



Corporate Affairs Committee

931 Yonge Street
Toronto M4W 2H2

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The Corporate Affairs Committee of Toronto Community Housing Corporation met on Wednesday, July 14, 2010, in the Main Floor Conference Room, 931 Yonge Street, commencing at 9:33 a.m.

Committee Directors present: Ms. Carol Osler, Chair
Mr. David Mitchell
Ms. Sheerin Sheikh

Regrets: Mr. Dan King, Vice Chair
Councillor Giorgio Mammoliti

Additional Directors present: Ms. Catherine Wilkinson

Also present: Ms. Mitzie Hunter, Chief Administrative Officer
Mr. Gordon Chu, Chief Financial Officer
Mr. Harold Ball, VP, Human Resources
Mr. Howie Wong, General Counsel and Corporate Secretary
Mr. Hugh Lawson, Director, Strategic Planning
Ms. Josie Scioli, CEO, Housing Services Inc.
Ms. Marta Asturi, Legal Counsel and Assistant Corporate Secretary
Ms. Michelle Haney-Kileeg, General Manager, Access Housing Connections Inc.
Mr. Steve Floros, A/Chief Operating Officer

Ms. Carol Osler, the Chair, called the meeting to order and Janice Parker served as recording secretary.

DECLARATION OF CONFLICT OF INTEREST

The Chair requested members of the Corporate Affairs Committee to indicate any agenda item in which they had a conflict of interest, together with the nature of the interest. None were declared.

APPROVAL OF AGENDA

The Corporate Affairs Committee approved the agenda without amendment.

**MINUTES CONFIRMATION OF ORGANIZATION COMMITTEE MINUTES –
APRIL 28, 2010**

Motion carried **ON MOTION DULY MADE** by Mr. David Mitchell, seconded by Ms. Sheerin Sheikh, the Corporate Affairs Committee adopted the above-captioned minutes and recommended they be forwarded to the Board of Directors for information.

**MINUTES CONFIRMATION OF AUDIT COMMITTEE MINUTES – MARCH 12,
2010**

Motion carried **ON MOTION DULY MADE** by Mr. David Mitchell, seconded by Ms. Sheerin Sheikh, the Corporate Affairs Committee adopted the above-captioned minutes and recommended they be forwarded to the Board of Directors for information.

**ITEM 1 HOUSING SERVICES INC. (HSI) 2009 ANNUAL
GENERAL MEETING** CAC:2010-18

The Corporate Affairs Committee had before it the above-captioned report (CAC:2010-18) from the Chief Executive Officer.

Ms. Josie Scioli, Chief Executive Officer of Housing Services Inc., presented an overview of the report, highlighting:

- 2009 was a good year overall for hsi
- overall financial performance saw a healthy revenue growth, largely due to funding received by Toronto Community Housing, and an increased profit side with more work with Toronto Community Housing (including construction jobs, structural work such as balconies, etc.); Toronto Community Housing represented a substantial portion of HSI's business.
- external revenue increased in the double digits
- net margin was below target due to write offs and provisions for non-collection from customers

On its operational side, Ms. Scioli reported some of the key initiatives hsi has been working on, including:

- In its client care group (call centre), the Average Speed of Answer target was achieved in 90% of calls in 2009 and First Call Resolution by Client Agent was 76%. They are reviewing their benchmarks and looking at other initiatives to enhance the customer experience.
- Program Managing – hsi is working on long-term planning with Toronto Community Housing in order to leverage its purchasing power
- Internal Controls Review

The Committee and staff discussed the changes to By-law No. 2 with regards to the spending and signing authority limit of hsi's Chief Executive Officer. Staff advised that the hsi Board of Directors has had to hold emergency meetings on a regular basis in order to approve contracts because of the level of spending authority. Mr. Gordon Chu advised the Committee that the increased limit is the appropriate level for hsi.

In response to a question from the Committee, staff advised that the auditor for the 2010 financial statements will be PriceWaterhouseCoopers LLP.

Motion carried

ON MOTION DULY MADE by Ms. Sheerin Sheikh, seconded by Mr. David Mitchell, the Corporate Affairs Committee unanimously adopted the following recommendations to be forwarded to the Board for approval:

- (1) convene the 2009 Annual General Shareholder Meeting of Housing Services Inc. on August 16, 2010 to:
 - (a) approve and accept Housing Services Inc.'s audited financial statements for 2009;
 - (b) appoint Toronto Community Housing's auditor as the auditor for Housing Services Inc. for 2010;
 - (c) approve By-Law No. 1 as amended;
 - (d) approve Financial Control By-Law No. 2 as amended;
- (2) appoint the Chair of the Corporate Affairs Committee as proxy to act on behalf of Toronto Community Housing at Housing Services Inc.'s Annual General Shareholder Meeting; and
- (3) authorize the appropriate Toronto Community Housing staff to give effect to the above recommendations.

**ACCESS HOUSING CONNECTIONS INC.
(HOUSING CONNECTIONS) 2009 ANNUAL
GENERAL MEETING** CAC:2010-13

The Corporate Affairs Committee had before it the above-captioned report (CAC:2010-13) from the Chief Executive Officer.

Motion carried **ON MOTION DULY MADE** by Ms. Sheerin Sheikh, seconded by Mr. David Mitchell, the Corporate Affairs Committee unanimously adopted the following recommendations:

- 1) approve an exemption from the requirement for Housing Connections to produce audited financial statements for the 2009 fiscal year;
- 2) convene the 2009 Annual General Meeting of Access Housing Connections on September 27, 2010 to:
 - a) approve and accept the *Access Housing Connections Inc. Financial Statements for 2009* (attachment 1), in line with the requirements of the Shareholder Direction and the *Ontario Business Corporations Act*;
- 3) appoint the Chair of the Corporate Affairs Committee as proxy to act on behalf of Toronto Community Housing at Access Housing Connection's Annual General Shareholders Meeting; and
- 4) authorize the appropriate Toronto Community Housing staff to give effect to the above recommendations.

**ACCESS HOUSING CONNECTIONS INC.
ANNUAL REVIEW 2009** CAC:2010-19

The Corporate Affairs Committee had before it the above-captioned report (CAC:2010-19) from the Chief Executive Officer.

Ms. Michelle Haney-Kileeg, General Manager of Access Housing Connections Inc., presented the report, highlighting:

- Housing Connections is a volume driven business which provides integrated services
- in 2009, Housing Connections maintained service levels despite experiencing a 13% increase in people applying for housing
- they embarked on new projects, such as the *At Home/Chez Soi Project*

- they created an Advocacy Committee and provided a formal response to Ontario's Affordable Housing Strategy
- staff reviewed new access models in other jurisdictions for best practices and
- they conducted a review of their internal financial controls with an action plan to improve controls.

The Committee discussed the need for quantitative targets for improving access to housing. Ms. Haney-Kileeg reported that Housing Connections is tracking performance measures on a quarterly basis and working on initiatives to improve services, including developing more presence in the community, providing more staff to assist with walk-in clients and developing partnerships with other services such as 311 in order to refer applicants to other services while they wait for housing.

Motion carried

ON MOTION DULY MADE by Ms. Sheerin Sheikh, seconded by Mr. David Mitchell, the Corporate Affairs Committee unanimously received the Housing Connections Annual Review 2009 (attachment 1) and recommended it be forwarded to the Board of Directors for information.

ITEM 3

**FIRST QUARTER 2010 CORPORATE AFFAIRS
COMMITTEE PERFORMANCE REPORT**

CAC:2010-16

The Corporate Affairs Committee had before it the above-captioned report (CAC:2010-16) from the Chief Executive Officer.

Ms. Mitzie Hunter presented the report to the Committee and advised that the report will evolve over time.

The Committee commended staff on the improvement from 2009 with respect to internal succession (internally vs. externally filled key vacancies) which is only moderately below target of 60%.

The Committee discussed the implications of the significant number of senior employees eligible for retirement over the next 10 years. Staff reported that Toronto Community Housing is working on mentorship programs to pass on knowledge and plan for succession. The Committee suggested staff review whether the 60% target of vacancies filled internally is achievable given the expected retirement rate.

The Committee discussed the TCHC Workforce vs. CMA Population Demographics measure. The measure status meets or exceeds expectations but falls below with regards to women by 7%. The Committee would like to see this change over the short term. Mr. Hugh

Lawson reported that staff are working to change this by focusing on specific job areas (such as CSU positions and superintendents) but sometimes experience turnover. The Committee suggested staff look at ways to prevent turnover. With respect to the Persons with Disabilities demographic, it was suggested that staff look to some of Toronto Community Housing's tenants with disabilities to fill these positions.

With respect to the Staff Turnover measure and in response to a query from the Committee, Mr. Lawson clarified that the Other category includes all occupation groups other than the 4 identified groups and would include staff directors.

The Committee thanked staff for the report and indicated that it was great progress. The Committee requested that staff strengthen the Management Action items in the report giving action statements that include "what by when" strategies in order to address indicators.

Mr. Hugh Lawson reported that staff are working with strategy leads to develop a more fulsome report for the Committee by Q3.

Motion carried

ON MOTION DULY MADE by Mr. David Mitchell, seconded by Ms. Sheerin Sheikh, the Corporate Affairs Committee unanimously received the report for information with performance measures that are below target to be forwarded to the Board of Directors.

ITEM 4 **CORPORATE AFFAIRS COMMITTEE 2010**
WORKPLAN FOR Q2 TO Q4

CAC:2010-07

The Corporate Affairs Committee had before it the above-captioned report (CAC:2010-07) from the Chief Executive Officer.

Ms. Mitzie Hunter presented the workplan to the Committee and advised that the plan has been discussed with the Chair and Vice-Chair of the Corporate Affairs Committee. The Committee and staff will continue to update the plan throughout the year. The LeSage Review report may have an impact on the Committee workplans.

The Committee discussed the need to develop an internal audit plan which outlines what will be audited and when/over what quarter. The Committee would like to see an audit plan for 2011 by Q4 of 2010.

In response to questions from the Committee, Ms. Hunter advised that:

- the Labour Management Strategy requested by the former Organization Committee is included on page 2, scheduled for Q4
- the Youth Success Stories item listed on page 2 which was

- requested by the former Organization Committee will go beyond employment related issues and will relate to full engagement
- the Policy Management Review Process listed on page 1 was added in response to a request by the Board to provide an update on all policies of Toronto Community Housing – the review will include all policies related to tenants and staff

Motion carried **ON MOTION DULY MADE** by Ms. Sheerin Sheikh, seconded by Mr. David Mitchell, the Corporate Affairs Committee unanimously received the report for information.

**2009 TORONTO COMMUNITY HOUSING
CORPORATION FINANCIAL STATEMENTS &
AUDIT RESULTS**

ITEM 5

CAC:2010-08

The Corporate Affairs Committee had before it the above-captioned report (CAC:2010-08) from the Chief Executive Officer.

Mr. Chu advised the Committee that management are working on resolving the issues of waste charges and tax exemption with the City but these will not be dealt with by the City until 2011.

Mr. Chu advised that the corporation's total debt has increased but this was expected with the redevelopment of Regent Park and it will increase with continued development projects.

Mr. Chu discussed the EBITDA interest coverage ratios.

Mr. Steve Floros presented a report to the Committee regarding Unit Vacancy Control highlighting some of the factors that impact staff ability to rent units:

- type of unit
- City guidelines requiring Toronto Community Housing to exhaust its internal waiting list before offering to external applicants
- staff-related factors such as the learning curve and relationship development required for new superintendents

The Committee suggested that monthly performance metrics should be developed to be incorporated with the strategies in the report.

In response to a query from the Committee, Mr. Floros advised that the vacated units being held for tenant relocation (approximately 377-380 units) are not included in the statistics provided in his report.

To combat the issue of hard to rent units, staff put together a Rental

Task Force and held open house events at specific communities which were successful.

The Committee asked if unit preparation time has improved. Mr. Floros advised that a unit turnover process, described on page 4 of his report, has been developed as a pilot project in the Community Housing Unit East portfolio and is working well. The pilot was expanded to the Seniors' portfolio on June 1 and will expand to all portfolios by the end of the year.

Staff also pointed out that when unit vacancies are filled from the internal waiting list this creates another vacancy. Approximately 2/3 of move-ins are from the internal list.

Motion carried **ON MOTION DULY MADE** by Mr. David Mitchell, seconded by Ms. Sheerin Sheikh, the Corporate Affairs Committee unanimously received the report for information.

ITEM 6 **REVIEW OF BOARD AND CEO EXPENSES Q1, 2010** CAC:2010-09

The Corporate Affairs Committee had before it the above-captioned report (CAC:2010-09) from the Chief Executive Officer.

It was requested that staff amend future reports to include information from previous quarters for comparison.

Motion carried **ON MOTION DULY MADE** by Ms. Sheerin Sheikh, seconded by Mr. David Mitchell, the Corporate Affairs Committee unanimously received the report for information.

ITEM 7 **ENTERPRISE RISK MANAGEMENT STRATEGY STATUS REPORT** CAC:2010-10

The Corporate Affairs Committee had before it the above-captioned report (CAC:2010-10) from the Chief Executive Officer.

Mr. Howie Wong presented the report, highlighting:

- Staff will update the Committee on the status of the Enterprise Risk Management Strategy quarterly
- An Enterprise Risk Management ("ERM") system is being developed. KPMG was chosen as the vendor for ERM. Two pilot projects were chosen for 2010 – the Eviction Prevention Policy and Budget Controls. The Eviction Prevention Policy project will

- incorporate the LeSage Review report recommendations.
- A Compliance & Ethics Committee has been established to ensure that risks in the organization are identified
 - Code of Conduct training will be implemented in the fall
 - A Fraud Policy is being developed to assist with the development of an ethics hotline. Staff are currently in contract negotiations and the hotline is expected to be up and running in the fall.
 - The Compliance & Ethics Unit includes a Director, 2 Internal Auditors and 1 Investigator. The newly hired Investigator is working on an Investigation Protocol. The new Internal Auditors have developed an audit work plan.

The Committee questioned whether Appendix 1 of the report which identifies one of the OUs in the audit work plan should be in camera. Mr. Wong advised that the corporation is working towards more transparency in this regard.

In response to a query from the Committee, Mr. Wong described how risks were identified using a broad base of staff and noted that the ethics hotline will be available to all to ensure an open ended, bottom up identification of risks.

The Committee suggested staff include succession planning and development risks in its risk management strategy.

The Committee advised that over time it will want to see an annualized process to identify key risks and plans to address them, which will be reviewed throughout the year.

The Committee discussed whether the audit function should be a direct report to the CEO, rather than be a unit in Legal. In the short term, the Committee is content with the existing placement in Legal, but will want to re-examine this in the near term as to the effectiveness and independence of the audit function.

The Committee asked if the Tenant Rent Adjustment assessment which is scheduled to be completed by December 31, 2010 can be advanced. Staff advised that the internal auditors are currently engaged on the pcard projects but will ask the team to complete earlier.

Motion carried **ON MOTION DULY MADE** by Mr. David Mitchell, seconded by Ms. Sheerin Sheikh, the Corporate Affairs Committee unanimously received the report for information.

The Corporate Affairs Committee had before it the above-captioned report (CAC:2010-11) from the Chief Executive Officer.

Motion carried **ON MOTION DULY MADE** by Ms. Sheerin Sheikh, seconded by Mr. David Mitchell, the Corporate Affairs Committee unanimously received the report for information.

**INTERNAL FINANCIAL CONTROLS STRATEGY:
ITEM 9 UPDATE** CAC:2010-12

The Corporate Affairs Committee had before it the above-captioned report (CAC:2010-12) from the Chief Executive Officer.

Motion carried **ON MOTION DULY MADE** by Ms. Sheerin Sheikh, seconded by Mr. David Mitchell, the Corporate Affairs Committee unanimously received the report for information.

IN CAMERA PROCEEDINGS

Motion carried **ON MOTION DULY MADE** by Ms. Sheerin Sheikh, seconded by Mr. David Mitchell, the Corporate Affairs Committee resolved to meet *in camera* to consider items A, B, C, D, and E.

PUBLIC PROCEEDINGS

Motion carried At 11:07 a.m. the Chair announced the resumption of the public proceedings and the public meeting reconvened at that time.

ON MOTION DULY MADE by Mr. David Mitchell, seconded by Ms. Sheerin Sheikh, the Corporate Affairs Committee ratified the actions authorized during the *in camera* meeting.

ADJOURNMENT

The meeting of the Corporate Affairs Committee was adjourned at 11:07 a.m.

Secretary

Chair, Corporate Affairs Committee