



NIAGARA REGIONAL HOUSING

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Minutes

NIAGARA REGIONAL HOUSING Board of Directors Meeting

#140 – 2015

NRH Boardroom
Campbell East, 3rd Floor
2201 St. David's Road
Thorold, ON

March 27, 2015 – 9:00 A.M.

Attendees

Directors/

Members: S. Cordiner, H. D'Angela, K. Blackley, S. Volpatti
J. Hyatt, K. Goka, J. Osczytko, L. Allen, K. Kendrick,
P. O'Neill, B. Carroll, A. Petrowski till 10:15 A.M.
W. Sendzik at 9:50 A.M. till 10:15 A.M.

Regrets: P. Grenier

NRH Staff: E. Balmain, W. Thompson, T. Fortier, V. Amato,

Regional Staff: K. Chislett, Commissioner Community Services
D. Woiceshyn, Program Financial Analyst
M. Steele, FMS Project Director for item 7.
S. Hendrie, Chief Information Officer for item 7.

Guests: J. Allan, Partner, KPMG for item 4.1.
M. Fisher, Auditor, KPMG for item 4.1.

A quorum being present, the meeting was called to order at 9:02 A.M.

1. Adoption of Agenda/Declaration of Conflict

Moved by P. O'Neill
Seconded by J. Osczytko

That the agenda be ADOPTED.

CARRIED

Directors:

Shirley Cordiner, Chair
Public-at-Large, Welland

Henry D'Angela, Vice-Chair
Councillor, Thorold

Karen Blackley, Secretary
Stakeholder, Thorold

Patrick O'Neill, Treasurer
Stakeholder,
Niagara-on-the-Lake

Linda Allen
Tenant, St. Catharines

Barbara Carroll
Public-at-Large, St. Catharines

Ken Goka
Stakeholder, Welland

Paul Grenier,
Councillor, Welland

James Hyatt
Stakeholder, St. Catharines

Kelly Kendrick
Stakeholder, Fort Erie

John Osczytko
Public-at-Large, St. Catharines

Andrew Petrowski
Councillor, St. Catharines

Walter Sendzik
Councillor St. Catharines

Selina Volpatti
Councillor, Niagara Falls

J. Osczytko, K. Blackley and K. Goka declared a conflict with item 4.2., IAH-E RFP.

2. Approval of Minutes

2.1. Minutes of the February 27, 2015 Meeting

Moved by K. Goka

Seconded by P. O'Neill

That the minutes of the February 27, 2015 meeting be ADOPTED.

CARRIED

2.2. Business Arising

There was no business arising.

3. Closed Session – not required

4. Staff Reports

4.1. Draft 2014 Audited Financial Statements – 15-140-4.1.

J. Allan, KPMG auditor, presented the 2014 Financial Statements and answered questions.

There was no Management Letter; it was a clean audit.

1. Page 11 Debentures – Question: why Debentures for capital program had a range of interest rates as opposed to a single rate. J. Allan advised that NRH, being transferred with no capital reserves, has a capital deficit; this is normal financing for landlords.
2. Page 5 Utilities – Question: why budgeted amount for utilities was much higher than actual amount. D. Woiceshyn advised that over the past few years NRH has proactively installed energy efficient repairs to buildings; additionally, NRH was not hit with the gas hike as they are using the HSC gas program that controlled pricing over a longer period.
NRH has just signed a five year contract with HSC that will protect NRH from the volatility of the market by keeping the gas prices level (avoiding increases and fluctuations) and will enable better projections and budgeting.
3. Page 5 Housing Provider (Subsidy Federal Programs) – Director - funding was provided by Federal Government specifically for Housing, shouldn't any surplus from such funds stay with housing for future social housing needs rather than going into regional reserves for other purposes.
4. NRH experienced an increase in Capital base.

*Moved by A. Petrowski
Seconded by B. Carroll*

That Niagara Regional Housing Board of Directors APPROVES the 2014 Audited Financial Statements and forwards them to the Annual General Meeting.

CARRIED

- 4.2. Investing in Affordable Housing for Ontario 2014 Extension (IAH-E) – Request for Proposal (RFP) and Establishment of a Development Committee – Report 15-140-4.2.

J. Osczytko, K. Blackley and K. Goka declared a conflict as potential proponents.

The terms of reference for the Development Committee IAH-E were amended as follows:

Committee Membership – Minimum of 3 NRH Directors (delete Maximum #)
Chair and Vice Chair of the Committee – first sentence to read: *Chair and Vice Chair of the committee shall be selected by the committee at the first meeting.*

*Moved by K. Blackley
Seconded by L. Allen*

That the Niagara Regional Housing Board of Directors;

- 1. APPROVES the Terms of Reference – Development Committee IAH-E as amended; and,***
- 2. APPROVES the Appointment of a minimum of three (3) NRH Directors to the Development Committee.***

CARRIED

H. D'Angela, S. Volpatti, L. Allen, B. Carroll, K. Kendrick, J. Hyatt and A. Petrowski volunteered to sit on the committee. It was understood this committee will require an intensive meeting schedule during the RFP review phase(s). All 7 interested Directors will be invited to attend an April meeting, staff will make every effort to accommodate all interested directors when setting the April meeting date; however, Councillors may have to withdraw their name(s) from the Development Committee if meetings required to meet deadlines pose too great a conflict with their schedule.

- 4.3. Cordage Green Concept and Request for Funding – Report 15-140-4.3.

Directors discuss the report; this project is unlikely to reduce the centralized waitlist, the Board believes that Life Lease projects fall outside of the NRH mandate and are not a good fit within the IAH-E guidelines.

*Moved by S. Volpatti
Seconded by B. Carroll*

That the Niagara Regional Housing Board of Directors APPROVES the recommendation not to fund Cordage Green.

CARRIED

5. New Business

There was no new business.

6. General Manager's Report

6.1. Financial Statements

Monthly financial statements for March 2015 will be available for the April meeting.

6.2. 2015 Operating Budget

The General Manager advised that NRH received written confirmation that the 2015 base levy operating budget estimates relating to NRH were approved by Council.

6.3. Housing Services Corporation (HSC) Programs

At the last PHSSC meeting information was requested regarding cost effectiveness of Housing Services Corporation (HSC) Gas and Insurance programs. Affordable Housing Providers are mandated to purchase Gas and Insurance through HSC or pay an opt-out fee. Providers require ministerial consent for a full exemption from the gas program.

W. Sendzik joined the meeting at 9:50 A.M.

Insurance

Staff advised that a few years ago HSC guidelines had been expanded to allow social housing providers to purchase insurance from either the HSC plan or Frank Cowan Insurance. A further expansion now permits social housing providers to purchase insurance from *any* insurance company under the following rules: the alternate coverage is equal to or better than what is offered by HSC; the quoted rates are less than the quoted HSC fees; and that a 2.5% administration fee payable to HSC is included in the overall quote. Cooperatives also have the option to secure insurance through the Co-operators (this option does not include an additional administrative fee). For the past few years NRH has purchased insurance from Frank Cowan Insurance through the Region process; it has cost less than HSC insurance even with the 'opt-out' administrative fee included.

HSC's was created at the time of devolution of housing assets from the province to municipalities with a mandate to protect affordable housing assets across the province. One way HSC accomplishes that is by offering a comprehensive insurance program that does not deny any social housing provider insurance.

There is a definite difference between regular insurance companies and HSC insurance. Unlike everyday landlords, affordable housing providers often deal with complex needs of their tenants/members who may require supports to work through difficult situations. Many Social Housing providers cannot secure insurance through the open insurance market due to prior claims as a result of tenant behaviour (increased fires, damages, etc...).

There is a video clip on the HSC website about a fire that happened in Kingston in 2013 and the additional service provided to displaced tenants, Kingston Housing was insured by HSC. Tenants were displaced after the fire while the re-build occurred. Many tenants had private tenant insurance that maxed-out. When that happened HSC stepped in and provided the support for tenants still waiting to return to their apartment.

Additionally, the Landlord and Tenant Board has higher expectations of social housing providers (especially Local Housing Corporations like NRH) to work with troublesome "hard to serve tenants". NRH must show they have "gone above and beyond" to prevent eviction and accommodate tenant disabilities and special needs before an eviction is granted. The Community Resource Unit staff provides that additional support to tenants through an eviction prevention process. It was suggested that this be a topic for a presentation to the Board.

Action by: W. Thompson

Housing Providers have found insurance rates vary from year to year, one provider advised that last year Cowan offered their program better rates this year the same provider secured a better rate with HSC.

Gas

Rates do fluctuate, sometimes HSC gas rates are higher, other times, lower than the best open market rate. HSC Gas rates are not lower than the best rates. On the whole NRH has saved with HSC gas rates. Budgeting is easier, as well as, the ability to determine the extent of savings generated from an energy efficient capital upgrade.

One of the Housing Providers present shared that they ended up with a \$6,000 rebate from the HSC gas program.

The General Manager to respond to request for information.

Action by: E. Balmain

6.4. NRH Job Rates

The General Manager advised that she is reviewing NRH job rates with Human Resources, a report will be coming to the Board in April.

6.5. NRH Under Review

The General Manager advised that the Region has now engaged NRH in three large projects simultaneously:

1. EFMS: new financial system being designed at the Region. NRH is expected to integrate into the new system.

2. Value for Money Audit: will include Broadoak and now Fitch St. capital projects. The inclusion of Fitch Street is important because the comparison will illustrate that lessons learned in the Broadoak project were implemented in the Fitch Street project.
3. Alternate Service Delivery Review: Alternative Service Delivery (ASD) looks at alternative ways to obtain critical infrastructure assets or deliver services other than the traditional method of building, owning, and operating assets and or services.

Any one of the projects would be a drain on staff time; but all three at once will be a significant draw on managers thus reducing time to deal with NRH core business and service delivery.

The ASD review is particularly disheartening, since NRH has undergone two comprehensive efficiency reviews since devolution. The most recent lasted more than 18-months and ended in mid-2011.

Coming from another Service Manager area, the General Manager stated that she always considered NRH as one of the top 5 Service Managers in the Province and an innovative leader in the delivery of social housing. It is disappointing to think that the same high regard for NRH is not shared locally. The General Manager is concerned about how the additional scrutiny and sense of doubt coming from Council is negatively impacting NRH staff morale.

A. Petrowski and W. Sendzik left the meeting at 10:15 A.M.

7. Presentation – Enhanced Financial Management System (EFMS)

M. Steele and S. Hendrie presented a slideshow on EFMS (Enhanced Financial Management System), which is a financial and procurement system intended to improve internal controls and standardize reporting in Region business where possible.

The program, in the making since 2011, requires a capital investment of \$12.9M, and is expected to pay for itself in savings over the first 10 years after implementation.

Directors wanted to know how this is expected to benefit NRH, how will NRH know how much the new program is saving NRH? Will this be seen in a reduction in charge-backs for financial services? What specifically is the issue, is NRH not being efficient? Or is NRH doing well and the case is simply that the information needs to be bridged to the new system. Will this serve NRH needs; will it make NRH more efficient?

M. Steele advised that this project is not targeted at NRH efficiencies or reducing staff, all regional departments are being treated the same way. Funding for this project is not coming from NRH.

NRH staff will prepare a report for the April meeting with further details on how this will affect NRH.

Action by: E. Balmain

*Moved by H. D'Angela
Seconded by L. Allen*

That the Niagara Regional Housing Board of Directors RECEIVES the EFMS Presentation.

CARRIED

Staff was directed to email the slide presentation to the Board.

Action by: V. Amato

8. Committee Reports

8.1. Executive Committee

Minutes of the October 14, 2014 meeting were provided for information.

*Moved by P. O'Neill
Seconded by K. Blackley*

That the Niagara Regional Housing Board of Directors RECEIVE the minutes of the October 14, 2014 meeting.

CARRIED

9. For Information

9.1. Action Items from Previous Meetings

Correspondence/Media

There was no additional correspondence/media.

10. Other Business

H. D'Angela advised that, last night, Council approved allocating \$602,989 of the NRH 2014 surplus to the NRH owned units reserve to be used only for new builds under the IAH-E program.

11. Next Meeting

Friday, April 24, 2015 at 9:00 A.M.
NRH Board Room
Campbell East, 3rd Floor
2201 St. David's Road
Thorold

12. Adjournment

Motion to ADJOURN at 11:00 A.M.

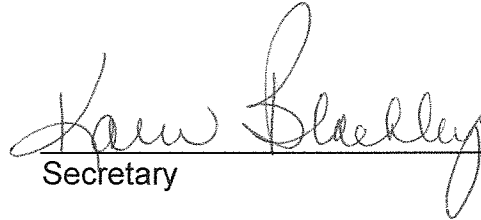
Moved by K. Goka

Seconded by P. O'Neill

CARRIED

Minutes Approved:


Chair


Secretary