



**2022-23 Kerry's Place Residential Services
Annual General Meeting**

June 28, 2023

Welcome and Call to Order (Bob Hart)

Bob Hart, Chair of the Kerry's Place Residential Services Board of Directors welcomed those in attendance and thanked everyone for attending the Annual General Meeting for the 2022-23 fiscal year.

In compliance with the By-law, Sue VanDeVelde-Coke, Kerry's Place President and CEO, confirmed that sufficient notice of this Annual General Meeting was posted online along with an email notice to families the week of May 22nd and again the week of June 5th, 2023.

As sufficient notice of the Annual General Meeting complied with the By-law, Bob Hart declared the 2023 Annual General meeting to be duly constituted.

Message from Board Chair (Bob Hart)

Purchase and Sales of Properties

This was a busy year as the board debated the wisdom of purchasing the Hwy 48 property before finally voting not to proceed with the purchase. We lost out on the purchase of a replacement property on Sand Road and finally located and purchased a property which was acceptable to KPAS management. Once the Harmony Road property was approved for the individuals to move in, we listed our Clare Road property for sale as KPAS was then able to move the residents to other locations. We had 8 meetings either by ZOOM or through exchanges of emails. In addition there were several informational exchanges on all the above matters.

A. Highway 48.

This year began where the last fiscal year ended; namely with this leased property dominating the agenda throughout the year. KPAS wanted KPRS to purchase the property, but KPRS believed that the asking price was above market and the Landlord hung onto his high valuation notwithstanding that during the period of negotiations market prices were falling.

The KPRS board believed that the property was too large and a purchase would only make sense if the house could be re-modeled to increase the number of residents. Then it was disclosed first by Carson Dunlop and later by Altus that the property needed significant remedial work over the next three years. The landlord had rejected our letters of intent, and signed back an Agreement of Purchase and Sale at a higher price than what KPRS offered. KPRS was concerned about the amount of rent it would have to charge KPAS which initially KPAS advised would cause its business plan to show a deficit and sent the plan back to KPAS. Negotiations with the Landlord took place over several months and were unsuccessful.



The experience of the possible Highway 48 purchase illustrated the different mandates that each Board has. KPAS is a governance board and KPRS is an operating board. While at times KPAS was of the opinion that questions we asked about the appropriateness of the property for only 4 residents and our questioning of its business plan budget intruded on its management decisions, the questions related to our fiduciary duties regarding the best use of our funds to ensure that KPRS is financially sustainable and remains able to meet future contingencies. These are issues which are being addressed by the joint housing committee.

B. Hillview Drive

In November KPRS bought a home on Hillview Drive in Newmarket. The location and size met KPAS parameters for the four female residents in the Highway 48 house. There will be a significant reduction in the rent charged by KPRS to KPAS from what it would have been had we purchased the Highway 48 property.

I mentioned last year that many Municipalities, including some that have favorable by-laws, still include minimum distance requirements in their by-law or take the position that the By-law cannot be amended until after its Official Plan has been amended. The next scheduled review of an Official Plan could be three years away.

When we did a review of the Newmarket zoning by-law we discovered that it contained a minimum distance requirement. We asked the zoning department to advise if there was another group home within the minimum separation distance. The answer was that the municipality does not keep track of group home locations and even if it did due to privacy laws it could not tell us. So unless on a drive by one spots a sign for a group home, there is no way to tell if the house you buy will comply. Much work has to done by a group of payment transfer agencies to change this pernicious concept of minimum separation distances.

C. Harmony Road, Belleville

You will recall that we took title to this property in September 2000. It took until recently for KPAS to obtain the occupancy permit. Once KPAS started moving people into the property, it was able to list its Metcalfe property in Tweed for sale and KPRS was authorized to put its Clare Street property on the market.

D. Clare Street, Tweed

This property was listed in February, 2003. Although the initial accepted offer fell through, a new purchaser was found and the transaction closed on June 6th, 2023 after the end of the 2023 fiscal year.

Joint Housing Committee

Although the Joint KPAS / KPRS Housing Committee is not scheduled to present a report until this autumn, I am pleased to report that significant headway has been made. Along the way both organizations have reached a greater understanding of their differences and bridges have been made to



enable them to improve the working relationships. An outside study has been completed on the condition of all houses owned by each corporation to assist in planning for the aging residents and to allow planned repairs and dispositions to be made. KPRS has added Kathy Kantel and Michele Freethy to its members on the Joint Housing Committee. Their qualifications are discussed under item 5 below.

Regardless of whatever consensus policies are reached on the various types of residences, new houses will have to be bought or built. We face the same difficulties that all providers of affordable housing must confront. It takes too long to go from purchase to occupation. There are too many municipal road blocks, such as zoning, official plans, and the need for public meetings. Too many municipalities ignore decisions / recommendations of the Ontario Human Rights Commission. My solution is to join with other organizations to convince the Ontario government to amend its legislation to provide that all provisions in Municipal By-laws and Official Plans that prohibit group homes in areas zoned as residential, require minimum distance separation between such group homes, or contain requirements for public meetings or open house consultations are void.

Relationship between KPAS and KPRS

A new KPAS board member asked for a presentation of the relationship between the two charities and Phil and I were asked to present a paper to an educational session for the KPAS board. With the help of Kate Carcone and Brian Evans we completed a presentation which KPAS put on slides. We divided the presentation into separate areas and all four of us participated. KPAS has the presentation in its library and will use it as part of its board orientation package for new KPAS board members. Without this presentation new board members and some existing board members will not be aware why there must be separate corporations and the different mandate each has.

Ontario Not for Profit Corporations Act (ONCA)

I was waiting for KPAS to complete its review and present the new ONCA compliant by-law to its membership for approval. Its review like so much in life took longer than anticipated for a variety of reasons. KPRS must create its ONCA compliant by-law for our next AGM, and we are aiming to have it ready this fall. Having served on a two person KPAS subcommittee to review the draft prepared by KPAS' law firm, I am confident that that we will meet the deadline. All current and the two prospective new board members will sit on the committee.

Current and future board members

The number of Board members is currently set at 6, one of which is appointed by KPAS. The board reached the decision that the number of board members must be increased. KPRS must have board members with expertise in planning and the sourcing of funds and overseeing/ monitoring construction projects. Michele Freethy and Kathy Kantel bring that expertise to KPRS. The problem is that KPRS can only increase the number of directors by a special resolution and that is why we have presented such a resolution for vote by the members at this year's AGM.

KPRS is only as strong as its volunteer board. The issues the board faces often require immediate action, especially when putting offers in on properties. Telephone conference calls are arranged on very short



notice to consider and analyze the business plans of KPAS for each property to ensure they do not put KPRS at risk. A board member has to monitor the real estate agent to ensure that all proper terms and conditions are contained in any offer. Other board members pitch in to check the zoning and other critical matters. Brian Evans our consultant General Manager keeps us fiscally prudent by arranging lines of credit, advising on prudent investing of our surplus funds and negotiating mortgage renewals. He performs the initial financial review of KPAS business plans.

There are no shrinking violets on the board and everyone puts forth their view before we vote. I encourage you to go online to read the biographical notes of the KPRS Board. I thank all the board members for freely giving of their time to guide KPRS through another successful year.

Closing comments

KPAS performs many contractual duties for KPRS without which Brian Evans could not be as effective as he is. I interact regularly in my KPRS role with Cheryl Boston and individuals in the finance department, including Deborah Compton. I am grateful for their support.

2021-2022 AGM Minute Approval

The first order of business was to approve the minutes of the 2021-2022 AGM. The minutes of the August 24, 2022 Annual General Meeting were posted online and available to all members.

Motion: To approve the minutes of the KPRS Annual General Meeting dated August 24, 2022.

Moved by: Phil Dowd

Seconded by: Howard Weinroth

Carried

Special Resolution to Increase the Size of the Board

Bob introduced the members to a Special Resolution, which was included in the AGM package. The purpose of this resolution is to request the members present to consider an increase the size of the KPRS Board.

BE IT RESOLVED THAT the provisions of Section 5.02 of By-Law #1 as amended from time to time be amended to increase the authorized number of directors from 6 to 8

Moved by: Bob Hart

Seconded by: Donna Healy

Carried

Introduction of Board Members

Bob Hart introduced the members of the Kerry's Place Residential Services Board of Directors in attendance at the Annual General Meeting.

Robert Hart



Kate Carcone
Phil Dowd
Denise Evans
Donna Healey
Howard Weinroth

Bob extended his appreciation to the members of the Board and to Brian Evans, KPRS General Manager for their time and dedication.

Election to the Board of Directors

At this time, Bob reported, prior to the members confirming the increase to the size of the KPRS Board by special resolution, the KPRS directors interviewed two nominees to fill current vacancies.

Kathy Kantel

Kathy brings extensive experience in social housing. As Manager of Social Housing for CMHC she was responsible for Rural CMHC program for building non-profit housing. In addition to interviewing and choosing the successful applicants she applied for Municipal Planning approvals. She was hired by the Affordable Housing Committee of York Region where her duties included policy development and appearing on OMB hearings. She also gained experience at the Ministry of Municipal Affairs where she approved funding for projects in Durham and Simcoe Regions. She was also a project manager in the Regional Municipality of York where she developed new homes for homeless people.

Michele Freethy

Michele holds the following planning credentials; Member of the Canadian Institute of Planners; Member of Ontario Professional Planners Institute, and is a Registered Professional Planner. She is currently a contract planner at the City of Barrie and before that was an Associate Planner at Larkin+ in Newmarket. She is currently a member of the King Township Committee of Adjustment

Motion: to elect Kathy Kantel for a three-year term to the KPRS Board of Directors.

Moved by Denise Evans

Seconded by: Kate Carcone

Carried

Motion: to elect Michele Freethy for a three-year term to the KPRS Board of Directors.

Moved by Denise Evans

Seconded by: Kate Carcone

Carried

Bob Hart called upon Phil Dowd to make the motions to re-elect Kate Carcone and himself.

Motion: To re-elect Kate Carcone for a three-year term to the KPRS Board of Directors.

Moved by: Phil Dowd



Seconded by: Howard Weinroth
Carried

Motion: To re-elect Bob Hart for a two-year term to the KPRS Board of Directors.
Moved by: Phil Dowd
Seconded by: Howard Weinroth
Carried

At this time, on behalf of the KPRS Board of Directors, Bob expressed his appreciation to Donna Healy for her longstanding dedication and contribution to the mission of Kerry's Place Residential Services.

2022-2023 Financial Statements / Auditors Report

Bob Hart introduced Brian Evans, KPRS General Manager to present the Financial Statements and Auditors Report.

The Audited Financial Statements of Kerry's Place Residential Services for the year ended March 31, 2023 have been posted on Kerry's Place website for the past couple of weeks. These statements were audited by the firm of Bateman, Graham & Fitzpatrick Chartered Accountants and KPRS received an unqualified opinion.

The financial position of KPRS remained stable over the past 12 months as our annual excess cash flow surpassed \$500k for the first time. During the past fiscal year, we acquired one additional property (Hillview, Newmarket) for Kerry's Place at a purchase price of \$1.125 mm

Our total debt ratio moved slightly higher to 47% from 45% against the book value of our real estate assets and remains lower at 40% if measured on a mark to market value basis of our portfolio. The maximum debt ratio the board will permit is 60%. The current increase has been driven by two GTA home purchases in the last 18 months that surpassed the \$1mm threshold for the first time as KPRS typically borrows 80% of the value of any new property. Notwithstanding the current pull back in real estate values as a result of the material upward movement in interest rates our mark to market valuation of the portfolio is conservative, calculated using a combination of historical appraisals and book values.

The Royal Bank continues to support KPRS through available credit lines and we currently have approximately \$5.5mm in available borrowing capacity to assist with future property purchases. Our available credit lines remain committed until December 2025.

There were no significant changes in accounting principles or policies during the year.

Interest rates have risen sharply over the past 12 months and this trend is expected to continue in the short term as inflation remains stubbornly high. Our weighted average cost of capital increased from 3.69% to 4.16% through the year as higher interest rate spreads hit both maturing loans and the new financing for the Hillview acquisition. Maturing loans and mortgages this coming fiscal year will total close to \$2.8mm and these will be subject to substantial interest rate increases (estimated between 2



and 3 %), which is expected to negatively affect our fiscal 2024 cash flow. This impact will be mitigated somewhat as KPRS has adopted a strategy to invest excess cash in GIC's that are currently yielding over 4%.

There were no questions regarding the financial statements for the year ending March 31, 2023.

Motion: To approve the Kerry's Place Residential Services Audited Financial Statements, for the year ended March 31, 2023.

Moved by: Bob Hart

Seconded by: Kate Carcone

Carried

Appointment of Auditor for 2023-2024

The next order of business is the Appointment of our Auditor.

Motion: to appoint the accounting firm of Bateman, Graham & Fitzpatrick Chartered Accountants as our Auditors for the year ending March 31, 2024.

Moved by: Brian Evans

Seconded by: Howard Weinroth

Carried

Approval of Past Actions of the Board

The next order of business was to approve the actions of the Board over the course of the past year.

Motion: That all resolutions, contracts, acts and proceedings of the Board of Directors, passed, made or taken since the last annual general meeting of members as set out or referred to in the minutes of meetings in the Minute Book or in the financial statements are hereby approved, ratified and confirmed.

Moved by: Howard Weinroth

Seconded by: Denise Evans

Carried

Other Business

We are now coming to the close of our meeting. Bob asked if any of the members have additional business to be discussed please unmute your line and state your name clearly prior to sharing your comment.

No other business was raised.

Meeting Adjourned

With no other business arising, Bob Hart thanked our members for joining us this evening. To officially declare the 2022-2023 KPRS Annual General Meeting officially closed.



That concludes the Kerry's Place and KPRS Annual General Meetings. Thank you to everyone who attended this evening. Good night.

Motion: to adjourn the 2022-2023 Kerry's Place Residential Services Annual General Meeting.

Moved by: Phil Dowd

Seconded by: Donna Healey

Carried