

Public Minutes

April 6, 2011

Toronto Community Housing



Board of Directors

931 Yonge Street
Toronto M4W 2H2

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The Board of Directors of the Toronto Community Housing Corporation met on Wednesday, April 6, 2011 in the Main Floor Conference Room, 931 Yonge Street, Toronto at 9:32 a.m.

Directors in Attendance: Case Ootes, Managing Director

Also present: Len Koroneos, Chief Executive Officer (Interim), Chief Financial Officer and Treasurer
Michelle Haney-Kileeg, General Manager
Mitzie Hunter, Chief Administrative Officer
Bronwyn Krog, Vice President and Chief Development Officer
Debora Simon, Chief Operating Officer
Howie Wong, General Counsel and Corporate Secretary
Marta Asturi, Legal Counsel and Assistant Corporate Secretary

Mr. Case Ootes, Managing Director, called the meeting to order, and Janice Lewkoski served as recording secretary.

DECLARATION OF CONFLICT OF INTEREST

The Managing Director noted that he does not have a conflict of interest for any of the agenda items.

RECEIPT OF BOARD MINUTES OF TORONTO COMMUNITY HOUSING CORPORATION FOR DECEMBER 13, 2010 AND MARCH 3, 2011

MINUTES

Motion carried The Managing Director had before him the minutes for the December 13, 2010 and March 3, 2011 public meetings.

The Managing Director received the above-captioned minutes as circulated.

APPROVAL OF AGENDA AND REVIEW OF AGENDA ORDER

The Managing Director reviewed and approved the revised agenda as circulated.

**ITEM 1 IMPLEMENTATION OF AUDITOR GENERAL
RECOMMENDATIONS: STATUS REPORT TCHC:2011-01**

Motion carried The Managing Director had before him the above-captioned report (TCHC:2011-01) from the General Counsel.

The Managing Director polled for any deputations and the following individuals provided deputations in relation to this item:

- Dan King
- Miguel Avila
- Tom Robson

The Managing Director received the report for information and noted that the Auditor General's reports are being dealt with expeditiously.

**ITEM 2 2010 TORONTO COMMUNITY HOUSING AUDIT
PLANNING – YEAR ENDED DECEMBER 31, 2010 TCHC:2011-02**

Motion carried The Managing Director had before him the above-captioned report (TCHC:2011-02) from the Chief Financial Officer.

The Managing Director polled for any deputations to be heard at the meeting. No deputations were received on this item.

Mr. Len Koroneos, Interim Chief Executive Officer and Chief Financial Officer, presented the report, highlighting:

- the audit planning report was prepared by our external auditors, PricewaterhouseCoopers LLP
- the total fees agreed upon to audit Toronto Community Housing are estimated at \$52,260 and any proposed fee changes will be submitted to the Board for approval

The Managing Director received the report for information.

**ITEM 3 REVIEW OF BOARD AND CEO EXPENSES Q4,
2010 TCHC:2011-05R**

Motion carried The Managing Director had before him the above-captioned report (TCHC:2011-05R) from the General Counsel.

The Managing Director polled for any deputations to be heard at the

meeting. No deputations were received on this item.

The Managing Director received the report for information.

ITEM 4 2011 OPERATING PLAN

TCHC:2011-03

Motion carried The Managing Director had before him the above-captioned report (TCHC:2011-03) from the Chief Financial Officer.

The Managing Director polled for any deputations and the following individuals provided deputations in relation to this item:

- Dan King
- Demetre Papadopoulos
- Catherine Wilkinson
- Sandra Ryan

Mr. Len Koroneos, Interim Chief Executive Officer and Chief Financial Officer, presented the report, highlighting:

- Toronto Community Housing's projected revenue for housing operations in 2011 is \$591.1M which will be achieved through rent revenues, revenues from commercial operations and other revenues
- projected expenditures for 2011 are approximately \$549.5M
- net operating cash flow is projected to be \$76.7M
- changes from 2010 expenditures are due mainly to higher insurance costs and higher inflation on utilities and manageable costs
- the higher insurance costs largely reflect the cost of the voluntary compensation program offered to tenants at 200 Wellesley who lost belongings or suffered hardship as a result of the fire
- Toronto Community Housing will invest \$162.3M in 2011 for building repairs and community investments which will leave \$1.5M remaining in operating cash flow
- the \$162.3M for building repairs is a decrease from previous years and reflects the reduction in federal and provincial government stimulus funding

The Managing Director approved the recommendations in the report to:

- (1) approve the 2011 Operating Plan as detailed in the attached Appendix "A" to give the CEO spending authority for 2011; and
- (2) authorize the appropriate Toronto Community Housing officials to take the necessary action to give effect to the recommendations.

ITEM 5 TWO YEAR BUILDING CAPITAL PLAN 2011-2012 TCHC:2011-04

Motion carried The Managing Director had before him the above-captioned report (TCHC:2011-04) from the Chief Financial Officer.

The Managing Director polled for any deputations and the following individuals provided deputations in relation to this item:

- Dan King
- Cliff Martin
- Catherine Wilkinson

Mr. Len Koroneos, Interim Chief Executive Officer and Chief Financial Officer, presented the report, highlighting:

- the two year plan includes capital budgets in the amount of \$120.3M in 2011 and \$53.6M in 2012
- Toronto Community Housing will take a more strategic approach to capital investments by focusing on building systems and life safety systems as well as unit repairs that have a more direct positive impact on individual tenants' day-to-day quality of life
- one of the challenges for Toronto Community Housing is that its buildings are, on average, over 37 years old

The Managing Director noted that Toronto Community Housing has a backlog of \$600M in needed repairs and this amount is growing.

The Managing Director approved the recommendations in the report to:

- (1) approve the two year rolling Capital Plan for 2011 and 2012 Capital Budgets in the amount of \$120.3M and \$53.6M;
- (2) authorize the CEO to contract directly or with Housing Services Inc. for the work included in this 2 year rolling budget up to a maximum of the overall two year budget; and
- (3) authorize the appropriate Toronto Community Housing officials to take the necessary action to give effect to the above recommendations to implement the 2 year rolling capital budgets for the years 2011 and 2012.

ITEM 6 DISCLOSURE OF BOARD AND STAFF EXPENSES TCHC:2011-12R

Motion carried The Managing Director had before him the above-captioned report (TCHC:2011-12R) from the Chief Administrative Officer.

The Managing Director reported that all invoices since March 14, 2011 for Board members and staff members with salaries over \$100,000 will be posted on Toronto Community Housing's website monthly for the public to view.

The Managing Director polled for any deputations and the following individual provided a deputation in relation to this item:

- Catherine Wilkinson

Mr. Len Koroneos, Interim Chief Executive Officer and Chief Financial Officer, reported that March 2011 expenses will be posted on Toronto Community Housing's website on April 18. Going forward, expenses will be posted monthly.

Mr. Koroneos highlighted the following additional actions that Toronto Community Housing has taken in response to the Auditor General's reports:

- issued a new employee expense directive
- cancelled all individual purchase cards
- disciplined staff for inappropriate expenses
- started the process to hire a senior procurement manager
- developed a Do What's Right ethics hotline to be launched later this year.

The Managing Director approved the recommendations in the report to receive the City Council's request and adopt the following recommendations:

- (1) develop a process for implementing City Council's request to post expense records and invoices of Toronto Community Housing's Board members and staff members whose salaries exceed \$100,000 on Toronto Community Housing's website;
- (2) expense records and invoices are to be posted and updated online on Toronto Community Housing's website on a monthly basis commencing with records and invoices as of March 14, 2011; and
- (3) authorize the appropriate Toronto Community Housing staff to take the necessary actions to give effect to the above recommendations.

**ITEM 7 REPORT ON SALE OF 22 SINGLE FAMILY
 HOUSES**

TCHC:2011-06R

Motion carried The Managing Director had before him the above-captioned report (TCHC:2011-06R) from the Chief Development Officer.

The Managing Director polled for any deputations and the following individuals provided deputations in relation to this item:

- Councillor Mary Fragedakis
- Janice Hadfield
- Calleta Johnson, on behalf of Brian Davis
- Uwe Sehmrau
- Councillor Mike Layton
- Pat McKendry
- Josephine Grey
- Margaret Hecimovich
- Kathy Kunsmann
- Harry O'Neil
- Heather O'Neil
- George Alan
- Magdalena Palma
- Wallace Simpson
- Charlene Holmes
- Scott Bullock
- Susan Gapka
- Catherine Wilkinson
- David Walsh
- Councillor Paula Fletcher
- Murray Bevan
- Dan King
- Beverly Smith

The Managing Director thanked the deputants for their input and the passion they expressed.

The Managing Director acknowledged that the Sale of 22 Single Family Houses report is a difficult item to deal with. Since his appointment as Managing Director, he has been focused on the Auditor General's reports to ensure that proper controls and accountability are in place and to improve transparency and restore public confidence.

The Managing Director listed the challenges facing Toronto Community Housing:

- 75,000 people waiting for housing

- \$600M repair backlog
- 2,000 vacant units in disrepair
- scattered housing that is difficult to manage and maintain
- 900 bachelor units available but which need to be cycled through the waiting list
- provincial and City restrictions which prevent Toronto Community Housing from leveraging its assets

The Managing Director read an excerpt from the report of The Honourable Patrick J. LeSage from May 2010:

“In the past, predecessor corporations of TCHC have employed social workers to assist tenants. However given the funds available under the municipal structure, that can no longer be done. TCHC must state unequivocally what it can and cannot do. It should clarify that first and foremost it is a landlord ...”

Mr. Ootes emphasized that the corporation must be managed in a manner that can benefit the people most. It is up to the Board through staff to ensure that this happens.

The Managing Director acknowledged that the sale of houses causes stress however he has a responsibility as the Board to make the difficult decisions that previous Boards of Toronto Community Housing have avoided. The previous Board Committee made the recommendation that these houses be sold.

The Managing Director, subject to honouring all documented commitments made to tenants at the 22 single family houses, approved the recommendations in the report to:

- a) approve the sale of 22 single family houses on the open market;
- b) seek approval of Toronto City Council to sell the 22 houses;
- c) seek the consent of the City of Toronto in its role as Service Manager that the seven units required to be replaced are replaced as rent supplements;
- d) approve the engagement of a real estate professional to assist with the sale of the houses;
- e) net proceeds of the sale to be invested in the asset improvement of existing sustainable housing stock; and

- f) authorize the CEO or delegate of the Corporation to take the necessary action to give effect to the above recommendations.

ITEM 8 **APPOINTMENT OF INTERIM CHIEF EXECUTIVE OFFICER** TCHC:2011-18

The Managing Director had before him the above-captioned report (TCHC:2011-18) from the Corporate Secretary.

The Managing Director polled for any deputations and the following individuals provided deputations in relation to this item:

- Catherine Wilkinson
- Dan King

The Managing Director approved the recommendations in the report to:

- (1) appoint Len Koroneos as interim Chief Executive Officer of Toronto Community Housing Corporation effective April 4, 2011; and
- (2) the CEO (or his designate) to take all necessary actions and execute all documents as required to implement the above resolution.

The Managing Director congratulated Mr. Koroneos on his appointment.

In response to a comment made during the deputations, the Managing Director thanked staff involved at 200 Wellesley after the fire in late 2010 and for the extraordinary work they put in to help tenants.

ADJOURNMENT

The meeting adjourned at 11:37 a.m.

Secretary

Chair