Centretown Citizens Ottawa Corporation

415 Gilmour St., Suite 200, Ottawa ON K2P 2M8
415, rue Gilmour, pièce 200, Ottawa ON K2P 2M8
www.ccochousing.org 613-234-4065
info@ccochousing.org

Minutes of the CCOC Board of Directors Meeting of Wednesday, June 27, 2018

Present: Bill Rooney (President, Chair), Abra Adamo, Dallas Alderson (Vice-President), Kerry Beckett, James Clark, Penny McCann, Andrew McNeill, Lee Pepper, , AnaLori Smith (Secretary), Chris Yordy, Josh Bueckert (Treasurer), Jesse Steinberg
Staff: Ray Sullivan, Hannah Vlaar (recorder)

Regrets: Glenn Allen, Sarah Button

1. **Call to order** - The meeting was called to order at 7:14pm.

2. **Adoption of agenda**
The Chair proposed that board accept FMC and PRAC committee minutes on consent. The board adopted the agenda as presented. (M/S/C J. Clark/D. Alderson)

3. **Adoption of the Board Minutes**
The Board adopted the minutes of the May 30, 2018 meeting as presented.
(M/S/C J. Bueckert/C. Yordy)

4. **Declaration of Conflict of Interest** – none.

5. **Business arising from previous minutes** – none.

6. **Executive Committee Report**
a) Beaver Barracks property taxes
We are in the process of appealing the most recent assessment. The property taxes at BB have grown to approximately $500 000 annually. Altus Realty Group is managing the appeal to see if the property can be declared exempt. Lawyers in Ottawa and Toronto have reviewed the appeal and neither lawyer thought CCOC had a strong case. CCOC has already filed the initial appeal and will incur more fees if the process continues. If CCOC withdraws the appeal later on in the process, it will owe court administration costs as well as legal fees. Ray does not think CCOC has a good case and the cost is high for a risky appeal. Ray recommends that CCOC drops the appeal.
A board member asked if other not-for-profit housing providers have successfully appealed property taxes. Yes, some have appealed the assessed value, including CCOC. But in this case, we would be arguing that the property is essentially "for the relief of the poor", and therefore for charitable purposes. But we only just barely meet the threshold of 50% under the low income cut-off, and there is nothing built into the rent mix that guarantees we can stay above that line.
It was noted that municipal facilities do not pay property taxes. The City of Ottawa has said there is nothing they can do to adjust the tax percentage; taxes are either on at 100% or off completely and so far they haven't been willing to exempt the property. But there are some conflicting legal opinions: gradations may exist in the future and CCOC wants to pursue that potential opportunity

at the municipal level.
Change may also be possible at the provincial level, as Legion Halls may potentially be exempt from property taxes under the new provincial government, this could be something that social housing can slip in too.
Penny asked why CCOC isn't a charity. Ray responded that our tenants' incomes aren't low enough and CCOC does not meet the low-income cut off test. Many of our properties don't meet that threshold, BB included.
The Board supports continuing other efforts to reduce BB's property taxes. The Board is unhappily at a consensus and will try any other avenue they can (maybe even becoming a Legion Hall).
The Board moved to stop the appeal process. All board members were in favour.
(M/S/C, A. McNeill/L. Pepper)

7. Personnel Committee Report

a) Staffing updates

On June 1, 2018 Lorraine Salvo, the Finance Director, announced that she is retiring on April 1, 2019. Ray and Lorraine have been talking about this for a while and are working on a succession plan. Meg, the M&C Director, also announced her departure from CCOC; she is committing full-time to life and work in the country. The Personnel Committee decided to evaluate Meg's position before rehiring.

At an organizational level, a corporate-wide review of compensation and job descriptions is also being completed with the help of a consultant. This will be completed in the coming months but won't be ready soon enough to apply to the hiring of a new Finance Director.

Currently, the Finance Director salary range is 65 000 - 78 000 annually. This is the salary for all CCOC directors. Ray is proposing that the salary range be posted at 80 000 - 95 000 annually.
Ray explained that when the recommendations come from the consultants, the directors' salaries may not all be the same. Finance, in particular, is not "just another director", and requires certain qualifications such an accounting designation, and Ray is confident the consultants will recommend a higher salary for this position.
A board member asked how it will go over with the other directors if a different pay scale exists. Ray said that two other directors suggested the change for the Finance Director compensation so he is hopeful the transition will be taken positively. Josh asked why the range was specifically 80 000 - 95 000. Ray looked at comparable positions in the not-for-profit world. Andrew asked how the benefits CCOC provides compare to other organizations and noted that part of the CCOC package is the benefits. He flagged the concern of increasing salaries and reducing benefits (see 7c) and how this has never been CCOC's ethos. Dallas echoed this concern.
Penny said that the salary range seems wide. Ray said that at a time when CCOC is growing this position will be critical and the Ottawa reality is competition with federal government salaries.
Chris asked if it would it be possible to extend the salary range from 75 000 - 95 000 so overlaps the current range, which members thought was a good idea. James noted that not all companies post salaries and Ray said that CCOC does so as a transparency measure.
The Board moved to amend the salary range from 75 000 - 95 000. Andrew abstained from voting.
Penny was not in favour. (M/S/C C. Yordy/J. Bueckert)

b) Rent Collections function

Personnel committee recommends moving the two Rent Collections Officers from the Finance Department to the Rental Department. They spend more time with the Rentals department and with tenants than with the rest of the Finance department.
The intention is to move the positions before the new Finance Director begins, somewhere between the end of August and mid-September. A transition plan will be worked out as soon as practicable. Lee asked how the Rent Collections Officers feel about this change. They do know it is coming and are anxious about having a new boss. However, with all of the change at the moment, they are going to have a new boss regardless. Josh noted that no one on the Finance Committee objected when this was raised.
The Board moved to move the two Rent Collections Officers from the Finance Department to the Rentals Department.

(M/S/C K. Beckett/A. McNeill)

c) Changes to benefits

CCOC's Group Health Insurance plan is through ONPHA with Morneau Shepell. The costs srae shared 50-50 between CCOC and employees. The premiums have been going up 10-15% annually and are projected to continue this way. Staff has complained about this, so CCOC responded by hiring a benefits broker to find a better deal. Unfortunately she found that no one wants to insure CCOC staff and could not find a much cheaper deal than what CCOC currently has with the exact same coverage. Currently the plan includes full drug coverage with a $3 co-pay. A cheaper plan would include drug coverage that covers 80% of drug costs but would reduce premiums by roughly $500 per employee, which would break down to be cheaper for most staff and for CCOC. The new insurance would also include a drug navigator program to find public coverage for particularly expensive drugs.
The information was presented at the June all-staff meeting: 81% of staff voted in favour of approving the switch. The Personnel Committee recommends to the Board that CCOC switches the group health benefits plan.
The new package also has some coverage increases as well as new catastrophic illness coverage. The new service provider would be PPI (www.ppi.ca). Even with the reduced drug coverage there were only two other companies that would bid on CCOC coverage. Chris asked if CCOC is confident with PPI's reputation and Ray answered that we are confident relying on the insurance broker. Jesse asked if other not-for-profits are experiencing the same thing with ONPHA's group insurance deal. CCOC's rates are based only the risk level of CCOC employees; it is not actually group-wide insurance. Jesse asked what the rationale is for ONPHA not pooling drug costs. It's Morneau Shepell's decision to parcel them off, not ONPHA's.
Dallas noted that two expensive drugs in particular are being claimed, and this is what is driving the high rates. She wants to ensure these drug will be covered with new plan. The whole Board is concerned for these staff who will be affected. Andrew asked if there is a program in Quebec similar to the Trillium program in Ontario and wanted to know how many staff members live in Quebec? Ray confirmed that a significant number of staff live in QC but he didn't know about public coverage [update: Quebec offers public drug benefits to anyone over 65]. We don't know which staff members are claiming for expensive drugs, but we have offered any staff with

questions to have a one-on-one Q&A session with the broker.
The Board moved to approve changing the group insurance plan from ONPHA's group insurance to PPI. Lee abstained from voting. (M/S/C K. Beckett/ J. Bueckert)

8. Finance Committee Report

a) Percy School borrowing

CCOC is proceeding with refinancing the Percy School property with the Royal Bank to finance renovations at Percy School and at the 415 Gilmour office.
The Bank is not ready to submit a full financing proposal yet but will likely be ready in July. As there is no July board meeting, the recommendation is to give authority to the Executive committee to make a borrowing motion on the Board's behalf.
Lee asked if CCOC ever shops around to financial institutions other than RBC, like credit unions, which share our values? CCOC has mortgages with every bank you could imagine. The Finance Committee would have to take on the question of changing our daily banking from RBC to another institution.
The Board moved to authorize the Executive Committee to commit CCOC on the Board's behalf before the August Board meeting in necessary.
(M/S/C A. McNeill/J. Bueckert)

The Board moved to write off $1 072.84 in bad debts in June 2018.
(M/S/C J. Bueckert/C. Yordy)

9. Development Committee Report

a) Arlington Redevelopment

The project was 40% complete as of June 12. It is proceeding on budget, though the contingency fund is almost gone due to an unforeseen soils issue. In addition, there are higher than expected legal fees from CMHC, and the borrower typically pays the lender's legal costs. The financing agreement with CMHC was one of the first of its kind under a new lending program and has had some snags and high legal fees. CCOC budgeted 15 000 for lawyers and CMHC's legal fees alone were 50 000.
Abra asked if there are there grounds to formally appeal or question the process. Ray said no and that CMHC wouldn't let CCOC borrow more to pay for this additional cost. We should keep in mind that the terms and interest rate is still very favourable. CCOC has learned that in general, when involved in a new financing program from a public lender, we should be prepared for high legal costs; this is something to keep in mind with the National Housing Strategy.
Josh wanted the minutes to show that having analysed the situation, he does not feel in a conflict of interest with this discussion and his job with the Federal Government.
In other news, a tree was lost on site after the last windstorm. Arlington is still on target for a December 1 move-in date for the first tenants.

10. Membership and Communications Committee

a) History Book

The committee is concerned about the video accompanying the history book because the

filmmaker in charge of the project has missed deadlines. The committee is hoping to at least have the book on time (spring 2019). James asked if the committee could get the footage and hire someone else to put it together? This would technically be a possibility, if necessary, as CCOC owns it. Meg's departure will have an impact on the project and this is a concern.
Separately, AnaLori is the new M & C chair, starting in August.

11. Facilities Management Committee Report – consent motion.

12. Rental Committee Report
The committee re-elected Kerry as chair and Chris will be co-chair. Other committees also have co-chairs in case one of the chairs is absent. This is a new and interesting committee trend.
The committee discussed and approved the motion that the two Rent Collection Officers move to the Rentals department.

13. Policy Research and Advocacy Committee (PRAC!) – consent motion.

14. Corporate Business
a) 145 Clarence borrowing resolution
CCOC's provincial portfolio properties participate in a Minisyry-managed mortgage pool that gets CCOC very low mortgage rates (although the low rates benefit our funders not CCOC directly).

The Board reviewed and passed a motion authorizing the Ministry to seek a mortgage renewal on our behalf:

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 145 Clarence Street, Ottawa maturing on September 1, 2018 in the approximate amount of $4,106,769.00.

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:

l. The Housing Provider hereby authorizes the Ministry to solicit and arrange on its behalf such mortgage 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;

ll. 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 Corporation 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;

lll. 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;

lV. 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 J. Bueckert/K. Beckett)

b) Encasa change resolution

CCOC has long advocated that social housing providers be permitted to invest their capital reserves in social housing as this reinforces the sector and is generally safe investment. All housing providers in the Provincial Reformed Program are required to invest capital reserves with Encasa (formerly Housing Services Financial Corporation Inc.). Encasa wants to expand its investments to include loans to social housing providers, but to do so, they have to change investment brokers. Their investments have always been managed by Phillips Hager and North, who have a dedicated mutual fund for social housing reserves but are not willing to invest in social housing directly. Encasa wants to move to World Source Financial Management Inc. to invest directly in social housing.

Andrew asked if they are reputable. Board members were unsure but confirmed that the company has been in existence for 50 years. Encasa needs everyone in the program to agree to change for this to pass. The Finance Committee might look at an investment strategy and portfolio within this fund and outside of it as well. At the moment, if this passes with Encasa roughly seven million dollars of CCOCs capital reserves would go to World Source.

The board moved to authorize that Encasa move investments from Phillips Hagger and North to World Source Financial Management Inc..

(M/S/C J. Bueckert/J. Steinberg)

15. Conference / Associations' Report

a) OSHN Shared Services workshop

AnaLori, Bill, Ray and many CCOC staff attended the workshop. The focus of workshop was around how to buy and sell shared services amongst social housing providers in order to be more efficient and collaborative. This is easy to say but hard to execute. The idea is that so many bilateral agreements are already being made so why not create a network that all organizations can access. One of the primary goals of the day was to find pilot project candidates. Possible pilot activities include snow plowing, IT support, and capital project management. CCOC, OCH, and Nepean Housing are the bigger players capable of offering services; everyone else has few buildings and little staff. CCOC is and wants to remain a leader in this area.

16. Other Business

a) Doug Ford watch list

This is a brainstorm list of what may or may not be on Doug Ford’s agenda. Doug Ford was the one

thing that every committee listed as a threat on the SWOT.
PRAC, the Rentals Committee and the Executive Committee have all looked at this list. This is a time to think about what impact the new provincial government will have on CCOC and social housing. One committee reminded us that CCOC has gone through radical rightward shift in government before and needs to learn from those lessons.
Abra asked if Ford could roll back the minimum wage increase. It was confirmed that yes he could, but he was unclear during his campaign whether or not he wanted to do this. If he does, some tenants might be coming back to CCOC with reduced incomes.
Andrew said that it's worth trying to fill the policy vacuum early and that it may be worthwhile to try sitting down with the local Conservative MPPs to accomplish this.
Penny noted that the Ontario not-for-profit Act is still not in effect and its future remains uncertain with the new government.

b) SWOT report
Each committee completed their SWOT (strengths/weaknesses/opportunities/threats) report. Ray asked each committee to prioritize things that were important and eight broad themes emerged. Ray suggested that the board review the themes to see if they are complete and if there is anything in particular that is "super big". These themes will help staff design the all-committee meeting questions.
Advocacy and leadership—CCOC has a history of being engaged which has led to stances on political and advocacy issues (ex. Transit-oriented development).
Development—The Development Committee spent a lot of time talking about pest control. It was interesting how many committees talked about other committees' areas of responsibility. There was also discussion around transit-oriented development and the lack of a defined growth strategy; it seems obvious where CCOC should and should not grow. Penny mentioned that land banking, partnerships and planning with others for way further down the line are essential.
Financial planning—Regular financial planning is fundamental. CCOC is partially reliant on government money. With the new government, it is unclear what will happen when the provincial mortgages expire: will there be remaining obligations on CCOC as a housing provider or on the City as funder?
Mission—The CCOC mission was frequently mentioned as a strength. The mixed income model and marrying business savvy with the social justice mission is important. Ray noted that it is time for CCOC to look at the vision statement: It is still very relevant but the language is reflective of the 90's and could use an update.
Staff resources—Allowing staff careers to grow within the organization is a strength. The compensation review might increase financial pressures.
Service—The weaknesses here include that customer service is improving but there is still opportunity to do better. There is space for growth in shared services and new CCOC services. Rental committee noted that CCOC doesn't change light bulbs or clean apartments but some tenants don't have resources to do this on their own. Might this be a service CCOC offers for a fee in the future? Tenants having to repeat service requests is a weakness. An aging population, and everything that comes with that, is concerning.
Tenant, committee and volunteer engagement—Reconciliation with Indigenous people is high on the priority list. Do the members on staff, committees and the Board represent the people we

serve?
The M and C re-visioning might reflect a change here. Who CCOC is serving has changed and the organization needs to reflect this. More communication needs to happen outside of CCOC, not within the organization. AnaLori said that it’s really hard to get people to come out to the board. CCOC needs a process whereby people can be gradually brought in to the committees and board. Encouraging tenants to learn about the board and making it exciting could be one way to do this. Other than the AGM, are there other opportunities for folks to engage with the board and demystify it? Is there a way to create a social event that teaches people about the Board?
What is the expertise that newcomers or people with lived experience of homelessness could share? CCOC needs this expertise on committees as well. The whole organization needs to be less intimidating to access potential.
One idea was that CCOC could go to housing fairs or community events with a booth as it’s not good enough to just direct people to the website. CCOC needs a presence at Pride, music festivals, etc. CCOC needs engagement and active outreach that isn’t looking inward all the time. This will lead a wider cross-section of the community to rent from and engage with CCOC.
Dallas reminded everyone of the opportunity to think through the M and C Director position. Andrew asked if M and C should touch on this at their August meeting and pass their discussion on to the board. Everyone agreed.
Additional questions: Where does CCOC grow from here? Should CCOC still have a downtown approach? Should transit-oriented development be CCOC’s future? How will the conversation shift regarding the value of neighbourhoods outside of the core? How can CCOC contribute to this conversation to increase value and community development in neighbourhoods outside of the core?
The Executive Committee will continue to refine these questions as staff plan for a Fall strategy retreat.

17. Adjournment
The Board moved to adjourn the meeting at 9:31pm.

(M/C J. Bueckert)