



Corporate Affairs and Audit Committee

931 Yonge Street
Toronto M4W 2H2

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The Corporate Affairs and Audit Committee of Toronto Community Housing Corporation met on November 24, 2011, in the Main Floor Conference Room, 931 Yonge Street, commencing at 12:59 p.m.

Committee Jason Gorel, Chair
Directors Brian Kwan
present: Councillor John Parker
Regrets: none

Additional Norman (Bud) Purves, Chair of the Board of Directors
Directors Ms. Catherine Wilkinson
present:

Also Marta Asturi, Assistant Corporate Secretary and Legal Counsel
present: Mary Boushel, Legal Counsel
Paul Chisholm, General Manager, Access Housing Connections Inc.
Michelle Haney-Kileeg, General Manager
Mitzie Hunter, Chief Administrative Officer
Ismail Ibrahim, Legal Counsel
Len Koroneos, Chief Executive Officer (Interim)
Hugh Lawson, Director - Strategic Planning & Stakeholder Relations
Deborah Simon, Chief Operating Officer
Howie Wong, Corporate Secretary and General Counsel

Mr. Jason Gorel, the Chair, called the meeting to order and Ms. Mirela Bolentiru served as recording secretary.

DECLARATION OF CONFLICT OF INTEREST

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

CONFIRMATION OF AGENDA

Motion carried **ON MOTION DULY MADE** by Councillor John Parker, seconded by Mr. Brian Kwan, the Corporate Affairs and Audit Committee unanimously approved the agenda.

**MINUTES CONFIRMATION OF CORPORATE AFFAIRS AND AUDIT
COMMITTEE MINUTES – SEPTEMBER 29, 2011**

The Committee had before it the draft Corporate Affairs and Audit Committee minutes for the September 29, 2011 public meeting.

Motion carried

ON MOTION DULY MADE by Councillor John Parker, seconded by Mr. Brian Kwan, the Corporate Affairs and Audit Committee confirmed the above-captioned minutes and recommended they be forwarded to the Board of Directors for information subject to the following amendments:

Page 6 of 9, Item 6: Access Housing Connections Q3 and Q4 2010 and Q1 2011 Quarterly Performance Reports:

- in the third paragraph, replace “Province” with “City.”
- last bullet in the fourth paragraph should read “...they meet legislated criteria...”
- correct the name “Chisholm” throughout the minutes.

DEPUTATIONS

The Committee Chair polled for any deputations to be heard at the meeting and explained the deputation process. A list of people wishing to provide verbal deputations was received for the meeting.

**ITEM 1 2010 TORONTO COMMUNITY HOUSING
CORPORATION FINANCIAL STATEMENTS CAAC:2011-14**

The Corporate Affairs and Audit Committee had before it the above-captioned report (CAAC:2011-14) from the Interim Chief Executive Officer.

Mr. Dan King provided a verbal deputation in relation to this item.

Daniel D'Archivio, PricewaterhouseCoopers representative (auditor) presented the financial statements.

Motion carried

ON MOTION DULY MADE by Councillor John Parker, seconded by Mr. Brian Kwan, the Corporate Affairs and Audit Committee unanimously adopted the report and forwarded the report recommending the Board of Directors to:

- 1) receive the 2010 Toronto Community Housing Financial

Statements;

- 2) approve the 2010 Toronto Community Housing Financial Statements, and authorize two directors to sign the Balance Sheet on behalf of the Board of Directors;
- 3) forward the signed Financial Statements to the Shareholder as part of the annual reporting to the Shareholder and for purposes of Toronto Community Housing's Annual General Meeting; and
- 4) authorize the appropriate Toronto Community Housing officials to take the necessary action to give effect to the above recommendations.

ITEM 2 Q3 2011 QUARTERLY PERFORMANCE REPORT CAAC:2011-15

Motion carried The Corporate Affairs and Audit Committee had before it the above-captioned report (CAAC:2011-15) from the Interim Chief Executive Officer.

The Committee Chair requested that:

- the first page of the report show explicitly what the performance metrics are and what does the refinement process of those performance metrics mean;
- the full compensation review of management salaries (page 3 of 10 of the Quarterly Performance Report) be redirected to the Corporate Governance Committee Chair to be addressed jointly with the Succession Management Plan (page 4 of 10 of the Quarterly Performance Report); and
- accuracy of rent reporting be considered as a new metric.

The Committee Chair raised a question with respect to when the Committee will be provided with a report emphasizing the work completed. In response, Ms. Mitzie Hunter informed the Committee that a specific report will be generated in Q1 2012. Usually, these reports are generated quarterly.

The Committee requested further information to be provided with respect to front-line staff (Human Resources chart); looking to issues such as morale, social aspects, ensuring there is more connection among employees, ensuring that new employees are attracted in the organization and that they fully understand the policies and processes

in place.

The Committee had a discussion on vacancy loss. Mr. Paul Chisholm presented the Committee with an overview of Access Housing Connections, including the following highlights:

- there are not so many bachelor units;
- large percentage of units in hard to rent category;
- there are agreements in place with landlords;
- stock and lack of desirability are main drawbacks.

Ms. Deborah Simon explained to the Committee that a unit is considered vacant when the tenant is given notice. The newly built units will not be included in the statistics reported, so the numbers will decrease. The Rental Task Force (RTF) is part of the Community Management Plan. The RTF has continued to identify developments with higher than normal vacancy rates and to work with operating unit staff to reduce the number of vacancies in those locations. In the past, a geographical strategy was used to move units all over the portfolio. Currently, there two strategies are used to fill vacancies: the Open House and the 90+Day. The Open House strategy is most effective when used in locations where there are more than 10 vacant units of the same size. If there are fewer vacancies available, the 90+Day strategy has proved to be more efficient.

Motion carried **ON MOTION DULY MADE** by Councillor John Parker, seconded by Mr. Brian Kwan, the Corporate Affairs and Audit Committee unanimously received the report and recommended that the report with performance measures that are below target be forwarded to the Board of Directors for information.

ITEM 3 **FINANCIAL PERFORMANCE REPORT – Q3 2011** CAAC:2011-16

Motion carried The Corporate Affairs and Audit Committee had before it the above-captioned report (CAAC:2011-16) from the Interim Chief Executive Officer.

The Committee Chair requested clarification with respect to the:

- budgeting process;
- projected net cash flow and how management will dispose of it;
- impending sale of 257 Jarvis Street – anticipated sale proceeds not included in statistics.

In response, Mr. Len Koroneos informed the Committee that the sale of 257 Jarvis Street is subject to a zoning clause. The process is taking longer than expected (January or February 2012). With respect to the budgeting process, the budget has to be approved first by the Board of Directors. Once approved, it will be submitted to the City for its approval to allow the Corporation to spend the money allocated. In February 2012, the final budget will be submitted to the City to obtain the funding.

In response to a question raised by the Committee Chair, Mr. Len Koroneos explained that the interim budget will be presented to the Board of Directors for approval at its December 13, 2011 meeting. He also informed the Committee that the projected surpluses will be directed towards capital repairs.

In response to a question raised by the Committee Chair, Mr. Len Koroneos informed the Committee that the insurance costs are negative due to higher tenant claims. Annual premiums starting in November are increasing significantly. As the unrecoverable costs for the Wellesley fire are still unknown, the 2011 budgeted \$3.5 million is included in the projection. There are 13 more months until the Corporation may negotiate with the insurance company.

Motion carried **ON MOTION DULY MADE** by Councillor John Parker, seconded by Mr. Brian Kwan, the Corporate Affairs and Audit Committee unanimously received the report for information.

**ITEM 4 REVIEW OF BOARD AND CEO EXPENSES
 Q3 2011**

CAAC:2011-17

The Corporate Affairs and Audit Committee had before it the above-captioned report (CAAC:2011-17) from the Interim Chief Executive Officer.

The Committee requested that management add on the future reports all the staff members who are remunerated with more than \$100,000 per year.

Motion carried **ON MOTION DULY MADE** by Councillor John Parker, seconded by Mr. Brian Kwan, the Corporate Affairs and Audit Committee unanimously received the report for information.

**ITEM 5 IMPLEMENTATION OF AUDITOR GENERAL
RECOMMENDATIONS: STATUS REPORT**

CAAC:2011-18

Motion carried The Corporate Affairs and Audit Committee had before it the above-captioned report (CAAC:2011-18) from the Interim Chief Executive Officer.

Mr. Dan King provided a verbal deputation in relation to this item.

The Committee Chair requested that the Auditor General be in attendance at a future Committee meeting to present his view of the process, while the Committee will present the status of implementing the recommendations.

Ms. Michelle Haney-Kileeg informed the Committee that the Auditor General's office will audit the Corporation in 2012 to determine the status of progress. A third party has been retained to review our procurement documents and process, who was selected through a request for proposals (RFP) process.

In response to a question raised by the Committee Chair, Ms. Michelle Hainey-Kileeg informed the Committee that Mr. Michael Vear has been acting as the Secretary of the management team in charge with overseeing the internal audit process. There are 10 recommendations for expenses and 31 recommendations for procurement. Most recommendations for procurement were achieved in 2011, with the remainder to be achieved in Q1 or Q2 2012.

Management (Michael Vear) will contact the Auditor General's office to find out and document the process that the Corporation is required to follow subsequent to the Auditor General's review.

Management will bring an updated status report back to the Committee at a future meeting, showing the timelines when all 41 recommendations will be achieved.

In response to a question raised, Mr. Len Koroneos informed the Committee that there is now implemented a new accounts payables system; it is a more efficient centralized system versus a non-centralized system used before. In the centralized system, all vendors' invoices are entered and then sent to the operating units. The purchase orders are then matched with invoices.

Motion carried **ON MOTION DULY MADE** by Councillor John Parker, seconded by Mr. Brian Kwan, the Corporate Affairs and Audit Committee unanimously received the report for information.

ITEM 6	ACCESS HOUSING CONNECTIONS	CAAC:2011-19
ITEM 7	Q2 AND Q3 2011 PERFORMANCE REPORTS	CAAC:2011-20

Motion carried The Corporate Affairs and Audit Committee had before it the above-captioned reports (CAAC:2011-19 and CAAC:2011-20) from the Interim Chief Executive Officer.

The Committee Chair recommended that there should be a liaison with the City to better understand the applicable legislation and the vacancy loss.

Mr. Paul Chisholm presented the Committee with a summary of the Q2 and Q3 2011 performance reports, including the following highlights:

In response to a question raised by the Committee Chair, Mr. Paul Chisholm explained that an application becomes inactive after 24 month period when the applicant has lost contact with Access Housing Connections. In case an inactive applicant contacts Access Housing Connections again, there is no penalty to add that applicant again in the system.

In response to a question raised by the Committee with respect to improvements and overcoming roadblocks, Mr. Paul Chisholm informed the Committee that Access Housing Connections has to review the business back to back. This quarter initiated the work flow process. The waiting list increased from 58,000 people a few years ago to 80,000 people now. People are not getting housing while they are struggling with same problems. Access Housing Connections reports on these issues differently and addresses them as they move forward.

The Committee agreed that the demand increased while the staff remained the same or less. It also agreed that is helpful to understand the work flow process, what the deliverables are and what is the outcome of this process.

Mr. Paul Chisholm informed the Committee that a small investment in

high technologies will allow Access Housing Connections to make a difference in the application process.

Ms. Catherine Wilkinson requested that staff gather information with respect to an investment in new technologies that will allow Access Housing Connections to improve their current process of addressing housing applications, becoming more effective and faster, and to forward a report in this respect for approval to the Building and Investment Committee.

Motion carried **ON MOTION DULY MADE** by Mr. Brian Kwan, seconded by Councillor John Parker, the Corporate Affairs and Audit Committee unanimously received the reports for information.

IN CAMERA PROCEEDINGS

Motion carried **ON MOTION DULY MADE** by Councillor John Parker, seconded by Mr. Brian Kwan, the Corporate Affairs and Audit Committee resolved to meet *in camera* to consider items A, B, C, D, E, F, G, H and I.

PUBLIC PROCEEDINGS

Motion carried At 5:02 p.m. the Committee Chair announced the resumption of the public proceedings and the public meeting reconvened at that time.

ON MOTION DULY MADE by Councillor John Parker, seconded by Mr. Jason Gorel, the Corporate Affairs and Audit Committee ratified the actions authorized during the *in camera* meeting.

ADJOURNMENT

The meeting of the Corporate Affairs and Audit Committee was adjourned at 5:02 p.m.

Secretary

Chair, Corporate Affairs and Audit Committee