



# MINUTES

## of the Kenora Municipal Non-Profit Housing Board (Deemed a Special Meeting of the Council of the City of Kenora)

**Thursday, December 5, 2019 – City Hall Council Chambers  
2:00 p.m.**

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**With** Councillor Goss in the Chair, Mayor D. Reynard, Councillor R. McMillan, Councillor A. Poirier, Councillor K. Ralko, Councillor S. Smith, Councillor C. Van Wallegghem (left the meeting at 3:05 p.m.)

**Other:** Heather Pihulak, Manager of Administration/City Clerk, Suzanne Belanger, Direct Management Services

### Call to Order

Board Chair, M. Goss called the meeting to order.

### Public Information Notices as per By-law Number 144-2007

**Board Chair Goss then read the following notices:-**

As required under Notice By-law #144 -2007, Council hereby advises the public of its intention to adopt the following at today's meeting:-  
None

### Declaration of Pecuniary Interest & General Nature Thereof

Board Chair Councillor M. Goss then asked if any Member of Council had any Declarations of Pecuniary Interest and the General Nature Thereof pertaining to any items as follows:-

- i) On Today's Agenda or from a previous Meeting
- ii) From a Meeting at which a Member was not in Attendance

There were none declared.

### Deputations

None

### KMNPHB September 5, 2019 Minutes

**1. Moved by S. Smith, Seconded by C. Van Wallegghem & Carried:-**

That the Board hereby adopts the minutes of the September 5, 2019 Kenora Municipal Non Profit Housing Corporation (Special Council) and be confirmed as written and filed.

### KMNPHB October 2019 Financial Statements

**2. Moved by C. Van Wallegghem, Seconded by S. Smith & Carried:-**

That the Board hereby approves the Kenora Municipal Non Profit Housing Corporation financial statements for the period ended October 31, 2019.

**Discussion:** Ms. Belanger started the review with the statement of operations with Gardner House. Expenses overall are slightly less than budget. They forecast having a surplus at the end of year, and rarely there will be a vacancy at the end of the year. There have been about 15 turn-over units in 18 months which is very rare. It is a building with a higher age population so the turn-over rate has been higher than normal this year.

Statement of Operations portfolio includes Benedickson Court and other buildings. Revenues are slightly higher than budget due to mostly market rents at Benedickson Court. Expenditures are running slightly less than budget and plumbing is becoming a major expense as the buildings are old. Staff continue to replace as need to. We do have a surplus and are on target for another surplus. 50% of the surplus goes back to the KDSB. The balance sheet for October 31, 2019 demonstrates we are in a healthy cash position to cover operations. For routine unit turnovers and renovations we are in good shape.

### **KMNPHB 2020 Rent & Other Increases**

#### **3. Moved by D. Reynard, Seconded by A. Poirier & Carried:-**

That the Kenora Municipal Non Profit Housing Board hereby defers any decision related to rent increases and other increases until such time as the Board has made a decision pertaining to the results of the Kenora Municipal Non Profit Housing Corporation review.

**Discussion:** The rent increase we are talking about is a second increase called an above guideline increase to cover the sewer and water increase. If you don't do an increase at some point in 2020 we won't have enough to cover the increases related to the sewer and water. This is something to consider for 2020. Approximately \$30 per unit in year one, \$60 in year two and \$90 in year three. Market rent on average is \$1,100.

### **KMNPHB Secretary Appointment**

#### **4. Moved by K. Ralko, Seconded by R. McMillan & Carried:-**

That the Kenora Municipal Non Profit Housing Board hereby appoints Kirsi Ralko as the Secretary to the Kenora Municipal Non Profit Housing Board for a term not longer than November 14, 2022.

### **Audit Reports of the KMNPHB**

#### **5. Moved by K. Ralko, Seconded by R. McMillan & Carried:-**

That the Kenora Municipal Non Profit Housing Board hereby receives the Compliance Report of Kenora Municipal Non Profit Housing Corporation Purchasing Process conducted by Frank Lopez of Grant Thornton LLP; and further

That Kenora Municipal Non Profit Housing Board hereby receives the Housing Services Corporation (HSC) analysis and financial viability report of Kenora Municipal Non Profit Housing Corporation in its present state; and further

That the Kenora Municipal Non Profit Housing Board works with the Kenora District Services Board, in partnership with City Communications, to conduct a public information session to provide information on the contents of the Housing Services Corporation analysis and financial viability report; and further

That a recommendation be brought back following the public consultation at a future date.

**Discussion:** The KDSB is a significant funder to the KMNPHB and felt it was very important that this review be conducted by a third party. The compliance audit reveals the relationship between the Board, the KDSB and the service manager. The compliance audit was not intended to be a financial audit, but a compliance audit with process and policy. The scope was to look at the transactions of the Non-Profit and the rules and policies established.

Ms. Belanger suggested we look at the policies that are the guiding documents for the Board and if this is about getting the best value for dollar, the policies should be challenged. The compliance report is a reflection of the reporting relationship between the Board and the KDSB. We need to work through the compliance report and look at the entire report. Looking at the existing policies there is non-compliance and comes down to a governance piece between the Board and the KDSB.

The compliance audit you are going to take internally and will be part of the response. We still need to address the compliance audit between the services manager, KDSB and the Board. If we have policies that don't make sense then we need to change policy.

The public is expecting a decision and where to head next. The viability review should be the focus of the public process and the clear information provided to the public. The public cares about the affordability and service level of the buildings. What will their buildings look like and what will the service levels be.

The Board agreed to work with the KDSB on a public information session with a recommendation for decision to come back at a later date once the public information session is complete.

**Close of Meeting**

**6. Moved by R. McMillan, Seconded by K. Ralko & Carried:-**

That this meeting be now declared closed at 3:37 p.m.

**The Corporation of the City of Kenora**

**Confirmed As Written This .....Day**

**Of.....2019**

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**Mayor**

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**City Clerk**