Governance Solutions and Best Practices in Stakeholder Engagement: Municipal Elected Officials' Roles

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Overview of Session

- ✓ Stakeholders and Staff as Principals and Agents
- ✓ How does Council engage with the Community (external stakeholders)?
- ✓ How does Council engage with CAO/Clerk and staff (internal stakeholders)?
- ✓ Case Study: "Pumps in the Park": table breakout groups
- ✓ Reports back and plenary dialogue

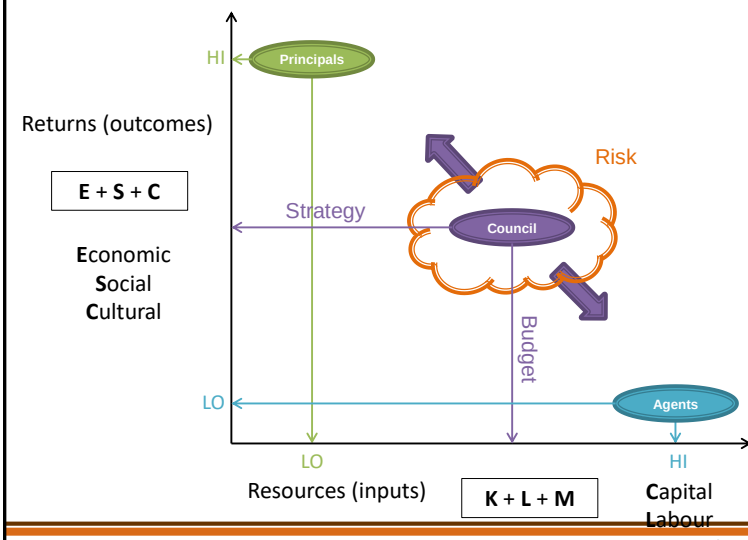
Principals and Agents

- **Principals** are the people:
  - Who created the organization
  - Who have a purpose for the organization: needs that it can meet
  - Who contribute (invest or give) resources / capital

Principals and Agents

- **Agents** are the people:
  - Who undertake the organization's activities, to meet the principals' needs
  - Who employ (use) resources / capital

Agency Theory: Council's Role



The Economic and Agency Dilemmas

- The self-interests of principals and agents are in constant tension, even conflict
- Every economic system is designed to address this
- "Agency costs" are when agents use up resources on activities that are not aligned with the principals' needs
- The "agency problem" is compounded by the fact that agents better understand and control almost all the information

The Governance Principle of Independence

- In order to be effective, the governance system must be independent from (and above) the operating system (the system that delivers products or service)
- In practice, this means these two systems ought to be run by different people, so:
  - Council runs governance,
  - CAO & staff runs operating
- The governance system determines the allocation of scarce resources to the most effective uses

Dual Role of Councillors

1. To represent the people to the corporation and
2. To represent the corporation to the people

Principles of Engagement

- Consistency without filtering - resist over centralizing messages, empower staff, but do it with some ground rules and a framework
- Go where the people are - try to communicate on your stakeholder's home turf, both internally and externally.

Principles of Engagement

- Speak Tim Horton's not Governmentese -
- Ask yourself if the words you're using would make sense to someone if you were talking to them in the lineup at Tim's.
- This applies externally and internally.
- Brevity and directness should be your filters.

Principles of Engagement

- Authenticity trumps coddling - People will respect you for owning a difficult message.
- As an elected official don't try to be someone you aren't.
- And try to engage people not just with information but will emotion.

Council's Steps in Stakeholder Engagement

1. Identify and agree on your key stakeholders: who are they, what do they need, how do they prefer to communicate?
2. Approve a Stakeholder Engagement Plan driven by your Strategic Plan
3. Have a clear Communications Protocol including Councillors with public, with staff beyond CAO, between Council meetings
4. Direct and Oversee Staff's engagement – and agree on Councillors' involvement
5. Be clear on level or type of participation

Strategic Engagement

Strategic Plan

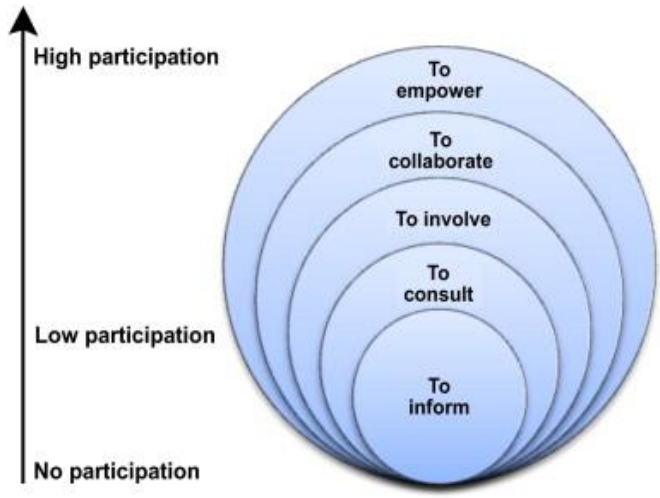
Stakeholder Engagement Plan

Communications

VIBRANT BUSINESS COMMUNITY	
	Build a global startup community
	Eliminate obstacles to business growth and investment
	Attract and retain a talented workforce
	Promote Barrie's strengths
INCLUSIVE COMMUNITY	
	Promote and facilitate community connections
	Provide great public spaces
	Encourage affordable housing
	Support diverse and safe neighbourhoods
RESPONSIBLE SPENDING	
	Embrace innovation to improve how we do business
	Demonstrate value for money
	Improve understanding of how tax dollars are spent
	Build a community that respects both current and future taxpayers
WELL PLANNED TRANSPORTATION	
	Improve our road network
	Improve options to get around
	Improve road safety

City of Barrie's Strategic Plan Summary

Participation Spectrum



Social Media and Reputation Risks

- The impacts of social media, and an era of instant communication: good and bad
- Establishing an effective communications and media policy around online presence and social media
- What is the role of the board in social media?

http://www.competia.com/when-social-media-matters-a-guide-to-the-board-of-directors-for-better-governance/

How Does Our Municipality Do It?

- Town Halls. Go where they are, look ‘em in the eyes. Answer questions. Tell them why you're doing what you're doing.
- Twitter and FB. Bite, snack, meal. Don't be afraid to be funny or spark a discussion. Emotional commitment trumps analysis, but you better have the "why" too …

How Does Our Municipality Do It?

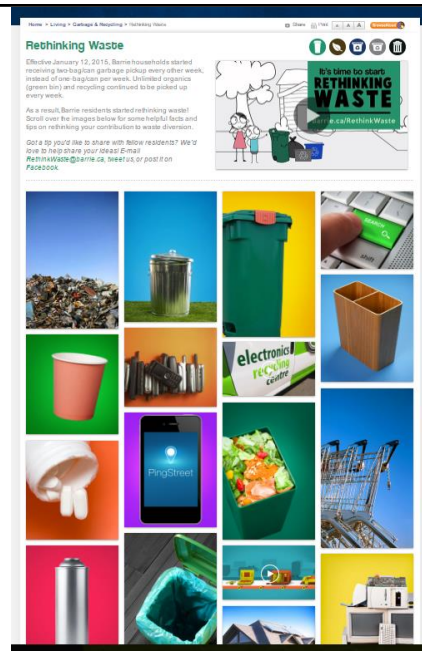
Example of two different ways to tweet a similar message:

1. Biweekly garbage collection will help keep taxes down and our kids will thank us.

Versus

2. Waste management strategy establishes framework for future service model.

http://www.barrie.ca/Living/GarbageAndRecycling/Pages/RethinkingWaste.aspx



How Does Our Municipality Do It?

Internally:

- EMT breakfasts
- Staff town halls, visit facilities, do front line jobs/ride-alongs
- Celebrate success
- Council Briefings and different timelines for complex or highly technical issues.
- Campaigns (e.g. Save Adam, Edison Awards)

"Pumps in the Park" Case Study

At your table breakout groups:

- Agree on a spokesperson who will report back to the main group. Questions to answer as a group:

1. Consider these 3 roles: Mayor, the Ward Councillor, and City staff. What actions can each now take to represent the people to the corporation and the corporation to the people?
2. How might residents be meaningfully engaged and their concerns reflected in a workable solution?
3. What governance solutions and applications will you take back to your Council?

Dialogue

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- Director Profile,
- Governance best practices research, and consulting
- And, our **Boardroom 25** is a unique collection of our top 25 governance solutions designed to match your governance needs

ADDITIONAL SLIDES FOR MUNICIPAL ELECTED OFFICIALS

Governance 3.0

- Central idea: focus on a functional healthy governance, Council and risk culture:
  - leadership
  - Chairs
  - relationships
  - diversity in terms of portfolio approach

https://www.frc.org.uk/Our-Work/Publications/Corporate-Governance/Corporate-Culture-and-the-Role-of-Boards-Report-o.pdf

Building Council's Capacity

- A frank assessment of the capacity of both Council and senior staff: in risks' oversight
- "Buy, build or rent"
- On-boarding
- Director education: **The Professional Director Certification Program**™ for Municipal Leaders
- Outside experts (e.g. cyber security and IT)

IT Risk and Cyber Security

- Cyber threats pose grave financial, reputational and liability risks
- What are the real cyber risks and how best to prepare and plan for a breach?
- How are they mitigated?
- What is the role of the Council in risk governance relative to cyber security?

http://www.isaca.org/Knowledge-Center/Research/ResearchDeliverables/Pages/Cybersecurity-What-the-Board-of-Directors-Needs-to-Ask.aspx

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