

NOTICE OF MEETING
BOARD OF DIRECTORS AND MEMBERS
CITYHOUSING HAMILTON CORPORATION

AGM (2023) - SPECIAL MEETING

Date: TUESDAY, January 21st, 2025
Time: 9:30am – 12noon – 2023 Financial Stmtnt-Annual Report
*9:15am – Board members join via Webex invite

Place: **Special Notice: (Hybrid / City Hall, 1st Floor, Room 192 & will be held via WebEx conferencing and live streamed only on YouTube for public access:**
BoD YouTube Link Jan21 2025
CHH website, Agenda Material link:
Agenda Materials BoD Jan21 2025

AGENDA:

- 1) Call to Order
- 2) Conflict of Interest Declaration
- 3) Confirmation of Minutes
 - a) AGM meeting held May 23, 2023
 - b) Audit & Finance Committee meeting held May 12, 2023
- 4) AGM Financial Statements - Annual Report
 - a) Remarks by President
 - b) AGM 2023 brochure presentation, Chief Executive Officer
 - c) Audited 2023 Financial Report for CHH (Report #25001)
 - d) Appointment of Auditor for 2024 Audit Year (Report #25002)
- 5) AGM meeting adjourned



To be approved by the Board May 2024 (postponed to) Jan.21st, 2025

MEETING MINUTES
BOARD OF DIRECTORS AND MEMBERS
CITYHOUSING HAMILTON CORPORATION

Date: Tuesday, May 23rd, 2023
Time: 10:30am – 12:00pm
Meeting: Annual General Meeting

Place: **(Hybrid / City Hall, 2nd Floor, Room 264 & will be held via WebEx conferencing and live streamed:**
YouTube for public access:
youtube.com/live/CHH_May23_2023

Agenda: BoD_May23_2023_Agenda (link [May23 board-of-directors](#))

Present: Councillor N. Nann, President
~~Nicholas But, Vice President~~
Councillor T. Hwang, Treasurer
Adam Sweedland, CEO/Secretary
Councillor C. Kroetsch
~~Councillor T. Jackson~~
~~Councillor A. Wilson~~
Jacqueline Aird (Virtual)
Adriana Harris
Patricia Reid (Virtual)

Regrets: Nicholas But, Vice President
Councillor T. Jackson
Councillor A. Wilson

Also Present: CHH Staff: S. Botham, R. Desouza, A. Warren-Ritchie, B. Lilley, B. Kinaschuk, T. Murphy, L. Ward, G. McLaughlin
Other City Depts: Housing Services: M. Baird, B. Kreps, K. Ryan, G. Gambioli
Guest for item 4c: Paul Ciapanna and Stephen Credico , KPMG

Public: Live streaming made available and posted to CHH website.

1. Call to Order (Quorum is five)

Councillor Nirder Nann, President, called the meeting to order at 10:01am.

President N. Nann read the 'Traditional Land Acknowledgement for the City of Hamilton'.

Board meeting May 23rd is **Hybrid** meeting (from City Hall Boardroom 264) and being held via WebEx conferencing and Live Streamed on YouTube. President proceeded with roll call.

Chair Nann welcomed Paul Ciapanna and Stephen Credico, Auditors from KPMG LLP attending for AGM, item #4c.

2. Conflict of Interest Declaration

In response of a call from the President for conflict-of-interest declarations:
None received.

3. Confirmation of Minutes

a) AGM meeting held May 24, 2022

Motion by Councillor C. Kroetsch, seconded by Jacqueline Aird and carried to approve AGM minutes of May 24, 2022 as distributed.

b) Audit & Finance Committee meeting held May 16, 2022

Motion by Councillor T. Hwang, seconded by Councillor C. Kroetsch and carried to approve AGM minutes of May 16, 2022 as distributed.

4. Annual General Meeting

a) Remarks by President

Board President N. Nann commented on the critical role in Hamilton. CHH's work is vital in supporting vulnerable people needing and deserving a safe, affordable home in Hamilton.
The focus of 2022 was the development of the 2023 – 2027 Strategic Plan.
Thanking staff and the Board members with the overall work well done throughout 2022.

b) AGM 2022 'Draft' Annual Report Brochure

The Board was in receipt of the draft 2022 Annual Report brochure from CEO/Secretary dated May 23, 2023.

Adam Sweedland, CEO, gave an overview of the draft brochure which is including the financial audited statements and will be shared with the City of Hamilton Shareholder soon.

Adam presented the brochure slideshow including but not limited to:

- Message from the Chief Executive Officer
- Board of Directors
- Senior Management
- By The Numbers
- Strategic Plan 2023-2027
- Community Partnerships
- Tenant Supports
- Sustaining CHH Infrastructure
- Quality Improvement Initiatives
- Development and Revitalization
- City of Hamilton Council Commitment
- CHH Staff Divisional Day and Years of Service
- Financial Year In Review
- Partners

The Board requesting that a Five-Year Trend be created for Area Rating funds. Staff will bring forward a report to the September Board meeting.

It was moved by Patricia Reid, seconded by Adriana Harris and carried:

That the 2022 AGM Brochure be received for information and noted as finalized.

c) Audited 2022 Financial Report for CHH

The Board was in receipt of Report #23010 from CEO/Secretary dated May 23, 2023.

Rochelle Desouza, CFO introduced Paul Ciapanna, Audit Partner at KPMG and presented the financial statements for the year ending Dec. 31, 2022. Paul gave a high-level financial overview including but not limited to:

- Independent Auditor's Report
- Statement of Financial Position
- Statement of Operations and Accumulated Surplus
- Statement of Changes in Net Debt
- Statement of Cash Flows
- Notes to Financial Statements

Rochelle Desouza, CFO thanked the Auditor, Board and Treasurer Hwang and staff who helped with the audit process. Rochelle gave an overview of Report 23010, highlighting the variances, revenues, expenses and Appendix C.

It was moved by Councillor T. Hwang, seconded by Councillor C. Kroetsch and carried:

That the Board of Directors authorize the President and Vice-President to execute the Final 2022 Financial Report for CityHousing Hamilton as audited by KPMG LLP, Chartered Accountants.

New Business

Citizen Member Application (through the City of Hamilton) new process is delayed, and the selection committee is hoping to confirm appointments by the end of June.

5. Adjournment at 10:57am

Motion by Councillor C. Kroetsch, seconded by Jacqueline Aird and carried that the meeting be adjourned.

TAKEN AS READ AND APPROVED

**NIRDER NANN, PRESIDENT
CityHousing Hamilton Corporation**

*Amanda Warren-Ritchie
CityHousing Hamilton Corporation
May 23, 2023*

AUDIT & FINANCE COMMITTEE

CITYHOUSING HAMILTON CORPORATION

Date: Friday May 12, 2023
Time: 2:15 pm – 3:00 pm
Place : Web-ex

Attendees: Councillor Tammy Hwang, Treasurer
 Adam Sweedland, CEO
 Brian Kreps, Service Manager
 George Gambioli, Service Manager
 Paul Ciapanna, Auditor KPMG
 Stephen Credico, Auditor KPMG
 Rochelle Desouza, CFO
 Teresa Herechuk, Web-ex Host

Regrets: None

Re: CHH Board meeting date, May 23, 2023

AUDIT COMMITTEE MEETING MINUTES:

Item	Title	ACTION
1)	Report 23010 – 2022 Audited Financial Report	
	Paul Ciapanna summarized KPMG findings and presented the Management Rep Letter. Rochelle Desouza, summarized the report and the findings.	
2)	Tenders going out for Appointment of Auditors for the 2023 Audit year	
	Will be reported to the Board once awarded.	
3)	Questions on Page A2 of Annual Information Return (Management Representation Report)	
	Kept same as 2022 audit - no changes.	
4)	Adjournment at 3.00 am	
TAKEN AS READ AND APPROVED		
TAMMY HWANG, TREASURER CityHousing Hamilton Corporation		
	Rochelle Desouza, CFO CityHousing Hamilton Corporation May 12, 2023	

CHH BoD, Jan. 21, 2025
Item 4b, Annual Report 2023
Pages 1 to 20

-to be handed out
at the Brd mtg




ANNUAL REPORT

2023

As the largest social housing provider in Hamilton, CityHousing Hamilton provides homes that are safe, well maintained and affordable for people who live and work in our diverse community.

CityHousing
HAMILTON



Date:	January 21, 2025
Report to:	Board of Directors CityHousing Hamilton Corporation
Prepared by:	Rochelle Desouza, Chief Financial Officer
CEO/Secretary Signature	Adam Sweedland, Chief Executive Officer 
Subject:	Audited <u>2023</u> Financial Report for CityHousing Hamilton Corporation (Report #25001)
Report Type:	Recommendation for Approval

Recommendation(s):

That Report #25001 Audited 2023 Financial Report be received for information and the following recommendation(s) **approved**:

- a) The President and Vice-President of CityHousing Hamilton Corporation (CHH) be authorized to execute the final 2023 Financial Reports for CHH as audited by KPMG LLP and attached as Appendix A to Report 25001.

Executive Summary:

CityHousing Hamilton Corporation (CHH) has prepared its 2023 financial statements as per the Canadian Public Sector Accounting Standards.

KPMG, CHH's appointed Auditor, has audited the draft 2023 financial statements for CityHousing Hamilton (Appendix A). The report includes three key financial reports:

- Statement of Financial Position – summarizes the financial balances as at December 31, 2023.
- Statement of Operations and Accumulated Surplus – details operating results for the fiscal year ending December 31, 2023.
- Statement of Cash Flow – outlines the sources and uses of funds and explains any changes in cash or working capital.

Consolidated operating results show a net surplus of \$18,170,819 compared to a budgeted surplus of \$5,692,501, resulting in a net favourable variance of \$12,478,318. The surplus reflects depreciated values of assets amortized over future years, but the revenue is recognized in the year it is earned.

Background and Additional Information:

Table 1 – Variances (consolidated)

	Description	2023 Budget	2023 Actual	Variance
Revenue	Rental Revenue & Recoveries	40,001,169	40,427,630	426,461
	City of Hamilton Operating Subsidy	21,881,899	20,848,817	(1,033,082)
	Commercial Rental	923,574	1,127,669	204,095
	Tenant Recoveries	558,399	638,515	80,116
	Amortization of Deferred Revenue	0	1,218,512	1,218,512
	Sold Units	0	2,757,397	2,757,397
	Other Revenue (parking, capital funding programs, energy rebates, interest earned, etc.)	1,278,183	16,577,083	15,298,900
	Subtotal	64,643,224	83,595,623	18,952,399
	Expenditures	Salaries & Benefits	16,428,355	16,333,046
Bad Debts		410,906	755,105	(344,199)
Insurance		1,922,774	2,288,926	(366,152)
Maintenance		14,563,099	17,648,296	(3,085,197)
Depreciation		11,574,099	14,136,036	(2,561,937)
Interest on long-term debt		1,254,449	1,254,449	0

	Municipal Property Taxes	792,668	898,059	(105,391)
	Debentures	734,663	734,663	0
	Utilities	11,269,710	11,376,144	(106,434)
	Total	58,950,723	65,424,724	(6,474,001)
	Annual Surplus before Service Manager Reconciliation	5,692,501	18,170,899	12,478,398

The audited financial statements attached (Appendix A) require execution by the President and Vice-President following approval by the Board of Directors

Additional information for the 2023 variance is set out below:

REVENUE (Favourable \$18,952,399)

- Residential Rent – There was a favourable variance of \$426,461. The budget is established primarily based on rents determined by the Service Manager with annual indices applied per provincial regulations. Actual revenue reflects what CHH received. This includes market rents with increases applied as per the *Residential Tenancies Act*.
- Commercial Rent – There was a favourable variance of \$204,095. This reflects the extension of a commercial lease at 181 Main Street West not originally budgeted for 2023.
- Tenant recoveries – There was a favorable variance of \$80,116. These relate to former tenant arrears. There were additional efforts put forth to close out aged accounts, resulting in recoveries higher than budgeted.
- Subsidy – There was an unfavourable variance of (\$1,033,082). This reflects the annual reconciliation to the Service Manager and funds returned to the City of Hamilton.
- Other revenue – There was a favourable variance of \$15,298,900. This is the result of the budget being based on benchmarking and actual revenue being higher and includes interest, incentive funding and energy rebates in 2023. This also includes funding received through the Canada-Ontario Community Housing Initiative, Federation of Canadian Municipalities, CMHC (including rapid housing initiative) in 2023.

- Sold Units - \$2,757,397 in revenue was received through the sale of units in 2023 and transferred to the sold unit fund.
- Amortization of deferred revenue – There was deferred revenue of \$1,218,512. This reflects the terms of transfer payment agreements which require the revenue to be amortized over the length of the affordability period of the agreement.

EXPENDITURES (Unfavourable \$6,474,001)

- Salaries, wages and benefits (Favourable variance of \$95,309). This primarily is the result of time lags between employee departures and recruitment.
- Bad Debt Expenses (Unfavourable variance of \$344,199). Additional efforts to close out former tenant files resulted in higher-than-expected write-offs. All uncollectable accounts written off until June 2023. These are accounts which, based on age, are considered unlikely to be recoverable.
- Insurance – (Unfavourable of \$366,152). There has been a change made to how deductibles are recorded. Previously, the deductible was paid when the file was concluded by the adjuster. Beginning in 2023, deductibles are paid at the time of the incident. This results in a confluence of old claims with backended deductibles and new files with frontended deductibles.
- Maintenance (Unfavourable variance of \$3,085,197). Security and waste/removal and grounds maintenance continue to be high-cost drivers for maintenance. In addition, the growing volume of unit turnovers results in more tenants. This drives additional need and requests for security, pest control, routine maintenance and common element repairs such as elevators, fire systems and HVAC. Unit turnover costs were split between maintenance, special City funding and Poverty Reduction Funds and expensed under the respective project.
- Municipal property taxes (unfavourable \$105,391). In 2023 there were two properties 690 Stone Church Rd West and 4 Bridgewater for which property taxes are paid and equal funds are received as part of the operating subsidy, resulting in a net zero impact to CHH. CHH pays property taxes on some market and commercial properties and on sites under construction are included in this

variance. CHH is only able to seek tax exemption once these sites are fully constructed and occupied.

- Utilities (unfavourable \$106,434). CHH implements energy and water initiatives that target significant annual utility cost avoidance. Some of these initiatives include heating controls, LED lighting retrofits, mechanical equipment upgrades, and regular water leak investigations.

In 2023, utility expenses were 1% higher than budgeted. Overall, this is a minor variance given the complex number of variables affecting utility costs (utility rates, weather, tenant behaviour, etc.). One of the primary factors leading to an unfavourable variance on utility costs in 2023 was utility rates. In 2023, market electricity rates decreased by 1%, natural gas rates increased by 3%, and water rates increased by 7% compared to 2022.

In 2024, CHH will readjust Hydro (i.e., electricity) and Heating Fuel (i.e., natural gas) budgets to reflect recent shifts in utility usage and rate trends and re-allocate this funding to support other areas.

Note: some numbers have been rounded and grouped for presentation.

Consultation:

Internal CHH Departments:

External: KPMG (City of Hamilton appointed auditor for CityHousing Hamilton Corporation)

Financial and Legal/Risk Considerations:

Audited statements are required to be approved by the Board and Shareholder annually.

Next Steps and Milestones:

Present 2023 Audited Financial Reporting to City of Hamilton for approval in its capacity as sole-shareholder of CityHousing Hamilton Corporation.

Strategic Alignment:

This report supports the following 2023-2027 CityHousing Hamilton Strategic Priorities:

- A WHOLE TEAM APPROACH: Strengthen our people and performance.

Supporting Presentations and Appendices:

Appendix A

AS/rd


Financial Statements of

**CITYHOUSING HAMILTON
CORPORATION**

And Independent Auditor's Report thereon

Year ended December 31, 2023

DRAFT

Date:	January 21, 2025
Report to:	Board of Directors CityHousing Hamilton Corporation
Prepared by:	Rochelle Desouza Chief Financial Officer
CEO/Secretary	Adam Sweedland
Signature	
Subject:	Appointment of Auditor for 2024 Audit Year (Report #25002)
Report Type:	Recommendation

Recommendation(s):

That Report #25002 be received for information and the following recommendation be **approved**:

- (i) That the Board of Directors appoint KPMG LLP for the 2024 fiscal year audit for CityHousing Hamilton Corporation.

Executive Summary:

Once a year, at its Annual General Meeting, the Board is required to appoint its auditors for the ensuing fiscal year. The City of Hamilton selected KPMG as its auditors for the year 2024; staff recommend that this auditor also be confirmed as the auditor for CityHousing Hamilton Corporation.

Background and Additional Information:

The audit fees for CityHousing Hamilton are based on the RFP procured by the City of Hamilton. For 2024 the cost will be \$19,570 (extra is charged if it crosses the number of audit hours as per the RFP).



Audit fees are included in CityHousing Hamilton's operating budget.

Strategic Alignment:

This report supports the following 2023-2027 CityHousing Hamilton Strategic Priorities:

- PRIDE IN HOME: Preserve and upgrade CHH's current housing stock.
- NEIGHBOURHOOD REVITALIZATION: Develop new and inclusive affordable mixed housing that builds strong and successful multi-generational communities.
- A WHOLE TEAM APPROACH: Strengthen our people and performance.

Supporting Presentations and Appendices:

None:

AS/rd