



ACTION

Non-Profit Housing Review Committee Minutes

**Monday, April 15, 2013
9:00 a.m.
City Hall Council Chambers**

PRESENT: Councillor Louis Roussin
Councillor Sharon Smith
Dean Barclay, Chair
Joan Schelske (Kenora Board)
Wendy Cuthbert (Kenora Board)
Jack Pearson (Keewatin Board)
Jerry Ortlieb (Keewatin Board)
Charlotte Edie, Treasurer
Heather Lajeunesse, Administrative Assistant

Dean Barclay called the meeting to order at 9:00 a.m.

1. Welcome / Introductions

Committee members and staff re-introduced themselves.

2. Review of Proposed Amalgamation Report & Cost Analysis

Chair Dean Barclay gave a brief review of the purpose of the Committee and why it was created by Council.

All Committee members confirmed that they had read the report created and distributed by Treasurer Charlotte Edie prior to the meeting. Charlotte summarized her report and indicated that after doing a comparison of the costs she came up with an annual savings for the first year of \$22,204.96 should the two existing Boards amalgamate. It is expected that these savings would continue into the future with additional savings anticipated once the management fees are put out to tender. Charlotte added that BDO Dunwoody also gave estimate of what the amalgamated audit piece would be. She mentioned that the property managers she consulted with were very helpful and useful during her research. Charlotte asked if Committee members had any questions.

Jack Pearson expressed concerns about the audit service costs and wonders if the Kenora Board has been overcharged in the past. He stated that Kenora only has one financial statement while Keewatin has two, adding that it takes less time to audit one financial statement but the cost is higher for Kenora. Charlotte confirmed that there are currently only two financial statements between the two boards and this would be going down to one statement upon an amalgamation.

Jack inquired about the insurance and asked if there had been a tender for it, adding that he would like to see the document from the insurance company to compare the

coverage to what they are receiving now. Charlotte confirmed that she had an email with the quoted amount of the premium. It was agreed that the mandate of the Committee was to determine if there is a cost savings and that the e-mail quote shows the actual amount and it would be a cost savings.

Jack also expressed concerns regarding the bank charges, board meetings, and conference expense adding that Keewatin spent more last year on conferences as two members attended a conference. The attendance was subsidized and justified as it was to attend a learning session due to the provincial push on succession and review of by-laws. Jack also inquired about the expense for Kenora for OHPHA memberships as Kenora doesn't belong. Charlotte indicated that Kenora does pay \$400 in membership fees as confirmed in an e-mail from Suzanne Broten.

Jack stated that he believes we need more information before proceeding and Charlotte inquired as to what information he would like to see.

Dean agreed that some of the amounts can be disputed but a cost savings has in fact been determined which is the mandate of the Committee. Wendy Cuthbert added that the Committee is within their mandate as per the terms of reference and she is prepared to move forward. Councillor Roussin stated that we have all the information that we need to move forward and he is in support of an amalgamation. Joan indicated that the figures speak for themselves and she is in support of amalgamating.

Councillor Smith indicated that she would like to see the difference in the costs between the two property management companies to determine if there are items missing (eg. when people vacate) adding that we won't know if there is a true savings until we see that. Charlotte stated that she did discuss this item with the two managers and that they did not agree to the same processes, adding that we are looking for efficiencies of scale when managing just one Board. Charlotte confirmed that she was told there would be further savings as the management fee alone would be less for one amalgamated board. Councillor Smith stated that the Kenora property manager did have the opportunity to do a combined tender on the two boards in the past.

Wendy shared that at that time Direct Management Services confirmed that if the boards shared services there would be no extra cost to add Keewatin. She indicated that if there are two corporations it will cost more regardless, that by putting them together everything is done once. She added that we aren't going to get anywhere by sending out several RFPs for all the "what ifs" and that the information presented shows that there is a cost savings. Jack expressed several reasons why Keewatin did not go along with Kenora for a joint tender.

Councillor Roussin stated that he is in support of Wendy's comments, adding that Charlotte has pulled out the most obvious costs and compared and these are the first of the savings. He mentioned that there will be other cost savings in the management and likely with staffing and indicated that what was mentioned for doing two separate RFPs was not the mandate of this committee, that if there is a cost savings then you vote on the amalgamation and then move on to RFPs for the one board.

Jerry Ortlieb inquired how a cost savings can be proven with any amalgamation and referred to the amalgamation of the City in 2000. He indicated that there has been no cost savings since the City amalgamated and wonders what the result of this amalgamation will be in five years.

Councillor Roussin shared that he had made inquiries with the City and KDSB and brought the concern of the cost of having two separate boards up as an issue to Council and from there Council passed resolution to move forward with this Committee. It is a separate identity from the City of Kenora amalgamation. He added

that when the amalgamation took place the only reason the housing did not merge was for a political reasons and that there could have been a financial savings for over 12 years now. He stated that amalgamating the two boards will save the property tax payers money with a preliminary savings of over \$22,000 and further savings due to economies of scale.

The Chair called for a vote:

Moved by W. Cuthbert, Seconded by L. Roussin & Carried:-

That the Kenora and Keewatin Non-Profit Housing Corporations amalgamate commencing with the 2014 fiscal year; and further

That the auditing and property management services for at least the first year of the amalgamated entity be awarded to the existing service providers to facilitate an easier transition

3. Adjournment

Meeting adjourned at 9:26 a.m.