant's knowledge about the conduct; and
g) whether the Complainant is willing to participate in an informal resolution of the Complaint.

8.6 The CAO (or Corporate Officer if the CAO is the Complainant) may accept a Complaint that does not comply with section 8.5 of this Policy if the circumstances warrant.

BOARD POLICY

Investigator

8.7 Upon receiving a Complaint, the CAO (or Corporate Officer if the CAO is the Complainant) shall appoint an Investigator to fulfil the duties and responsibilities under section 8.8 of this Policy.

8.8 The duties and responsibilities of the Investigator are as follows:

a) to assist with informal resolution of a confidential request or Complaint;
b) to receive and assess a Complaint to determine if the Complaint shall be rejected, closed, resolved, or investigated;
c) to investigate and conduct inquiries as to alleged breaches of this Policy;
d) to report to the Board as to whether a Member has breached this Policy; and
e) to make recommendations on appropriate remedies, if the Investigator determines that a Member has breached this Policy.

8.9 The Investigator shall perform the duties and responsibilities under this Policy in an independent manner.

8.10 An Investigator may be dismissed by the CAO (or Corporate Officer if the CAO is the Complainant) for cause.

Complaints Review, Investigation, Resolution and Determination Procedures

8.11 The procedures in Schedule "A" of this Policy shall apply to the review, investigation, resolution, and determination of Complaints.

Report to Public

8.12 Subject to section 8.13 of this Policy, and unless an investigation report is considered in a closed Board meeting in accordance with section 7.4 of Schedule "A" of this Policy, the Investigator's final investigation report or summary of the report shall be made available to the public after the Investigator delivers the report to the Board and the Complainant, and if required, the Board has made a final determination in respect to the findings and recommendations of the report in accordance with section 7.1 of Schedule "A" of this Policy. For certainty, where the Board deliberated on an investigation report in a closed meeting in accordance with section 7.4 of Schedule "A" of this Policy, the report title, a brief description of the outcome of the investigation, and any closed resolution passed by the Board may at the discretion of the Board be released to the public at or before the next Board meeting. The Board will also consider if a summary of the report shall be released to publicly.

8.13 In all circumstances, Metro Vancouver shall ensure that the investigation report or summary of the report complies with Metro Vancouver's obligations regarding disclosure of personal information set out in the *Freedom of Information and Protection of Privacy Act,* and related regulations, and that all appropriate redactions are applied prior to any release of the investigation report or summary of the report to the public.

Whistleblower Protection and Obstruction

8.14 No person shall threaten, interfere with, or otherwise obstruct the Investigator in relation to the Investigator carrying out the duties and responsibilities under this Policy.

8.15 No person shall threaten or undertake any reprisal against a Complainant or against a person who provides information to the Investigator in the context of an investigation.

8.16 No person shall tamper with or destroy documents or electronic records related to any matter under investigation under this Policy, or refuse to respond to the Investigator when questioned regarding an investigation.

8.17 Any Member who is found to have engaged in any reprisal or retaliation in violation of this Policy shall be subject to appropriate disciplinary action, which may include and is not limited to the sanctions and remedies set out in section 8.1 of Schedule "A" of this Policy.

BOARD POLICY

Vexatious Allegations and Complaints

8.18 Any Member who makes an allegation or Complaint under this Policy that is subsequently found to have been made in a vexatious or malicious manner, or otherwise to have been made in bad faith, shall be subject to appropriate disciplinary action, which may include, but is not limited to, the sanctions and remedies set out in section 8.1 of Schedule "A" of this Policy.

Reimbursement of Costs

8.19 A Member may make a request to Metro Vancouver for reimbursement of the costs of legal advice and representation in responding to the formal complaint process set out in Schedule "A" of this Policy. If appropriate, after considering all circumstances, the Board may resolve to reimburse legal fees reasonably incurred by a Member, subject to the following:

a) reimbursement is available for a Member participating their first formal Complaint process; or
b) If a previous Complaint was dismissed under Section 6.3 of Schedule "A" of this Policy; and
c) the amount of reimbursement shall not exceed $25,000.

8.20 For clarity, the following Indemnification Bylaws do not apply to requests for indemnification under this Policy:

a) *Greater Vancouver Sewerage and Drainage District Indemnification Authorization Bylaw No. 222, 2002;*
b) *Greater Vancouver Water District Indemnification Authorization Bylaw No. 233, 2002; and*
c) *Greater Vancouver Regional District Indemnification Authorization Bylaw No. 983, 2002.*

Review period

This policy will be reviewed in accordance with Division 8 of the *Charter*.

SCHEDULE "A"

COMPLAINTS REVIEW, INVESTIGATION, RESOLUTION, AND DETERMINATION PROCEDURES

GENERAL MATTERS

1.1 The Investigator shall not accept multiple Complaints concerning the same matter. In the event that the Investigator receives multiple Complaints concerning the same matter, the Investigator shall proceed with the first Complaint accepted, and if appropriate, expand the Complaint and/or add Complainants for the purpose of conducting the investigation and preparing the investigation report.

1.2 The Investigator shall reject a Complaint received more than 90 days after the Complainant knew, or reasonably ought to have known, of the alleged breach of this Policy. The Investigator is authorized to extend this deadline up to an additional 90 days if the circumstances warrant an extension.

1.3 The Investigator shall reject a Complaint received regarding a Member seeking election or re-election in a local election, including a by-election, in the period from the first day of the nomination period to the general voting day.

1.4 In the 90 days prior to general voting day for a local election, including a by-election, the Investigator may suspend any investigation that is underway.

DISMISSAL OR SUSPENSION OF COMPLAINT

2.1 If a Complaint is submitted that, on its face, is not made with respect to a breach of this Policy, or if a Complaint would be more appropriately addressed through another process, including if the Complaint is:

a) with respect to non-compliance with the *Freedom of Information and Protection of Privacy Act*;
b) with respect to non-compliance with a more specific Metro Vancouver policy or bylaw with a separate complaint procedure; and
c) with respect to a matter that is subject to another process, such as a Court proceeding or human rights complaint,

the Investigator may reject the Complaint, or part of the Complaint, and shall notify the Complainant and the CAO (or the Corporate Officer if the Complainant is the CAO) in writing that the Complaint is not within the jurisdiction of this Policy, or that the Complaint would be more appropriately addressed through another process, as the case may be, and set out any additional reasons and referrals the Investigator thinks appropriate.

2.2 If the Investigator, at any stage in the Complaint procedure, determines that there are reasonable grounds to believe that there has been a contravention of the *Criminal Code*, then the Investigator shall immediately refer the matter to the appropriate authorities and suspend the investigation until any resulting investigation and charge have been finally disposed of, and shall report the suspension to the CAO (or the Corporate Officer if the Complainant is the CAO) and Board.

2.3 Where a complaint is made against a Member who, during the course of the Complaint procedure, ceases to hold office, the Investigator may close the Complaint and notify the Complainant, the Respondent, and the CAO (or the Corporate Officer if the Complainant is the CAO) of this decision.

PRELIMINARY ASSESSMENT

3.1 On receipt of a Complaint, the Investigator shall conduct a preliminary assessment, and if at that time, or any time thereafter, the investigator is of the opinion that:

a) the Complaint is not with respect to a breach of this Policy;
b) the Complaint is frivolous, vexatious, or not made in good faith;
c) the investigation is or might be hampered, or the Member might be prejudiced, by the Complainant's failure to comply with section 8.5 of this Policy, or otherwise cooperate with the investigation;

d) the Complainant wishes to withdraw the Complaint, and it would be appropriate in the circumstances to allow the withdrawal; and
e) there are no grounds or insufficient grounds to conclude that a breach of this Policy has occurred,

the Investigator shall notify the Complainant, the Respondent and the CAO (or the Corporate Officer if the Complainant is the CAO) in writing that the Investigator is closing the Complaint, set out the reasons for closing the Complaint, and then close the Complaint.

3.2 Notwithstanding section 3.1 above, the Investigator may request further information from the Complainant before deciding whether there are sufficient grounds for determining that a breach of this Policy may have occurred.

INFORMAL RESOLUTION

4.1 When the Investigator has decided to proceed with a Complaint, the Investigator shall determine whether the Complaint requires a formal investigation, or whether the Complaint may be resolved informally. In the latter case, the Investigator shall attempt to resolve the Complaint directly.

4.2 In making a determination under section 4.1 above, the Investigator shall give a strong preference to the informal resolution process wherever possible.

4.3 When determining whether the Complaint may be resolved informally, the Investigator may consider culturally appropriate, transformative, or restorative justice approaches, and may engage a third party to assist the Investigator for this purpose.

4.4 The third party assisting in the informal resolution of a Complaint shall assess the suitability of the Complaint for settlement or resolution on an on-going basis and may decline to assist at any point.

4.6 The Complainant or the Respondent may decline to participate in an informal resolution at any time.

4.7 If a Complaint is resolved informally, the third party assisting in resolving the Complaint shall notify the Investigator in writing of the terms of the resolution, upon receipt of which, the Investigator shall close the Complaint and notify the CAO (or the Corporate Officer if the Complainant is the CAO) of the informal resolution of the Complaint.

4.8 If a Complaint cannot be resolved informally within 30 days from receipt, the third party assisting in resolving the Complaint shall refer the Complaint back to the Investigator for a formal investigation.

FORMAL RESOLUTION

5.1 If a Complaint is not rejected, closed, or resolved informally, the Investigator shall proceed with a formal investigation.

5.2 The Investigator shall deliver the Complaint to the Respondent with a request that the Respondent provide a written response to the Complaint together with any submissions the Respondent chooses to make within 10 days, subject to the Investigator's discretion to extend the timeline.

5.3 The Investigator may deliver the Complainant with the Respondent's written response together with any submissions, on a strictly confidential basis, and request a reply in writing within 10 days, subject to the Investigator's discretion to extend the timeline.

5.4 The Investigator may:

a) speak to any person relevant to the Complaint;
b) request disclosure of documents relevant to the Complaint; and
c) access any record in the possession or control of Metro Vancouver, except a record that is subject to solicitor-client privilege.

5.5 The Investigator shall ensure that the formal investigation complies with the rules of procedural fairness and natural justice required in the circumstances. Notwithstanding section 5.1 above, nothing prohibits the Investigator from summarily dismissing a Complaint where it becomes apparent, after some investigation, that there would be no grounds on which to conclude that a violation of this Policy has occurred. If the Investigator summarily dismisses a Complaint, the Investigator shall notify the Complainant, the Respondent, and the CAO (or the Corporate Officer if the Complainant is the CAO) in writing that the Investigator is summarily dismissing the Complaint, set out the reasons for the dismissal, and then close the Complaint.

BOARD POLICY

ADJUDICATION AND REPORTING

6.1 The Investigator shall make a decision within 90 days of making the determination to proceed with a formal investigation, unless the Investigator determines that doing so is not practicable, in which case the Investigator shall notify the Complainant and Respondent of the delay and provide a revised decision date. The revised decision date may be extended by periods of up to 30 days upon providing written notice to the Complainant and the Respondent.

6.2 A notification issued by the Investigator pursuant to sections 2.1, 2.2, 3.1 or 6.1 of this Schedule is confidential and shall not be disclosed except in the following circumstances:
   a) to the Board for the purpose of considering a request for reimbursement of legal fees pursuant to section 8.19 of this Policy; and
   b) the Respondent may disclose the fact that the Complaint has been closed, or that a finding has been made that the Respondent did not breach this Policy.

6.3 If after reviewing all material information relating to a Complaint, the Investigator determines that the Respondent did not breach this Policy, the Investigator shall:
   a) prepare a written investigation report providing reasons for their determination that the Member did not breach the Policy; and
   b) deliver a copy of the investigation report to the Complainant, Respondent, the CAO (or the Corporate Officer if the Complainant is the CAO), and Board.

6.4 If after reviewing all material information relating to a Complaint, the Investigator determines that a Member did breach this Policy, then the Investigator shall:
   a) prepare a written investigation report providing reasons for their determination that the Member breached this Policy;
   b) in the investigation report, include recommendations as to the appropriate sanction for the breach;
   c) if the Investigator determines the Member took all reasonable steps to prevent the breach, or that the breach was trivial or done inadvertently or because of an error in judgment made in good faith, state so in the investigation report and if appropriate, recommend that no sanction be imposed or alternatives to sanctions be imposed;
   d) deliver, on a strictly confidential basis, a copy of the investigation report to the Respondent; and
   e) deliver a copy of the investigation report to the Complainant, the CAO (or the Corporate Officer if the Complainant is the CAO), and the Board at the next Board meeting after delivery of the investigation report to the Respondent.

6.5 In all circumstances, the Investigator may distribute the investigation report to the Board through the Corporate Officer.

FINAL DETERMINATION BY THE BOARD

7.1 The Board shall, at the Board meeting after the Board initially receives the investigation report pursuant to section 6.4(e) of this Schedule, or a longer period if approved by a 2/3 vote of all the Board (excluding the Respondent), decide on the appropriate sanctions or measures, if any, that are warranted by the Respondent's breach of this Policy, and will take such actions as the Board considers appropriate in the circumstances.

7.2 Prior to the Board making any decision regarding the findings and recommendations set out in the investigation report delivered pursuant to section 6.4(e) of this Schedule, the Respondent shall be provided with an opportunity, either in person or in writing, to comment on the Investigator's decision and any recommended sanctions or measures.

7.3 While an investigation report provided to the Board may be considered in a closed meeting for the purpose of receiving legal advice or for another valid reason pursuant to section 90 of the *Community Charter*, the Board shall, subject to section 7.4 below, deliberate and vote on the investigation report and recommendations in an open meeting.

7.4 Notwithstanding section 7.3 above, the Board may deliberate on and vote on a report in a closed meeting where there is a valid reason to close the meeting under section 90 of the *Community Charter*.

REMEDIES AND SANCTIONS

8.1 Sanctions that may be imposed for a breach of this Policy include but are not limited to the following:

a) a letter of reprimand from the Board addressed to the Member;
b) a request from the Board that the Member issue a letter of apology;
c) the publication of the letters contemplated in subsections (a) and (b) above, together with the Member's written response, if any;
d) a recommendation that the Member attend specific training or counselling;
e) suspension or removal, or recommend suspension or removal, of the Member from some or all Committees to which the Member was appointed;
f) prohibition from representing Metro Vancouver at events and/or attending conferences and seminars;

g) a request of the Board that the Chair remove the appointment of a member as Chair or Vice Chair of a Committee;
h) public censure of the Member; and
i) any other sanction recommended by the Investigator, provided such sanction is within the authority of the Board.

8.2 The Investigator may recommend that the Board consider commencing an application for disqualification under section 111 of the *Charter* or for damages under section 117 of the *Charter*, as applicable.

8.3 Any sanction or measure imposed by the Board under this Policy is in addition to any remedy or consequence under the *Charter* where a breach of this Policy also constitutes a violation of a provision of the *Charter*.

8.4 Nothing in this Policy is intended to abrogate the power of the Board Chair, to remove, at their pleasure and at any time, any Member from any Committee to which they have been appointed.

CONFIDENTIALITY OF INVESTIGATION

9.1 The Investigator shall make all reasonable efforts to investigate Complaints in confidence.

9.2 The Investigator and every person involved with, or who have knowledge of, a Complaint shall preserve confidentiality with respect to all matters that come into the person's knowledge in the course of any investigation or Complaint, except where disclosure is required by law, or court order, or the information has been released to the public without breach of confidentiality.

9.3 An investigation report shall only disclose such matters as, in the Investigator's opinion, are necessary for the purpose of the investigation report.

Ministry of Housing
and Municipal Affairs

Local Government Division
PO Box 9838 Stn Prov Govt
800 Johnson St, 6th Floor
Victoria BC V8W 9T1

CIRCULAR

April 2, 2026 CLIFF: 190646

To: All Chief Administrative Officers and Corporate Officers:

Re: Bill 17 Housing and Municipal Affairs Statutes (Codes of Conduct) Amendment Act, 2026, and Bill 18 Housing and Municipal Affairs Statutes (Parental Leave) Amendment Act, 2026

On April 2, Bill 17 and Bill 18 were introduced in the Legislature. These Bills propose to amend various sections in the *Community Charter*, *Local Government Act*, and the *Vancouver Charter*, with consequential amendments to the *Islands Trust Act* and *Cultus Lake Park Board Act.*

The purpose of this circular is to provide an overview of the changes made to legislation regarding codes of conduct and parental leave for local elected officials. Some of the amendments come into effect right away, while others will come into effect after the 2026 general local elections.

We encourage local governments to review the amendments and consider how they may incorporate the changes into training and orientation materials for new councils and boards following the 2026 general local elections. Further guidance to help you prepare for these changes will be made available in summer and early fall of 2026.

Code of Conduct Key Changes:

- Authority for the province to prescribe a code of conduct by regulation that applies to all local governments in B.C.
- Requirement for all local elected officials to comply with a Provincial code of conduct established by regulation.
- Establishes a code complaint, investigation and sanction process in legislation.
- Requirement that code of conduct complaints be referred to an investigator.
- Authorities of investigators on receiving a code complaint is prescribed in legislation.
- Sanctions that may be recommended by an investigator for a code breach.

- If an investigator report recommends sanctions, the report is considered at a closed meeting.
- If a council or board decides to not impose the recommended sanctions, they must provide reasons for its decision that are included in a public summary.
- Public reporting requirements for code complaints to support transparency and accountability.

Parental Leave Key Changes:

- Provides 26 consecutive weeks of parental leave for local elected officials due to the birth or adoption of a council or board member's child or children.
- Allows local elected officials to start their leave as early as 4 weeks ahead of the expected birth or adoption.
- Entitles local elected officials to full remuneration during their parental leave but provides the option to decline remuneration, if they wish to do so.
- Ensures local elected officials are not disqualified for missing council or board meetings during their parental leave.
- Provides that local elected officials on parental leave continue to hold office but cannot exercise any power or duty as an elected official while on leave, meaning they cannot participate in local government decision making while on leave. They will still be able to participate in community events or similar activities allowing them to stay connected within their communities.
- Allows the minister to take certain actions to ensure that quorum can still be met while an elected official is on parental leave.
- Establishes that parental leave ends after 26 consecutive weeks or the end of the term; whichever is earlier.
- Retains local governments' ability to establish their own parental leave policies that go beyond the provincial minimum entitlement.

If you have questions regarding the amendments related to the local government legislation, please contact our Governance and Structure Branch by phone at: 250-387-4020 or by email at LGGovernance@gov.bc.ca.

This circular is provided for information only and should not be considered legal advice or be a substitute for legal advice.

I will provide another update when further guidance and resources for local governments are available on our website beginning in summer 2026.

Yours truly,

Tara Faganello
Assistant Deputy Minister
Local Government Division
Ministry of Housing and Municipal Affairs

metrovancouver
SERVICES AND SOLUTIONS FOR A LIVABLE REGION

To: Governance Committee

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

Date: March 24, 2026 Meeting Date: April 9, 2026

Subject: **Consideration of Changes to the Size and Structure of each of Metro Vancouver's Four Boards of Directors: Options Analysis**

The 2025 independent Metro Vancouver Board Governance Review concluded that there is an opportunity to optimize the size and structure of the four Metro Vancouver Boards to improve governance and oversight, and to enhance decision making and risk management. Considerations of such options is a major piece of work for the Governance Committee and Boards in 2026. Earlier this year, the MVRD Board approved a *process* to consider potential changes and approved an *evaluation framework*.

The March and April Governance Committee meetings have been dedicated to discussion and evaluation of the options presented for all four of Metro Vancouver's Boards. During its March 12, 2026 meeting, the Governance Committee considered the report titled "Consideration of Changes to the Size and Structure of each of Metro Vancouver's Four Boards of Directors: Options and Analysis", dated March 6, 2026 (**Attachment 1**). The Committee discussed and deliberated the options for the Metro Vancouver Regional District (MVRD) and the Metro Vancouver Housing Corporation (MVHC) Boards.

The same report is being provided to the Committee for the April 9, 2026 meeting so that the Committee can continue its discussions focusing on the Greater Vancouver Water District (GVWD) and the Greater Vancouver Sewerage and Drainage District (GVS&DD) Boards (**Attachment 2**).

In addition to the information prepared for Committee consideration last month, the Committee will also receive a presentation by Dana Hayden of Hayden Consulting Services. Hayden completed work for the Board in 2021 subsequent to the Project Delivery Department being instituted. The resulting report titled, "Project Delivery Best Practice Response – Capital Project Governance & Stage Gate Framework" (**Attachment 3**) was one in a series of updates on implementation of best practices for capital projects at Metro Vancouver as requested by the Boards. Dana Hayden will present the earlier findings, and support the Committee's discussion about potential governance models for the utility boards.

ATTACHMENTS

1. "Consideration of Changes to the Size and Structure of each of Metro Vancouver's Four Boards of Directors: Options Analysis", dated March 6, 2026.
2. Presentation re: Considerations of Changes to the Size and Structure of each of Metro Vancouver's Four Boards of Directors: Options Analysis.
3. "Project Delivery Best Practice Response – Capital Project Governance & Stage Gate Framework", dated May 3, 2021.

REFERENCES

1. Deloitte. (2026). "Considering Board Size and Structure for Metro Vancouver's Boards – Proposed Process", dated January 6, 2026. https://metrovancouver.org/boards/GVRD/RD-2026-01-30-AGE.pdf page#524

84197405

2. Deloitte. (2025). *Metro Vancouver Board Governance Review.* [MVRD Board report on 2025, May 23]. https://metrovancouver.org/boards/Documents/Deloitte-MV-Board-Governance-Review-2025-05-23.pdf

84197405

metrovancouver
SERVICES AND SOLUTIONS FOR A LIVABLE REGION

To: Governance Committee

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

Date: March 6, 2026 Meeting Date: March 12, 2026

Subject: **Consideration of Changes to the Size and Structure of each of Metro Vancouver's Four Boards of Directors: Options Analysis**

RECOMMENDATION

THAT the MVRD Board receive for information the report titled "Consideration of Changes to the Size and Structure of each of Metro Vancouver's Four Boards of Directors: Options Analysis", dated March 6, 2026.

EXECUTIVE SUMMARY

Metro Vancouver has four Boards of Directors, one for each of the legal entities that make up the organization - the Greater Vancouver Water District (GVWD), Greater Vancouver Sewerage and Drainage District (GVS&DD), Metro Vancouver Regional District (MVRD), and Metro Vancouver Housing Corporation (MVHC). The Boards provide strategic direction and oversight for Metro Vancouver's critical regional services to over three million people. The 2025 Metro Vancouver Board Governance Review, completed in May 2025, provided 47 recommendations for continuous governance improvement. A new Governance Committee has been guiding the implementation of recommendations, and in less than a year, Metro Vancouver has addressed and completed 20 of the 47 recommendations.

The Board Governance Review concluded that there is an opportunity to optimize the size and structure of the four Boards to improve governance and oversight, and to enhance decision making and risk management. Consideration of such options is a major piece of work for the Governance Committee and Boards in 2026. To date, the MVRD Board has approved a process to consider potential changes and considered an evaluation framework. Over the next two months options for the GVWD, GVS&DD, MVRD, and MVHC Boards will be evaluated. In March, the Governance Committee and Boards will evaluate options for improvements to the MVRD and MVHC Boards' size and structure. In April, they will evaluate options for the GVWD and GVS&DD Boards.

All options will be evaluated against the following evaluation criteria:

- Governance effectiveness
- Size / scalability
- Member jurisdiction representation and impact
- Broader stakeholder impact
- Transition readiness

For the MVRD Board, five options are provided: Status Quo; One Director per member jurisdiction; Cap Directors at three per member jurisdiction; Increase population threshold per vote to 25,000; and Increase voting divisor to seven (one Director for every 140,000 residents).

For the MVHC Board, all the options for the MVRD Board are considered, and two additional options are provided: a Hybrid Non-Profit Board (7-9 Directors comprised of a majority MVRD Board Directors + additional appointees selected based on merit), and a Fully Appointed Non-Profit Board (7-9 Directors appointed by the MVRD Board based on merit).

For the GVS&DD and GVWD Boards, all the options for the MVRD Board are considered, and two additional options are provided: Hybrid Board (9-11 Directors with majority member Elected Officials (ensure sub-regional representation) + External Appointed Directors) and Addition of a Major Projects Committee with delegated authority (Smaller Committee with majority GVS&DD / GVWD Board Directors + option of External Appointed Directors).

Engagement on options will take place throughout May and June, and in July 2026, the Governance Committee and Boards will have the opportunity to recommend and implement changes to the Board size and structure for one or more of the Metro Vancouver Boards. This would include subsequent provincial involvement if legislative change is required.

PURPOSE

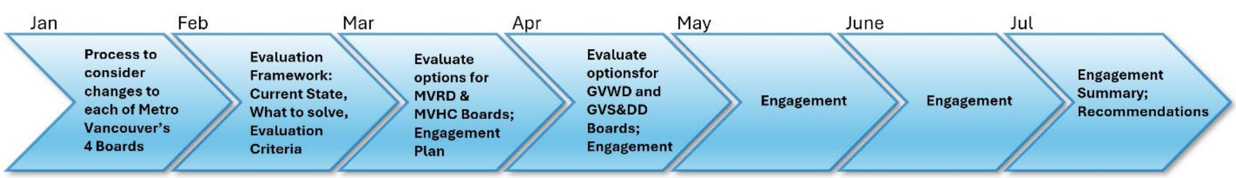
To provide information to support the Governance Committee and Boards in evaluating options to amend the size and structure of each of the four Metro Vancouver Boards. The focus for the March meeting will be on the MVRD and MVHC Boards.

BACKGROUND

At its May 23, 2025 meeting, the MVRD Board received Deloitte Canada's Metro Vancouver Board Governance Review (Reference 1). The report, commissioned to assess and enhance the effectiveness of the Boards' governance framework, included 47 recommendations for consideration, including initial recommendations on the size, structure, and composition of Metro Vancouver's Boards.

At its January 30, 2026 meeting, as part of the implementation of the 2025 Board Governance Review, the MVRD Board endorsed the process to consider the size and structure of each of Metro Vancouver's four Boards (Reference 1). At its February 27, 2026 meeting, the MVRD Board received a report from the Governance Committee establishing the evaluation framework for considering possible changes to the size and structure of each of Metro Vancouver's four Boards. This included a current state analysis, problem statements to specify the challenges any changes are intended to address, and an evaluation framework with criteria and weighting.

Figure 1. Process for Considering Possible Changes to Each of Metro Vancouver's Four Boards



During the March and April meetings, the Governance Committee will discuss size and structure options for each of the four Metro Vancouver Boards in relation to the evaluation framework. The Committee and Boards will consider options for the MVRD and MVHC Boards in March, and options for the GVS&DD and GVWD Boards in April. This work will be supported by staff, Deloitte Canada, and Dana Hayden, consultant on public, private and not for profit entities related to business and strategic planning, public policy and Board and infrastructure project governance.

Feedback from the March and April discussions will be incorporated into materials to support engagement with all Board Directors, representatives from the Province, member jurisdiction elected officials and staff, local First Nations, other agencies, and the public. A summary of engagement will be provided to the Boards to support deliberations on Board size and structure in July 2026.

In addition, options that complement Board size and structure, such as ways to improve information flow or structure meetings, are identified in this report to support improved governance with any recommended changes to Board size and structure. Out of scope of this report is consideration of any of the services that Metro Vancouver provides. These were confirmed as part of the 2025 Cost and Services Efficiency Review.

As reminder, Deloitte provided a current state analysis of Metro Vancouver's four Boards as a baseline for discussion. This is provided again to support discussion prior to consideration of each Board separately (Figure 2).

Figure 2. Deloitte Canada's Current State Analysis for Metro Vancouver's Four Boards

	Metro Vancouver Regional District (MVRD)	Greater Vancouver Water District (GVWD)	Greater Vancouver Sewerage & Drainage District (GVS&DD)	Metro Vancouver Housing Corporation (MVHC)
# of Directors	41	38	37	41
Elected	Y	Y	Y	Y
Member Jurisdictions	Full region (23)	Water-serving (20)	Wastewater/solid-waste (19)	Full region (23)
Operating Budget ($)	$133M	$450M	$926M	$62M
Capital Cash Flow ($)	$48M (Parks)	$488M	$1,027M	$207M
Information Flow	Board meeting freq: monthly Agenda load: high **Committees: 5***	Board meeting freq: monthly Agenda load: mod-high **Committees: 1***	Board meeting freq: monthly Agenda load: high **Committees: 2***	Board meeting freq: monthly Agenda load: low-mod **Committees: 1***
Decision-Making Complexity	**Moderate-High** — broad regional scope; multi-service decisions	**High** — deep technical requirements; large projects and budgets	**Very High** — deep technical requirements; largest budgets; four sewerage areas	**Low–Moderate** — focused mandate; smaller capital footprint
Transparency	Publicly available meeting agendas and minutes, and the public is allowed to attend meetings in person (except for legally closed sessions)			

***Note:** All committees are MVRD committees, but some serve the other legal entities; MVRD has **4 additional standing committees** that serve all legal entities: Performance and Audit, Mayors, Caucus of Committee Chairs and Governance

METRO VANCOUVER REGIONAL DISTRICT

The Metro Vancouver Regional District (MVRD) is governed by the *Local Government Act*. There are 27 regional districts throughout British Columbia. The Province notes that the purpose of a regional district is to take care of the region's public assets and to foster the current and future economic, social, and environmental well-being of the region. Collectively, the regional district Board is the governing body of the regional district. It has authority to make decisions through resolutions and bylaws, consistent with the purposes of the regional district. The Board is ultimately responsible for the services provided and actions taken by the regional district.

Each regional district in BC is governed by a Board consisting of a Chair and a varying number of Directors. Each electoral area has one elected Director while municipalities and Treaty First Nations' members may have one or more appointed Directors depending on size of their population. The Chair of the Board is elected from among the Directors each November and has specific responsibilities outlined in the legislation.

The number of Directors appointed is based on a proportional representation model, laid out in the *Local Government Act*, and the specifics around how population translates into Board seats and votes are included in the Letters Patent for each regional district. For Metro Vancouver, every member jurisdiction has a Director on the Board with at least one vote. Each member jurisdiction gets one vote for every 20,000 people (or fewer) in the community (voting unit). In addition, once a Director has five votes (the community reaches 100,000 residents), a second Director is added (voting divisor). The current MVRD Board has 41 Directors from 23 member jurisdictions with a total of 145 votes. Over the next two Census periods, the size of the MVRD Board is expected to grow to over 50 Directors given the most recent population projections (49 Directors after 2026 Census and 52 after 2031 Census).

Figure 3. Current MVRD Board Voting Structure

Member Jurisdiction	Type	Population	# 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
Electoral Area A (incl UBC)	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	Treaty 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**	**100.0**

Director seats are allocated by population per the Local Government Act; in weighted votes, each Director gets 1 vote per 20,000 residents (max 5 votes); 2021 Census

PROBLEM STATEMENT

As reminder, the Problem Statement for the MVRD Board identified by Deloitte Canada and input from the Governance Committee is as follows:

- Mixed response about whether current size of 41 is too large, but agreement that the growth trajectory is unsustainable
- Balancing the intent for all jurisdictions to have a voice at the table with differing expectations for collaboration for larger and smaller jurisdictions
- Public perception and reputational risk
- Board culture and decorum
- Decision making, such as the tendency to revisit controversial decisions (e.g. difference of opinion on Scope of Services or Financial Policies)
- Uneven trust that Committees have done the 'heavy lifting' to make an informed recommendation to the Boards.

EVALUATION CRITERIA

The Evaluation Criteria and associated weighting supported by the Governance Committee and received by the MVRD Board are as follows:

- Governance Effectiveness (30%)
- Size / Scalability (10%)
- Member Jurisdiction Representation and Impact (30%)
- Broader Stakeholder Impact (20%)
- Transition Readiness (10%).

SIZE AND STRUCTURE OPTIONS FOR THE MVRD BOARD
Five options for the MVRD Board are presented for discussion.

1. Status Quo (41 Board Directors)
2. One Director per member jurisdiction (23 Board Directors)
3. Cap the number of Directors at three per member jurisdiction (34 Board Directors)
4. Increase population threshold per vote to 25,000 (36 Board Directors)
5. Increase voting divisor to seven (one Director for every 140,000 residents) (34 Board Directors)

Each option will be assessed in turn below in relation to the evaluation criteria.

OPTION 1. STATUS QUO
Maintain current approach to Board size and structure where the size of the Board will increase with population growth as per a specified formula. There are currently 41 MVRD Board Directors and this will grow in proportion to population.

Evaluation Criteria	Considerations
Governance Effectiveness	• Retains established accountability between Metro Vancouver and member jurisdictions • Decision-making efficiency and oversight effectiveness may be increasingly strained by Board size • Larger Board can discourage active participation from all members
Size / Scalability	• Current size is 41 • Board size will continue to grow with population (after each census), reducing scalability • Larger Board may dilute accountability and make oversight of complex risks harder (e.g., financial, operational, reputational risks)
Member Jurisdiction Representation and Impact	• Strong jurisdictional representation is maintained • Challenge to balance intent for all jurisdictions to have a voice at the table with differing expectations for collaboration from larger and smaller jurisdictions • Voting power is concentrated in larger cities according to population with 52% of votes allocated to 16 Directors representing the three largest jurisdictions
Broader Stakeholder Impact	• Familiar accountability structure reflective of BC's regional district model • High transparency and public legitimacy • Political nature of issues and discussion can impact timely decisions and public confidence • Some external stakeholders view the large Board as less effective
Transition Readiness	• No transition required and aligned with legislation and Letters Patent • As with all options, there are ongoing opportunities within the current structure for process improvements to increase governance effectiveness

OPTION 2. ONE DIRECTOR PER MEMBER JURISDICTION

This option would see one representative from each member jurisdiction, or their designate making up the MVRD Board. There would be no change in the process for choosing the Directors. This would remain up to each jurisdiction council.

Evaluation Criteria	Considerations
Governance Effectiveness	• Could improve decision speed, manageability, and strategic focus • Clearer "who is accountable" for decisions: one designated representative per jurisdiction • Lower governance overhead (fewer Directors), improving meeting efficiency and staff support demands • Concentrates influence in a single representative per jurisdiction; will reduce breadth of perspectives and experience at the table • Majority of votes held by three Directors (replacing 16 Directors under status quo) • Largest municipalities lose multiple voices at the table
Size / Scalability	• Smaller, fixed-size Board (23) would be unaffected by population growth and remain the same as long as membership remains the same
Member Jurisdiction Representation & Impact	• Every jurisdiction maintains a seat • Weighted voting maintains proportional representation • Diversity of perspectives from within individual member jurisdictions will likely be removed, specifically impacting larger jurisdictions who currently have multiple Directors • Smaller member jurisdictions are unaffected in terms of the number of Directors
Broader Stakeholder Impact	• Accountability for decisions may be clearer with one designated representative per jurisdiction • Could improve decision timeliness • Public perception of fairness / equal representation may be affected
Transition Readiness	• Provincial legislative change required: Could amend the *Local Government Act* for Metro Vancouver only or add a provision under *Municipalities Enabling and Validating Act* (*MEVA*) • May require amendments to the MVRD Letters Patent to create consistency • Will require provincial engagement with interested parties • Likely 12-18 months (to be confirmed with Province)

OPTION 3. CAP THE NUMBER OF DIRECTORS AT 3 PER MEMBER JURISDICTION

This option would introduce a cap of three Board Directors from any one jurisdiction while maintaining the overall approach to Board composition. This would mean that jurisdictions with a population of over 300,000 residents would have a maximum of three Directors on the Board. The three Directors would retain the same proportional voting based on a vote for every 20,000 residents in the community. The impact would largely be that the cities of Vancouver and Surrey would see a reduction in the number of Directors, but no change in the number of votes.

Evaluation Criteria	Considerations
Governance Effectiveness	• Could improve decision speed, manageability, efficiency, and strategic focus with the reduced number of speakers at each Board meeting and potential for more time for discussion • Accountability remains diffused • Proportional representation maintained • Fewer Directors would modestly reduce governance overhead with more efficient meetings and reduced staff support needs
Size / Scalability	• Smaller Board (34) • Board will grow at a much slower rate with population growth compared to status quo • More consistent membership for larger member jurisdictions • Still a relatively large Board, but relatively resilient for the future • Size grows at a much slower rate with population growth compared to status quo
Member Jurisdiction Representation & Impact	• Established accountability between Metro Vancouver and member jurisdictions is largely retained • Impacts largest cities (Vancouver and Surrey) which would see a reduction in the number of Directors, but no impact on the number of votes • Larger member jurisdictions would look more similar in terms of the number of representatives at the Board: Vancouver, Surrey, Burnaby, Richmond • Smaller jurisdictions would be unaffected in terms of number of Directors
Broader Stakeholder Impact	• Public accountability would be maintained with political representation from each jurisdiction • Public perception of fairness or equal representation may be affected
Transition Readiness	• Provincial legislative change required: could amend the *Local Government Act* for Metro Vancouver only or add a provision under *MEVA* • May require amendments to the MVRD Letters Patent to create consistency • Will require provincial engagement with interested parties • Likely 12-18 months (to be confirmed with Province)

OPTION 4. INCREASE POPULATION THRESHOLD PER VOTE TO 25,000

In this option, the population threshold per vote would be increased from 20,000 to 25,000. All member jurisdictions under 25,000 would have one vote at the Board. Additional votes would be provided at 25,000 population intervals. The divisor of five per Director would remain the same, meaning that each Director would have a maximum of five votes for 125,000 residents (currently five votes for 100,000 residents). This option reduces the overall number of Board Directors.

Evaluation Criteria	Considerations
Governance Effectiveness	• Board size would be reduced without changing the overall governance framework • Decision speed, manageability, efficiency, and strategic focus could be modestly improved with the reduced number of speakers at each Board meeting and potential for more time for discussion • Fewer Directors would modestly reduce governance overhead with more efficient meetings and reduced staff support needs
Size / Scalability	• Smaller Board (36) • Board will grow at a much slower rate with population growth compared to status quo
Member Jurisdiction Representation & Impact	• Weighted voting maintains proportional representation while ensuring every jurisdiction has a seat • Concentrates accountability among fewer Directors, while maintaining proportional representation • Most of impact to be felt by larger communities with reduced number of Directors and number of votes, and communities on the threshold of an additional vote (e.g., Township of Langley, Port Moody) • Small communities that are not projected to grow rapidly are largely unaffected (e.g., Anmore, Belcarra, Bowen Island, Lions Bay, Tsawwassen First Nation) • Five jurisdictions have one fewer Director (Vancouver, Surrey, Burnaby, Richmond, Delta) • 12 jurisdictions have at least one fewer vote • Raises equity concerns
Broader Stakeholder Impact	• Public perception of fairness or equal representation may be affected • May be viewed as prioritizing efficiency over regional representation for local voices
Transition Readiness	• No legislative amendment required • A revision to the MVRD Letters Patent via provincial Order in Council or Cabinet decision • Consequential bylaw and process modifications within Metro Vancouver may be required • Shorter timeline to implement

OPTION 5. INCREASE VOTING DIVISOR TO 7 (ONE DIRECTOR PER 140,000 RESIDENTS)

This option would decrease the number of Directors on the Board by increasing the voting divisor from five to seven, increasing the number of residents represented by each Director from 100,000 to 140,000. The number of Directors is reduced while voting across jurisdictions remains the same.

Evaluation Criteria	Considerations
Governance Effectiveness	• Reduces Board size without changing the overall governance framework • Marginal efficiency gains • Decision speed, manageability, and strategic focus could be modestly improved with the reduced number of speakers at each Board meeting and potential for more time for discussion • Fewer Directors would modestly reduce governance overhead with more efficient meetings and reduced staff support needs
Size / Scalability	• Smaller Board (34) • Still a relatively large Board, but relatively resilient for the future • Size grows at a slower rate with population growth compared to status quo
Member Jurisdiction Representation & Impact	• Weighted voting maintains proportional representation while ensuring every jurisdiction has a seat • Number of Directors for larger member jurisdictions would be reduced while keeping the voting structure intact • • Member jurisdictions with populations close to the current threshold for an additional Director would be most immediately impacted • Member jurisdictions currently under 100,000 residents would not be impacted
Broader Stakeholder Impact	• Public perception of fairness or equal representation may be affected • May be viewed as prioritizing efficiency over regional representation for local voices
Transition Readiness	• Could be achieved through a revision to the MVRD Letters Patent via a provincial Order in Council / Cabinet decision; no legislative amendment required • Consequential bylaw and process modifications within Metro Vancouver may be required • Shorter timeline to implement

METRO VANCOUVER HOUSING CORPORATION

The Metro Vancouver Housing Corporation (MVHC) is incorporated under the *British Columbia Business Corporations Act* as a non-profit entity wholly owned by the Metro Vancouver Regional District (MVRD). MVHC has operated since 1974. It has a portfolio of 50 sites and provides non-market rental housing to nearly 10,000 residents. The corporation operates at no direct cost to taxpayers and is funded almost entirely through rental revenues, which account for approximately ninety-five per cent of its annual operating budget. A small number of legacy sites receive operating subsidies from BC Housing (approximately three per cent of the operating budget), with the remaining revenues generated through parking, laundry, and related sources (approximately two per cent).

Metro Vancouver Housing is growing its portfolio. Expansion is funded through operating surpluses where sites no longer have mortgages (equity), through significant partnerships with other orders of government, and from a $5/household tax levy. MVHC, as a non-profit, is eligible for grants and favourable loans from BC Housing and CMHC. MVHC is projected to grow by 50% over the next decade, with an increasingly large capital program (over $1 billion) and operational complexity, making this an ideal time to review governance to ensure it is fit for purpose.

Since October 17, 2016, the MVHC Articles have required the MVHC Board to comprise the same membership as the MVRD Board, and the business of the Board to be conducted according to the procedures established in the MVRD procedural bylaw under the *Local Government Act.* This change was made as a result of a governance review of the corporation. MVHC's governance structure is unique amongst non-profit and public sector housing delivery agencies.

Prior to 2016, the MVHC Board was comprised of 13 Directors appointed annually by the MVRD Board. Additionally, the MVHC had five officers appointed annually to the following positions: Housing Committee Chair as President, Housing Committee Vice Chair as Vice President, MVRD Corporate Officer as Secretary, MVRD Chief Financial Officer as Treasurer, and MVRD Housing Director as Director, Housing. Of the 13 MVHC Directors, 10 were also MVRD Directors and three were member jurisdiction councillors. The 2016 changes were made to align the number and identity of MVHC Directors and voting rights to the MVRD Board (and consequently, to the GVWD and GVS&DD Boards as well).

PROBLEM STATEMENT

As reminder, the Problem Statement for the MVHC Board identified by Deloitte Canada and input from the Governance Committee is as follows:

- Differing opinions about whether the current size of the Board is a problem, with some members noting that a much smaller Board may function better.
- Some expressed that broad membership from member jurisdictions is preferable.
- Some expressed that representation from all member jurisdictions is not required on a non-profit Board.
- There is an expectation of regional equity – having housing in every community.
- The mandate is that the non-profit delivers and operates affordable rental housing through partnerships in good, transit-oriented locations and is financially sustainable.
- MVHC is seen as functioning well and not requiring the same attention as other Boards.
- Strong support for MVHC's operations, growth and success.

EVALUATION CRITERIA

The Evaluation Criteria and associated weighting supported by the Governance Committee and received by the MVRD Board are as follows:

- Governance Effectiveness (30%)
- Size / Scalability (10%)
- Member Jurisdiction Representation and Impact (30%)
- Broader Stakeholder Impact (20%)
- Transition Readiness (10%).

SIZE AND STRUCTURE OPTIONS FOR THE MVHC BOARD

Four options for the MVHC Board are presented for discussion:

1. Status Quo (41 Board Directors)
2. Align with any Changes to Structure for MVRD Board (options 2 to 5 described above)
3. Smaller Hybrid Non-Profit Board (7-9 Directors comprised of a majority MVRD Board Directors + additional appointees selected on merit)
4. Fully Appointed Non-Profit Board (7-9 Directors appointed by the MVRD Board on merit).

Each of these options is assessed in turn below in relation to the evaluation criteria.

OPTION 1. STATUS QUO

This option maintains the current approach to Board size and structure where the size of the Board will increase with population growth as per a specified formula. There are currently 41 MVHC Board Directors.

Evaluation Criteria	Considerations
Governance Effectiveness	• Decision-making efficiency, timeliness, and oversight effectiveness may be increasingly strained by Board size • Changes to align with MVRD were made only ten years ago with the aim of consistent decision making and governance • Current governance model is an outlier in the non-profit and housing sector • Accountability to non-profit not necessarily linked to member jurisdictions. • Larger Board can discourage active participation from all members • 1:1 overlap with MVRD may result in less bandwidth available for MVHC oversight
Size / Scalability	• Board size = 41. Will continue to grow with population (after each census), reducing scalability • Larger Board can dilute clear accountability and make oversight of risks harder (e.g., financial, operational, and reputational risks)
Member Jurisdiction Representation & Impact	• Strong jurisdictional representation and participation is maintained • Challenge to balancing intent for all jurisdictions to have a voice at the table with differing expectations for collaboration from larger and smaller jurisdictions

	• Voting power is concentrated in larger cities according to population with 52% of votes allocated to 16 Directors representing the three largest jurisdictions
Broader Stakeholder Impact	• High transparency and public legitimacy • Political nature of issues and discussion can impact public confidence and timely decisions • External stakeholders may view a very large Board as less effective and efficient • Unique structure of a large MVHC Board and public meetings pose alignment issues with funders and programs designed for other non-profits
Transition Readiness	• No transition required; aligned with existing legislation, MVHC Articles and internal Metro Vancouver processes and practices • As with all options, there are ongoing opportunities within the current structure for process improvements to increase governance effectiveness

OPTION 2. ALIGN WITH ANY CHANGES TO STRUCTURE OF MVRD BOARD

With this option, MVHC follows the size and composition recommended for the MVRD Board, which may be any of the options considered in the previous section: status quo, one Director per member jurisdiction, cap the number of Directors at 3 per member jurisdiction, increase the population threshold per vote to 25,000, or increase the voting divisor to 7.

Evaluation Criteria	Considerations
Governance Effectiveness	• Governance effectiveness considerations reflected in the evaluation of each of the options for MVRD above would apply to the MVHC Board as well. Additional considerations specific to MVHC: • Simplicity from having same governance model as MVRD • Changes to align with MVRD were made only ten years ago with the aim of consistent decision making and governance • Not aligned with governance best practice for non-profits • Accountability to non-profit not necessarily linked to member jurisdictions • 1:1 overlap with MVRD may result in less bandwidth available for MVHC oversight
Size / Scalability	• Size and scalability considerations are reflected in the evaluation of each of the options above with no additional considerations specific to MVHC
Member Jurisdiction Representation & Impact	• Member jurisdiction representation and impact considerations are reflected in the evaluation of each of the options above with no additional considerations specific to MVHC

Broader Stakeholder Impact	• Broader stakeholder impact considerations are reflected in the evaluation of each of the options above Additional considerations specific to MVHC: • Political and public nature of issues and discussion can impact public confidence and timely decisions • External stakeholders and funders primarily working with non-profit housing providers may view a large, political Board as less nimble and less effective • Unique structure of a large MVHC Board poses alignment issues with funders and programs designed for other non-profits
Transition Readiness	• Since pursuant to MVHC Articles, MVHC Board composition and business are aligned with MVRD Board composition and MVRD procedural bylaw under the *Local Government Act*, revisions to MVRD Board and procedures will automatically apply to MVHC.

OPTION 3. SMALLER HYBRID NON-PROFIT BOARD

This option would create a new Board structure with 7-9 Directors, the majority being chosen from among MVRD Board Directors (four to five) plus additional external housing sector Directors (three to four) appointed by the MVRD Board either annually or for a four-year term. The current Board Standing Committee (Housing Committee) would be eliminated.

Evaluation Criteria	Considerations
Governance Effectiveness	• Additional professional and/or Board expertise (housing, finance, non-profit, development) could be added to support decision-making and to advance MVHC mandate • Smaller and more nimble structure could speed up decision-making in time-sensitive scenarios, including accelerating development and property acquisitions and partnerships • Potential for greater direct involvement and oversight from the Board • With smaller Board, would eliminate the need for a Board Standing Committee, creating efficiencies and better information flow for decision making
Size / Scalability	• Board size = 7-9 Directors. Smaller and future changes to the Board size would be guided by the needs of MVHC's mandate rather than population growth
Member Jurisdiction Representation & Impact	• Some regional representation can be maintained as part of Board selection criteria • Maintains accountability and connection to MVRD, with political representation on the Board

	• Some member jurisdictions may feel more disconnected from decision making and Metro Vancouver Housing
Broader Stakeholder Impact	• External expertise can be added to support development and operational goals, in-line with other housing-sector organizations, potentially improving partnerships and tenant experience • Potential perception of reduced transparency and accountability compared to other options with broad regional representation • Consistent with many other publicly held non-profit housing corporations (such as Toronto Community Housing, Calgary Housing, and Ottawa Community Housing)
Transition Readiness	• Revision to Board structure could be done quickly, via MVRD Board resolution and administrative filing with the BC Registry Services • Development of associated new and modified MVHC processes and procedures, such as determining member participation, criteria for/ identifying suitable independent Directors, and MVHC-specific Board procedures, would require more time

OPTION 4. FULLY APPOINTED NON-PROFIT BOARD

This option would create a new and much smaller Board structure with 7-9 Directors appointed by the MVRD Board for a set term (e.g. four years), with no political representation on the MVHC Board. It would be a return to the structure prior to 2016 to align with other non-profit housing providers. The change in 2016 was made to align with the other three Metro Vancouver Board structures.

Evaluation Criteria	Considerations
Governance Effectiveness	• All MVHC Board members would be selected by MVRD Board based on expertise (which could include housing, finance, non-profit, development, governance, lived experience, etc.) to support decision-making and advance MVHC mandate • Smaller and more nimble structure which could speed decision-making in time-sensitive scenarios, including accelerating development and property acquisitions and partnerships • May add challenges for timing and streamlining of Board meetings • Aligns with non-profit sector governance best practices
Size and Scalability	• Board size = 7-9 Directors. Remains unaffected by population growth
Member Jurisdiction Representation & Impact	• Accountability to MVRD as shareholder would be maintained through annual general meeting and annual or quarterly reports to MVRD • Shifts accountability and control from elected officials to appointed Directors, reducing member representation, control, and oversight

	• Member jurisdictions may feel disconnected from MVHC overall and is decision making in particular
Broader Stakeholder Impact	• Added external expertise could support development and operational goals • Potential to accelerate partnerships for faster delivery of capital projects • Potential perception of reduced transparency • Aligns MVHC Board with other comparable organizations, structure aligns with funding program expectations
Transition Readiness	• Revision to Board structure could be done relatively quickly, via MVRD Board resolution and administrative filing with the BC Registry Services • Development of associated new and modified MVHC processes and procedures, such as determining criteria for identifying suitable independent Directors, and MVHC-specific Board procedures, would require more time • Relationship to MVRD Centralized Services to be determined (e.g. legal, procurement, finance, etc.)

GREATER VANCOUVER WATER DISTRICT
Metro Vancouver provides clean, safe drinking water to residents and businesses through the member jurisdictions of the Greater Vancouver Water District (GVWD). This includes acquiring and maintaining water supply, as well as treating, testing, and delivering drinking water through a system of water supply areas, dams, treatment facilities, reservoirs, pump stations, and water mains. Metro Vancouver's source water supply is stored in three main reservoirs and three supplemental alpine reservoirs. The water comes from rainfall and snowmelt within three major water supply areas: Capilano, Seymour, and Coquitlam. These water supply areas cover about 60,000 hectares of protected land, which is closed to the public to safeguard the high quality of the source water.

Metro Vancouver is responsible for:
- Managing and protecting the water supply areas
- Storing, treating, and ensuring the quality of drinking water to meet provincial *Drinking Water Protection Ac*t and federal Guidelines for Canadian Drinking Water Quality regulatory requirements
- Transmission of drinking water directly to member jurisdictions
- Upgrading, maintaining, and expanding our system
- Planning for future supply and demand

The GVWD is governed by the *Greater Vancouver Water District Act* (established in 1926).

GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT
Metro Vancouver provides reliable, cost-effective wastewater treatment that protects public health and the environment. This includes planning for the long-term resilience and sustainability of regional liquid waste and drainage systems. Metro Vancouver receives wastewater from municipal systems and carries it to one of five wastewater treatment plants, where it is treated and tested before being released into the Fraser River, Burrard Inlet, or Georgia Strait. This combined regional and municipal infrastructure includes over 15,000 km of sewers and processes over one billion litres of wastewater every day.

Metro Vancouver is responsible for:

- Operating a system that collects and treats wastewater
- Testing and environmental monitoring
- Developing and enforcing regulations to protect the wastewater system and the environment
- Issuing permits to industry and collecting fees associated with bylaws
- Recovering resources within the regional wastewater system, including heat, energy, and biosolids
- Planning for the future and building regional infrastructure

Under the GVS&DD, Metro Vancouver is also responsible for waste reduction and recycling planning for the region. Metro Vancouver also operates a series of solid waste facilities serving residents and businesses across the region. Metro Vancouver's solid waste and air quality regulatory frameworks support enterprises advancing zero waste and the circular economy and protecting the environment.

Metro Vancouver is responsible for:

- Operating solid waste facilities in the region that focus on recycling and reuse
- Disposing of all remaining waste in landfill, after material recycling and energy recovery
- Implementing bylaws and regulations to better manage waste within our system, improve recycling, and protect public health and the environment
- Protecting the receiving environment (air, land, and water)
- Seeking technologies that recover and recycle materials and recover energy

The GVS&DD is governed by the *Greater Vancouver Sewerage and Drainage District Act* (established in 1914 and re-incorporated in 1956).

RECENT CHANGES TO IMPROVE GOVERNANCE AND OVERSIGHT OF LARGE CAPITAL PROJECTS
Metro Vancouver has undertaken extensive continuous improvement measures to enhance the oversight of major capital projects. Several of these measures were informed by recommendations from KPMG following a review of Metro Vancouver's major capital project management in early 2020. This included the formation of the Project Delivery Department to be responsible for the delivery of the highest value, risk and consequence capital projects and act as a centre of project delivery expertise focusing on regulatory strategy, project and portfolio management, quality management, and project controls to ensure enhanced risk, schedule, and budget management.

The Project Delivery Department has led the development, implementation, and continuous improvement of a Corporate Stage Gate Framework and Project Management Framework including a suite of standards and templates, training and knowledge transfer programs, internal professional practice auditing, and advanced in-house digitalization and dashboarding for projects. The Department has also enhanced oversight of the organization's largest projects through formal stage gate reviews with Expert Advisory Panels, Committees and Boards, expanded use of Technical Review Boards, and increased progress and status reporting of the portfolio of highest value, risk and consequence projects to Regional Engineering Advisory Committee, Standing Committees, Boards, and the public.

PROBLEM STATEMENT

As reminder, the Problem Statement for the GVS&DD and GVWD Boards identified by Deloitte Canada and input from the Governance Committee is as follows:

For both Utility Boards:

- Differing opinions about whether the current size of the Board is a problem, but general agreement that the trajectory of growth of the Boards is unsustainable
- Duplication of work between Committee and Board, as well as some members expressing that as they were not part of a Committee discussion, where 'all the heavy lifting' is done, they feel less equipped when making decisions at the Board.
- Need for more trust at the Board
- Bringing expertise to the Board is not about having a private Board but rather utilizing and trusting the tools available to support Board decision making including: strong professional staff and expertise; strong project management controls including the cost estimating framework (independent estimates); stage gate process; and independent expert panels on large projects.

- For the GVS&DD, four sewerage areas and resulting equity and funding issues are a source of conflict and challenge (cost allocation with Tiers for both non-growth- and growth-related projects)
- For the GVWD, it was acknowledged that the funding model supports good governance without the challenges faced by separate GVS&DD sewerage areas

EVALUATION CRITERIA

The Evaluation Criteria and associated weighting supported by the Governance Committee and received by the MVRD Board are as follows:

- Governance Effectiveness (30%)
- Size / Scalability (10%)
- Member Jurisdiction Representation and Impact (30%)
- Broader Stakeholder Impact (20%)
- Transition Readiness (10%)

SIZE AND STRUCTURE OPTIONS FOR THE GVS&DD and GVWD BOARDS

Four options for the GVS&DD and GVWD Boards are presented for discussion.

1. Status Quo (38 GVWD Board Directors and 37 GVS&DD Board Directors, growing in proportion to population increases).
2. Align with recommended structure for MVRD Board (options 2 to 5 described above)
3. Smaller Hybrid Board (9-11 Directors blend of utility member MVRD Board Directors plus external appointed Directors selected on merit
4. Add Major Projects Committee (with or without delegated authority) to any Board Structure (smaller Committee with a blend of GVS&DD / GVWD Board Directors + external appointed Directors)

Each option will be assessed in turn below in relation to the evaluation criteria.

OPTION 1. STATUS QUO
Maintain current approach to Board size and structure where the size of the Board will increase with population growth as per a specified formula. There are currently 38 GVWD Board Directors and 37 GVS&DD Board Directors.

Evaluation Criteria	Considerations
Governance Effectiveness	• Decision-making efficiency and oversight effectiveness may be increasingly strained by Board size • Larger Board can discourage active participation from all members • 85% of Metro Vancouver's Budget / Five Year Financial Plan lies with these two highly technical and complex utilities • Potential gaps in subject matter expertise for complex issues, such those related to major projects • Stage Gate Process, Project Management Framework, Expert Advisory Panels and Project Technical Review Boards in place for due diligence and to support Board decision making
Size / Scalability	• Board size = 37/38. Continues to grow with population, reducing scalability • Larger Board can dilute clear accountability and make oversight of risks harder (e.g., financial, operational, and reputational risks)
Member Jurisdiction Representation & Impact	• Strong jurisdictional representation and participation is maintained • Increasingly disproportionate and unwieldy as population grows • Challenge to balancing intent for all jurisdictions to have a voice at the table with differing expectations for collaboration from larger and smaller jurisdictions • Voting power concentrated in larger cities according to population
Broader Stakeholder Impact	• High transparency and public legitimacy • Political nature of issues and discussion can impact public confidence and timely decisions • External stakeholders may view a very large Board as less effective
Transition Readiness	• No transition required, aligned with existing legislation and practices • As with all options, there are ongoing opportunities for process improvements to increase governance effectiveness

OPTION 2. ALIGN WITH STRUCTURE OF MVRD BOARD

With this option, the GVWD and GVS&DD Boards align with the recommended structure for the MVRD Board – accounting for variation in representation by utility areas – which may be any of the options considered in the previous section: status quo, one Director per member jurisdiction, cap the number of Directors at 3 per member jurisdiction, increase the population threshold per vote to 25,000, or increase the voting divisor to 7.

Evaluation Criteria	Considerations

Governance Effectiveness	• Governance effectiveness considerations reflected in the evaluation of each of the options for MVRD above would apply to the utility Boards as well
	• Additional considerations specific to the utility Boards:
	  • Simplicity in having same governance model as MVRD
	  • Not aligned with some other large utility governance models
	  • 85% of Metro Vancouver's Budget / Five Year Financial Plan lies with these two highly technical and complex utilities
	  • Potential gaps in subject matter expertise for complex issues, such those related to major projects
	  • Stage Gate Process, Project Management Framework, Expert Advisory Panels and Project Technical Review Boards in place for due diligence and to support Board decision making

Size / Scalability	• Size and scalability considerations reflected in the evaluation of each of the options above for MVRD above and would apply to the utility Boards as well with no additional considerations specific to the utility Boards
Member Jurisdiction Representation & Impact	• Member jurisdiction representation and impact considerations are reflected in the evaluation of each of the options for MVRD above and would apply to the utility Boards as well with no additional considerations specific to the utility Boards
Broader Stakeholder Impact	• Broader stakeholder impact considerations are reflected in the evaluation of each of the options for MVRD above and would apply to the utility Boards as well with no additional considerations specific to the utility Boards • External stakeholders may view a very large Board as less effective
Transition Readiness	• *GVWD* and *GVS&DD Acts* reflect and depend on the MVRD governance model under the *LGA* to determine the composition of the utility Boards • No legislative changes to the utility legislation would therefore be required to implement changes made to MVRD Board composition under the *Local Government Act*

OPTION 3. HYBRID BOARD

This option would see the creation of a new, smaller Board structure for both the GVS&DD and GVWD with 9-11 Directors on each Board. It would be a blend of MVRD Directors who are members of the utility in question (Sub-regional representation could be a requirement in selecting Directors) plus external Directors appointed by the MVRD Board (members of the utility in question) for a set term (e.g. four years).

Evaluation Criteria	Considerations
Governance Effectiveness	• Inclusion of independent Directors may encourage regional perspective over member jurisdiction interests • Potential for improvements in decision-making efficiency with smaller, purpose-built Board, combining technical expertise with a political lens • Direct involvement of independent expertise to support decision making, including anticipation and mitigation of challenges and issues • Risks moving Board focus into operational vs governance matters • Loss of experience / expertise and risk of large directional shifts as member Directors change over time • Lower diversity of member jurisdiction voices
Size / Scalability	• Board size = 9-11 Directors. Smaller Board size remains fixed in the future and unaffected by population growth
Member Jurisdiction Representation & Impact	• Some regional representation can be maintained as part of Board selection criteria • Some jurisdictions may feel more distant from decision-making and perceive a lack of representation
Broader Stakeholder Impact	• May receive support as better aligned with other large utilities
Transition Readiness	• Legislative changes to the *GVWD* and *GVS&DD Acts* would be required • Will require provincial engagement with interested parties /stakeholders • Additional consequential bylaw and process modifications within Metro Vancouver may be required, including the process for determining member participation over time. • Likely 18 to 24 months (to be confirmed by Province)

OPTION 4. ADD A MAJOR PROJECTS COMMITTEE (WITH OR WITHOUT DELEGATED AUTHORITY)

This option is available *irrespective of the Board structure chosen*. It could be added to the current Board structure for both the GVS&DD and GVWD or be utilized with any option that aligns with any changs to the MVRD Board.

For clarity, in May 2021, this option was recommended as part of the Capital Project Governance Practices Review. Committee members have asked for a summary of that review. The Review was undertaken just after the establishment of the Project Delivery Department.

It included:

- Review of capital project delivery challenges and best practice response (KPMG)
- Addition of Capital Project Cost Estimating Framework
- Addition of external expert advisor panel for highest value, risk, and consequence projects
- Benchmarking review of six North American jurisdictions on how they governed and managed their capital projects (Hayden Consulting)
- Set of recommendations regarding clearly defined objectives, robust project oversight, clear roles, responsibilities and authorities, effective risk management and rigorous project reporting and communication (Hayden Consulting)
- Adoption of Stage Gate Framework and Capital Project Governance Framework

These project management best practices have largely been implemented by Metro Vancouver.

There are a variety of ways that the Boards could implement a Major Projects Committee. It could:

a) Be a Standing Committee of the GVS&DD and GVWD Boards with regular reporting to those Boards for decision making;
b) Have delegated authority to have oversight over some or all of the highest value, risk, and consequence projects; and/or
c) Have a mix of GVS&DD / GVWD Board Directors and external, appointed Directors.

Evaluation Criteria	Considerations
Governance Effectiveness	• Additional independent expertise aligned with scope, scale, and complexity of major projects could support decision making, including anticipation and mitigation of challenges and issues • Clear and concentrated scope of responsibility and efficient decision making with delegated authority for project oversight
Size / Scalability	• Smaller Committee of 9-11 members and no future growth impacts
Member Jurisdiction Representation & Impact	• Reporting for information to the larger GVS&DD Board would be required on a regular cadence to retain connection and accountability to all member jurisdictions • Some jurisdictions may feel more distant from decision making on major projects

Broader Stakeholder Impact	• Likely to improve public understanding and confidence in utility governance over major projects • Additional independent expertise may improve confidence in decisions by public and other external stakeholders • Delegated authority may create perceptions of lack of representation when significant or controversial decisions are made
Transition Readiness	• GVS&DD and GVWD Boards are able to strike a Committee with delegated authority via a 2/3 weighted vote • Relatively short implementation timeline • Would require establishment of selection criteria, clear parameters for delegated authority, and means to remunerate External Committee members

ADDITIONAL CONSIDERATIONS COMPLEMENTARY TO BOARD SIZE AND STRUCTURE THAT COULD IMPROVE GOVERNANCE

The current structure and timing of monthly Board meetings is to hold up to eight Board meetings on the last Friday of every month. The intent is to minimize the number of times Board Directors come to Board meetings, and to bring all Metro Vancouver business into one agenda package for comprehensiveness and transparency.

One option for consideration is to hold multiple Board meetings per month to support smaller agenda packages where more consideration and time can be given to issues on the agenda. For example, if two Board meetings were held per month, it could be structured so that utility Boards are held on the second Friday of the month and MVRD and MVHC Boards are held on the last Friday of the month. Standing committees could be scheduled accordingly, or other modifications could be made, like a Committee of the Whole for both Water and Liquid Waste to further improve information flow and decision making. Once the Governance Committee and Boards have addressed size and structure, staff can look at additional changes and streamlining to support improved governance.

ALTERNATIVES

This report is provided for information, and therefore no alternatives are presented.

However, to prepare for engagement on Board size and structure options over the months of May and June, staff will be capturing the Committee conversation and any preferences or feedback on options to inform both a cover report to the Boards, and to inform the development of engagement materials.

FINANCIAL IMPLICATIONS

There are no financial implications to reviewing the Boards' size and structure options as all activities can be accomplished within the MVRD Board approved 2026 budget. Eventually, if changes are made to any of the Board's size or structure, there may be associated financial implications.

OTHER IMPLICATIONS

A separate report on the agenda provides an overview of planned engagement on this issue. Feedback from Board Directors, the Province, member jurisdictions, local First Nations, other agencies, and the public will be reported out to the Governance Committee and Boards in July.

CONCLUSION

Following recommendations from the independent 2025 Metro Vancouver Board Governance Review, changes to the size and structure of Metro Vancouver's four Boards to improve governance and to enhance decision making and risk management are being evaluated. First, in March, options for improvements to the MVRD and MVHC Boards' size and structure will be considered, and then in April, for the GVWD and GVS&DD Boards. Feedback from these discussions will be incorporated into engagement materials. In May and June, there will be opportunities for engagement on the options by Board Directors, the Province, member jurisdictions, First Nations other agencies and the public, and a final summary of feedback will be presented to the Boards as part of their deliberations in July.

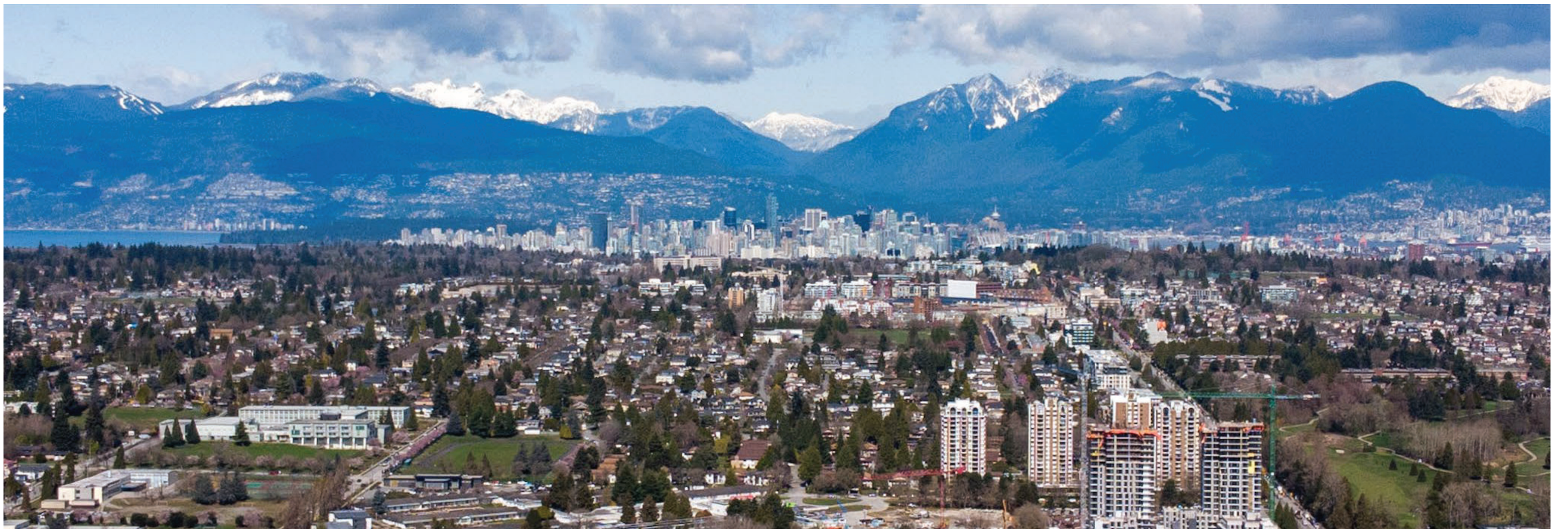
ATTACHMENTS

1. ~~Presentation re: Considerations of Changes to the Size and Structure of each of Metro Vancouver's Four Boards of Directors: Options Analysis.~~

REFERENCES

1. Deloitte. (2026). "Considering Board Size and Structure for Metro Vancouver's Boards – Proposed Process", dated January 6, 2026. https://metrovancouver.org/boards/GVRD/RD-2026-01-30-AGE.pdf page#524
2. Deloitte. (2025). *Metro Vancouver Board Governance Review.* [MVRD Board report on 2025, May 23]. https://metrovancouver.org/boards/Documents/Deloitte-MV-Board-Governance-Review-2025-05-23.pdf

83481271



Consideration of Changes to the Size and Structure of each of Metro Vancouver's Four Boards of Directors: Options Analysis

Heather McNell
Deputy CAO, Policy and Planning

Metro Vancouver Governance Committee Meeting: April 9, 2026
Orbit Link: Add when archiving presentation to Orbit

metrovancouver

Meeting Objectives

- Evaluate options to potentially amend the size and structure of each of the four Metro Vancouver Boards.
- The focus for the April meeting will be on the GVWD and GVS&DD Boards.
- The intent of the meeting is not to select a recommended option for each Board.
- From today's discussion, staff will identify themes, priorities and feedback, which will be provided to the Board at the end of the month.
- Feedback will inform engagement materials, with opportunities for public, stakeholder and Board input in May and June.

Recap: Current State & Evaluation Criteria

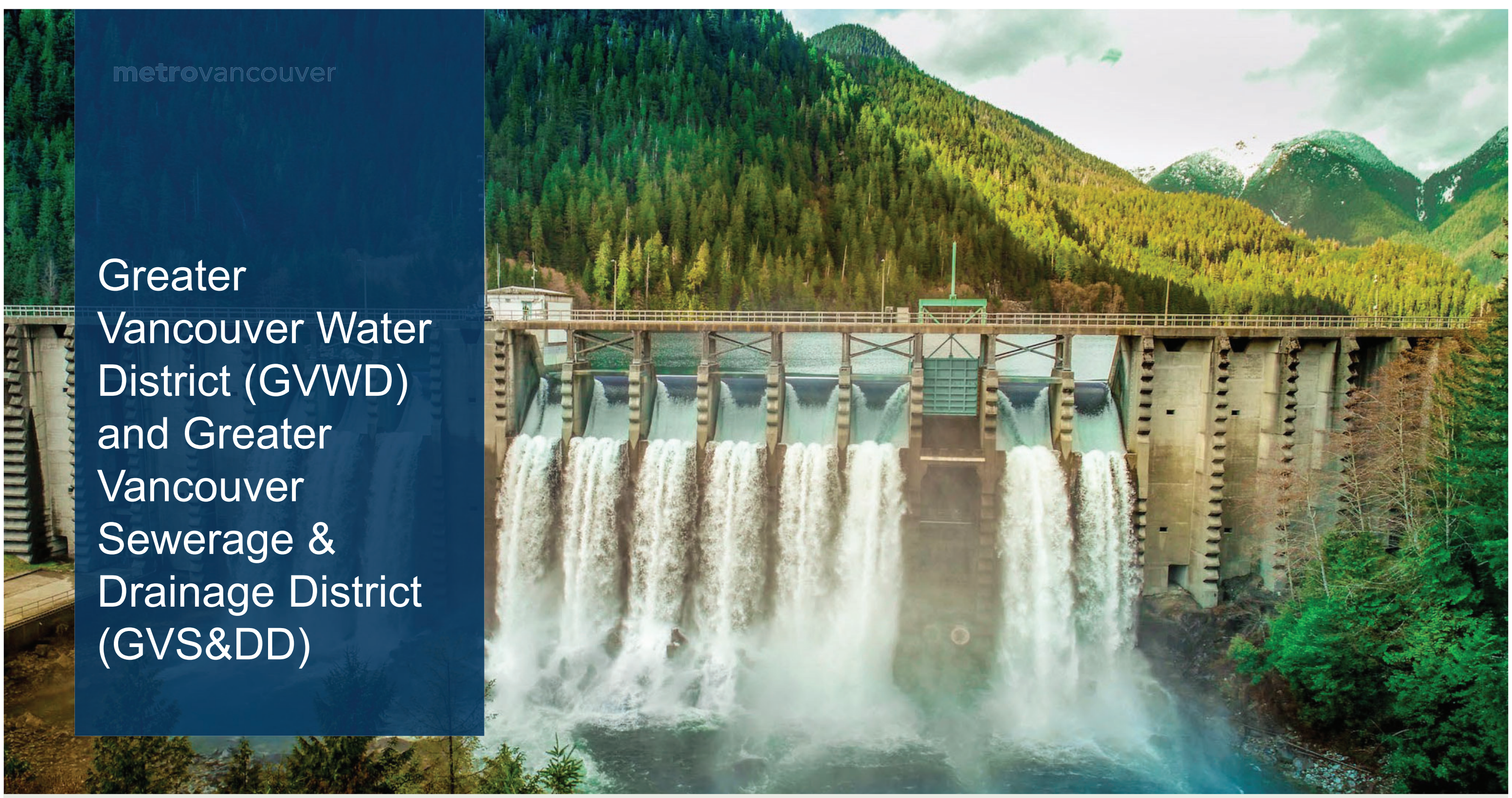
CURRENT STATE OF THE FOUR BOARDS: SIMILARITIES AND DIFFERENCES

	Metro Vancouver Regional District (MVRD)	Greater Vancouver Water District (GVWD)	Greater Vancouver Sewerage & Drainage District (GVS&DD)	Metro Vancouver Housing Corporation (MVHC)
# of Directors	41	38	37	41
Elected	Y	Y	Y	Y
Member Jurisdictions	Full region (23)	Water-serving (20)	Wastewater/solid-waste (19)	Full region (23)
Operating Budget ($)	$133M	$450M	$926M	$62M
Capital Cash Flow ($)	$48M (Parks)	$488M	$1,027M	$207M
Information Flow*	Board meeting freq: monthly Agenda load: high	Board meeting freq: monthly Agenda load: mod-high	Board meeting freq: monthly Agenda load: high	Board meeting freq: monthly Agenda load: low-mod
Decision-Making Complexity	**Moderate-High** — broad regional scope; multi-service decisions	**High** — deep technical requirements; large projects and budgets	**Very High** — deep technical requirements; largest budgets; four sewerage areas	**Low–Moderate** — focused mandate; smaller capital footprint
Transparency	Publicly available meeting agendas and minutes, and the public is allowed to attend meetings in person (except for legally closed sessions)			

***Note:** There are currently 15 Metro Vancouver Standing Committees addressing various topics, including a few that provide broader oversight in areas such as Performance and Audit, Mayors, Caucus of Committee Chairs and Governance

EVALUATION CRITERIA

Criterion	Considerations	Weighting
Governance Effectiveness	• Improved decision-making efficiency & effectiveness • Trusted oversight, collaboration, and strategic alignment • Operates effectively without unnecessary structural or administrative burden • Effectively identify and respond to risks • Reinforce clear decision-making accountability	30%
Size / Scalability	• Board size and scalability align with mandate and complexity	10%
Member Jurisdiction Representation and Impact	• Member jurisdiction representation for services provided • Fairness and equity; Support the broader provision of regional services • Proportional representation of the population served	30%
Broader Stakeholder Impact	• Support the broader provision of regional services to the public • Accountability and transparency; Public trust and expectations	20%
Transition Readiness	• Readiness and ease of implementation • Requirement to adjust enabling legislation. Timing and ease of legal structure change and impacts on funding, programs and projects • Impact on bylaws, policies, board meeting logistics, remuneration and other operational practicalities	10%



metrovancouver

GVWD and GVS&DD Board Problem Statement

- Differing opinions about whether the current size of the Boards is a problem, but general agreement that the trajectory of growth of the Boards is unsustainable
- Duplication of work between Committee and Board, as well as some members expressing that as they were not part of a Committee discussion, where 'all the heavy lifting' is done, they feel less equipped when making decisions at the Board.
- Need for more trust at the Board
- Bringing expertise to the Board is not about having a private Board but rather utilizing and trusting the tools available to support Board decision making including: strong professional staff and expertise; strong project management controls including the cost estimating framework (independent estimates); stage gate process; and independent expert panels on large projects.
- For the GVS&DD, four sewerage areas and resulting equity and funding issues are a source of conflict and challenge (cost allocation with Tiers for both non-growth- and growth-related projects)
- For the GVWD, it was acknowledged that the funding model supports good governance without the challenges faced by separate GVS&DD sewerage areas

metrovancouver

GVWD/GVS&DD Board Options

4 potential options

Option 1: Status Quo

- Current Board size and structure
- Board of 38 Directors (GVWD) and 37 Directors (GVS&DD)

Option 2: Align with Structure of MVRD Board

- Align with the option selected by the MVRD Board (2-5)
- Board will have between 23 and 36 Directors depending which option is selected

Option 3: Smaller Hybrid Board

- Smaller Hybrid Board with 9 to11 Directors
- Blend of utility member MVRD Board Directors plus external appointed Directors selected on merit

Option 4: Add Major Projects Committee to any Board Structure

- With or without delegated authority
- Smaller Committee with a blend of GVS&DD / GVWD Board Directors + external appointed Directors

GVWD / GVS&DD Option 1: Status Quo

Evaluation Criteria	Considerations	Evaluation
Governance Effectiveness	• Decision-making efficiency and oversight effectiveness increasingly strained by Board size • Larger Board can discourage active participation from all members • 85% of Metro Vancouver's Budget / Five Year Financial Plan lies with these two highly technical and complex utilities • Potential gaps in subject matter expertise for complex issues, e.g. for major projects • Stage Gate Process, Project Management Framework, Expert Advisory Panels and Project Technical Review Boards in place for due diligence and to support Board decision making	X of 30
Size / Scalability	• Board size = 37/38. Continues to grow with population, reducing scalability • Larger Board can dilute clear accountability and make oversight of risks harder (e.g., financial, operational, and reputational risks)	X of 10
Member Jurisdiction Representation & Impact	• Strong jurisdictional representation and participation is maintained • Increasingly disproportionate and unwieldy as population grows • Challenge to balancing intent for all jurisdictions to have a voice at the table with differing expectations for collaboration from larger and smaller jurisdictions • Voting power concentrated in larger cities according to population	X of 30
Broader Stakeholder Impact	• High transparency and public legitimacy • Political nature of issues and discussion can impact public confidence and timely decisions • External stakeholders may view a very large Board as less effective	X of 20
Transition Readiness	• No transition required, aligned with existing legislation and practices • As with all options, there are ongoing opportunities for process improvements to increase governance effectiveness	X of 10

GVWD / GVS&DD Option 2: Align with any changes to size and composition for MVRD Board

With this option, GVWD/GVS&DD follow the size and composition recommended for the MVRD Board, which may be any of the options considered in the previous section:

- status quo, one Director per member jurisdiction
- cap the number of Directors at 3 per member jurisdiction
- increase the population threshold per vote to 25,000
- increase the voting divisor to 7

GVWD / GVS&DD Option 2: Align with any changes to size and composition for MVRD

Evaluation Criteria	Considerations	Evaluation

Governance Effectiveness	• Governance effectiveness considerations reflected in the evaluation of each of the options for MVRD above would apply to the utility Boards as well
	• Additional considerations specific to the utility Boards:
	  • Simplicity in having same governance model as MVRD
	  • Not aligned with some other large utility governance models
	  • 85% of Metro Vancouver's Budget / Five Year Financial Plan lies with these two highly technical and complex utilities
	  • Potential gaps in subject matter expertise for complex issues (e.g. major projects)
	  • Stage Gate Process, Project Management Framework, Expert Advisory Panels and Project Technical Review Boards in place for due diligence and to support Board decision making
		X of 30

Size / Scalability	• Size and scalability considerations reflected in the evaluation of each of the options above for MVRD above and would apply to the utility Boards as well with no additional considerations specific to the utility Boards	X of 10
Member Jurisdiction Representation & Impact	• Member jurisdiction representation and impact considerations are reflected in the evaluation of each of the options for MVRD above and would apply to the utility Boards as well with no additional considerations specific to the utility Boards	X of 30
Broader Stakeholder Impact	• Broader stakeholder impacts that apply to MVRD would apply to the utility Boards as well with no additional considerations specific to the utility Boards • External stakeholders may view a very large Board as less effective	X of 20
Transition Readiness	• *GVWD* and *GVS&DD Acts* reflect and depend on the MVRD governance model under the *LGA* to determine the composition of the utility Boards • No legislative changes to the utility legislation would therefore be required to implement changes made to MVRD Board composition under the *Local Government Act*	X of 10

GVWD / GVS&DD Option 3: Smaller Hybrid Board

New, smaller Board structure for both the GVS&DD and GVWD with 9 to 11 Directors on each Board.

Blend of MVRD Directors who are members of the utility in question (Sub-regional representation could be a requirement in selecting Directors) plus external Directors appointed by the MVRD Board (members of the utility in question) for a set term (e.g. four years).

GVWD / GVS&DD Option 3: Smaller Hybrid Utility Boards

Evaluation Criteria	Considerations	Evaluation
Governance Effectiveness	• Inclusion of independent Directors may encourage regional perspective over member jurisdiction interests • Potential for improvements in decision-making efficiency with smaller, purpose-built Board, combining technical expertise with a political lens • Direct involvement of independent expertise to support decision making, including anticipation and mitigation of challenges and issues • Risks moving Board focus into operational vs governance matters • Loss of experience / expertise and risk of large directional shifts as member Directors change over time • Lower diversity of member jurisdiction voices	**X of 30**
Size / Scalability	• Board size = 9-11 Directors. Smaller Board size remains fixed in the future and unaffected by population growth	**X of 10**
Member Jurisdiction Representation & Impact	• Some regional representation can be maintained as part of Board selection criteria • Some jurisdictions may feel more distant from decision-making and perceive a lack of representation	**X of 30**
Broader Stakeholder Impact	• May receive support as better aligned with other large utilities	**X of 20**
Transition Readiness	• Legislative changes to the *GVWD* and *GVS&DD Acts* would be required • Will require provincial engagement with interested parties /stakeholders • Additional consequential bylaw and process modifications within Metro Vancouver may be required, including the process for determining member participation over time. • Likely 18 to 24 months (to be confirmed by Province)	**X of 10**

GVWD / GVS&DD Option 4: Add a Major Projects Committee

This option is available regardless of the Board structure chosen. It could be added to the current Board structure for both the GVS&DD and GVWD or be utilized with any option that aligns with changes to the MVRD Board.

Scalable option. The Board / Chair could add:

a) A committee of existing Boards reporting to the GVS&DD and GVWD Boards;

b) A committee with delegated authority from the two Boards fully responsible for the largest, highest cost, highest risk projects; and/or

c) External appointed Directors selected on merit for set term to either a) or b)

GVWD / GVS&DD Option 4: Add a Major Projects Committee

Evaluation Criteria	Considerations	Evaluation
Governance Effectiveness	• Additional independent expertise aligned with scope, scale, and complexity of major projects could support decision making, including anticipation and mitigation of challenges and issues • Clear and concentrated scope of responsibility and efficient decision making with delegated authority for project oversight	**X of 30**
Size / Scalability	• Smaller Committee of 9 to 11 members and no future growth impacts	**X of 10**
Member Jurisdiction Representation & Impact	• Reporting for information to the larger GVS&DD and GVWD Boards would be required on a regular cadence to retain connection and accountability to member jurisdictions • Some jurisdictions may feel more distant from decision making on major projects	**X of 30**
Broader Stakeholder Impact	• Likely to improve public understanding / confidence in utility governance for major projects • Additional independent expertise may improve confidence in decisions by public and other external stakeholders • Delegated authority may create perceptions of lack of representation when significant or controversial decisions are made	**X of 20**
Transition Readiness	• GVS&DD and GVWD Boards are able to strike a Committee with *delegated authority* via a 2/3 weighted vote • Relatively short implementation timeline • Would require establishment of selection criteria, clear parameters for delegated authority, and means to remunerate External Committee members	**X of 10**

Next Steps

- Staff will summarize today's discussion, identify themes, priorities and feedback, and this will be provided to the Boards at the end of the month.
- Today's discussion will help inform the development of engagement materials to be used in May & June.
- In July 2026, the Governance Committee and Boards will have the opportunity to recommend changes to the Board size and structure for one or more of the Metro Vancouver Boards.

Discussion

metrovancouver

17

metrovancouver
SERVICES AND SOLUTIONS FOR A LIVABLE REGION

5.3

To: Finance & Intergovernment Committee

From: Cheryl Nelms, General Manager, Project Delivery

Date: May 3, 2021 Meeting Date: May 12, 2021

Subject: **Project Delivery Best Practice Response – Capital Project Governance & Stage Gate Framework**

RECOMMENDATION

That the MVRD Board receive for information the report dated May 3, 2021 titled "Project Delivery Best Practice Response – Capital Project Governance & Stage Gate Framework."

EXECUTIVE SUMMARY

Metro Vancouver is implementing best practices related to governance and oversight on capital projects. A key deliverable is to implement a formalized stage gate framework, with the goal of supporting the Metro Vancouver Board and Committees in achieving greater insight and clarity into highest value, risk and consequence projects, including more consistent information with which to make decisions over the lifecycle of a project. A stage gate is a point in time where the governing body makes go/no-go decisions at defined points throughout the project lifecycle. The implementation of stage gates as a key measure to improve project governance is based on a KPMG review of Metro Vancouver project delivery practices and a review of governance practices and stage gate frameworks used by other jurisdictions.

PURPOSE

This report is the fifth in a series of updates on implementation of best practices for capital projects at Metro Vancouver as requested by the Board. It is focused on improvement areas related to project oversight and governance following an interjurisdictional review of practices by organizations delivering large capital programs and the introduction of a stage gate process for key decision points over the lifecycle of capital projects.

BACKGROUND

In the fall of 2019, the Board expressed interest in undertaking a review of Metro Vancouver's capital project delivery practices in order to ensure value for our residents. Since the formation of the Project Delivery Department in February 2020, Metro Vancouver has been conducting a high level review of practices related to project delivery. This work started with a review by an independent consultant (KPMG) and continues to progress with input from external advisors who bring expertise in reviewing, overseeing and constructing multibillion dollar projects.

These reviews are critical to responding to the complex challenges presented by the unprecedented scale of Metro Vancouver's capital projects, the layers of complexity, and market influences. The reviews have identified opportunities for improvement within the areas of leadership, governance, commercial practices, stakeholder engagement, and technical knowledge.

Updates on best practice framework to the Metro Vancouver Board to date have included:

- April 15, 2020 – KPMG review of capital project delivery challenges and best practice response.

- October 2, 2020 – Progress update on activities undertaken by the Project Delivery Department.
- November 18, 2020 – Capital project cost estimating best practices introduced.
- February 10, 2021 – Governance update and draft terms of reference for an external expert advisors panel for highest value, risk, consequence projects.

This fifth update to the Board provides information on project governance and oversight in other jurisdictions and the introduction to a stage gate process for Metro Vancouver. The annual budget and contract approval process is currently being used as a surrogate for a stage gate process in the organization and there are limited guidelines for staff to standardize information presented to the Board for decision making on highest value, risk, consequence projects. The intent of this work is to draw upon inter-jurisdictional best practices for the governance of highest value, risk, consequence projects to improve the processes and information provided for decision making by the Board using current approval mechanisms.

KEY TAKEAWAYS FROM CAPITAL PROJECT GOVERNANCE PRACTICES REVIEW

From December 2020 to February 2021, six North American jurisdictions were interviewed to learn how they governed and managed their capital projects. Jurisdictions were chosen by Metro Vancouver based on the size and complexity of their water and wastewater capital programs. The jurisdictions were: Toronto, Victoria Capital Regional District, San Francisco, Halifax, District of Columbia (Washington, DC), and Edmonton.

The comparator jurisdictions employ a broad range of governance frameworks to operate and manage water and wastewater (and in some cases other) utilities and related capital projects. At one end of the spectrum, Toronto manages and operates its utilities and capital projects internally. At the other end of the spectrum, Edmonton has privatized the ownership and operation of their water and wastewater utilities and the delivery of capital projects required to support it.

Table 1: Capital Project Governance Practices

Toronto	Capital Regional District	San Francisco	Halifax	DC	Edmonton
In-house city management	Project board for core area wastewater treatment project	Independent commission	Crown corporation	Multi-state independent authority	Privatized

Elements of good capital project governance[1]

A rigorous governance framework guides capital project owners in effective decision making and lays the groundwork for project success. Project owners who implement robust governance practices that are specifically designed to meet the demands of the capital project delivery process are the ones most likely to achieve their cost, schedule, performance, and quality goals. Good capital project governance generally has the following characteristics:

1. Clearly defined objectives
2. Robust project oversight

[1] Informed by: PWC: Successful capital project delivery: The art and science of effective governance

3. Clear roles, responsibilities, and authorities
4. Effective risk management
5. Rigorous project reporting and communication

The five criteria above were used to evaluate the maturity of project governance for successful project delivery.

GOVERNANCE PRACTICE REVIEW RECOMMENDATIONS FOR MV

The review of governance practices across these various jurisdictions has resulted in the following recommendations with respect to highest value, risk, consequence capital project governance at Metro Vancouver.

Clearly Defined Objectives

- Identify and recommend clear project objectives and associated performance targets for capital projects for endorsement by the Board. These objectives should include cost, scope, schedule, and potentially other objectives that the Board wants to achieve through its projects.
- Collect data to track and measure project progress against performance targets.

Robust Project Oversight

- Establish an expert project oversight group with the skills and experience required to effectively oversee projects.
- Consider using project outcomes to manage projects instead of relatively low value dollar approval limits and contract approvals.
- Formalize a process for the Board to review highest value, risk, consequence projects at stage gates with the benefit of input from an expert project oversight board.

Clear Roles, Responsibilities, and Authorities

- Continue with implementation of a centralized project management organization for highest value, risk, consequence capital projects. The core responsibilities of this group should be to:
    - Develop a clear project charter to define roles and responsibilities and authorities for efficient management and decision making;
    - Develop standardized processes, procedures, tools, and methodologies for managing and monitoring projects and for progress reporting;
    - Define KPIs and targets for projects;
    - Define project management oversight and support needs;
    - Recommend and assist with implementation of specific project management processes, procedures, and tools for individual projects;
    - Provide project management and contract administrative support through advice or through dedicated or shared staff; and,
    - Develop a database for key project information and lessons learned to improve future delivery practices.
- Operations and maintenance groups that identify the need for a project should work together with the capital construction group throughout the project lifecycle, including when seeking approvals where changes in requirements or performance metrics occur.

Effective Risk Management

- Focus attention early in the development of any capital project on assessing risks associated with construction and other project risks, and develop plans to continually assess, monitor and mitigate them should they arise.

- Evaluate a range of forms of construction contracts for projects to allocate risk and incentivize innovation and ensure the team has the skills and experience to manage the contract models being used.

Rigorous Project Reporting and Communication

- Ensure there are clear project success criteria in place that are reported against.
- Implement an external oversight group and have project managers present their results to them.
- Develop a consistent project and progress reporting structure that is reviewed at each level of oversight using the same data.

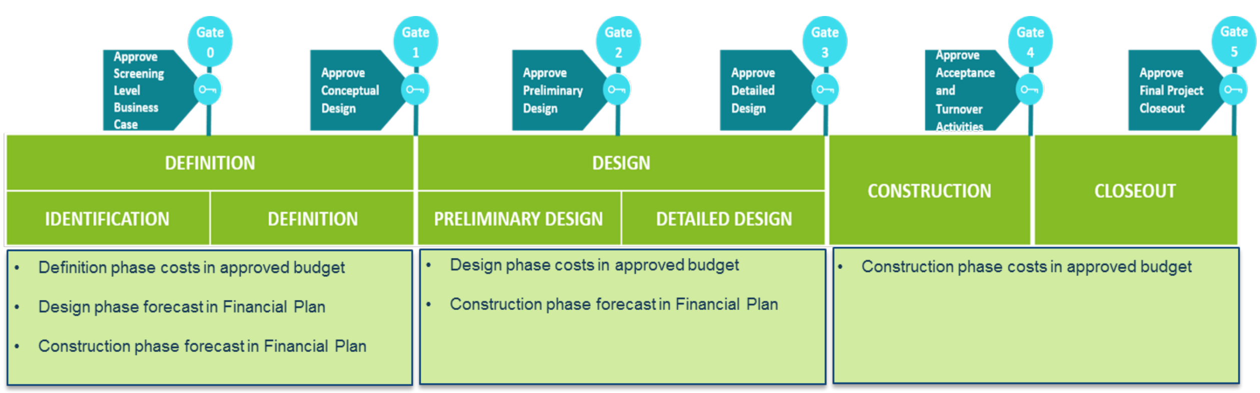
Each of these recommendations is now being planned for and/or implemented. Those recommendations that affect the way the MV Board oversees projects will be brought forward for the Board's consideration. One of these is that the MV Board should review highest value, risk, consequence projects at stage gates with the benefit of input from an expert advisors panel.

STAGE GATE FRAMEWORK AND CAPITAL PROJECT GOVERNANCE

To continue to improve project delivery across Metro Vancouver's portfolio of highest value, risk, consequence capital projects in line with the findings identified above, a project management framework will be developed that will provide the overarching foundation for the planning and delivery of highest value, risk, consequence capital projects. The project management framework will consist of processes, systems, and controls, anchored in project management best practices. A cornerstone element of this project management framework will be a formalized stage gate process for highest value, risk, consequence projects which can then be scaled for other projects across the organization.

As outlined in the attached white paper, a stage gate process provides decision makers with the opportunity to make informed decisions at key points through the entire project lifecycle.

Figure 1: Indicative Stage Gate Process



The stage gate process is used to determine whether a project is situated to meet objectives and therefore continues to warrant investment. When a decision is made to proceed to the next phase, the project team is authorized to spend the funds that were allotted for the next set of planned work activities. Stage gate reviews provide key communication opportunities as projects move through the project lifecycle. They also provide a formal means of controlling project risk, monitoring scope changes, and maintaining stakeholder interest. These reviews are also a means of ensuring implementation of standardized project management processes.

Metro Vancouver's current approach uses the annual budget and contract approval processes as a surrogate for stage gating. This report introduces the implementation of a formalized stage gate process to improve consistency and provide guidance to staff for checks and balances across the life cycle of a project. In addition, the new process will ensure that communication and decision making for the highest value, risk, consequence projects are not limited to the annual budget and contract approval processes.

The following are the lenses that are used to assess the information provided during the stage gate reviews.

- Alignment with organizational strategic goals
- Structure of the project/program
- Value proposition
- Risk mitigation plan
- Organizational implementation capacity
- Impact/ outcome measurement

At stage gate reviews, the project will either be endorsed to proceed for budget approval of the next stage/phase, terminated, or required to reconsider/revise all or part of the current stage/phase.

A stage gate process can be applied to all projects regardless of their classification (scale, risk, and complexity). How it is applied, the level of documentation, and the composition of decision makers are all scalable. Many organizations assess projects based on risk and complexity in addition to the project budget (scale) to determine the level of project governance and oversight required. The Project Management Office will be developing a project classification approach to determine which projects are considered highest value, risk, consequence projects in the organization.

Next Steps for Implementing the Stage Gate Process

The Project Delivery department is developing and implementing a stage gate process for highest value, risk, consequence capital projects that fall under the oversight of the Finance and Intergovernment Committee. An external expert advisors panel will provide input for the consideration of the Finance and Intergovernment Committee's at stage gates for highest value, risk, consequence capital projects. Upcoming projects that are coming to Finance and Intergovernment Committee for stage gate reviews include: Iona Wastewater Treatment Plant Project Definition; Coquitlam Water Supply Project Definition; and construction for Langley Wastewater Treatment Plant Project.

ALTERNATIVES

No alternatives are provided. This is an information report.

FINANCIAL IMPLICATIONS

There are no specific financial implications from this report.

CONCLUSION

This report is the fifth in a series of updates on implementation of best practices for capital projects at Metro Vancouver as requested by the Board. In order to support the Metro Vancouver Board and Committees in achieving greater insight and clarity into highest value, risk, consequence projects, including more consistent information with which to make decisions over the lifecycle of the project. Formalizing a stage gate process for Metro Vancouver and implementing it across the organization will significantly improve the effectiveness of decision making and likelihood of success for capital projects for the organization. Processes under development will be consistent with best practices across other similar jurisdictions delivering large capital programs.

Attachments

1. "Capital Project Governance Practices in Selected Jurisdictions and Recommendations for Metro Vancouver", dated February 2021 by Dana Hayden *(Doc# 44611172)*
2. White paper "How a stage gate process enables informed decision making", dated March 2021 by Catherine Ella *(Doc# 44553865)*

44553967

Attachment 1

HAYDEN CONSULTING SERVICES

February 2021

Capital Project Governance Practices in Selected Jurisdictions and Recommendations for Metro Vancouver

Background

The purpose of this report is to provide information about practices evident in a selection of other jurisdictions related to their project management of major capital projects and programs.

During December 2020 to February 2021, Cheryl Nelms and Dana Hayden interviewed 6 North American jurisdictions learn how they governed and managed their capital projects. Jurisdictions were chosen by Metro Vancouver (MV) based on the size and complexity of their water and wastewater capital programs. The jurisdictions were: Toronto, Victoria Capital Regional District, San Francisco, Halifax, District of Columbia and Edmonton.

Appendix A provides a summary of information obtained from each jurisdiction. Appendix B includes questions that were provided in advance to representatives of these jurisdictions to consider prior to zoom meetings with their executive representatives.

Discussion

The jurisdictions examined employ a broad range of governance frameworks to operate and manage water and wastewater (and in some cases other) services and related capital projects. The jurisdictions interviewed and the models they utilize are:

B.C.'s Capital Regional District – Project Board for core area wastewater treatment project
Halifax – Crown corporation
District of Columbia Water – Multi-state independent authority
San Francisco - Independent Commission
Edmonton – privatized
Toronto – in-house city management

Elements of good capital project governance[1]

A rigorous governance framework guides capital project owners in effective decision making and lays the groundwork for project success. Project owners who implement robust governance practices that are specifically designed to meet the demands of the capital project delivery process are the ones most likely to achieve their cost, schedule, performance and quality goals. Good capital project governance generally has the following characteristics:

1. **Clearly defined objectives**
   Clear project definition through Key Performance Indicators (KPIs) and targets, including cost and schedule estimates and anticipated project scope but potentially also other performance measures such as employment, safety, carbon reduction, impacts on ratepayers, indigenous partnerships etc.

2. **Robust project oversight**
   Clearly understanding the performance of projects against a range of measures such as cost, schedule, and quality at every stage in a project's life cycle is vital to project success. Independent and unbiased expert perspectives assist in anticipating and managing issues that arise during a project.

3. **Clear roles, responsibilities and authorities**
   Having clear roles and authorities for those involved in the planning and development of projects leads to better project management. Planning and construction should be informed by end users so that transition to operations is smooth.

4. **Effective risk management**
   Project owners need to account for the unique risks that each project presents and have plans in place to manage them. An important part of risk management is the implementation of a contract framework that is best suited to those risks and to have staff with the experience to manage them.

5. **Rigorous project reporting and communication**
   To effectively communicate about and report on the status of projects, organizations need common sources of information and a standard set of key performance indicators that align with project and corporate goals.

"In our experience advising on the planning and execution of capital projects across multiple industries, project owners who implement robust governance practices that are specifically designed to meet the demands of the capital project delivery process are the ones most likely to achieve their cost, schedule, and performance and quality goals."[2]

[1] Informed by: PWC: Successful capital project delivery: The art and science of effective governance

[2] Daryl Walcroft, US Capital Projects & Infrastructure Leader, PWC

The 5 governance practices noted above were considered in the context of the jurisdictions interviewed and are summarized in Appendix A.

Key Themes and Recommendations for MV

Criterion 1: Clearly Defined Objectives

The success of a project is as closely tied to thorough project definition as it is to execution quality. Clear project performance definition in terms of cost, scope and schedule but also other performance measures such as employment, safety, carbon reduction, impacts on ratepayers, indigenous partnerships etc. inform all stakeholders about what the owner considers important for success. Without sufficient definition, post-contract changes will likely proliferate, introducing further complexities into project delivery.

Key Themes from our review

- The more that governance is delegated to project or fiduciary Boards the greater the likelihood that clear project performance measures and targets are established.
- When the role of oversight is delegated to a project or fiduciary Board it requires & enables the establishment of clear project deliverables to provide clarity on what the board is expected to achieve.
- The more outsourced governance is the less likely that “social” objectives are established and tracked.
- In many jurisdictions, performance objectives are identified but no targets have been set for them so it’s very difficult to know if the objectives have or have not been met.
- In several jurisdictions the data to report on performance measures beyond scope, schedule and cost are not available or collected making consistent and meaningful tracking against them impossible.

Recommendations for MV

- MV staff should develop and recommend clear project objectives and associated performance targets for its capital projects for endorsement by the MV Board. These objectives should include cost, scope and schedule, and potentially other objectives that the MV Board wants to achieve through its projects.
- MV staff should collect data to track and measure project progress against performance targets.

Criterion 2: Robust Project Oversight

Clearly understanding the performance of projects against a range of measures such as cost, schedule, and quality at every stage in a project’s life cycle is vital to project success. Having a clear line of sight into project performance at each stage in a project's life cycle requires time and the application of appropriate skills and experience to provide oversight.

An important component of oversight is the anticipation of, and potential mitigation of challenges and issues. This may include construction issues such as geotechnical challenges, unforeseen soil contamination, regulatory approvals etc., and also issues that may not specifically be related to construction such as misalignment of objectives between contractors and the project owner, stakeholder challenges, and/or natural and uncontrollable challenges such as earthquakes and pandemics.

Independent and unbiased expert perspectives that address very complex and challenging issues faced over the life cycle of the project and that assist in anticipating and managing issues that arise during a project results in improved project outcomes.

Key themes from our review

- In most jurisdictions elected officials with a broad range of accountabilities had neither the time or the subject matter expertise to provide effective oversight of complex capital projects or programs.
- Elected officials in most jurisdictions have delegated their oversight role to individuals that have skills and experience to understand the implications of construction project performance as they proceed. Different jurisdictions have delegated more or less of the elected officials' oversight role.
- The more independent the oversight is, the greater the use of subject matter experts.
- Where capital project oversight is performed by elected officials, controls based on dollar value of contracts or variance against approved budget are commonly used as a surrogate for project management oversight.
- Using cost and contract approvals as project management tools tends to lead to inefficient allocation of capital.
- All jurisdictions where cost and contract approvals were used as the oversight checkpoint were planning to change associated policies and processes due to its inefficiency.
- The greater the delegation of responsibilities the less likelihood that political interests and/or issues influence project decisions.
- Those jurisdictions implementing the greatest rigor all use a stage gate process to review the progress of projects.

Recommendations for MV

- MV should put in place a project oversight board that has the expertise required to effectively oversee projects.
- MV should consider using project outcomes to manage projects instead of relatively low value dollar approval limits and contract approvals.

- MV should formalize a process for the MV Board to review major projects at stage gates with the benefit of input from an expert project oversight board.

Criterion 3: Clear Roles, Responsibilities and Authorities

A good governance framework enables project owners to clearly articulate the roles and responsibilities for decision making and accountabilities (who is responsible for doing what) using tools such as project charters or governance authority matrices. Because large capital projects often have multiple stakeholders, it is crucial to assign, define, and communicate all players' roles and responsibilities. Clarity on this front helps to avoid redundant control functions or gaps in important management tasks among various groups within the organization. Involving end users (operations group) in the design and development of projects ensures that the end project meets operational needs.

Key themes from our review

- Clarity in roles and responsibilities (Project charter) benefits capital project development regardless of the governance model.
- Many jurisdictions did not have standard processes, procedures or tools to manage and report on progress.
- In jurisdictions where responsibility for capital construction is separate from operations the relationship between the two is often strained and results in complications related to project scope, cost, and schedule and relationships with project stakeholders.
- Operations groups that identify the need for a project need to participate throughout the project life cycle, working together with the capital construction group, including seeking approvals where changes in requirements or performance metrics occur.

Recommendations for MV

- MV should continue with its implementation of a centralized project management organization for its major capital projects. The core responsibilities of this group should be to:
  - Develop a clear project charter to define roles and responsibilities and authorities for efficient management and decision making;
  - Develop standardized processes, procedures, tools, and methodologies for managing and monitoring projects and for progress reporting;
  - Define KPIs and targets for projects;
  - Recommend and assist with implementation of specific project management processes, procedures, and tools for individual projects;
  - Provide project management and contract administrative support through advice or through dedicated or shared staff; and,
  - Develop a database for key project information and lessons learned to improve future delivery practices.

- MV's Operations groups that identify the need for a project should work together with the capital construction group throughout the project lifecycle, including when seeking approvals where changes in requirements or performance metrics occur.

Criterion 4: Effective Risk Management

Capital project owners typically appoint contractors to design and deliver their projects, and many contract out the project's day-to-day construction management. Many assume that once the contracts are in place the contractor will execute the project as planned. This assumption can be dangerous.

From the outset of project planning, project owners should take into account the level of in-house resources and their technical and commercial skill set to monitor and direct performance. They also need to account for the unique risks that each project presents, and ensure they implement a contract framework best suited to those risks and have staff with experience in the contract management approach selected.

When private sector firms bid on public construction contracts they effectively "price" those risks and include the cost of managing them into their bids. Effective contracting strategies allocate risk to the party that is most able to deal with it so that projects can be implemented at the best cost. Different contracting models (e.g. Design-Build, Design-Bid-Build, Construction Management, Design-Build-Finance, Design-Build-Finance-Operate, etc.) provide the opportunity to allocate risks to the party best able to manage them and to incent innovation.

Good governance helps ensure that incentives connect directly to valid corporate objectives and drives out any elements that do not. In addition, contract terms should carefully articulate the contractor's responsibilities to establish, maintain, and report on defined performance metrics and specify the owner's rights to access and audit the underlying project information.

Key themes from our review

- Most jurisdictions focus on construction related risks only.
- Construction risks are used to determine contingency funding levels, but it's unclear whether they are explicitly used to define the types of construction contracts used.
- Several jurisdictions utilize a variety of construction contracts.
- Where external construction and governance related expertise is employed there is a greater level of confidence in forecast budgets and contingency.
- Unless there is rigor in allocating costs to risks and "retiring" risks when the likelihood of them is over construction staff have a tendency to "hide" unused contingency funds to avoid having to request additional funding for their projects.

Recommendations for MV

- MV should focus attention early in the development of any capital project on assessing risks associated with construction and other project risks and develop plans to address them should they arise.
- MV should evaluate a range of forms of construction contracts for its projects to allocate risk and incent innovation and ensure it has the skills and experience to manage the contract models it uses.

Criterion 5: Rigorous Project Reporting and Communication

A lack of defined performance metrics, and untimely or infrequent communication between project owners, contractors and stakeholders can increase project costs and cause delays.

Contract documents should clearly define expectations regarding the nature, frequency, and level of detail to be included in progress reports to the owner. Real-time and complete information regarding the status of the project's performance allows good project management decisions and allows the owner to take actions to mitigate risks. Similarly, current and complete information on potential and pending changes to work allows the owner to make appropriate decisions regarding the scope of work and related commercial issues.

To effectively communicate about and report on the status of projects, organizations need common sources of information and a standard set of key performance indicators that align with project and corporate goals. Once reports are developed, members of the project team and leadership team need to discuss them and agree on next steps. In addition, project status reports across the company should report the same type of information in the same format and from the same databases.

Key themes from our review

- Where the governance structure requires project managers to present project progress against defined criteria to experts not involved in their project there is more rigour in how those projects are managed (reinforces accountability), less instance of cost overruns and other contractual issues.
- Project progress reporting was identified by each jurisdiction as critical but most jurisdictions did not have systems or tools in place for 'smart' enterprise reporting.
- Project data management was identified as important for costing future projects.

Recommendations for MV

- MV should ensure there are clear project success criteria in place that are reported against.
- MV should implement an external oversight group and have project managers present their results to them.

- MV should develop a consistent project and progress reporting structure that is reviewed at each level of oversight using the same data.

Conclusion

The jurisdictions reviewed employ a range of governance models, practices and procedures to implement capital projects. To improve MV's governance model to better reflect good project governance criteria identified for successful capital project implementation, the following actions are recommended.

Summary of Recommendations to Strengthen MV Capital Project Governance

Clearly Defined Objectives

- MV staff should develop and recommend clear project objectives and associated performance targets for its capital projects for endorsement by the MV Board. These objectives should include cost, scope and schedule, and potentially other objectives that the MV Board wants to achieve through its projects.
- MV staff should collect data to track and measure project progress against performance targets.

Robust Project Oversight

- MV should put in place a project oversight board that has the expertise required to effectively oversee projects
- MV should consider using project outcomes to manage projects instead of relatively low value dollar approval limits and contract approvals.
- MV should formalize a process for the MV Board to review major projects at stage gates with the benefit of input from an expert project oversight board.

Clear Roles, Responsibilities and Authorities

- MV should continue with its implementation of a centralized project management organization for its major capital projects. The core responsibilities of this group should be to:
  - Develop a clear project charter to define roles and responsibilities and authorities for efficient management and decision making;
  - Develop standardized processes, procedures, tools, and methodologies for managing and monitoring projects and for progress reporting;
  - Define KPIs and targets for projects;
  - Define project management oversight and support needs;
  - Recommend and assist with implementation of specific project management processes, procedures, and tools for individual projects;
  - Provide project management and contract administrative support through advice or through dedicated or shared staff; and,

  - Develop a database for key project information and lessons learned to improve future delivery practices.
- MV's Operations groups that identify the need for a project should work together with the capital construction group throughout the project lifecycle, including when seeking approvals where changes in requirements or performance metrics occur.

Effective Risk management

- MV should focus attention early in the development of any capital project on assessing risks associated with construction and other project risks and develop plans to address them should they arise.
- MV should evaluate a range of forms of construction contracts for its projects to allocate risk and incent innovation and ensure it has the skills and experience to manage the contract models it uses.

Rigorous Project Reporting and Communication

- MV should ensure there are clear project success criteria in place that are reported against.
- MV should implement an external oversight group and have project managers present their results to them.
- MV should develop a consistent project and progress reporting structure that is reviewed at each level of oversight using the same data.

Appendix A Summary of Information from Jurisdictions Interviewed[3]

Criterion 1: Clearly Defined Objectives

A	B	C	D	E	F
Cost, schedule and scope are tracked. Ad hoc Use of social procurement objectives e.g., at risk youth employment. Only a few projects have performance measures.	Performance measures and targets for cost, scope and schedule clearly defined by Utility B elected officials in project board terms of reference and mandate. Project Board instituted others. Any potential deviation from cost, scope and schedule performance metrics requires project board to seek Utility B approval. Data are tracked to report on all performance measures.	Utility C elected officials have delegated this role to the Commission. Commission has established performance measures for cost, scope and schedule, but also now sustainability and environment, flow rates and maintenance frequency. They are considering adding measures to respond to climate change, good neighbor objectives, air quality etc. Project metrics to measure project performance are generally lacking.	Clear performance objectives and targets defined by Utility D. These are reviewed each year by the municipality. Independent utilities commission reviews all projects and approves them only if they are consistent with rates/objectives. Data are tracked to measure against	Defined by Utility E. Customer rates are set by the Board and can't be exceeded. Board also approves schedules and requires reduced energy consumption over time. Metrics are collected for these measures. Have "go/no go" objectives to increase equity and diversity and employment of minority and women owned businesses. No targets for these are set but contractors are required to report on efforts.	Utility F contractor and management define performance measures and targets (both for projects and staff work) that include performance measures and targets established by Utility F elected officials that are in Utility F's contract with the contractor. Data are tracked to

[3] *Jurisdiction names removed for confidentiality.*

			performance measures.		report on all KPIs.

Criterion 2: Robust Project Oversight

A	B	C	D	E	F
Staff at various levels have this. No independent oversight exists. Utility A elected officials use cost and contract approvals as a surrogate for oversight. No use of stage gate process but KPMG has recommended that they do this with council.	Project board performs this role on behalf of Utility B elected officials. Staff report to the project Board monthly, and more often if issues arise. All project stages are reviewed by the project board. The project board has full authority to implement studies, reviews etc. as it sees fit to oversee projects.	Commission established by elected officials to oversee water and wastewater. They oversee all aspects of operations, construction, public consultation, etc. The Commission is made up of 5 members appointed by the mayor. Each has a specific oversight role: workforce, environmental, financial, construction etc. They don't use a stage gate process to review projects.	Utility D corporation was established to provide oversight on behalf of elected officials. Utility D board has 4 (elected) councillors and 3 private sector representatives with expertise in capital construction. Utility D Board reviews projects at various stages and uses a stage-gate process. Utilities commission provides independent assessment of Utility D capital projects and must approve them before they proceed.	Utility E provides oversight on capital projects on behalf of elected officials from multiple states. Board of Directors is 11 representatives from districts (6) and jurisdictions (5). All appointed by the mayor. Board is composed of businesspeople, engineers, persons with utility and construction background, etc. Board has sub committees that do a thorough review of projects with staff.	The contractor's board uses internal project boards that receive regular reports. No elected officials are involved in governance but they have performance-based regulations in place that Utility F approves. Staff are incentivized to achieve desired performance outcomes for projects and for management. Use a formal stage gate process for internal approvals of projects (1. concept, 2.

A	B	C	D	E	F
		Even though they meet every 2 weeks, Commissioners are challenged to be able to spend the required time on any given project given the range of responsibilities assigned to them. A Board of Supervisors (elected) Capital Planning Committee receives reports from the Commissioners		Water and sewer issues are voted on by Districts only. Policy issues and governance is overseen by entire board. Board presents its plans to customers each year to present their plans and rate impacts. Wards (customer representatives) present to Board of Directors.	financial envelope approval, 3. budget request, 4. Release of funds, 5. change orders

Criterion 3: Clear Roles, Responsibilities and Authorities

A	B	C	D	E	F
Operating division does longer term planning and determines capital program and requests funding from Council.	Project board hires and directs staff working on project. Clear authority matrix and roles and	Robust authority matrix in place that is applied to every RFP, contract award and policy.	Good internal accountability. Cost of service modelling in place. Presentation of major projects to the	Board and its sub committees receive presentations from staff. Staff recommend capital projects required.	Every 5 years the Contractor prepares an application for revenue needs that includes an operations plan and a capital plan. This

A	B	C	D	E	F
Then capital division procures and manages on behalf of operating divisions. If inadequate funding operations staff return to council to request additional funds. Operations divisions do long term planning. Some tension between operating divisions and capital construction divisions.	responsibilities developed. Strong communication between project staff and operations staff in Utility B. Several project staff will continue to work for Utility B on the project in operations after its complete.	The Commission meets every 2 weeks to review progress. There is a lack of integration between operations division and capital division. This leads to a lack of accurate prioritization of projects. Fairly heavy level of bureaucracy and politics resulting in prolonged project decision making adversely impacting project outcomes.	utilities commission has created rigor in project planning. Good integrated resource plan (IRP) with a 25- year outlook to deal with water and wastewater. New IRP every 5 years Good relationship with municipal staff. Utilities commission lets them know if the relationship is too close.	Board presents to customers during the year to present plans and proposed rates. Approvals are based on implications to rates, not inputs – i.e., outcome focused and not controlled by inputs. Only issues brought forward once a budget is approved are legal. If politicians don't like what the rates look like (and therefore the budget for Utility E) they can change them (even though they have a 10-year budget).	must have an efficiency factor included. The Contractor approves or not. Clear project charter in place Project managers are required to present their performance metrics to the Contractor Board which approves them. These must include net income, safety etc. Decision authority is clear. Decisions are pushed down to the lowest level possible.

Criterion 4: Effective Risk Management

A	B	C	D	E	F
Risk registry exists for schedule, cost and scope but not otherwise. Traditional Design Bid Build delivery approach was outlined as a key contract approach. Larger projects (e.g. tunneling) attracts greater political oversight.	A well-developed risk register in place for the project that includes both construction and non-construction risks. Risks are assigned to managers to track. Portions reviewed by board at each meeting. Several different types of contracts used in the project.	Have a well-established suite of tools to manage risks but the risk management process is only well defined for construction projects. They have a limit on contingency depending on the type of project. Contingency estimates are regularly exceeded. Have done CM, DBB but no P3s. Every 2 years they “re-baseline” their project budgets.	Utility D Board has a separate committee dedicated to assessing risks. Utilities commission challenges project team, schedule, risk management framework, size of contingency etc. – very rigorous. Large project reviews are public. Outside experts challenge Utility D assumptions as part of utilities commission process.	Construction related risks are assessed and contingency established based on them. Don’t reduce contingency as project proceeds until milestones are reached. Tends to “hide” dollars from finance dept. resulting in poor relations. Board sub-committees meet with staff and do a thorough review of projects and determine when they are ready to go to the Board. Construction management, design build, and design bid build approaches applied.	Use standard construction related risk management assessment and allocation of contingency. Project managers present their performance against targets with metrics regularly. Have a “controllable capital” performance measure that requires them to be within +/- 5% of their forecast costs.

Criterion 5: Rigorous Project Reporting and Communication

A	B	C	D	E	F
Don't have good tools in place to measure how they have achieved objectives. Once a project is approved oversight beyond staff is minimal unless additional funds are required.	Monthly reporting to project board. Monthly reports include information on project status and pending challenges to allow for corrective and anticipatory actions. Project board meetings are open and closed, and stakeholders can make presentations or see information online. Staff meet regularly with citizen stakeholders. Quarterly reporting to Utility B wastewater committee of Utility B Council.	Board of Commissioners is responsible for reviewing and approving everything but doesn't have the time to question risk assessment or contract implementation. Have annual reports, financial reports. Also have a waste- water capital report where they report on all projects quarterly.	Utility D staff have good control on projects with external advisors (engineers, lawyers, accountants). Good relations between Utility D and municipalities. IRP in place and reviewed publicly at utilities commission Annual report back to commission on what was approved and what was spent	Committees of the Board meet with staff monthly and do a thorough review of progress. Monthly program reports on all projects. Board does presentations to customers a few times a year to get their input. The Board of Directors presents its plan to Utility E commission.	Contractor staff oversee all capital projects. Staff report to Board and its committees regularly against performance criteria established for their project. Contractor produces quarterly reports that are reviewed by the utilities committee of the city. Anything outside of plan that counsellors request is tracked and costed. There is little long-term objective setting beyond the 5-year plan.

Appendix B: Public Sector Capital Infrastructure Projects Questions for Other Jurisdictions

Introduction/Background:

Metro Vancouver is a federation of 21 municipalities, one Electoral Area and one Treaty First Nation that collaboratively plans for and delivers regional-scale services. Its core services are drinking water, wastewater treatment and solid waste management. Metro Vancouver also regulates air quality, plans for urban growth, manages a regional parks system and provides affordable housing. The regional district is governed by a Board of Directors of elected officials from each local authority.

Metro Vancouver has a large capital infrastructure program in progress. It has recently established a capital project delivery unit, headed by General Manger Cheryl Nelms. Cheryl Nelms is leading a review of the way in which Metro Vancouver currently manages and oversees the implementation of its capital program and is seeking to learn more about what is working and what is not working with respect to the governance and oversight of capital projects in other jurisdictions. She is being assisted in this work by Dana Hayden. As part of this work, Cheryl Nelms and Dana Hayden would like to learn more about how your capital projects are governed, what works and potentially what challenges you are facing in implementing your capital projects.

We would greatly appreciate it if you would share your insights on capital infrastructure project governance. In particular, we are interested in learning about how you support project management and expenditure decision-making, accountability and transparency to:

- Monitor and control projects;
- Set performance measures and track them;
- Measure benefits and manage risks;
- Ensure a smooth transition to operations; and,
- Translate and incorporate "lessons learned"

The following questions are intended to guide our discussion.

Governance Structure/Model

Public infrastructure projects are often complicated and costly and as a result project oversight is particularly important. Some public sector organizations rely on in-house expertise to oversee projects, and some use fiduciary boards or advisory boards to utilize skills/expertise that may not be held by staff. We would like to understand what type of structure(s) you use.

1. Please describe/explain the type of governance structure you have in place for your capital projects:
   a. Do you have a Chief Project Officer for your capital project(s)? (i.e. even if you have a team of people working on capital projects, is there someone individually who is accountable for managing the project(s)?)

   b. Do you have a project board?
   c. Do you have an oversight board?
   d. Does your oversight board provide direction to staff managing capital projects (fiduciary board) or does it provide advice to those managing capital projects (advisory board)?
   e. Do you have a single capital project or several, and does your project board or oversight board (if you have one) deal with more than one project?

2. What process did you undertake to establish the governance structure you have?
   a. How did you determine that the governance structure you have was the best one for your jurisdiction?
   b. Does the structure include elected individuals?
   c. Was the structure endorsed by elected officials?
   d. What are the skills/experience that you have at each (and different) levels of your governance/oversight?
   e. Do you use internal staff to populate these structures or do you use expertise from outside your organization?
   f. If you have a project board, who decided which persons would be on these boards and who selected them?
   g. Did that process involve public disclosure of the delegation of any responsibilities of the elected officials?

3. What are the advantages of the structure you have in place? What works well?

4. What are the disadvantages of the structure you have in place? If you could change some things what would you change?

Public accountability and decision-making authority

Elected officials use different ways to "control" and provide oversight for public sector capital infrastructure projects, for example, through expenditure limits, or by putting in place oversight boards with elected and/or non-elected individuals. Where a non-staff fiduciary or advisory board is used, elected officials may be wary of delegating responsibility for high value/cost projects to individuals who are not staff. We would like to understand who is accountable for ensuring your projects are well implemented, what authorities are delegated to them, and what reports are produced. You may have this documented in a project charter, or it may be that the easiest way to explain this to us is with an organization chart.

1. What kinds of decisions can be made by whom at what level in the governance/oversight structure that you have in place?
   a. How are decision making authorities and accountabilities established?
   b. Are there financial limits or other constraints that are important in your oversight model?
   c. Do you have a project charter that lays out these decision rules?
      i. If so can you share it?

2. Do you contract specific types of services or expertise? What types of services do you acquire through contract (e.g. legal, procurement advice, fairness advisor, etc.)?

3. What is the reporting system that you have in place?
   a. How/how often do you report to senior management, elected officials, the public?
   b. What types of information is included in reports?
   c. Can you share an example of your reports?

Project Objectives

The public, and therefore elected officials, have high expectations for public sector capital infrastructure projects. In addition to key performance indicators such as cost, scope and schedule, there are often project objectives related to public amenities, safety, job creation, economic development, etc. We would like to understand what objectives (key performance indicators) are important for your project(s), and how you collect data to report on them.

1. How do you define project objectives? Who approves/endorses them?

2. Did you establish key performance indicators (KPIs) beyond cost, scope and schedule for your project(s) and if so what kind of KPIs do you track?

3. How do you measure/collect data to report on your KPIs?

Risk Management

Anticipating and managing risks is vital in large capital infrastructure projects. Some jurisdictions focus on risks associated with cost and schedule, and others use a more fulsome risk register that attempts to identify different types of risks, to quantify the likelihood of them occurring, and what actions will be taken by the organization to manage them. Often contingencies are established to manage risks. We would like to understand how you identify and manage risks, and whether you establish/allocate contingency funds to manage them.

1. How do you manage risks?
2. Do you use a risk register?
3. Who establishes your risk register?
4. What types of risks do you consider?
5. Do you establish project contingency funds associated with identified risks?
6. Are risks assigned to/managed by particular individuals?
7. How often is your risk register reviewed/updated, and who reviews it?

Integration with Operations

In some cases those individuals who will be operating a capital infrastructure project when it is built are involved in its construction. Sometimes construction is overseen by others, and then the project is "handed off" to those operating it. We would like to understand how you manage, or plan to manage, the transition from construction to operations.

1. How do you manage integration or hand-off between those responsible for construction of the capital project and those who will manage it?
    a. Are "operators" part of the capital construction team (the same team?)
    b. If these groups are separated, how is/will the handoff be managed?
    c. If these groups are separated, what challenges do you believe you'll have to manage.

Lessons Learned

Capital Infrastructure projects often take many years to plan, procure and implement. During that process, there are key learnings that ideally should be passed on so that the next projects can benefit from that knowledge. Often key staff or individuals will retire, be promoted or leave projects before they are completed. We would like to learn about how you manage the transfer of knowledge to take advantage of lessons learned.

1. Do you have a process in place to manage the transfer of knowledge from person to person, or from project to project?
2. Is the process effective?
3. If you could do something differently with respect to knowledge transfer what would you do?

Attachment 2

STAGE-GATE FRAMEWORK:

How a stage gate process enables informed decision making.

Date: 20 March 2021

ELLA ADVISORY
SERVICES

Table of Contents

1 Background

Metro Vancouver is in the process of planning and implementing several significant capital infrastructure projects related to liquid waste and water services for the region. There is an understanding that the size, complexity, and volume of these projects requires a new approach.

One of the overall findings of the KPMG review completed in early 2020, was that Metro Vancouver needs to adapt how capital projects are delivered within the organization. The review also observed that there is no standardized or fully implemented stage gate process across the organization for approvals at key project milestones. Metro Vancouver has historically used the annual capital budget process and contract award approval process as surrogates for a formal stage gate process. Although staff in the Water and Liquid Waste utilities mapped out a Stage Gate Process for the utilities in 2018, only Stage Gate 1 (the very start of the project lifecycle) for minor capital (<$250K) projects has been implemented.

This is not consistent with other similar capital-intensive public-sector organizations delivering complex and high-risk projects. Decision makers should be provided with the opportunity to make informed decisions through the following lenses for the entire project lifecycle. This allows them to be strategically positioned to allow for early, timely and effective oversight.

Alignment	Structure	Value	Risk	Implementation Capacity	Impact
Does the project align with the organization's strategic goals?	How is the project/program structured?	Does the project represent good value?	Are risk mitigation plans in place for the project?	Can the project be delivered within the department's existing capacity?	Will it achieve outcomes? How will these be measured?

The objective of this whitepaper is to describe what a Stage-Gate model is, including how leading practices have been implemented in other organizations. The paper concludes with next steps and the expected outcomes of implementing a Stage-Gate Framework across Metro Vancouver's portfolio of large capital projects.

This whitepaper is one of a series of improvement initiatives, consistent with the KPMG review, to enhance project delivery throughout Metro Vancouver.

2 What is Stage-Gating?

Developed in the 1940s for large-scale engineering projects, the stage-gate process is a linear project management concept punctuated by stages of development followed by benchmarks for assessment.

It is used to determine whether a project is situated for success and therefore continues to warrant investment. When a decision is made to proceed to the next phase, the project is authorized to spend the funds that were allotted for the next set of planned work activities.

To make a decision at a gate, a project review at the end of each phase, should include: a revalidation of the project; confirmation that the intended benefits are still relevant and attainable; and an overall determination of the ongoing viability of the project.

Project Gates and Project Gate Reviews are both concepts that provide key communication opportunities as projects move through the project lifecycle.

Gates and Gate Reviews also provide a formal means of controlling project risk, monitoring scope changes, and maintaining stakeholder interest. Within an organization, Gate Reviews are also a means of project management process deployment and change management.

2.1 Key Components

The key components of a Stage-Gate model are:

1) Stage Gates
2) Gate Review
3) Gate Committees
4) Gate Keepers

2.1.1 Stage Gates

Stage Gates are key points in a project where a formal review of the project's current state is performed. They appear at the phase transitions of projects and represent a point in the project where the sponsor and stakeholders will review risk, expense, and reward. When a Stage Gate is encountered, a Gate Review is held to determine if the project should proceed or not and under what conditions.

Stage Gates are governance check points that support informed business decisions during the selection and delivery of a project or program.

Defining Each Gate

Typically project gates follow transitions within a Project Lifecycle. The Project Lifecycle is the full set of activities from the beginning to the end in a project. The lifecycle is divided into phases, which can be sub-divided into stages.

The Project Management Institute (PMI) describes the life cycle of a project in five phases including: conception and initiation, planning, execution, performance/monitoring, and project close. The following Environmental Scan summarizes how several organizations describe their project phases:

Government of Canada	UK Government	BC Hydro	Seattle Public Utilities	PMI
Initiation	Policy	Initiation	Initiation	Conception and Initiation
Planning and Identification	Feasibility	Identification	Options Analysis	Planning
	Appraise and Select			
Definition	Define	Definition	Design	
Implementation	Deliver	Implementation	Construction	Execution

Close-out	Operate, Embed and Close	Close-out	Project Close

Typical Project Stage-Gate Model:

Gate approval points are positions at the end of key stages in the project life cycle to allow decision-makers to confirm that the proposed project solution remains in alignment with business needs and priorities. Each gate is a formal approval point, which presents key information to management, typically categorized in terms of cost, schedule, scope, procurement, and risk.

According to BC Hydro's Project Lifecycle (see Figure 1), the project lifecycle is the full set of activities from the beginning to the end in a project. The lifecycle is divided into four phases, which are, in turn, sub-divided into stages. The stages are determined based on the major parts of project performance (e.g. Initiation; Identification – needs, conceptual design, feasibility; Definition – preliminary design, regulatory approval; Implementation – detailed design, procurement, construction, commissioning & acceptance, and completion) and the need for control by the organization's management applying gates and checkpoints for go/no go decision making.

For each project that advances through to completion, the Initiation, Identification, Definition, and Implementation phases are always required, but the magnitude of the content and the rigour of review will vary depending on the individual project.

Procurement activities occur throughout all phases and are required to comply with procurement policy and practices.

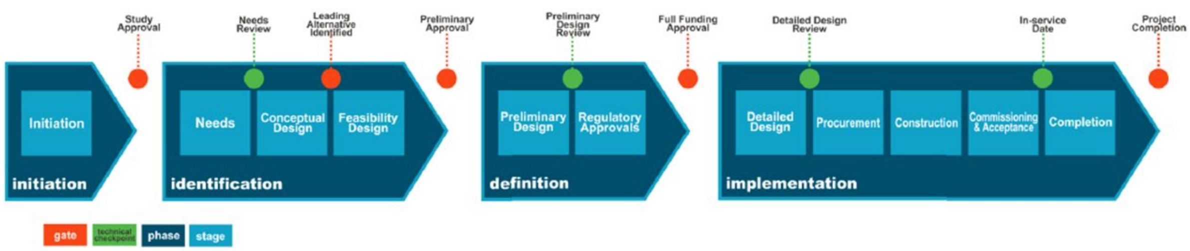


Figure 1 – BC Hydro's Project Lifecycle with gates.

2.1.2 Gate Reviews

Gate Reviews should accomplish the following:

- A review of the project by decision makers (ie not the project team).
- Assessment of readiness for project to go forward.
- A revalidation of the project's purpose.

- A recap of recent project history.
- A look into the project's near-term plans.
- A re-commitment of resources.
- Expenditure authorization for the next phase and procurement contracts.

Defining the Gate Review Process

Gate reviews provide decision makers input at specific points in the project life cycle when further progress entails higher investment and commitment[1]. At the Gate Review the project manager advises on progress made to-date, changes since the last Gate Review, and the plan for the work between this Gate and the subsequent Gate. To be effective Gates should address the two key causes of project failure: scope changes and risk. Formal (change order) and informal scope changes (unknown complexity), and new risks and risk assessments should be Gate topics. Gate Reviews give decision makers visibility into the project's progress to-date, changes since the last Gate, and the project manager's plan for the near term. At this point decision makers may let the project proceed, delay, alter, or cancel the project before further work is performed.

A gating decision typically is known as a go/no-go decision. The decision may recommend any one of the following:

	Decision	**Meaning**
GO	Proceed	Continue to invest in the project.
GO	Proceed with conditions	Continue to invest in the project acknowledging that certain conditions must be met prior to the next gate
NO GO	Not ready to proceed	Finalize outstanding items to meet any necessary conditions and then return to the gate to confirm readiness to proceed
NO GO	Terminate the project	Cancel the project as it is not longer considered viable or is no longer aligned to organizational priorities

As a result of a successful Gate Review, the project manager has obtained the concurrence that the work to-date is satisfactory, risk is controlled, scope is being addressed, the plans are sound, and the organization remains committed to the project.

Gates and Gate Reviews are not periodic. Gates occur at phase transitions and thus are paced by the rate of progress and complexity of the project. Gate Reviews address progress to-date, scope, detail plans for the next phase, sponsor recommitment, and authorization to proceed into the next phase. Gates represent a point in time when the project manager may be told to execute the next phase per the plan, rework one or more of last phase's deliverables, or revise and resubmit the plans for the phase. A Gate Review can also cancel a project if the project's purpose and benefit are no longer consistent with the risk, required resources, or strategy of the organization.

[1] https://www.pmi.org/learning/library/contemporary-gate-philosophy-implemented-outcome-7786. Stratton, R. W. (2003). Project gates: "Chutes and Ladders®" for project managers. Paper presented at PMI® Global Congress 2003—EMEA, The Hague, South Holland, The Netherlands. Newtown Square, PA: Project Management Institute.

2.1.3 Project Management Framework & Project Governance, Gate Committees and Gate Reviews

2.1.3.1 Project Management Framework & Project Governance

A Project Management Framework includes a project governance structure that includes authority limits, decision making roles, quality assurance needs, reporting structure, accountabilities, and responsibilities.

The main participants in project governance are as follows:

- Project Sponsor
  - Accountable for enabling the successful planning, definition, implementation, transition, and close-out of the project.
  - Decides if a project is ready to proceed to a gate.
- Project Approval Authority (ie Gate Committee)
  - Provides clear, documented approval within the boundaries of scope, budget, risks, and benefits.
  - Conducts a due diligence review commensurate with the scale, complexity and risk of the project prior to granting of approval.
- Project Manager
  - Manages the project on behalf of the organization, including managing, within their authority level, the financial and human resources.
  - Prepares the Gate Review submissions after Initiation Gate Review
  - Authority is delegated by the Project Sponsor.
  - Accountable to the Project Sponsor for the successful delivery of the project, and for achieving the approved project outcomes within the approved cost and schedule.
- Gatekeeper (Corporate Project Management Office)
  - Manages the integrity and rigour of the stage-gate process on behalf of the organization.
  - Supports the stage-gate process by presenting submissions to the Gate Committee and provides integrated advice and administrative support.
  - Ensures that the Gate Committee's membership includes relevant Subject Matter Experts (SME).
  - Establishes the processes, templates, and tools, and training.
  - Provides guidance and advisory services for the Stage Gate process to Project Managers.
  - Performs a challenge function and advises Gate Committee members on submission readiness.
  - Executes the analysis on project health and provides a means of direct escalation of issues and risk to the Project Sponsor.
- Business Owner
  - Responsible for identifying the need/opportunity.
  - Prepares the Gate Review for the Initiation Gate Review.
  - Ensures that the project deliverables meet user requirements, business processes and overall operational service needs.
- Benefit Owner

  - Responsible for accepting the identified benefits.
  - Representative of the client stakeholder (e.g. O&M).
- External Project Steering Committee (Typically in place only for large complex and high risk projects)
  - Provides expert advice to augment skills and experience of organizations.
  - Provides expert advice related to project management, risk management, reporting, stakeholder engagement, design and construction, and delivery methods.

2.1.3.2 Role of the Gate Committees

The gate committee is an essential component of the project governance process. It provides oversight and endorsement at identified points along the project life cycle. At the gate meeting, the project will either be endorsed to proceed for budget approval of the next stage/phase, be terminated or will be required to repeat all or part of the current stage/phase. The gate committee will also review requests for other approvals such as increases to the project budget or change orders for procurements.

During the project life cycle, the gate committee may also receive mid-phase project briefings related to specific issues. The gate committee may provide advice or approve a recommended action, depending on the issue.

Typically, the composition of the gate committee is linked to the scale, risk and complexity of the projects under consideration. For example, the BC Hydro Board of Directors is the "Gate Committee" for projects greater than $45 M. For Government of Canada projects, a dollar threshold is not the driver for projects approved at the cabinet committee "Treasury Board" responsible for Expenditure Management. All departments and agencies must submit projects that are determined to be high risk and complexity and that exceed the capacity of the department.

Regardless of the composition of the Gate Committee, or the size, risk, and complexity of the project under consideration, the following are the lenses that are used to assess the information provided during the gate reviews.

Decision Body Lenses					
Alignment	**Structure**	**Value**	**Risk**	**Implementation Capacity**	**Impact**
Does the project align with the organization's strategic goals?	How is the program or project structured?	Does the proposal represent good value?	Are solid risk mitigation plans for the project?	Can the project be delivered within the department's existing capacity?	Will it achieve outcomes? How will these be measured?

2.1.3.3 Gate Reviews

The following is a description of typical gates, key decisions, and considerations:

<u>**GATE 1: Initiation: Approval to proceed to Planning Phase.**</u>

The goal of the initiation phase is to determine whether a problem or opportunity is worthy of additional investment in the time and resources required to gather data, refine the understanding of the issue, and assess possible responses or solutions.

The key decision for the Gate Board is to authorize expenditures for the Planning Phase (ie seed funding and resource allocation).

Key Considerations for Gate Committee Members:

1. Is this a valid need/opportunity (problem statement) aligned with the organization's strategic objectives? Investment Plan?
2. Does this represent a priority for our resources?
3. Is the scope of the problem statement clearly defined? Is it related or aligned with any other need/opportunity?
4. Are the right alternatives being considered?

GATE 2: End of Planning: Approval to proceed to Definition Phase.

The goal of this phase is to study the benefits and costs, as well as other non-financial criteria of each option, including the option of no project – i.e. maintaining the status quo. This is typically summarized in a business case which includes a clear problem definition and documents the study and evaluation of several options through reasoned analysis and clear criteria. It reflects both quantitative and qualitative analyses. This analysis culminates in a recommended solution to the problem statement.

The recommended solution should include a project plan (e.g. scope statement, project budget, project schedule, procurement options analysis and strategy, risk management plan, communications plan, and human resourcing plan). The source of funds as well as consideration of ongoing life cycle costs and any decommissioning costs (if replacing an existing asset) should also be included. The objective is to present the information decision makers need to make an informed choice. For many organizations, the proposed solution sets the project baseline that is used to compare variances as the project is further developed.

At this gate, the Gate Committee makes the following key decisions:

1) Approves the project (or not).
2) Authorizes expenditures for the Definition Phase (for project definition and/or preliminary design, technical studies, advisory services if required).
3) Authorizes contracts for procurements within the Definition Phase.

Key Considerations for Gate Committee Members:

1. Does the recommended solution maximize the benefit to the organization?
2. Is the recommended solution timely?
3. Is the recommended solution scope clear enough to proceed to the Definition phase?
4. Does the project plan address all key aspects of project delivery in a complete and effective way? Is the project adequately resourced?
5. Are the risks to complete Definition phase as proposed adequately managed?

GATE 3: End of Definition: Approval to proceed to Implementation Phase.

At the end of the Definition Phase, the cost estimate for the project should be available as well as the final business case, and project plan for the implementation process.

It is at this gate that the Gate Committee makes the following key decisions:

1) Approves proceeding to implementation (or not).
2) Authorizes expenditures for the Implementation phase.
3) Authorizes contracts for procurements (design, construction, equipment, etc.).
4) Authorizes real estate transactions (if required).

Key Considerations for Gate Committee Members:

1. Does the recommended solution maximize benefits to the organization and key stakeholders?
2. Is the project still affordable? Is funding available?
3. How does the project affect other projects within the overall capital portfolio?
4. How are costs going to be contained?
5. Are the risks to completing the Implementation phase as proposed adequately managed?

Gate 4: End of Implementation: Approval to Close the Project

In this phase, project outcomes are examined to ensure that the work is complete and has met all the project objectives. Understand if there are any material deficiencies or outstanding needs for expenditures and how they are going to be addressed.

Key considerations:

1. Did the project meet its objectives?
2. Is the project complete, including resolution of all outstanding deficiencies or defects?
3. Reviewing and accepting any ongoing Indigenous, environmental and/or stakeholder commitments.

2.1.4 Gate Keeper

The Gate Keeper's role in the Gate Review is to make sure the project proceeds with an enterprise-wide re-commitment to the (current) scope, required resources, estimated risk, and other enterprise and project interests. The Gate Keeper should be neutral regarding the outcome of the Gate Review. The Gate Keeper should chair the Gate Review meeting, set the agenda, and invite the participants. The Gate Keeper should also know good project management principles and what should be expected of project managers considering their experience and their project.

Gate Keeper staff support the process by presenting cases to the Gate Committee and provide integrated advice and administrative support. They also perform a challenge function and advise Gate Committee members on the readiness of submissions. Gate Keepers also establish the processes, templates, and tools.

Gate Keeper staff manage the integrity and rigour of the Stage-Gate process for the organization. A key task is to review submissions for:

- clarity, completeness, and quality
- business case and value for money
- compliance with existing legal and policy requirements
- program operations and viability
- risk and mitigation
- design and implementation
- alignment
- regulatory quality and adherence to the organizational directives on social and economic priorities

2.1.5 Applicability

A Stage Gate process can be applied to all projects – regardless of their classification (scale, risk, and complexity). How it is applied, the level of documentation and who the decision makers are – is all scalable.

Many organizations assess projects based on risk and complexity, in addition to the project budget (scale) to determine the level of project governance and oversight required. The Government of Canada uses the following categories to assess project risk and complexity:

- Project Characteristics
    - The greater the complexity of a project, the greater the potential for risk and the greater the need for a high level of project management maturity or capacity.
    - This category is designed to build a profile of the project, its level of complexity and potential for risk and areas of concern.
- Strategic Management Risk
    - This category is intended to establish the project's alignment with the objectives and/or priorities of the organization and its commitment to the project.
- Procurement Risk
    - When a project includes significant procurement activities, the importance of clear scope, requirements, risks, and cost constraints is only increased. A sound understanding of the scope, requirements, risks and time and cost constraints for both the project and any and all related contracts is critical in order to support the selection of the best contractors (vendors) and the awarding of applicable contracts.
- Human Resources Risk
    - This category assesses the extent to which the project has the right skill sets in place to deliver the approved project scope. How a project is staffed will greatly influence a team's ability to manage the project’s identified complexity and risk.
- Business Risk
    - This category is to determine the state of readiness of the business for adopting the services being provided by the project.
- Project Management Integration Risks
    - This category is to assess whether the right strategies, controls, and project management skills and supporting activities are in place to:

    - Plan a project effectively through integrating the planning elements of scope, schedule, cost, and risk; and
    - Keep the project on track through aggregating scope, schedule, cost, and risk progress information, taking corrective action where needed to remain in alignment with the plan.
- Project Requirements Risks
  - This category is to assess various aspects of the requirements of the project. This includes the actual nature of the requirements as well as some related issues such as how difficult requirements are to gather and how well they are documented. To what extent do the specific requirements of the project add risk and complexity?

In many organizations, even projects assessed as low risk/complexity, and dollar thresholds are subject to the gating process. What differs between those low risk/complexity and high risk/complexity projects is the depth and breadth of documentation, the composition of the Gate Committee and the authority to make the decision to proceed or not. These are concomitant with the delegated authorities within the organization.

With this approach, only projects that are high risk and high complexity are submitted to the highest level of authority or decision making. Decision makers are thus strategically positioned to allow for early and timely oversight.

3 Implementation of a Stage Gate Model – Leading Practices

Organizations that employ a Stage-Gate model in their capital investment decisions have the following commonality in its design and implementation.

Investment/Long-term Capital Planning Frameworks

Capital intensive organizations are generally guided by high level three-to-five-year investment plans (or long-range capital plans) that are informed by asset management plans and specific project plans. These high-level plans are supported by and reflect program/business plans that are updated annually or bi-annually.

These plans guide organizations and provide a basis for prioritizing specific problems, opportunities and infrastructure or other capital projects. Integrating these priorities across business lines also ensures that resources are allocated and re-allocated based on a set of criteria established through strategic planning processes.

Once this strategic investment planning and project management framework is set, organizations can then allocate resources to investigate specific issues, problems, or opportunities and to make recommendations. This may mean developing a business case for implementing a response to the issue, or it may mean no additional action is recommended.

These investment/long-term capital plans are typically approved at the highest level of governance in an organization. By presenting a multi-year, prioritized, integrated plan to decision makers, they are provided with a holistic picture of investments at the enterprise level and are strategically positioned to allow for early and timely oversight. Once approved, the investment plan provides the spending envelope that the organization works within to undertake the stated priorities in the plan.

However, the inclusion of proposed projects in the investment/long-term capital plan does not automatically confer the approval of the project. The authority to advance the project is granted through the organizations' project approval process (typically a Stage-Gate model). Thus, the project is not a project until is actively "approved" by the appropriate body delegated to approve projects and associated expenditures.

Challenge and Support Function

To actively manage a meaningful investment planning and project management framework, most organizations have dedicated resources that provide both a challenge function to the proposed investments and act as a gate keeper for the Stage Gate process. This function ensures that Gate Committee members are provided with accurate information and sound advice for making decisions. This is achieved through a rigorous scrutiny of project proposals. Through its challenge and oversight role, this function provides an enterprise perspective for Gate Committee members, strengthening how the organization is managed and ensuring value for money in spending and results for stakeholders.

This function also provides advice and guidance to departments/business lines who are preparing project submissions, and it provides recommendations to Gate Committee members on expenditure and management policies as well as developing standardized tools, templates, and processes.

Integration of Procurements and Property Decisions within Projects

Project-based procurements and real property (land) transactions are fully integrated into the governance, management, and oversight of projects. Procurement options analyses, procurement strategies are key elements of project approval documentation. Procurement contracts are approved within the context of the entire project/program.

Standardized Project Management Frameworks

Project Management Frameworks provide mandatory processes for project approvals - supported by tools, templates, and guidance documents. These include clear accountabilities and definitions re: key reviews and oversight, delegated authorities, and terms of reference for committees. One important element of standardized project management frameworks is cost estimating.

Application: All Projects + Full Project Life Cycle

Generally, Stage Gate processes apply to all projects regardless of scale, risk, and complexity. While projects with lower scale/risk/complexity and dollar thresholds are subject to the gating process, the nature of the documentation, the composition of the Gate Committee and the authority to make the decision to proceed or not, would be concomitant with the delegated authorities within organizations.

In addition, the Stage-Gate process applies to the full project life cycle (i.e. every phase/stage from Initiation through to Close-out).

4 Complementary Project Delivery Improvement Initiatives

Following the creation of the Project Delivery Department in Metro Vancouver in 2020 and the work completed by KPMG, best practice reviews have been undertaken including: Governance and Cost Estimation. Recommendations from these reviews also referenced stage gate processes as follows:

- Cost Estimation Framework identified a Best Practice: "Formalized cost and scope stage gate process."
- The Interjurisdictional Governance Review recommended:
    - Put in place a project oversight committee that has the expertise required to effectively oversee projects.
    - Consider using project outcomes to manage projects instead of relatively low value dollar approval limits and contract approvals.
    - Formalize a process for the Committee to review major projects at stage gates with the benefit of input from an expert project oversight committee.

To continue to enhance project delivery across Metro Vancouver's portfolio of large capital projects, and to complement the other targeted initiatives (Cost Estimating Framework, Interjurisdictional Governance Review) a Project Management Framework will be developed that will provide the overarching policy foundation for the planning and delivery of projects. The Project Management Framework will consist of processes, systems, and controls, anchored in project management best practices. Embedded within the project management framework will be an approach to project gating.

5 Implementing a Stage-Gate Framework at Metro Vancouver

These next steps focus on Stage Gate Framework, and it is expected that Metro Vancouver will also consider other initiatives in all areas of project delivery. It is understood that this work will be led by the corporate Project Management Office (PMO) who will work collaboratively across Metro Vancouver.

- Formalize stage-gate approach, scaled based on size and complexity/risk.
- Prepare a road map for implementing the Stage-Gate Framework across the entire organization.
- Develop guidelines for project classification considering project size, risk, complexity, and cost estimate.
- Assess competencies, identify gaps in project management expertise.
- Develop tools, templates, and guidelines to enable and support the Stage-Gate Framework.
- Develop and deliver training for the stage-gate process.
- Collaborate with other similar agencies to identify and apply best practices and lessons learned.

6 Conclusion

The benefits of a Stage-Gate process are clear, tried, and true and have been adopted by similar capital-intensive organizations to Metro Vancouver. To ensure that the management of programs and projects provide value for money and that they are delivered successfully, timely and cost effectively, expectations for their direction must be set. There is a requirement to ensure that there are appropriate processes and controls in place to effectively manage projects, deliver expected results and limit risk to stakeholders.

Key benefits of a Stage Gate process:

- Defines what points where go/no go decisions will be made.
  - Describes what information and documentation will be provided for those decisions.
- Defines the project baseline:
  - Scope, schedule, cost, risk and other critical socio-economic objectives (e.g. Indigenous participation, equity, diversity, heritage, sustainability).
- Adopts a risk-based approach to the management of projects.

While Metro Vancouver has mapped out a credible Stage-Gate process, it has not been implemented past Stage-Gate 1 and only applies to projects less than $250k – essentially minor capital projects.

Formalizing a Stage Gate process for Metro Vancouver and implementing it across the organization, starting with the major capital projects that are now under the responsibility of the Project Delivery Department, will significantly improve the consistency and effectiveness of decision-making and likelihood of success for capital projects for the organization.

7 References

1. Directive on the Management of Projects and Programmes, Government of Canada*:* *https://www.tbs-sct.gc.ca/pol/doc-eng.aspx?id=32594*

This directive ensures that government projects and programmes are effectively planned, implemented, monitored, controlled and closed, so that the expected benefits and results are realized for Canadians.

2. Project Delivery Standard 1.2, HM Government, Government Functional Standard GovS002: Project Delivery: https://www.gov.uk/government/publications/project-delivery-functional-standard#:~:text=The%20Project%20Delivery%20Functional%20Standard,It%20contains%207%20main%20elements%3A&text=Governance%20and%20roles%20of%20portfolios,Portfolio%20management

The standard sets expectations for the direction and management of portfolios, programmes, and projects in government.

3. *Chapter 1 SPU Design Process, Seattle Public Utilities:* *http://www.seattle.gov/Documents/Departments/SPU/Engineering/1DesignProcessFinalRedacted.pdf*

This chapter of the Design Standards and Guidelines (DSG) explains a typical design process from project initiation through commissioning for a Seattle Public Utilities (SPU) traditional design bid-build project. The primary audience for this chapter is SPU engineering staff. DSG standards are shown as underlined text.

metrovancouver
SERVICES AND SOLUTIONS FOR A LIVABLE REGION

To: Governance Committee

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

Date: March 23, 2026 Meeting Date: April 9, 2026

Subject: **Manager's Report**

RECOMMENDATION
That the Governance Committee receive for information the report dated March 23, 2026 titled "Manager's Report".

GOVERNANCE COMMITTEE WORK PLAN
The Governance Committee's Work Plan for 2026 is attached to this report (**Attachment 1**). The status of work program elements is indicated as pending, in progress, or complete. The listing is updated as needed to include new issues that arise, items requested by the committee, and changes to the schedule. An update on the status of the Metro Vancouver Board Governance Review Recommendations is provided for the Committee (**Attachment 2**).

UPDATE ON ENGAGEMENT ON CONSIDERATION OF SIZE AND STRUCTURE OF EACH OF THE FOUR BOARDS
Engagement will take place from late April through June, with the public engagement launching May 6 and concluding June 14. The engagement will include in-person, live online (webinar), and static opportunities (website, survey). The engagement program will use a suite of materials tailored to different audiences and levels of familiarity with Metro Vancouver and its governance structure. Materials will range from high-level introductory facts to complex questions, where all are suited to specific audiences and intended to meet people where they are at. Although some audiences will be provided primarily plain language materials and be engaged in dialogues, all materials provided to the Governance Committee will be publicly available on the engagement webpage.

All materials will be available on a project webpage. Materials will include background materials like fact sheets, promotions, event materials, and survey questions. Clear context will be provided for what is in and out of scope for the decision to be made, and how engagement feedback will support that decision. Input will be collected through surveys, events, and interviews and summarized for Board consideration in July 2026.

General approach to providing information by audience:

Audience category	Approach to information
Significant knowledge, exposure, and involvement in the issues (Governance Committee members, Board Directors, Provincial government, Metro Vancouver senior staff)	Provide technical detail, at a level such as that provided to the Governance Committee through presentations and reports. Input opportunities: • Interviews with Deloitte Canada • Invitation to participate in public events
Some knowledge, exposure, and involvement in the issues (a range of experiences) (Member jurisdiction elected officials and staff)	Provide context of options related to size and structure of each Board, with a focus on discussion on desired outcomes. Will receive additional background information and plain language content. Technical details available. Input opportunities: • Council of Councils event • Metro Vancouver staff advisory committee meeting discussions (RAAC, REAC, RPAC, RFAC) • Member jurisdiction survey • Invitation to participate in public events
Some knowledge, exposure, and involvement in the issues (a range of experiences) (First Nations)* **Tsawwassen to be engaged as a member jurisdiction*	Correspondence with offer to hold further dialogue as desired. Information provided in response to expressed interest. Will provide clarity that this engagement is distinct from any engagement to be done by the Province related to membership of regional districts.
Limited knowledge, exposure, and involvement in the detailed issues (public)	Broad framing: Metro Vancouver has been providing critical regional services for over 100 years and the regional district model, in place across the province has been in place since 1967. Given the growing size of the decision making body for Metro Vancouver due to population growth and the increasingly complex regional infrastructure being deliver, Metro Vancouver is implementing improvements on how decisions are made for the organization – Board Governance. One element of this is looking at the size of the Board and how member jurisdictions and technical expertise are included. How will this affect you going forward? Focus on discussion of desired outcomes, organizational evolution, continuing to effectively and efficiently deliver critical services to the region. Input opportunities: • Online survey • Comments provided by email, phone • Invitation to participate in public events

ATTACHMENTS

1. 2026 Governance Committee Work Plan.
2. Status Update on the Metro Vancouver Board Governance Review Recommendations.

REFERENCES

1. Deloitte. (2025, May). Metro Vancouver Board Governance Review. [MVRD Board report on 2025, May 23]. https://metrovancouver.org/boards/GVRD/RD-2025-05-23-AGE.pdf#page=31

83892891

Governance Committee 2026 Work Plan

Report Date: March 23, 2026

1St Quarter	**Status**
Review Standing Committee Terms of Reference	Complete
Review of Board policies, bylaws and procedures during Q1-Q3	Underway
Discussion of Board size and structure including potential legislative changes over Q1-Q3 – Review process	Underway
Review Committee and Board decision making processes and flow of information as a means of addressing recommendations #22, #26, #29, #30 and #31 from the Metro Vancouver Board Governance Review	Pending
Early input on review of Board Strategic Plan for upcoming four-year term	Pending
Prioritize and make recommendations to the Board on issues identified in the recently completed independent Board Governance Review	Underway
2nd Quarter	**Status**
Review Board Code of Conduct adopted in January 2025 (annual review)	Pending
Review of Board policies, bylaws and procedures during Q1-Q3	Pending
Discussion of Board size and structure over Q1-Q3	Pending
Receive update on strengthened Internal Audit and Enterprise Risk functions	Pending
Review and clarify roles and responsibilities of the Board and Management	Pending
Early input on review of Board Strategic Plan for upcoming four-year term	Pending
3rd Quarter	**Status**
Review of Board policies, bylaws and procedures during Q1-Q3	Pending
Discussion of Board size and structure over Q1-Q3	Pending
Recommendation on a Board education plan for new Board Directors members as well as ongoing opportunities for the four-year term	Pending
4th Quarter	**Status**
Support Board term completion and turn-over	Pending
Receive update on Internal Audit and Enterprise Risk functions	Pending

Status Update on the Metro Vancouver Board Governance Review Recommendations

Report Date: March 23, 2026

The 2025 Metro Vancouver Board Governance Review, completed in May 2025, provided 49 recommendations for continuous governance improvement. An additional two recommendations were directed towards the Province. In less than a year, 22 of these 49 recommendations have been addressed by Metro Vancouver.

The following list outlines Deloitte's 49 recommendations for Metro Vancouver, categorized as follows:

- Completed (15)
  - Including Recommendations for the Province
- Ongoing (7)
- Underway (14)
- In Work Plan / Prioritized for 2026 (3)
- Pending (10)

This framing is intended to serve as a guiding framework to help the committee prioritize recommendations.

It is important to note that Deloitte's recommendations were developed based on interviews and have not been independently verified by the consultant. Any additions to the Governance Committee's Work Plan will include staff reporting back to the Committee and MVRD Board on the recommendation's current status, financial implications, and other relevant information to support recommendations and decisions.

The recommendations listed below have been condensed for readability given the large quantity for review. Please refer to the Deloitte Report for the comprehensive descriptions if required.

Completed (15)

#	Recommendation
3	Create a Governance Committee of the MVRD Board.
4	Reduce or optimize the time investment for meetings – Review Committees – number of committees, number of meetings, size and composition of committees and how members are selected.
5	Ensure reports include feedback from the Staff Advisory Committees regarding the specific options, risks and direct impacts on the member jurisdictions.
6	Revisit Committee Terms of Reference for aligned scope and mandate.
9	Enhance Board education plan including orientation.
13	Develop a skills matrix to assist in allocation of Committee roles and Board duties.
21	Board to be apprised of cumulative expenditures, such as those with change orders aggregating to total balances over the Board approval threshold.
29	Board reports to include multiple options for the Board to consider, where practical.
38	Maintain Current Meeting Stipend; review periodically
39	Eliminate the double meeting stipend for meetings over 4 hours.

80345683

#	Recommendation
40	Eliminate the monthly stipend for Committee Chairs when no meetings are held and replace with a double meeting fee to reflect additional time and effort required to prepare.
41	Remove the payment of a double meeting stipend for travel days and conference attendance.
45	Review and reduce the number of external Board appointments.
48	Provide detailed Crown, agency and local government-related income data in a simple, publicly accessible format may alleviate some renumeration pressure on the regional mayors and Metro Vancouver directors. (Sent to the Province)
49	Introduce 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). (Sent to the Province)

Ongoing (7)

#	Recommendation
10	Chair should allow sufficient time and question Board directors in the meeting to ensure the directors understand motions and can make informed decisions.
19	Board and Committee Chairs should strictly enforce speaking time limits, 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.
30	Leverage Metro Vancouver staff as the key source of information.
31	Ensure, for large complex and capital-intensive projects, that management continues to provide regular updates to the Board as the project progresses.
35	Chair to continue to reinforce the need for all directors to take a regional perspective at the outset of meetings.
37	Invest in specific Board management training and education for future Board Chairs.
42	The Chair, Vice Chair and Committee Chair total remuneration appear reasonable. No change is recommended in this formula; however, remuneration bylaw should continue to be assessed on a periodic basis to ensure alignment with other similar public sector entities.

Recommendations Underway (14)

#	Recommendation
1	Consider a Hybrid Board Structure (could be different for different legal entity Boards).
2	Consider reducing the size of the Boards. • Cap the number of Directors per jurisdiction, but maintain votes by population • Voting threshold changes by changing the number of votes per director (e.g. from 5 to 6 or 7) • Reduce the size of the Utility Boards and/or MVHC Board
7	Consider appointing an independent Chair for the Boards.
8	Consider seeking legislative change to set the term of the Chair to a four year period, beyond the current annual term.
15	Strengthen enterprise-wide strategic risk management for Metro Vancouver and its strategic priorities.
16	Strengthen Internal Audit function, focused on assessing and reporting to management and the Board on the design and effectiveness of internal controls and specific operational risks.
17	Review bylaws, policies and procedures to ensure they are current and appropriate, and simplify them for ease of use, understanding and adoption.
18	Enhance Board training for stronger understanding of key policies and Board procedures.
20	Investigate electronic voting solutions in the Board room.

#	Recommendation
25	Work with staff to find ways to close the information and knowledge gap between Committees and the Board; ensure directors with vested interests are consulted.
26	Review Board materials to streamline information in a way that enhances the ability of directors to better read, understand and govern.
27	Consider supporting more complex or controversial decisions with staff presentations at the Board with options considered, implications and risks.
33	Revisit code of conduct to ensure it does directly address respectful and productive behaviours in the Board and Committee meetings.
36	Implement a Board performance assessment tool to solicit and identify opportunities to enhance group and individual behaviour.

Recommendations in Work Plan (3)

#	Recommendation
11	Clearly define & communicate the roles and responsibilities of Board members and CAO.
14	Lead a refresh of the Board Strategic Plan, seeking alignment around a common set of goals and initiatives – Early input on review of Board Strategic Plan for upcoming four year term
22	Define and document decision making processes

Pending (10)

#	Recommendation
12	Continue to explore ways to bring municipal interests and perspectives into Board and Committee meeting discussions to achieve a balance between dual fiduciary duties and to reduce polarizing viewpoints dominating meetings.
23	Investigate creating an effective dispute resolution mechanism between Board and member jurisdiction councils and management.
24	Consider making Board meeting attendance in person mandatory.
28	Work with member jurisdictions to ensure robust analysis, especially in the identification of risk and financial implications and then present to Board.
32	Work with Metro Vancouver staff and municipal staff to find more efficient methods of integrating municipal planning with Metro Vancouver strategies and projects.
34	Explore new avenues for communication between the Board and staff, both within and outside of the Boardroom.
43	Review Board Travel Policies to ensure equitable access.
44	Consider a threshold for non-payment of the meeting stipend.
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.
47	Given consolidated disclosure in the SOFI, consider proactively publishing a simple more transparent disclosure of Board renumeration and travel expenses.