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Town of Aurora

## **Special Meeting of Council Report**

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**Subject:** **Aurora Economic Development Corporation Annual Report  
2019**

**Prepared by:** Nick Kazakoff, Economic Development Officer

**Department:** Planning and Development Services

**Date:** October 6, 2020

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### **Recommendation**

- 1. That Report No. PDS20-063 be received;**
- 2. That the Aurora Economic Development Corporation's Director's Report attached hereto as Attachment 1 be received;**
- 3. That the requirements regarding the appointment and duties of the auditor be exempted for the financial year;**
- 4. That Council appoint the following two (2) individuals to the Aurora Economic Development Corporation (AEDC) Board of Directors for a term of three years:**

**Insert Name**

**Insert Name and;**

- 5. That Council approve a special resolution passed by the AEDC Board of Directors to increase the number of local residents or business owners to nine and to decrease the number of Council representatives to two.**

### **Executive Summary**

This report seeks Council's approval of the Aurora Economic Development Corporation's 2019 Annual Report including receiving the Director's Report and appointing two new members to the Board.

- The Director's report outlines all the achievements of the Board over the past year.

- The AEDC does not control any finances, it does not have any financial statements and is exempted from providing an auditor's report.
- The AEDC currently has two vacant local resident/business owner Board of Director positions.
- The AEDC Board of Directors passed special resolution to change the composition of the Board.

## **Background**

On December 18, 2018, the Aurora Economic Development Corporation (AEDC) was incorporated under the *Corporations Act*.

Council is the only shareholder of the corporation and Voting Member for the purposes of the annual meeting. According to both legislation and the operating by-law of the AEDC Corporation, being By-law No.1 the following must be presented at the Annual General Meeting:

- The report from the Directors
- The Financial Statements
- The Report of the Auditors
- Election of the Board of Directors
- Appointment of Auditors for the Next Year, if applicable

## **Analysis**

### **The Director's report outlines all the achievements of the Board over the past year**

The Chair of the AEDC, Tim Hammill has submitted a Director's report which has outlined the activities of the board over the past year (see Attachment 1). The report highlights the appointment of the Directors to the Board in early 2019 and the work the AEDC Board did in creating the Town of Aurora's Economic Development Strategic Plan which was adopted by Council on July 23, 2019. The Chair also notes the establishment of three sub-committees in the fall of 2019 that are advancing the prioritized action items in the Strategic Plan.

**The AEDC does not control any finances, it does not have any financial statements and is exempted from providing an auditor's report.**

As per the legislation and their By-law No.1, the Board is required to present the financial statements of the corporation, a report of the auditors and appoint next year's auditor at each annual meeting. However, the Town's Finance Department and the Town's Auditor have confirmed that an audit and financial statements will not be required based upon the AEDC's present financial situation as the AEDC does not control any finances. As long as the AEDC continues to not control any finances, it will not require an annual audit, nor the generation of financial statements each year. However, it is required due to its corporation status to submit a tax return to the CRA each year.

**The AEDC currently has two vacant local resident/business owner Board of Director positions**

There are two vacancies currently on the AEDC Board of Directors, both are local resident/business owner member positions. Both appointed members would serve a three-year term. Following a public recruitment process, the AEDC Board of Directors are recommending the appointment of two candidates. In accordance with the *Municipal Act*, Council will be reviewing the candidates in a closed session meeting and the names will be made public once Council selects the new Board members. The term of the appointment of Directors of the AEDC will be effective starting the day after the October 6, 2020 Annual General Meeting of the Corporation.

**AEDC Board of Directors passed a special resolution to change the composition of the Board**

In May 2020, Council amended the composition of the Board of Directors in terms of reference by converting the vacant Council representative seat into an additional local resident/business owner member seat (see Attachment 2). Council directed staff to present the special resolution to the Board of Directors at the AEDC's June 23, 2020 board meeting which was passed by the Board (see Attachment 3). As the only shareholder of the Corporation, Council must now confirm the special resolution.

**Advisory Committee Review**

None

## **Legal Considerations**

The first annual meeting for the AEDC was required to occur no later than 18 months after its incorporation, which would be June 17, 2020. Due to the pandemic, the Province temporarily suspended the time period and amended the legislation so that any annual meetings that were to occur during the declared state of emergency were postponed until the 90<sup>th</sup> day after the day the emergency is terminated. With the Provincial state of emergency terminated, the AEDC is now required to hold its annual meeting by the middle of October.

Since the AEDC does not control any accounts, the legislation permits Council to exempt the corporation from the requirements of appointing auditors for the upcoming year.

Lastly, in accordance with the legislation, Council, as the only shareholder of the AEDC, is required to confirm the special resolution passed by the Board. Once the special resolution is confirmed, By-law No. 1 of the AEDC will be amended to reflect the change in the composition of the Board.

## **Financial Implications**

As the AEDC does not control any finances, it is not required to engage an auditor to undertake an audit and generate financial statements on an annual basis. A minor annual software cost is required for staff to submit its required annual tax return to the CRA. This cost will be funded out of the Town's existing operating budget.

## **Communications Considerations**

Once public, the Town will recognize all members of the AEDC Board of Directors by way of a public service announcement.

## **Link to Strategic Plan**

Maintaining Ad Hoc and Advisory Committees/ Boards supports the Strategic Plan goal of supporting an exception quality of life for all through the accomplishment in satisfying requirements in the following key objectives within this goal statement:

Strengthening the fabric of our community: through the identification of new formats, methods and technologies to effectively and regularly engage the community.

## **Alternative(s) to the Recommendation**

1. None.

## **Conclusions**

The Aurora Economic Development Corporation (AEDC) has prepared its annual report as required by both the legislation and By-law No. 1 of the AEDC Corporation for its Annual General Meeting. As Council is the only shareholder in the Corporation that annual general meeting may coincide with the Council date.

Staff recommends approving the AEDC's Annual Report, appointing to the Board of Directors the candidates approved by Council, confirming the special resolution to increase the number of local residents or business owners and to decrease the number of Council representatives.

## **Attachments**

Attachment 1 – AEDC Director's Report

Attachment 2 – Special Resolution (Amendment to By-law No.1)

Attachment 3 – AEDC Board Minutes – June 23, 2020

## **Previous Reports**

General Committee Report No. PDS19-040, dated May 21, 2019

General Committee Report No. PDS19-016, dated March 19, 2019

General Committee Report No. PDS18-074, dated July 10, 2018

## **Pre-submission Review**

Reviewed by the Chief Administrative Officer and Director of Planning and Development Services.

## **Approvals**

**Approved by David Waters, Director, Planning and Development Services**

**Approved by Doug Nadorozny, Chief Administrative Officer**