

### **Purpose of this Memo**

You are receiving this memo as a Voting Member or stakeholder of the Ontario First Nations Technical Services Corporation (OFNTSC). This memo provides an update on the OFNTSC's plans to enhance Board governance and improve representation for First Nations, Tribal Councils, and First Nations organizations.

### **Context**

OFNTSC was established in 1995 to provide expert technical advisory services to First Nations in Ontario and to support the development of their technical services capacities. The creation of the OFNTSC was supported by a resolution of the Chiefs of Ontario. OFNTSC draws its mandate from its Voting Members, which include individuals appointed by Tribal Councils and First Nations in Ontario. The OFNTSC envisions self-sufficient and sustainable First Nations with the capacity to deliver self-reliant technical services for future generations. OFNTSC supports First Nations in accomplishing this through the provision of needs-based technical solutions.

In January 2020, the Voting Members of the corporation approved a reduction of the size of the Board of Directors from 24 to 12 members. The new Board was mandated with transitioning toward a skills-based Board through a nomination process that achieves diversity of perspectives and an appropriate mix of the knowledge and skills necessary to advance the organization and its mandate. These changes were encouraged by OFNTSC's primary funder, Indigenous Services Canada, and were initially recommended by Deloitte in an organizational and governance review performed in 2016. In addition to the ongoing governance reforms, the OFNTSC has been focused on enhancing its financial management and human resources management processes, improving and expanding upon its programs and services and enhancing its accountability reporting to First Nations in Ontario.

### **Corporate Governance and Proposed Changes**

The OFNTSC Board of Directors is accountable to the corporation's Voting Members for strategy and governance of the corporation. The Voting Members include Tribal Councils (TC) in Ontario and First Nations in Ontario not represented by a TC. The Voting Members appoint the Board of Directors and set the mandate through resolutions at the corporation's general meetings. Corporate law and governance best practice establish that corporate directors have a fiduciary obligation to place the corporation's interests above their personal interests and the interests of their employers. OFNTSC's planned governance reforms are intended to ensure that Voting Members have the opportunity to elect a Board that has the time and skills to advance the mandate provided by First Nations and Tribal Councils. To deliver on its mandate, OFNTSC must work closely with its First Nation clients, partners and funders. To ensure better representation for First Nations, OFNTSC is proposing that a Leadership Advisory Committee and Technical Advisory Committee be introduced. These committees would provide advice on specific issues and propose solutions to enhance services and secure necessary funding for First Nations. Remuneration of Board Members is described in the Board Travel and Honoraria Policy. The annual budget for Board costs is \$150,000.

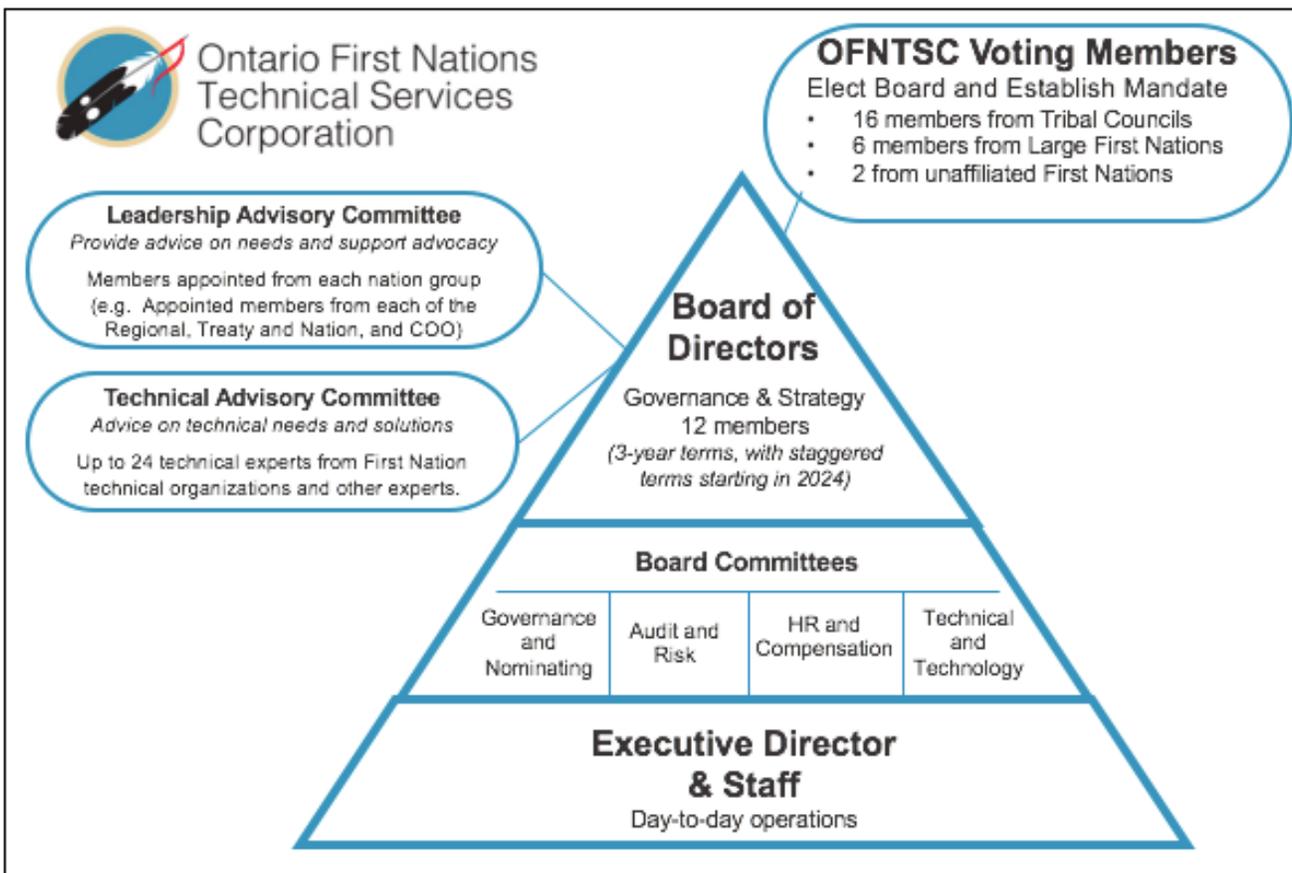
### **New Leadership Advisory Committee**

The Leadership Advisory Committee would be appointed by the OFNTSC Board of Directors from nominations put forward by First Nations, Tribal Councils and First Nations organizations in Ontario. The LAC would provide advice to the OFNTSC on specific issues that the Board of Directors wishes to advance in fulfillment of the corporation's mandate. Topics and issues brought to the attention of the LAC could cover a range of portfolio areas (e.g. water, housing, environment, infrastructure, etc.) OFNTSC would be responsible for ensuring that relevant technical experts are in place to ensure the technical challenges and solutions are clearly presented to the committee. The scope and timing of the committee's advice would be planned to align with significant political meetings of First Nations in Ontario, investment decisions of First Nation funders, and OFNTSC strategic planning processes. The Leadership Advisory Committee would include approximately 12 members and meet 3 to 5 times per

year with one in-person meeting and other meetings conducted through video call. Remuneration of Leadership Advisory Committee members would be paid directly to their employers at a per diem rate of approximately \$200. Committee costs are budgeted at \$50,000 annually.

## New Technical Advisory Committee

The Technical Advisory Committee will be made up of technical experts from First Nation technical services organizations (e.g. Tribal Councils, technical services departments of large First Nations, technical experts and operators from unaffiliated organizations, etc.) The TAC would provide analysis and advice on specific issues and potential solutions brought to their attention by the OFNTSC (e.g. water, housing, environment, infrastructure, etc.) The TAC would include 12-15 members appointed by the OFNTSC Board of Directors, based on nominations of the Voting Members and Executive Director. The committee is expected to meet 3 to 5 times per year. When possible, the option for in-person participation would be aligned with other technical meetings or conferences. Technical Advisory Committee members would not be remunerated for their participation as the activities of the committee are relevant to the activities of their positions and employers. In the event that members of the committee are unable to join meetings by video call (e.g. lack of high speed internet in their community), the OFNTSC would make travel arrangements to ensure their participation, budget permitting.



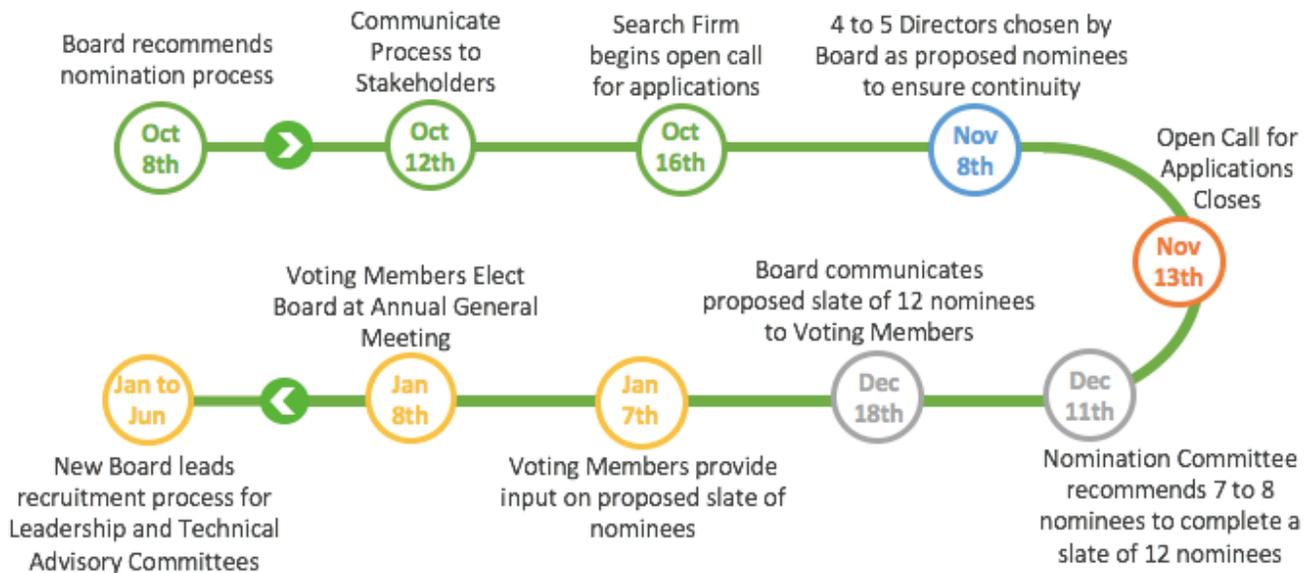
## Nomination Process for the New Board and Advisory Committee Members

The Governance and Nominating Committee of the Board of Directors is composed of three members, the President, Vice-President and one Director at Large. This committee was created by the Board to propose a nomination process and eligibility criteria for the new board and to propose a slate of nominees for the corporation's directors. In performing its work, this committee was advised by the corporation's legal counsel (OKT Law) and governance advisor (Orbis Risk Consulting).

It is the Voting Members of the corporation who will nominate and elect the Board of Directors at the Annual General Meeting, as such, the proposed slate of nominees will be distributed to Voting Members well in advance of the Annual General Meeting. The corporation’s legal counsel and governance advisor have recommended that 4 to 5 existing Board Members be incorporated into the slate of nominees to ensure that the important work and relationships of the corporation carry-on without interruption. The process recommended by the Governance and Nomination Committee is below.

In terms of the nomination process for the LAC and TAC, the Governance and Nomination Committee has proposed that these committees be selected by the incoming Board of Directors based on nominations put forward by Voting Members and First Nation organizations. Given that the Voting Members are the primary technical services providers for First Nations in Ontario, the committee believes they are well positioned to nominate technical experts. The nomination process for the LAC is proposed to include First Nations and First Nation organizations, giving due consideration to the diverse forms of legal and political organization of First Nations in Ontario.

## Proposed Board Nomination Process and Timeline



### OFNTSC – Divisions of Roles and Responsibilities

	Voting Members	Board of Directors	Leadership Advisory Committee	Technical Advisory Committee	Executive Director and Staff
Appoints Board of Directors and sets mandate	✓				
Sets strategy and ensures good governance		✓			
Provides advice on specific issues faced by First Nations			✓		
Advocates for funding & supports needed by First Nations		✓	✓		
Technical advice to enhance implementation success				✓	✓
Analyze and propose solutions for consideration of Board and Advisors					✓
Implement Board approved strategy and programs					✓