
EXECUTIVE COMMITTEE OF COUNCIL

*HIS WORSHIP, THE MAYOR
AND COUNCILLORS*

SUBJECT: CIVIC INNOVATION LAB SOCIETY

RECOMMENDATIONS:

1. THAT Council approve the formal research partnership with Simon Fraser University through the formation of a jointly controlled, non-profit Society whose mandate would be to research and develop innovative solutions to civic issues and challenges, in addition to providing educational advancement through collaborative learning and research opportunities.
2. THAT Council approve the draft constitution of the Civic Innovation Lab Society (“the Society”) with representatives of the City of Burnaby (“the City”) designated as two of the four First Directors;
3. THAT Council approve \$175,000 from the Gaming Reserve to fund the secondment of a City FTE (“Full-time Equivalent”), and contribution towards administrative support, office space and supplies.

REPORT

The Executive Committee of Council, at its Open meeting held on 2022 March 01, received and adopted the attached report seeking Council approval of establishing a formal research partnership with the Simon Fraser University through the formation of a jointly controlled non-profit Society.

Respectfully submitted,

Councillor S. Dhaliwal
Chair

Mayor M. Hurley
Vice Chair

Copied to: Chief Administrative Officer Deputy CAO/CFO GM Corporate Services GM Planning and Building GM Parks, Recreation and Cultural Services
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TO: CHAIR AND MEMBERS
EXECUTIVE COMMITTEE OF COUNCIL

DATE: 2022 February 25

FROM: DEPUTY CHIEF ADMINISTRATIVE
OFFICER & CHIEF FINANCIAL OFFICER

FILE: 2410-01

SUBJECT: CIVIC INNOVATION LAB SOCIETY

PURPOSE: To seek Council's approval to establish a formal research partnership with the Simon Fraser University through the formation of a jointly controlled non-profit Society.

RECOMMENDATIONS:

1. **THAT** Council approve the formal research partnership with Simon Fraser University through the formation of a jointly controlled, non-profit Society whose mandate would be to research and develop innovative solutions to civic issues and challenges, in addition to providing educational advancement through collaborative learning and research opportunities.
2. **THAT** Council approve the draft constitution of the Civic Innovation Lab Society ("the Society") with representatives of the City of Burnaby ("the City") designated as two of the four First Directors;
3. **THAT** Council approve \$175,000 from the Gaming Reserve to fund the secondment of a City FTE ("Full-time Equivalent"), and contribution towards administrative support, office space and supplies.

REPORT

1.0 INTRODUCTION

This report recommends the establishment of a formal research partnership with Simon Fraser University ("SFU") for the purpose of collaborating on the development of innovative and sustainable solutions to civic issues and challenges. A formal research partnership would enable the City of Burnaby ("City") to take advantage of leading edge academic research through harnessing SFU's strength in advancing research initiatives into practice to solve real-world problems.

In advancing this strategic initiative, this report seeks Council’s approval to establish a legal, non-profit society that would be jointly controlled by the City and SFU. The primary advantage of forming a non-profit society would be to take advantage of federal and/or provincial research grants that are available to non-profit organizations. Moreover, a society dedicated to the development of innovative solutions to civic issues and challenges would also provide a forum for community engagement and co-creation.

This report sets out the purpose, constitution, organization and governance structure of the proposed society as it will be reflected in the bylaws for the society.

To ensure the success of this strategic initiative, this report recommends that the City contribute seed money, staffing resources, and a City-owned location to accommodate office spaces needed to support ongoing collaboration and interaction between City staff, SFU students and researchers, faculty and industry consultants, and community stakeholders. This multi-disciplinary approach will be required to obtain creative ideas, viewpoints and approaches in the development of sustainable, innovative solutions of the future.

2.0 STRATEGIC ALIGNMENT

The establishment of a formal, strategic research partnership with SFU, focused on community innovation and resilience, is in alignment with the City’s strategic goals and objectives, in particular, the Core Value of Innovation - *“We seek out creative approaches to improve our services”*.

3.0 BACKGROUND

In 2019, SFU approached the City to discuss the merits of establishing a formal structure to strengthen the existing partnership between the two organizations. Arising from this discussion, a City/SFU Liaison Working Group comprised of Management Committee and SFU senior staff was formed in 2019 May to explore opportunities for the creation of a long-term research partnership for community planning and resilience. With the onset of COVID-19 in early 2020, discussion of this initiative was temporarily put on hold. Commencing in early 2021, the Liaison Working Group resumed discussions and provided a presentation to Council Members at a SFU and City meeting, which outlined the proposed research partnership.

4.0 FORMALIZING A RESEARCH PARTNERSHIP WITH SFU

Over the years, the City and SFU have successfully collaborated on a number of community-based projects and initiatives. More recently, the City successfully partnered with SFU on:

- Migration Stories Project;
- Burnaby Festival of Learning;
- Urban Resilient Futures Initiatives; and
- Mayor’s Task Force on Community Housing

The strategic objective for establishing a formal research partnership between the two organizations would be the ongoing development of innovative and sustainable solutions to civic issues and challenges, with a focus on high value areas within the City. This would be accomplished through combining the knowledge and expertise of City staff, personnel from within SFU's research and academic units, and community stakeholders who have specific knowledge and expertise in a given area of research.

A formal research partnership with SFU would provide the City with the opportunity to take advantage of leading edge academic research allowing the City to develop sustainable, innovative solutions to civic issues and challenges as they arise. This long term partnership would also provide the City with a permanent research base to solidify its leadership role in sustainability, climate action, housing, and other high value areas. The benefits of this partnership would also extend to SFU students and researchers who would greatly benefit from the experience of applying their education and knowledge to the development of innovative solutions to solve real-world issues and challenges.

Some of the potential areas that could be addressed through this research partnership include:

- | | |
|------------------------|--|
| Climate Change | • Applications for citizen access to information, 311 service |
| Data Analytics | • Call centre data |
| Horticulture | • LiDAR (Light Detection/Ranging) & tree health, beetle infestations |
| Mathematical Modelling | • Pollution, noise, odour, water quality |
| New Waste Facility | • Composting, district energy, research lab, gas |
| Transportation | • North-South corridor, driverless cars and City design |
| WIFI Mesh | • Monitoring temperature, air quality, traffic |
| Other Areas | • Social housing, Deer Lake remediation, adaptive street lights |

4.1 Benefits of Establishing a Non-Profit Society

The Liaison Working Group have determined that it would be in the best interest of both parties to establish a legal, non-profit Society for this proposed collaborative arrangement. The main benefit of this is that a legal, non-profit entity would provide the opportunity to make application for federal, provincial and/or Pacific Economic Development Canada (PacifiCan) research grants to be applied toward research projects and initiatives.

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From: *Deputy Chief Administrative Officer & Chief Financial Officer*
Re: *Civic Innovation Lab Society*
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To broaden the society's funding sources, community donations could also be solicited to finance research projects and support services. In addition, fundraising events and activities could also be entertained once the society is up and running. Providing an opportunity for community donors to give and connect with the society would advance the City's strategic goals and objectives of supporting ways to advance community engagement.

To obtain a better understanding of options available to formally structure this partnership, legal advice was sought on the process and factors that would need to be considered in establishing a non-profit society.

4.2 BC Societies Act

In B.C., not-for-profit/non-profit organizations are known as societies which operate under the authority of the Societies Act. Societies are independent, democratic organizations that are required to comply with the Societies Act and their own constitution and bylaws. Unlike the establishment of a business corporation, the incorporation of a society does not require the approval of the Inspector of Municipalities.

Like a business corporation, a society is a separate legal entity and has the capacity, rights, powers and privileges of an individual of full capacity. Unlike a business corporation, societies are generally required to use their money and other assets in pursuit of their purpose(s) and are prohibited from distributing them to anyone, subject to limited exceptions.

While it is not necessary to incorporate a society, incorporating has its advantages. For instance, it can make it easier to obtain provincial and/or federal funding that may only be available to incorporated (or registered) societies. It also gives a society:

- The rights of an individual;
- An independent existence separate and distinct from its members; and
- Unlimited life expectancy

4.3 Society Name Registration

The first step in the process for incorporating a society is to choose and reserve a name. It is recommended that the society be named Civic Innovation Lab Society. Should Council approve the proposed society, this name will be listed as first choice on the 'Society Name Approval Request' application which will be submitted to BC Registry Services. Civic Transformation Lab Society would be listed as second choice, should the Registry decline the former name.

4.4 Incorporating the Proposed Society

4.4.1 Incorporation Application

Subsequent to registering a requested name for the society, under the Societies Act, an incorporation application must be filed with the Registrar of Companies (“Registrar”) that sets out the name reserved for the society, its constitution and bylaws, a statement of directors, and registered office of the society.

4.4.2 Constitution and Bylaws

Under the BC Societies Act, every society wanting to incorporate must have both a constitution and a set of bylaws which must state the rules of conduct. The constitution of a Society must state the name and purpose(s) of the society.

The purpose of the proposed Society is as follows:

- (a) advancing education through the establishment of collaborative learning and research opportunities;
- (b) contributing to the economic, social and environmental well-being of citizens through:
 - (i) the establishment of research partnerships to foster community planning and economic, social and environmental resilience; Smart Cities, community housing options and sustainability initiatives; and
 - (ii) the study of civic innovation challenges; and;
- (c) the carrying out of all such other things as are incidental and ancillary to the attainment of the foregoing purposes and the exercise of the powers of the Society.

Appended to this report is the draft constitution for the proposed Civic Innovation Lab Society.

The constitution for the proposed Civic Innovation Lab Society has been structured to allow the Society to register as a charity under the Income Tax Act if it decides to do so in the future. Becoming a registered charity would allow the Society to issue official donation receipts for gifts received from community stakeholders. Secondly, some foundations and/or private sector organizations may only fund/donate to an organization if it is a registered charity.

4.4.3 Membership

Under the Society’s bylaws, as applicants for incorporation, the City and SFU will be identified as Founding Members of the Society. At the present time, the Founding Members are the only members that possess voting rights. To be eligible for membership in the Society, a person must be nominated by either the City or SFU and approved by a unanimous resolution of the Directors.

4.4.4 Joint Control and Shared Costs

It is intended that the City and SFU, as the Founding Members, will equally contribute towards staffing, administrative support, office space and supply costs that will be required to advance the research and development activities of the Society. Equal contribution will also be made towards research and development costs as approved by the Board.

In the event that the Society is wound-up, dissolved or liquidated, any funds and property remaining after payment of all costs, charges and expenses, will be distributed to the City and SFU in proportion to their contributions of funds, in-kind contributions, and other assets of the Society. Any funds held by the Society that are in excess of the City and SFU’s contribution will be distributed to a registered charity in British Columbia or to another “qualified donee” allowed under the Income Tax act as selected through a vote of the directors.

4.4.5 City Representatives (First Directors)

The incorporation application that is filed with the Registrar must list the names of individuals to be designated as the First Directors (incorporating directors) of the society. As an ordinary society, at least three initial directors must be listed and one must be a resident in British Columbia.

First Directors of a society hold office as directors from the registration of the society until they cease to hold office. To become a director of a society, other than a First Director, an individual must be elected or appointed to that office in accordance with the Society’s bylaws.

The First Directors of the proposed society are:

Name	Organization	Position
Mr. Leon Gous	City of Burnaby	Chief Administrative Officer
Mrs. Noreen Kassam	City of Burnaby	Deputy Chief Administrative Officer - CFO
Mrs. Joanne Curry	SFU	Vice-President, External Relations
Mr. Dugan O’Neil	SFU	Vice-President, Research and International

4.4.6 Role of First Directors and Post Incorporation Responsibilities

The role of First Directors is to manage the day-to-day business affairs of the newly established society. After incorporation, the First Directors are required to call an "organizational meeting" of the society's directors. The purpose of this first meeting is to organize the corporation by adopting a number of resolutions that will allow the society to conduct its business activities. The First Directors will be responsible for:

- passage of organization resolutions (setting quorum for directors' meetings, financial year-end, appointment of auditors etc.);
- setting up the Society's financial books and records and ensuring that someone takes responsibility for keeping these records up to date;
- setting up the Society's bank account(s);
- hiring staffing to manage and support the day-to-day business and research activities of the society.

4.4.7 Annual General Meeting

Each calendar year, incorporated societies must hold an annual general meeting (AGM). Societies do not need to hold an annual general meeting or file an annual report the year they incorporate. To ensure a continual supply of talent and viewpoints, the City/SFU Liaison Working Group recommends that directors of the society would serve a two-year term, with officers (Chair, Secretary, Treasurer) appointed annually. It is intended that the First Directors will appoint new Board Directors at the first Annual General Meeting of the Society.

5.0 FUTURE SEED MONEY

To ensure the success of this strategic venture, it may be necessary that the City provide annual seed money to allow for the commencement of research projects and initiatives, all of which will be designed to deliver sustainable, long-term future benefits to the community. Going forward, it is anticipated that the society will make application for available provincial and federal research grants as they arise, and moreover, will seek community/private donations as research projects and initiatives are advanced.

A separate report will be submitted in the future to request the City's share of any seed money required to advance the initiatives of the Society.

5.1 Financial Statement Audit and Internal Controls

To ensure adequate control over the disbursement of future seed money, all research projects and initiatives will require a business case for proposed research projects to be presented and approved by the Society's Board of Directors. Sufficient internal controls over the society's operational expenses will also be established.

Under the Societies Act, societies must present a set of financial statements at each annual general meeting. Under the bylaws for the proposed society, the society’s financial statements will be audited on an annual basis.

6.0 LOCATION AND RESOURCES

6.1 Location and Office Space

Sufficient space will be required to accommodate and support ongoing dialogue and interaction between City staff, SFU students, researchers, consultants and community stakeholders who choose to participate, or offer their expertise in a particular area of research. Office space will also be needed to accommodate staffing resources to support and coordinate the proposed society’s research initiatives.

The Liaison Working Group have determined that it would be advantageous to secure a suitable location for office spaces in a City-owned building, preferably in close proximity to the City Hall. To this end, City staff have reviewed a number of City-owned buildings and have determined that the Christine Sinclair Centre located at 3713 Kensington Avenue (4th Floor) could accommodate the proposed Civic Innovation Lab Society. This location is in close proximity to City Hall, SFU, and Sperling Skytrain station.

6.2 Staffing and Resources

To support and advance the research activities of the proposed society, it is essential that this strategic venture is adequately resourced. It is proposed that one Full-Time Equivalent (FTE) position from the City’s Planning and Development Department be seconded to support the start-up and ongoing research and development activities of the Society. This seconded position would be backfilled accordingly. Funding will also be needed to cover the costs for administrative support, office space and supplies.

Similarly, it is expected that SFU will also second one full-time position towards this initiative and contribute 50% towards office administrative and support costs.

There have also been some discussions regarding the possibility of seeking an SFU professor who may be interested in working with the City and SFU in specific research areas that may arise in the future. Other areas of discussion include establishing a City scholars’ program to support a cluster of students and researchers on specific annual priorities.

The City of Burnaby’s financial contribution towards staffing, administrative support, and office space and supplies are as follows:

	Seconded Position	Admin Support, Office Space and Supplies (\$50,000 @ 50%)	Total Contribution
Total Costs	\$150,000	\$25,000	\$175,000

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It is recommended that the Gaming Reserve be used to fund the City's contribution towards this initiative.

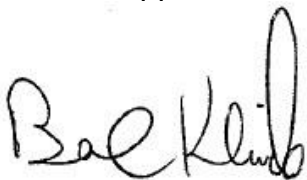
7.0 RECOMMENDATION

The creation of the Civic Innovation Lab Society is an exciting opportunity for the City to collaborate with SFU and community stakeholders for the purpose of researching and developing innovative solutions to civic issues and challenges. A formal research partnership with the SFU would enable the City to take advantage of leading edge academic research through harnessing SFU's strength and expertise in applied research. The outcomes from this partnership arrangement are expected to advance the City's strategic goals and objectives and provide a sustainable, long term benefit to the community.

This long term partnership would also provide the City with a permanent research base to solidify its leadership role in sustainability, climate action, housing, and other high value areas. The formation of a non-profit society would also provide a mechanism to apply for federal and provincial research grants for the purpose of financing research projects, initiatives and support services.

It is therefore recommended that Council:

1. Approve the formal research partnership with Simon Fraser University through the formation of a jointly controlled, non-profit Society whose mandate would be to research and develop innovative solutions to civic issues and challenges, in addition to providing educational advancement through collaborative learning and research opportunities.
2. Approve the draft constitution of the Civic Innovation Lab Society ("the Society") with representatives of the City of Burnaby ("the City") designated as two of the four First Directors.
3. Approve \$175,000 from the Gaming Reserve to fund the secondment of a City FTE ("Full-time Equivalent") and contribution towards administrative support, office space and supplies.



for Noreen Kassam, CPA, CGA
DEPUTY CHIEF ADMINISTRATIVE OFFICER
& CHIEF FINANCIAL OFFICER

NK:DS/md:kl

Attachment: 1-Civic Innovation Lab Society Constitution

Copied to: Chief Administrative Officer

CIVIC INNOVATION LAB CONSTITUTION

1. The name of the society is the Civic Innovation Lab
2. The purposes of the society are:
 - (a) advancing education through the provision of collaborative learning and research opportunities;
 - (b) contributing to the economic, social and environmental well-being of citizens through:
 - (i) the establishment of research partnerships to foster community planning and economic, social and environmental resilience, Smart Cities, community housing options and sustainability initiatives; and
 - (ii) the study of civic innovation challenges; and
 - (c) the carrying out of all such other things as are incidental and ancillary to the attainment of the foregoing purposes and the exercise of the powers of the Society.
3. The Society's activities will be carried on without gain to its members, and any income, profits or other accretions to the Society shall be used in promoting the purposes of the Society.
4. Upon the winding-up, dissolution or liquidation of the Society, the funds and property remaining after payment of all costs, charges and expenses properly incurred in the wind-up, dissolution, or liquidation, including the remuneration of the liquidator, and after payment to employees of the Society of any arrears or wages, and after payments of any debts of the Society, shall be distributed to the City and SFU in proportion to their respective contribution of funds and other assets to the Society. Any funds or property held by the Society that are in excess of the City and SFU's contributions shall be distributed to such charities in British Columbia registered under the provisions of the *Income Tax Act* or such "qualified donees" in British Columbia allowed under the *Income Tax Act* which are charitable at law, as shall be selected through a vote of the Directors of the Society.
5. Paragraphs 3, 4 and 5 are unalterable.