

**Minutes of the CCOC Board of Directors  
Meeting of Wednesday April 24, 2019**

**Present:** Dallas Alderson (Vice President/Chair), Jesse Steinberg, Lee Pepper, Andrew McNeill, Penny McCann, Kerry Beckett, Glenn Allen, Sarah Button, James Clark  
*Staff:* Ray Sullivan, Fran Childs (Recorder)

**Regrets:** Abra Adamo, Josh Bueckert (Treasurer), AnaLori Smith (Secretary), Bill Rooney (President) Chris Yordy

**Guests:** Kiefer Maracle, Graeme Hussey, Amanda Tompkins

**1. Call to order**

The meeting was called to order at 7:20pm.

**2. Adoption of agenda**

The Board adopted the agenda as presented, with all items not specifically noted on the agenda being accepted on consent, but proposed to switch items 8 and 9. (M/S/C, Penny McCann/James Clark)

**3. Adoption of the minutes**

The Board adopted the regular minutes of the March 27, 2019 meeting.

(M/S/C, Lee Pepper/Andrew McNeill)

**4. Declaration of conflict of interest – none**

**5. Business arising from the previous minutes**

**a) Percy & Lisgar borrowing**

There is an update to the borrowing for 258 Lisgar. We are looking into the possibility of a multi-year portfolio approach through the CMHC co-investment fund. This could be a source of both low-cost financing and grants.

**b) Alternatives to calling police**

This continues to be a work in progress, staff are looking into other options.

**c) Updating Committee Terms of Reference**

Facilities Management Committee and Tenant and Community Engagement

Committee haven't met since the last updates were proposed, so this will be back on the agenda for the next meeting once all committees have reviewed the latest versions.

**6. Executive Committee Report – none**

**7. Personnel Committee Report**

- a) **Corporate Services “group”** – There have been discussions about this group becoming a full department with the Manager acting as a department head. It would place a more appropriate priority on HR now that we have 60 staff. This will come back to the June meeting.

**8. Development Committee Report**

**a) Arlington Redevelopment**

Ray and the Board gave kudos to Kiefer for his work on the development, which is being delivered on budget. Kiefer thanked everyone and highlighted that it has been a team effort as all developments are. The first new tenant will move in May 1, 2019 and there will be more coming after that. The builder has claimed some additional costs that we will be reviewing.

**b) Development Strategy**

Kiefer and Graeme presented the Development Strategy to the Board. The Board pointed out that seeing how little debt the sample properties are able to carry was helpful and given those ratios, it is clear why it is difficult to be ready to develop. The Board asked why there wasn't more diversity in the examples chosen in the strategy report. Graeme and Kiefer explained in the interest of cost-saving, they reused old sketches that were done years ago and applied updated costs. The Board discussed the point about investigating charitable tax status and agreed that this would need to be investigated further so that informed decisions can be made. The Board brought up the conflict between funding the maintenance of existing assets and development of new properties, but agreed that it should not be an either/or decision. They spoke about the positive impact of raising turnover rents to be closer to AMR in order to increase equity.

**Motion:** That the Board accept the development strategy report as presented and endorse the next steps. (M/S/C, Glenn Allen/Kerry Beckett)

**c) Cahdco land purchase**

**Motion to move in camera** at 8:23pm. (M/S/C, James Clark/Sarah Button)

James Clark declared a conflict of interest because he is the CAHDCO treasurer.

While in camera, the board approved that CCOC will act as guarantor for Cahdco to purchase a specific property.

**The Board moved ex-camera at 8:46pm** (M/S/C, Glenn Allen)

## 9. Finance Committee Report

a) **Motion:** The Board approved both that \$1,849.59 (February 2019) and \$2,843.92 (March 2019) in Bad Debts be written off for CCOC. (M/S/C, Kerry Beckett/Penny McCann)

### b) Audited Financial Statements 2018

- Amanda presented the Audited Financial Statements to the Board. CCOC received a clean opinion. CCOC finished the year with a surplus of \$1,546 following the transfer of the additional \$701,000 from operating income to the EOA capital replacement reserve fund. She explained that this was necessary because two properties moved into the EOA portfolio this year and brought deficits in the capital replacement reserve funds with them.
- Amanda explained that further work will be done this year to review how administrative and maintenance are allocated to ensure all properties (including our 3rd party properties like Unity) are reflecting the true costs. Currently costs are only allocated to CCOC/CCHC properties, however revenues are collected from Unity to recoup some of those costs. The way it reflects on this year's audit makes it appear that the net surplus in Maintenance Contracts is higher than it should be when all of the costs are taken into account.

**Motion:** The Board approved that an additional \$701,000 be transferred from EOA operating income to the EOA capital replacement reserve. (M/S/C, Kerry Beckett/James Clark)

**Motion:** The Board approved that \$450,000 be transferred from the internally restricted Top-Up replacement reserve fund to the EOA capital replacement reserve. (M/S/C, Kerry Beckett/James Clark)

**Motion:** The Board approved that \$250,000 be transferred from unrestricted net assets to the EOA capital replacement reserve. (M/S/C, Kerry Beckett/James Clark)

**Motion:** The Board approved the CCOC 2018 Year-end Financial Statements as presented and moved that they be forwarded to the membership for approval at the Annual General Meeting. (M/S/C: Kerry Beckett/James Clark)

### c) Borrowing Resolution 283 Arlington

**Motion:** WHEREAS CENTRETOWN CITIZENS OTTAWA CORPORATION (the "Corporation" and/or "Housing Provider") has requested the Ministry of Housing (the "Ministry") to arrange on its behalf a refinancing of the existing charge/mortgage of land (the "Mortgage") for its project municipally known as 283 Arlington Avenue, Ottawa maturing on July 1, 2019 in the approximate amount of \$55,217.86.

AND WHEREAS the Ministry has agreed to arrange said mortgage financing and the Corporation agrees to be bound for those purposes by the terms and conditions contained in the said Mortgage, or any amendments thereto.

THEREFORE BE IT RESOLVED THAT:

I. The Housing Provider hereby authorizes the Ministry to solicit and arrange on its behalf such mortgage(s) or mortgage facilities with a lender or its authorized agent (the "Lender") as it deems necessary, appropriate or advisable for the project identified above and for the maturity date aforementioned;

II. The Housing Provider hereby agrees to be bound to the Lender for such mortgage purposes and upon the terms and conditions contained in the said Mortgage, or any amendments thereto, and the Housing Provider hereby further agrees to mortgage its property and assets to secure its present and future obligations under the said Mortgage, or any amendments thereto, to the Lender, as deemed necessary or advisable;

III. The Housing Provider hereby authorizes the designated signing Officers to enter into such agreement or agreements amending the terms of the said Mortgage and to deliver to the Lender such document or documents as may be deemed necessary, advisable or required by the Lender to give effect thereto;

IV. The Housing Provider hereby confirms that this Resolution has been ratified and approved by its Board of Directors and it agrees to deliver this resolution to the Ministry and to the Lender; and

V. The Housing Provider further confirms that this resolution shall continue in force and effect until written notice to the contrary is delivered to the Lender and the Ministry with receipt acknowledged by the Lender and the Ministry.

(M/S/C: Kerry Beckett/Glenn Allen)

**d) Borrowing Resolutions Percy School**

**Motion:** WHEREAS the Directors of CCOC are authorized from time to time to enter into agreements upon the credit of CCOC and to charge, mortgage or pledge all or any of the real or personal property, rights and undertaking of CCOC, present and future, to secure any monies borrowed or contributed by third parties and it is in the best interests of CCOC that the Directors exercise such authority.

NOW THEREFORE BE IT RESOLVED THAT:

1. The execution and delivery by CCOC of a commitment letter dated April 17, 2019 (the "Commitment Letter") from Royal Bank of Canada ("RBC") to CCOC for a loan (the "Loan") insured by Canada Mortgage and Housing Corporation ("CMHC") in the principal amount of \$3,262,300.00 for the purpose of financing improvements to CCOC's property municipally known as 598-616 Maclaren Street and 625-631 Gilmour Street, Ottawa, Ontario (the "Property") and containing 42 rental housing units, is hereby approved, ratified and confirmed.

2. To evidence and secure its obligations to RBC under the Commitment Letter, CCOC has agreed to grant to RBC the security required by the Commitment Letter, including:

(a) a first ranking Charge/Mortgage in the principal amount of \$3,262,300.00 (the "Charge") secured over and to be registered against the Property;

- (b) a first ranking general assignment of rents and leases from the Property to be registered against title to the Property and under the Personal Property Security Act (Ontario) (the "PPSA");
- (c) a first ranking site specific security agreement granting a security interest in all present and after acquired personal property relating to the Property with RBC's interest to be registered under the PPSA;
- (d) a hypothecation of the reserve fund to RBC via a Cash Collateral Agreement (RBC Form 610) with RBC's interest to be registered under the PPSA;
- (e) a CMHC Certificate of Insurance number 90-758-160; and
- (f) all other such assurances, documents and instruments evidencing CCOC's obligations in relation to the Commitment Letter, as may be reasonably required by RBC (the "Security Documents").

3. Ray Sullivan, Executive Director and Amanda Tompkins, Finance Director, are hereby authorized for and on behalf of CCOC to execute or cause to be executed under its corporate seal or otherwise, the Commitment Letter and the Security Documents with such alterations, additions, amendments and deletions as may be approved by such persons executing the same whose signatures shall be conclusive of such authorization.

4. Ray Sullivan, Executive Director and Amanda Tompkins, Finance Director, are hereby authorized for and in the name of CCOC to execute and deliver under the corporate seal or otherwise all such other documents and to do all such other acts and things as may be necessary or desirable to give effect to this Resolution and to perform the obligations of CCOC under the Commitment Letter and the Security Documents.

This resolution may be executed in any number of counterparts and all counterparts taken together shall constitute one document. The delivery of an executed copy of this resolution, including counterparts, by facsimile or other electronic means is legally binding on the undersigned and shall be deemed to be an original hereof. The parties further agree that a photocopy of any counterpart shall be deemed sufficient to bind the party appearing to have signed the original.

(M/S/C, Andrew McNeill/Jesse Steinberg)

Ray reported that we are trying to remove a clause imposed by CMHC mortgage insurance that would require us to keep a segregated escrow account for the replacement reserve at Percy school - this would seriously impede our ability to manage assets on a portfolio level.

## **10. Tenant and Community Engagement Committee**

### **a) Doug DesBrisay Good Neighbour Award**

Lee reported on behalf of the TCE committee that there were many nominations this year – more than ever. This year, all nominees will be recognized at the AGM in addition to the winner being celebrated.

## 11. Facilities Management Committee Report – none

## 12. Rental Committee Report

**Motion:** It was moved that the Income Verification policy be rescinded. (M/S/C, Kerry Beckett/Andrew McNeill)

- a) **Motion:** It was moved that all updates to the following policies be approved as recommended by the Rental Committee: Rent Calculation on Fluctuating Income, Income Changes, Access to Market Rent Units, Assessing Financial Back-up for Market Rent Units, Policy on Transfer Requests. (M/S/C, Kerry Beckett/Penny McCann)

## 13. Policy Research and Advocacy Committee (PRAC!)

- a) Provincial Budget – Ray shared that there are two new acronyms to learn: COCHI (Canada-Ontario Community Housing Initiative, which is preserving the 2018 baseline federal spending that would have otherwise disappeared with expiring operating agreements, and OPHI (Ontario Priorities Housing Initiative) which is the successor to the Investment in Affordable Housing (IAH) program was used mostly for new housing supply in Ottawa (but the dollar amount is shrinking).

## 14. Corporate Business

### a) Nominations & appointments sub-committee

Andrew and Lee shared that there are 10 candidates running for the 7 spots up for election to the board this year. Everyone sent congratulations to Hannah Vlaar on some fabulous work to make this happen.

### b) 2018 Indicator Report – deferred to May meeting

- c) **2019-2022 Workplan** – Ray reviewed the workplan with the Board. This is the last 3-year workplan under the current strategic plan.

**Motion:** It was moved to accept the workplan as presented. (M/S/C, Jesse Steinberg/Lee Pepper)

- d) **June Board Workshop** - Ray proposed a board workshop in June to welcome the new members to the Board and to work on board cohesion. Everyone agreed that it is a good idea. Ray will send more information to the Board to choose a date.

## 15. Conference / Associations' Report

### a) CHRA Congress 2019

James shared some brief takeaways from the Congress. Ray also pointed out that the weather was beautiful and the trees were blooming and it was a welcome reprieve from Ottawa weather.

**16. Other Business**

- a) Dallas thanked Glenn and Lee for their significant contribution to the board over the years. Neither of them will be running for re-election so the Board wanted to thank them.

**17. Adjournment – 9:53pm**

**Next meeting:  
7:00 pm Wednesday, May 29, 2019  
415 Gilmour, Suite 200**

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Secretary of the Board

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Date