

THE CORPORATION OF THE
CITY OF WHITE ROCK
CORPORATE REPORT



DATE: June 14, 2021

TO: Mayor and Council

FROM: Ed Wolfe, Fire Chief

SUBJECT: Proposed Changes to E-Comm's Members' Agreement

RECOMMENDATIONS

THAT Council supports the E-Comm Board of Directors unanimous recommendations on three proposals being brought forward at a Special Meeting of E-Comm Members scheduled to be held June 24, 2021, as described in this corporate report.

EXECUTIVE SUMMARY

E-Comm provides dispatch services for police and fire departments and operates the largest multi- jurisdictional, tri- service wide- area radio network in the province used by police, fire and ambulance personnel throughout Metro Vancouver and parts of the Fraser Valley, including White Rock.

As a Shareholder in E-Comm, the City of White Rock has two Class A shares and is entitled to vote on the following three proposals being brought forward at the June 24, 2021 Extraordinary General Meeting of the Shareholders of E-Comm Emergency Communications for British Columbia Incorporated (held at 10:00 a.m., via video-conferencing and tele-conferencing):

1. Approve an amendment to the Members' Agreement to provide the E-Comm Southern Vancouver Island Agencies with the right to appoint a Director; and
2. Approve an amendment to the Company's Purpose, as set out in Section 2.1 of the Members' Agreement, and in the definition of permitted activities in Article 25 of the Company's Articles, to fully align the language of both provisions with the language set out in the *Emergency Communications Corporations Act*; and
3. Conduct a vote of Class A Shareholders of the Company, on a proposal to approve additional amendments to the Members' Agreement and the Articles of the Company, including amendments to lower the special majority voting threshold for approval of extraordinary matters by the Members from 75% of shares outstanding to 2/3 of votes cast.

Staff recommend that Council pass a resolution in support of the three proposed changes, in accordance with the unanimous support for these proposals from E-Comms Board of Directors.

PREVIOUS COUNCIL DIRECTION

No previous action.

INTRODUCTION/BACKGROUND

E-Comm provides dispatch services for police and fire departments and operates the largest multi- jurisdictional, tri- service wide- area radio network in the province used by police, fire and ambulance personnel throughout Metro Vancouver and parts of the Fraser Valley, including White Rock.

As a Shareholder in E-Comm, the City of White Rock has two Class A shares and is entitled to vote on the following three proposals being brought forward at the June 24, 2021 Special meeting.

The Board of Directors is asking all Members of the Company to vote in favour of amendments to the Members' Agreement which will be an important first step in advancing and improving E-Comm's governance model for the benefit of all stakeholders.

Summary of the Three Proposed Changes

1. Providing a Director seat to E-Comm's Vancouver Island partner agencies. First, and most importantly, an amendment is proposed to allow the Capital Regional District and the Southern Vancouver Island police agencies, to which E-Comm provides 9-1-1 call taking and police dispatch services from the new E-Comm Southern Vancouver Island Emergency Communications Centre (which group is collectively referred to as the "ECVI partners or agencies" in this overview), to appoint one Director to E-Comm's Board of Directors.

The new E-Comm Southern Vancouver Island Emergency Communications Centre (the "Centre") was purpose-built by the Capital Regional District which owns the Centre. The Centre is the first emergency communications centre established and created by E-Comm outside of the Lower Mainland. Our E-Comm Southern Vancouver Island partner agencies have made an important commitment to E-Comm, and a multi-million-dollar investment – the new Centre – was an important milestone in E-Comm's corporate growth and is a significant part of its current operations.

The current Members' Agreement does not allow for the ECVI agencies to be represented on E-Comm's Board, in large part because at the time E-Comm was created the geographical area in which it was expected to operate was limited to the Lower Mainland, and the Members' Agreement does not provide a method for clients of the organization who are not on the radio system to be provided with Board representation.

It is the view of the Board and Management of E-Comm that the ECVI partners deserve Board representation, and they consider it in the best interests of all Members that the ECVI partners participate at the Board table. The Board of Directors asks that members vote yes to proposal number one to allow the E-Comm Southern Vancouver Island partners to appoint, as a group, one Director. This will not result in any change to the rights of other Members to appoint their designated Director or Directors.

2. Following the required special majority of Members' support for the First Proposal, the Board and Management of E-Comm considered it opportune to seek approval to additional amendments to the Members' Agreement and the Company's Articles at the same time, to:
 - Revise the language which sets out the Company's Purpose (the "Second Proposal"), both in the Members' Agreement and the Articles of the Company, so that the language

mirrors precisely the definition of purpose set out in the *Emergency Communications Corporations Act* (the "ECC Act" or "Act"). While this Second Proposal is a relatively minor change, it is an important one because it would allow for E-Comm's mandate or current scope of work to be broadened by a change to the definition of purposes set out in the *Act*, which can be made by a regulation under the *Act*. At present, any change to the definition of Purpose in the Members' Agreement requires approval by Shareholders holding not less than 75% of votes. As the First Proposal required the same special majority, it is considered opportune to amend the definition of Purpose at the same time as the First Proposal approval being sought, as both require this high threshold of Member voting and support.

3. The Third Proposal, amendments to the Members' Agreement can be summarized as follows:

- In recognition of the fact that E-Comm has developed into a mature organization with a broad Shareholder base and a sophisticated Board of Directors, amendments to lower the approval threshold for a special majority of Shareholders to an approval level of 2/3 of votes cast from 3/4 of votes outstanding and removing certain limitations on the authority of the Board of Directors are proposed.
- Amendments to update the Members' Agreement generally (it was last amended over 10 years ago), to better define certain terms which, given the Company's growth and maturity, warrant more precise language than originally used and to eliminate or revise provisions which, with the passage of time and the Company's growth, are no longer relevant or applicable is proposed.
- Amendments to revise archaic language to make the Members' Agreement clearer and more current, along with housekeeping changes to reflect change of the names of the Company, BC Emergency Health Services and Metro Vancouver since the last amendments, and remove unnecessary schedules which have become out of date is proposed.

The Board of Directors asks that members vote to also approve proposals two and three which it considers in the best interests of E-Comm and its Members.

OPTIONS / RISKS / ALTERNATIVES

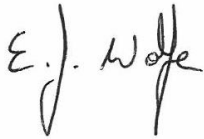
The following alternative option is available for Council's consideration:

1. Not support the proposed changes and the E-Comm's Members' Agreement remains as is.

CONCLUSION

The City of White Rock representative directors, Gayle Martin and Terry Waterhouse, have participated in the Board and Governance Committee discussions concerning the proposals to be put forward to the Special Meeting. The Board is unanimously of the view that the proposed changes are in the organization's best interest and that no shareholder is prejudiced by the proposed changes.

Respectfully submitted,

Handwritten signature of E.J. Wolfe in black ink.

Ed Wolfe
Fire Chief

Comments from the Acting Chief Administrative Officer

I concur with the recommendation of this corporate report.

Handwritten signature of Carl Isaak in black ink.

Carl Isaak, RPP, MCIP, Director, Planning & Development Services and
Acting Chief Administrative Officer