

MINUTES FOR THE CCOC BOARD OF DIRECTORS MEETING
Wednesday, January 29, 2020

Present: Dallas Alderson (President/ Chair), Josh Bueckert (Treasurer) Jesse Steinberg, Kerry Beckett, Shelley Robinson, Chris Yordy, Abra Adamo, Andrew McNeil, James Clark, Sinda Garziz
Staff: Ray Sullivan, Nicole Picton (recorder).

Regrets: Penny McCann, AnaLori Smith (Vice-President), Sarah Button, Bill Rooney
Guest: Amanda Tompkins (up to item 6c)

1. Call to order & Anti-Oppression Statement

The meeting was called to order at 7:10 pm and a board member read the anti-oppression statement.

2. Adoption of agenda:

The Board amended the agenda to deal with Finance after business arising. The agenda was adopted as amended, with Personnel Committee report and other items not specifically noted in the agenda accepted on consent.

(M/S/C, Kerry Beckett/ James Clark)

3. Adoption of November 27, 2019 and December 19, 2019 minutes

The Board moved to adopt both the November and December 2019 minutes

(M/S/C, Jesse Steinberg / Chris Yordy)

4. Declaration of conflict of interest – James Clark declared a conflict of interest for item 6c (Cahdco MOU)

5. Business arising from the previous minutes

- a) Housing Emergency Declaration and Rally: The rally was well attended; tenants, staff and directors were present. It was fascinating to listen to the council debate. Council debated changing the language from “housing emergency” to “housing crisis”, and in the end we got both. The City also completed a draft of their ten-year housing and homelessness plan, which will be discussed at the March committee and council meetings.

6. Finance Committee Report (Dec 19 + Jan 23)

a) Bad debts

Motion: The Board moves to write off \$2363.89 in bad debt for December 2019
(M/S/C, Andrew McNeil / Josh Bueckert)

Motion: The Board moves to write off \$1515.00 in bad debt for January 2020
(M/S/C, Josh Bueckert/ Chris Yordy)

b) Beaver Barracks financial projection

i. Amanda Tompkins presented a projection of the Beaver Barracks portfolio surpluses and deficits until 2050. The Infrastructure Ontario (IO) mortgage on 464 Metcalfe & 160 Argyle (Phase 1) is renewing in 2021 so there is an opportunity to benefit from interest rates lower than the current 5.51%; we have assumed an interest rate renewal at 3.5%. The mortgage for 111 Catherine and Victory Gardens (Phase 2) already has a lower interest rates (3.19%), the rates are up for renewal in 2023 and the projection assumes no significant change. The next big shift is in 2031-33 when Phase 1 and 2 exit their provincial operating agreements; this leads to a significant drop in revenue when the provincial mortgage subsidies end. The mortgages however continue until 2041-43. At that point the property generates positive surpluses, but until then it has consistent and significant deficits. The operating agreement with the City is 50 years and sets a maximum rent level at Average Market Rent. There are a few areas we need to continue examining:

1. Property taxes: property taxes are currently \$625,000 annually, which is double what was estimated when the project started. Reduction or elimination of property taxes can have a significant impact.
2. The capital cost to maintain the geothermal system may be high and likely isn't factored into our capital spending projections.
3. It is unclear whether we are obliged to continue providing Below Market Rents (BMR – currently 15% of tenants) after the provincial operating agreement ends.

One member pointed out that the property taxes and the geothermal rates are a different conversation than changing rents from BMR to AMR because that decision would be related to our mission. Others suggested that if there weren't so many financial burdens with BB, it would be possible for CCOC to focus on building more affordable housing.

Finance Committee will continue to examine some of these options at their February meeting.

c) **Cahdco MOU** - Finance Committee reviewed the language of the MOU and recommends some changes. The final draft recommended by Finance

Committee includes: hourly charges to CCOC at break-even rates, a requirement for cost/time estimates from Cahdco in advance and the requirement that CCOC Finance committee review major changes in scope and cost. CCOC Finance Committee will review quarterly Cahdco financial statements, and end-of-year balances owing to CCOC will incur interest. The term of the agreement is one year. The CCOC board will do a deep dive on Cadhco at the April meeting. Some board members felt it may be wise to defer the MOU to April 2020. Another member mentioned that Cadhco is evolving and it should be taken into consideration on how the Cadhco and CCOC relationship will continue moving forward.

Motion: The Board accepted the MOU as revised by the Cahdco board and the Finance committee.

(M/S/C, Kerry Beckett/ Shelley Robison, Abstention: James Clark and Chris Yordy)

Motion: The Board moved to thank Amanda Tompkins for her work as Finance Director.

(M/S/C, Josh Bueckert / Kerry Beckett)

- d) Internal lending interest rate** – CCOC’s policy on internal lending would normally have required a reset of interest rates in 2017. The committee is recommending doing so now.

Motion: The Board moved that the internal lending rate be reset to the Bank of Canada long term benchmark yield rate of 1.68% effective January 2, 2020

(M/S/C, Josh Bueckert/ James Clark)

- e) Arlington reserve balance-** The old Arlington property had an accumulated operating deficit of \$89,624.14, and a replacement reserve surplus of \$95,260.25 before redevelopment. Finance Committee recommends netting the two against each other and allowing the new Arlington property to begin with a \$5,636.07 capital replacement reserve balance.

Motion: The Board moved to reallocate the replacement reserve amount of 95,260.25 to offset the operating deficit of \$89,624.15

(M/S/C, Josh Bueckert/ Shelley Robinson)

- f) Sunsetting policies** – There are five policies that have sunsetted. Three are related to procurement and a new updated procurement policy should be the subject of a future joint Finance and FMC meeting. The other two policies relate to investments and reserves and should be combined into a single policy. Josh recommended extending new sunset dates to June to allow time to update the policies without losing them altogether.

Motion: The board moved that all five policies (**Provisions of info for unplanned expenditures, Purchase orders, Investment- general operating funds, Investment- reserve funds and Replacement Reserves**) be

amended to extend sunset dates to June 2020

(M/S/C, Josh Bueckert/ James Clark)

7. Executive Committee Report

Motion: The Board moved *in-camera* (M/S/C, Kerry Beckett/ Shelley Robison) for an update on collaboration with other non-profits and an update on legal matters.

Motion: The board moved *ex-camera* to resume the agenda (M/S/C, Kerry Beckett/ Shelley Robison)

8. Personnel Committee Report – accepted on consent

9. Facilities Management (Dec 19 + Jan 16)

- a) **COCHI Grants** – Canada-Ontario Community Housing Initiative capital repair funding is targeted towards properties whose operating agreements have expired or are soon to be expired. Year two of COCHI grants have now opened up and we have applied for \$800,000 in grant funding at 345 Waverley, 258 Lisgar and 170 Booth.

10. Development Committee Report

- a) **Forward Avenue** – Ray reported on some tentatively good news. Adding new Average Market Rents into the pro-forma budget allowed us to increase revenue and increase the value of the mortgage. That eliminates the need for CCOC equity. However, this will change over time as we are still in the beginning stages, we haven't completed design, we have only a rough construction cost estimate and we don't know what mortgage rate we will be offered.

11. Tenant and Community Engagement Committee Report

- a) **Healthy Transportation Coalition City Budget 2021 campaign:** TCE recommends CCOC endorse the Healthy Transportation Coalition campaign for reduced transit fares for low income people.

Motion: The Board moved to support the 2020 City budget campaign of the Healthy Transportation Coalition (M/S/C, Josh Bueckert / Abra Adamo)

12. Rental Committee Report

- a) **Housing Outreach Program (HOP)**
Local housing co-ops and several non-profits have teamed up to purchase tenant support services from Options Bytown under their Housing Outreach Program. The HOP will help tenants who are at risk who only require light support. Rental Committee recommends CCOC join the program (HOP to it!), at an average of 3 hours/week until the end of the year, at \$40/hour. The Rental Department would track the effectiveness

and the use of the program and determine if it helps to preserve the tenancies.

Motion: The Board moved that CCOC proceed with commitment to the HOP services and the Rental Department track the effectiveness of the program. (M/S/C, Kerry Beckett /Sinda Garziz)

13. Policy Research and Advocacy Committee (PRAC!)

- a) **2017-2020 Review** – In September 2017, the Board struck the committee to focus on major policy developments at the federal, provincial and municipal levels. The Committee was initially given a one-year mandate to October 2018, the mandate was extended to October 2020. PRAC, under many variations of the acronym has been used from time to time over at least 25 years of CCOC history. The initial major policy initiatives in PRAC's mandate are now complete and remaining items on PRAC's agenda could be assigned to standing committees. Some Board members wondered if the committee could continue in a different form or meet less frequently. Can the work PRAC focuses on be better integrated into the work that is already being completed by other committees? One member asked if it is possible to add PRAC-like policy items as standing items on each committee agenda. The Board agreed there will be one final PRAC committee meeting to make sure any remaining agenda items can be assigned to standing committees and then to wrap things up. The Board will check in again in September to make sure we aren't missing our ability to digest bigger policy issues.

Motion: The Board moved to end the current iteration of PRAC. (M/S/C, Abra Adamo/ Andrew McNeil)

14. Corporate Business

- a) Board self-evaluation- Will have to defer discussion of the survey to the Feb Board meeting. The hope is that the elements from the previous survey will be carried forward into the new survey. Josh and Chris will bring this to the board. The survey will be sent out the week of Feb 10th
- b) Executive Director Annual Performance Evaluation:
The Board moved *in camera* (M/S/C, Josh Bueckert/Kerry Beckett). No minutes were recorded. The Board moved *ex camera* (M/S/C, Kerry Beckett/Josh Bueckert) to resume the agenda.

15. Conference / Associations' Report

- a) CHRA Congress Saskatoon April 20-23: Normally CCOC would send the President and Executive Director and one staff under 30 in the Early Career Professionals Program, but Dallas is already being sent by her work. Since no other Board members expressed an interest in attending, the Board agreeing the budget could be reallocated to an additional staff person to participate in the Early Career Professionals Program.

16. Other Business

Motion: The Board moved a motion of thanks to Nicole Picton for her hard work.
(M/S/C, Chris Yordy/James Clark)

17. Adjournment: 10:20 (M/C, Josh Bueckert)

Next Meeting: February 26, 2020