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Brock Carlton  
Ottawa, Ontario

April 29, 2010

Ms. Lynda Taschereau  
Manager, Intergovernmental Relations  
Strategic & Corporate Policy Division  
City Manager's Office  
City of Toronto  
100 Queen Street West, East Tower, 11<sup>th</sup> Floor  
Toronto, Ontario  
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Dear Ms. Taschereau:

This is to follow up on a recent telephone conversation and is aimed at clarifying the Federation of Canadian Municipalities' position on nominating representatives of the City of Toronto to the National Board of Directors.

As we explained, in the fall of 2007, the FCM Board of Directors established a governance committee chaired by Councillor Berry Vrbanovic assisted by directors representing the country's large regions. One of the committee's responsibilities was to make recommendations to the Board on a complete revision of FCM statutes and bylaws.

Committee recommendations were tabled and discussed at the March 2008 Board meeting in Victoria. New bylaws were then presented and adopted at the Annual General Meeting held in Québec City in June 2008. On each of these occasions, the members of the Board of Directors received copies of the new bylaws illustrating the proposed changes.

Among the changes made, some dealt with legal compliance of various clauses contained in our bylaws that were added over the years. This is where the question of nominations for alternates that are specific to the City of Toronto was raised. During discussions with our legal advisor, it became clear that this practice could not be included in our bylaws, as it did not comply with the spirit of the law. First, as with a municipal council, the power granted to a director via his or her election on the FCM Board of Directors cannot be transferred to another member and secondly, the issue raised serious legal questions as to alternate insurability. For these reasons, Board members and FCM members present at the Annual General Meeting decided to withdraw the reference to the nomination of alternates from FCM bylaws.

.../2



Furthermore, in March 2010, the National Board of Directors decided to strictly apply the election procedures included in the general bylaws. This means that only candidates with a formal resolution from the municipal council will be allowed to compete for a position on the Board of Directors. This decision clearly demonstrates the rigour with which members want us to apply our operating rules.

In all good faith and respectful of the work accomplished over the years by City of Toronto alternates, FCM did not raise this issue for the June 2009 election. However, we must bring this to your attention for the upcoming June 2010 election so that we can comply with the bylaws as per the Board of Directors instructions.

I hope this letter provides you with the clarifications you wanted concerning our position, and I remain at your disposal should you have any further questions on this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'Brock Carlton', with a horizontal line drawn through it.

Brock Carlton  
Chief Executive Officer

BC/mj:sd