



Annual General Meeting Process for TCHC and its Subsidiaries

Item 8A
April 22, 2024
Board of Directors

Report: TCHC:2024-24

To: Board of Directors (the “Board”)

From: Governance, Communications and Human Resources Committee (“GCHRC”)

Date: March 26, 2024

PURPOSE:

The purpose of this report is to advance the process for the Annual General Meeting (“AGM”) for Toronto Community Housing (“TCHC”) and its subsidiaries, and to seek City Council’s approval of TCHC’s Board Procedures by-law.

RECOMMENDATIONS:

It is recommended that the Board of Directors:

1. Authorize the President and Chief Executive Officer or designate to represent the sole shareholder, Toronto Community Housing Corporation, and conduct the annual meetings of the shareholder via written resolution in the form attached as Appendix 1 for the following subsidiaries that are wholly-owned by TCHC:
 - a. 2001064 Ontario Inc.;
 - b. Alexandra Park Development Corporation;
 - c. Allenbury Gardens Development Corporation;
 - d. Leslie Nymark Development Corporation;
 - e. Railway Lands Development Corporation;
 - f. Regent Park Development Corporation;
 - g. Toronto Affordable Housing Fund; and
 - h. Toronto Community Housing Enterprises Inc.;

2. Recommend that City Council appoint KPMG LLP as the Auditor of Toronto Community Housing Corporation for the year ending December 31, 2023 and authorize the Board of Directors of Toronto Community Housing Corporation to set the fee of the Auditor;
3. Authorize the Corporate Secretary, on behalf of the Board, to forward the Board's recommendation regarding the appointment of the Auditor of Toronto Community Housing Corporation for the year ending December 31, 2024 to the City Clerk for the information of City Council's Executive Committee and City Council, once approved by the Board at its meeting of April 22, 2024;
4. Authorize the Corporate Secretary, on behalf of the Board, to submit the Board's decisions and following materials to the City Clerk for information of City Council's Executive Committee and City Council, once approved by the Board at its meeting of April 22, 2024:
 - a. the Board-approved "Toronto Community Housing Corporation 2023 Annual Report", including such "Additional Information" as the City requires, including TCHC's 2023 executive compensation disclosure; and
 - b. the Board-approved "Toronto Community Housing Corporation 2023 Audited Consolidated Financial Statements" and cover report;
5. Recommend that City Council treat that portion of the City Council meeting at which these recommendations are considered as the Annual General Meeting of the Shareholder for Toronto Community Housing Corporation and:
 - a. receive the Board-approved "Toronto Community Housing Corporation 2023 Annual Report including such "Additional Information" as the City requires, including TCHC's 2023 executive compensation disclosure;
 - b. receive the Board-approved "Toronto Community Housing Corporation 2023 Audited Consolidated Financial Statements" and cover report to the Board;
 - c. appoint KPMG LLP as the Auditor of Toronto Community Housing Corporation for the year ending December 31, 2023, and authorize the Board of Toronto Community Housing

Corporation to set the fee of the Auditor; as recommended by the Board;

6. Recommend that City Council forward a copy of the Board-approved "Toronto Community Housing Corporation 2023 Audited Consolidated Financial Statements" to City Council's Audit Committee for its information;
7. Recommend that City Council approve the By-Law #4: Board of Directors Rules of Procedure, approved by the Board, as amended, at its meeting on February 24, 2023; and
8. Authorize the President and Chief Executive Officer and the General Counsel and Corporate Secretary, and their respective designates, to take all actions and execute all necessary documents to implement the above recommendations.

GCHRC:

This report was approved by the GCHRC on March 26, 2024.

REASONS FOR RECOMMENDATIONS:

Decision History

At its meeting of April 25, 2022, the Board of Directors approved TCHC's Board of Directors Meeting Procedures following a Deputation Consultation process through which former deputants to the Board and TCHC's Committees provided commentary on proposed Procedural Rules through three focus group sessions.

[Report TCHC:2022-26 "Board and Committee Meeting Rules of Procedure" Board meeting of April 25, 2022](#)

At its meeting of February 24, 2023, the Board of Directors approved amendments to TCHC's Board of Directors Meeting Procedures related to the calling, place and proceedings of meetings of the Board and its Committees that relate specifically to the location of the meetings of the Board and its Committees.

[Report TCHC:2023-08 "2023 Board and Committee Meetings at City Hall" Board meeting of February 24, 2023](#)

At its meeting of July 19, 2023, City Council appointed KPMG LLP as the Auditor of Toronto Community Housing Corporation for fiscal year 2022, and

authorizing the Board of Directors of Toronto Community Housing Corporation to set the fee of the Auditor.

[Item 2023.EX16.8 “Toronto Community Housing Corporation - Annual General Meeting and 2022 Audited Consolidated Financial Statements” City Council meeting of July 19, 2023](#)

At its meeting of December 6, 2023, the Board of Directors approved the appointment of KPMG LLP as lead external auditor for the year ending December 31, 2023, as part of the In-Camera portion of the meeting.

GCHRC Charter

In accordance with its Charter, the GCHRC fulfills its purpose, in part, by carrying out the following responsibilities:

1. Reviewing with Management the procedures of the Annual General Meeting, and reporting and making recommendations to the Board on such matters; and
2. Recommending to the Board in consultation with Committee Chairs the appointment of directors of any subsidiary or joint venture, and annually reviewing the governance structures of all subsidiaries and joint ventures, including the procedures for any Annual General Meetings in accordance with applicable subsidiary board policies, and reporting and making recommendations to the Board on such matters.

AGM Process for TCHC

TCHC’s AGM is conducted as part of the City of Toronto’s (the “City”) Council meetings. In order to satisfy the requirements for an AGM, a report is submitted to City Council, through its Executive Committee, addressing the matters required to be dealt with at an AGM, with the recommendation that the portion of the City Council meeting at which the report is considered be treated as TCHC’s AGM.

If approved, the Board’s AGM recommendations will be submitted to the Executive Committee for consideration at their meeting of July 16, 2024 and, if recommended, TCHC’s AGM will take place as part of the July 24, 25 and 26, 2023 City Council meeting. The following items will be discussed at TCHC’s AGM:

1. TCHC’s 2023 Consolidated Audited Financial Statements;
2. Appointment of TCHC’s auditor for the next fiscal year;
3. TCHC’s 2023 Annual Report; and
4. TCHC’s Letter to the Shareholder.

As per Council direction to all City corporations, this report recommends that the Board recommends that TCHC's 2023 Audited Consolidated Financial Statements are forwarded to the Council's Audit Committee for information, following consideration by Council.

AGM Process for TCHC Subsidiaries

TCHC has established the eight wholly-owned subsidiaries referenced in Recommendations 1(a) to (h) of this Report.

To fulfill its obligation of holding an AGM pursuant to section 94 of the *Business Corporations Act* ("BCA"), the subsidiary board must first meet and approve the corporation's financial statements for the fiscal year ended December 31, 2023. Once financial statements are approved by the subsidiary board, an AGM can be convened. TCHC, through its Board of Directors, can conduct the AGM by written resolution if permitted by the subsidiaries' bylaws. According to section 104 of the BCA, a resolution in writing signed by all the shareholders entitled to vote on that resolution at a meeting of the shareholders is as valid as if it had been passed at a meeting of the shareholders.

The agenda for the subsidiaries' AGMs consists of the following (pursuant to section 96(5) of the BCA):

1. Receipt and presentation of annual financial statements and auditor's report;
2. Appointment of auditor; and
3. Election of directors.

Auditor Appointment

Pursuant to subsection 10.6.1 of the Shareholder Direction to TCHC, the City of Toronto, as TCHC's sole shareholder, is required to appoint TCHC's auditor in accordance with Ontario's *Business Corporations Act*.

TCHC Procedural By-Law Approval

Pursuant to subsection 5.2.2 of the Shareholder Direction to TCHC, TCHC is required to pass a by-law for governing the calling, place and proceedings of meetings of the Board and its committees, and the Board shall seek Council approval of the by-law.

IMPLICATIONS AND RISKS:

Under the BCA, corporations are required to hold an AGM. Failure to hold an AGM would result in non-compliance with the BCA.

SIGNATURE:

“Darragh Meagher”

Darragh Meagher
General Counsel & Corporate Secretary

ATTACHMENT:

1. Form of Signed Resolution in Lieu of Shareholders' Meeting

STAFF CONTACT:

Darragh Meagher, General Counsel & Corporate Secretary
416-981-4241
Darragh.Meagher@torontohousing.ca

ATTACHMENT 1

Signed Resolution in Lieu of Shareholders' Meeting

[NAME OF CORPORATION] RESOLUTION OF THE SHAREHOLDER

BE IT RESOLVED THAT:

A. FINANCIAL STATEMENTS

The financial statements of the Corporation as at the fiscal year end of December 31, 2023 [together with the report of the auditor thereon] are hereby received.

B. [REMOVAL AND] ELECTION OF DIRECTORS

[The following directors are hereby removed as directors of the Corporation effective on the date this resolution is signed: [list directors]].

The following persons are hereby elected directors of the Corporation for the ensuing year or until their successors should be elected or appointed: [list directors]

C. SPECIAL RESOLUTION FIXING NUMBER OF DIRECTORS

Upon and subject to Articles of Incorporation providing for a minimum and maximum numbers of directors becoming effective:

1. the number of directors of the Corporation within the minimum and maximum numbers of directors provided for in the Articles of Incorporation is hereby determined to be _____; and
2. thereafter, the directors of the Corporation are empowered to determine from time to time the number of directors of the Corporation within the minimum and maximum numbers provided for in the Articles of Incorporation, as the same may be amended from time to time.

D. APPOINTMENT OF AUDITOR

[Name of Auditors] are hereby appointed the auditors of the Corporation to hold office until the close of the next annual meeting of the shareholder at such remuneration as may be fixed by the directors and the directors are hereby authorized to fix such remuneration.

The undersigned, being the sole shareholder of the Corporation, entitled to vote on the foregoing resolution, hereby, signs the said resolution this _____ day of _____, [year] _____.

TORONTO COMMUNITY HOUSING CORPORATION

By: _____

Name:

Title: President and Chief Executive
Officer