



MEMBER INFORMATION AND RESOLUTIONS PACKAGE

Articles of Amendment, Draft Bylaw 2024 & Special Resolutions
September 2024

ONTARIO NOT-FOR-PROFIT CORPORATIONS ACT (ONCA)

The Ontario government proclaimed the Not-for-Profit Corporations Act, 2010 (Ontario) in October 2021. Not-for-profit organizations covered by ONCA (including Applegrove) have until October 18, 2024 to amend their bylaws (in Applegrove's case, its constitution) and Letters Patent to be compliant with this new legislation.

Over the last 18 months, Applegrove has been working with legal counsel at McMillan LLP and with the City Manager's Office and Legal Division at the City of Toronto to prepare to transition over to the new Not-for-Profit Corporations Act, 2010 (Ontario) ("ONCA").

This transition process involves adopting:

1. Articles of Amendment as an update to the Letters Patent
2. A new ONCA-compliant bylaw (to replace the constitution).

DOCUMENT LINKS

[Current Letters Patent for the Not-for-Profit Corporation](#)

[Current constitution for the Not-for-Profit Corporation](#)

[Proposed new bylaw for the Not-for-Profit Corporation](#)

BACKGROUND INFORMATION

Applegrove is one of 10 Association of Community Centres (AOCCs) in the City of Toronto. These are multi-purpose facilities providing community, recreation and social service programs to local communities. As an AOCC, Applegrove is an agency of the City of Toronto. Applegrove is also a registered not-for-profit. These two separate legal entities function together as one organization. Facility and core administrative costs are funded by the City while program-related costs are funded through fees, donations and grants. The table below provides an overview of key aspects of the governance models for both entities:

	City Agency	Not-for-Profit Corporation
Authority and Accountability	City Board with mandate and governance structure as per the Former <i>City of Toronto Municipal Code, Chapter 25, Community and Recreation Centres</i> , and authorities, expectations and requirements outlined in a <i>Relationship Framework</i> between the City and AOCCs	Not-for-Profit Corporation incorporated under the Ontario Corporations Act in 1979 and registered as charitable organization with the Canada Revenue Agency (CRA)
Board <i>*The same people sit on both boards, except for the TDSB rep</i>	Board of Management (11 members) 9 members nominated by the membership at the Annual Meeting for appointment by the City 1 appointed City Councillor (Ward 14) 1 appointed Toronto District School Board (TDSB) representative	Board of Directors (10 members) 9 members elected by the membership at the Annual Meeting 1 appointed City Councillor (Ward 14)
Key Governing Documents <i>*Constitutions and Procedural Bylaws are very similar to support functional alignment between both entities</i>	Constitution - sets out purpose and governance structure, such as conditions, roles and responsibilities for membership and for the board Procedural Bylaw - regulates how the board operates	Letters Patent - grant legal status, give organization's name, purposes, powers Constitution - sets out purpose and governance structure, such as conditions, roles and responsibilities for membership and for the board Procedural Bylaw - regulates how the board operates

1. Articles of Amendment

This term refers to a document requesting amendments to the Letters Patent. Applegrove's Letters Patent have not been updated since 1979 and as a result they do not include some information that is now required under ONCA. The Letters Patent also list charitable purposes that are out of date and which no longer reflect CRA requirements for charitable organizations.

The amendments presented to the members for approval are as follows:

1. To set the number of directors at nine (9) to eleven (11).

The number of directors in Applegrove's current Constitution is ten (10). This change will enable both the City Councillor and TDSB representative to sit on the Board of Directors, as they do on the Board of Board of Management.

The membership must pass a resolution to fix the number of directors within this range. Future changes to the number of directors can be made by a special resolution of the members, or by the board of directors if the members delegate this authority to the board. In order to allow for flexibility in appointing directors, it is proposed that members authorize the board to implement changes the number of directors within the range.

2. To identify 2 membership classes:

- i. Catchment (can vote to elect directors to the board)
- ii. Non-Catchment (cannot vote to elect directors to the board)

The current constitution lists 3 categories of members: community, associate and corporate/institutional. The corporate/institutional class has been removed because it is not used. The community (members who live in Applegrove's catchment area) and associate (out of catchment members) classes have been renamed for clarity. As before, only in-catchment members can vote to elect the Board of Directors.

3. To replace the charitable purposes with new purposes approved by the CRA:

The establishment and operation of a multiservice community organization for the purposes of:

- a) promoting the social, physical and mental wellbeing and best interests of the community generally;
 - b) providing equitable access to social, recreational, educational and supportive programs and services for community members of all ages that meet local needs and advance community cohesion and wellbeing;
 - c) providing community support services, particularly to those most vulnerable;
- and such other complementary purposes not inconsistent with these purposes.

2. Proposed New Bylaw (to replace the Constitution)

In 2023 a detailed review of the constitution of the Not-for-Profit Corporation was undertaken. The process included a review of ONCA requirements and identification of required changes to achieve ONCA-compliance. In order to ensure continued alignment with the City Agency, City of Toronto governance requirements for AOCCs were also reviewed. A new bylaw was drafted and adapted based on review by our legal counsel and feedback provided by staff from the City Manager's Office and Legal Division of the City of Toronto.

The new bylaw includes multiple provisions that further promote alignment between the Not-for-Profit Corporation and the City Agency, including a new requirement that all members of the Board of Directors also sit on the Board of Management for the City Agency, clarification that the Board of Directors operates alongside the Board of Management, and that financial policies for the Not-for-Profit Corporation shall consider and be aligned with applicable City bylaws and policies.

Additional highlights of key changes due to ONCA requirements include:

- New content on member discipline and termination of members e.g. for violating any provisions in the ONCA or in Applegrove bylaws and policies
- Changing the number of members required to call a special members meeting from 20 to a percentage (3%) of the membership
- New eligibility qualifications for directors e.g. directors may not have the status of bankrupt
- Adding more detailed content about conflict of interest requirements for directors
- Adding more detailed content on director voting and consent
- Allowing bylaw changes to be made at a members meeting (vs only at an Annual Meeting).

The new Bylaw 2024 was approved by the Board of Directors at its meeting on September 23, 2024 by resolution. The next step is confirmation of approval by the Applegrove membership.

RESOLUTIONS OF THE MEMBERSHIP

Three (s) Special Resolutions are provided below and submitted to the members for approval. They are special resolutions. A special resolution must be approved by not less than two-thirds (2/3) of the votes cast on that resolution.

SPECIAL RESOLUTION #1

OF THE MEMBERS OF APPLGROVE COMMUNITY COMPLEX (THE CORPORATION)

To amend the Letters Patent and apply for Articles of Amendment

WHEREAS the Corporation was incorporated by letters patent dated June 5, 1979 and issued under the laws of the Province of Ontario (the Letters Patent);

WHEREAS the Corporation is now subject to the Not-for-Profit Corporations Act, 2010 (Ontario) (the Act);

AND WHEREAS it is in the interest of the Corporation to make application for the issue of articles of amendment pursuant to the Act to amend the Letters Patent;

BE IT RESOLVED THAT

1. The Letters Patent be amended:
 - a) To include a range of Directors, being a minimum of nine (9) and a maximum of eleven (11) Directors;
 - b) To include provisions respecting the classes of membership, which shall include Catchment Members and Non-Catchment Members; and to
 - c) To replace the objects of the Corporation with the following objects:

The establishment and operation of a multiservice community organization for the purposes of:

- i. promoting the social, physical and mental wellbeing and best interests of the community generally;
 - ii. providing equitable access to social, recreational, educational and supportive programs and services for community members of all ages that meet local needs and advance community cohesion and wellbeing;
 - iii. providing community support services, particularly to those most vulnerable; and such other complementary purposes not inconsistent with these purposes.
2. The Corporation is authorized to file the Articles with the Ministry of Public and Business Service Delivery.
3. Any two (2) Officers of the Corporation, or any one (1) Officer together with any one (1) Director of the Corporation, are authorized and directed to do, execute and perform all acts, documents and instruments necessary or desirable to give full force and effect to the foregoing, including, without limitation, the execution and submission of the Articles and all other required documents to Ministry of Public and Business Service Delivery.
4. The persons executing the Articles are hereby authorized and directed to make such technical changes in the Articles as may be required by the Ministry of Public and Business Service Delivery, with no further recourse to the Board of Directors or Members to approve or confirm such changes.

SPECIAL RESOLUTION #2
OF THE MEMBERS OF APPLGROVE COMMUNITY COMPLEX (THE CORPORATION)

To confirm the replacement of the Constitution for The Corporation with a new bylaw that aligns with the Ontario Not-For-Profit Corporation Act (ONCA).

WHEREAS separate constitutions for the Corporation and for the City Agency were adopted at the Annual Meeting on March 28, 2007;

WHEREAS the Corporation is now subject to the Not-for-Profit Corporations Act, 2010 (Ontario) (the Act), and requires bylaws that are compliant with the Act;

WHEREAS it is in order to pass a resolution confirming Bylaw 2024, a bylaw relating generally to the conduct of the business and affairs of the Corporation, the Board of Directors approved Bylaw 2024 by resolution on September 23, 2024; and

BE IT RESOLVED THAT:

Bylaw 2024 is confirmed by the Members and will replace the Constitution for the Corporation.

SPECIAL RESOLUTION #3
OF THE MEMBERS OF APPLGROVE COMMUNITY COMPLEX (THE CORPORATION)

To establish the number of positions on the Board of Directors for the Corporation.

BE IT RESOLVED THAT:

1. The number of directors of the Corporation is fixed at ten (10); and
2. The directors of the Corporation are hereby authorized to determine by resolution, from time to time hereafter, the number of directors of the Corporation.