

Gignul Non-Profit Housing Corporation

President's Report 33rd Annual General Meeting November 20, 2019

Welcome to the Board, staff and members of the Gignul Non-Profit Housing Corporation to our Annual General Meeting (AGM) being held within traditional Algonquin territory. A warm welcome is also extended to our guests this evening. The first opportunity you get, please join me in thanking them for their attendance and sound advice, which in no small way, contributes to our decision-making process. Their assistance is critical to our success in the delivery of affordable housing for Indigenous people who live in Ottawa.

In the spring, we lost a much loved Board member, Jo MacQuarrie. Throughout her life, no matter where she lived, Jo worked hard at promoting the health and well-being of others. Jo's life was marked by devotion and promoting the welfare of the Aboriginal community. At Gignul Housing we were fortunate to be the recipient of this devotion, time and time again. Several Board members and staff of Gignul attended a memorial for Jo held at the Wabano Centre for Aboriginal Health. We joined Jo's family; friends and associates in celebrating a life well lived.

My memory is not as good as it used to be. Please bear with me as I look back over the events of the past year. The last annual report raised a number of serious concerns. You may recall that last year in 2018, the City of Ottawa completed an "Interim Review" of our audited financial statements for the years ending 2015 and 2016. Three major concerns were highlighted:

- 1) Operating Deficits
- 2) Lack of a Deficit reduction plan
- 3) Chronic Late Reporting

These are serious matters deserving of our utmost attention. I am pleased to report that these concerns have been fully explored and remedial solutions proposed by our Executive Board member, Treasurer, Fred Gloade, Executive Director, Marc Maracle, and our Finance Officer Jerry Rakus. Several meetings were held with staff of the City of Ottawa and with our auditors to ensure we are on the right track.

What are these steps being taken to move us on to firmer territory?

Step I

You may recall our Executive Director joking that if Jerry Rakus ever left Gignul, it would take 2-3 people to replace him. Well, that time has come. Jerry has decided to take advantage of a well-deserved retirement. The Executive Director's prophecy has been realized.

A number of options were considered on the best way to administer our finances. In the end, it has been decided to contract the services of a professional management firm to take Gignul into the future.

In the year 2021 our operating agreements come to an end. To prevent the sale of much needed property, and homes, Gignul will need new revenue streams to be on-line by that time. If not, we could well be facing a \$1Million shortfall per year.

Another reference in last year's report mentioned that we are in danger of the Canada Revenue Agency disallowing a claim for an HST rebate. We lost that battle. In the future, we will rely on the new management firm to make these occurrences a thing of the past.

Step II

The funding formula with the City of Ottawa has always been problematic for Gignul. In general, the formula is based on the principle that you cannot make a profit. If a profit is made it is deducted from funds provided by the City. Gignul also found itself in the undesirable position of going further and further in to debt with the City. A solution needed to be found.

The city of Ottawa has agreed to a new formula. The new formula relieves some of the pressure, but does not entirely solve our predicament. While constraints exist, Gignul is now allowed to make a profit. In addition, under the new formula we will be better placed to prevent sliding further and further into debt. Nevertheless, Gignul needs a strategic plan to explore and add additional revenue streams if we are to keep our head above water.

Today Gignul's revenue model turns on Government subsidy. By 2021, Gignul's revenue model must change to one of self-funding with a shrinking measure of government subsidy.

Step III

Opportunities for improvement always exist. This is especially true in the record of our audit. Our strategy is to continue to work closely with our partners, including the new management firm to ensure no stone is left unturned to getting our audit prepared in time. At this time last year we had a deficit with the City of

Ottawa. While the deficit has been resolved in recent negotiations, attention now shifts to resolving the debt.

As noted in last year's annual report, with the end of operating agreements on the horizon, we owe it to the board members that preceded us and our tenants to try a little harder. I am confident with the support of our staff, we have the desire and skill sets to make progress on these issues in the coming year.

Next Steps

In the recent past, the Board has acknowledged we need to develop a strategic plan for the future. Unfortunately, we have been so busy fighting fires the objective of a strategic plan has fallen by the wayside. This year we need to act decisively. While the Board needs to follow up on a plan, the Executive Director of Gignul also needs to develop a forward looking plan on which we can measure progress.

The Board

While relatively stable, the Board has undergone changes in the past year. A year ago, at the last AGM, Joe Downey joined the Board. In the spring of 2019 the Board lost a key member with the passing of Jo MacQuarrie.

In the coming year we need to secure new members in the Association, and ultimately, for consideration on a Board Committee or on the Board itself.

Let's turn our attention to our finances.

Financial Overview:

Gignul is in a difficult financial situation as the general fund deficit increased again this year by \$36,661. The total deficit in the general fund is now over \$349,000. The current ratio within the main fund is 0.37 which is the percentage of current assets divided by current liabilities. This is an indicator of being able to meet current obligations and for every dollar that needs to be paid, Gignul only has 37 cents.

Both rental revenue and subsidy assistance increased slightly this year by 2.43% to \$2,228,271 versus \$2,175,393 in 2017. Expenses were kept to less than a 1% increase totalling \$2,198,670 compared to \$2,179,795 in 2017.

Despite having a small operating surplus of \$29,601 in 2018 (deficit of \$4,042 in 2017), the biggest impact on the general fund bottom line is the repayment of prior years' subsidies. Gignul needs to repay \$66,262 of prior year subsidies at the end of 2018 and this results in an overall deficit of \$36,661 for the year. This

amount was \$125,797 in 2017 which has ballooned the operating deficit to \$158,469.

Expenditures

Repairs and Maintenance

- Spending for repairs and maintenance was 12.35% higher in 2018 over 2017 totalling \$571,519 versus \$508,706 in 2017.
- Snow removal and landscaping costs amounted to \$127,804 for the year. This is 58.7% higher than the budgeted amount of \$80,525.
- Other repairs and maintenance expenses of \$443,715 came in 1.7% less than the budgeted amount of \$451,577.

Utilities

- Heat and hydro costs of \$310,036 were 6.25% less than 2017 amount of \$330,718.
- Actual heat and hydro costs were 9.45% less than the approved budget of \$342,399.
- Water costs of \$109,538 were 6.37% less than the 2017 amount of \$116,990 although they were 1.59% higher than the budgeted amount for 2018 of \$107,820.

Administration

- Administration costs of \$371,490 were 5.74% less than the 2017 amount of \$393,958 but were still 12.09% higher than the 2018 budget amount of \$331,430

Capital Replacement Expenditures

- Spent a total of \$43,370 in 2018 versus \$322,335 in 2017 when Gignul had significant investments from the Social Housing Improvement Program (SHIP) and the Housing and Homelessness Investment Program (HHIP).
- Gignul received funding of \$13,837 from the Social Housing Improvement Program in 2018 versus a total of \$176,775 in 2017 from SHIP and HHIP.

End of Operating Agreements

As noted in past President Reports, End of Operating Agreements (EOA) remains the most direct threat to our operations. This represents 162 units of rent-geared-to-income that are encompassed in 17 operating agreements. The first agreement expires in 2021. There are 16 units in Project 1. The remaining 16 agreements will expire by 2028. These are 35 year agreements.

The impact is that as the Operating Agreements expire and without a replacement of the subsidy, tenants will be unable to afford the rents that we will have to charge to operate these units at a break even cost.

In discussions and with the assistance and analysis of Housing Branch officials at the City of Ottawa a new funding model has been proposed through a rent supplement agreement. Further discussion is required and we are confident to implement this model in the near future.

We continue to advocate for the inclusion of a housing strategy for urban Indigenous housing at the federal level and provincial level.

Ottawa Aboriginal Coalition

Gignul Housing is a member of the Ottawa Aboriginal Coalition (OAC), which is comprised of 10 Aboriginal service providers. The OAC was formed around the issue of homelessness in 2001. The OAC continue to advocate on issues of relevance to the Indigenous community of Ottawa.

The work of the OAC is still focused on relationship building and to act on direction provided through community forums, annual planning by the OAC and responding to opportunities with a range of community partners and various levels of government. Our Executive Director continues in the role of Chair of the OAC.

In March 2017, the federal government announced the creation of the Urban Indigenous Strategy (UIS). The UIS provides operational support for the OAC and allows the OAC to support activities and relationships and regular meetings and community forums. Operational support has been secured for a five year period to March 31, 2022.

The OAC also participate on monthly conference calls with the five (5) coalitions operating in Ontario. These calls also include Indigenous Affairs Ontario and representatives from the municipalities of the five coalition cities.

Aboriginal Working Committee

The Aboriginal Working Committee (AWC) complements the work of the OAC. This relationship focuses on the City of Ottawa. Membership on the AWC is the

OAC, City of Ottawa departments serving Aboriginal clientele, Ottawa Police Services, Champlain Local Integrated Health Network, United Way East Ontario, Ottawa Carleton District School Board and the Ottawa Catholic School Board.

The AWC aligns its work with the priorities of the OAC and has developed a results-based accountability framework to better measure progress across several priority areas such as health, education, housing and employment. The AWC is co-chaired by the General Manager of Community and Social Services and the Chair of the OAC. The AWC is currently working on the implementation of the City's official response to the Truth and Reconciliation Report and the Calls to Action that pertain to municipal responsibility. The Mayor and Council issued a proclamation in February 2018 and passed a resolution in support of a City of Ottawa's response and action plan to the Truth and Reconciliation Commission's Final Report. Currently, the recent report of the Missing and Murdered Indigenous Women and Girls will help inform and guide the work of the AWC.

Urban Indigenous Strategy

As noted under the Ottawa Aboriginal Coalition heading the UIS continues to underwrite support of the OAC and the important work that is being done to build relationships around urban Indigenous issues in the City of Ottawa.

The OAC is planning on its next Community Forum this upcoming winter. Details will be announced shortly. The Forum provides updates on the work of the Coalition, showcases Indigenous organizations in Ottawa and celebrates Indigenous achievement in Ottawa.

The OAC has also been represented in several meetings of other cities and towns funded under the UIS as coalitions. There are currently 32 communities recognized under the UIS. We are building a more cohesive group through a Coalitions Council – currently 8 regional representatives that are acting as a leadership group to guide the relationship between coalitions, the federal government through Indigenous Services Canada (ISC) and the proposed renewal of the UIS and a federal commitment to increase their investment in urban Indigenous investment.

Affiliates

Ontario Non-Profit Housing Association

Gignul Housing continues its membership in the Ontario Non Profit Housing Association (ONPHA). Gignul joined ONPHA in 2008 and helped create the Urban Aboriginal Housing Advisory Committee (UAHAC) in 2009.

Our Executive Director continues to co-chair the UAHAC. ONPHA has been an active voice on matters related to social housing in Ontario, and has been

extremely supportive of Gignul Housing and issues that pertain to Indigenous housing in this province.

ONPHA/UAHAC has recently commissioned a report that was presented at the 2019 ONPHA conference at an all-day Indigenous housing session on a proposed *Urban and Rural Indigenous Housing Plan for Ontario*. The report included an analysis through an economic lens that reinforces housing as an economic lever and good investment of government resources.

Canadian Housing Renewal Association

Gignul Housing has been a member of the Canadian Housing and Renewal Association (CHRA) since 2013. CHRA is a national housing body and provides for an Aboriginal representative on its Board. In 2013, an Indigenous Caucus, similar to the arrangement at ONPHA was established. The Caucus continues to grow and the interests and concerns of Indigenous providers and tenants have solid support within the CHRA.

A national survey was conducted in 2019 that resulted in a report entitled: *Urban, Rural and Northern Indigenous Housing Survey and Report*. This report is available on the CHRA website.

The inclusion of an Indigenous housing strategy for urban, rural and northern Indigenous peoples is expressed in the FIFI document and reinforced by the above-noted report. There is a growing consensus to support recommendations identified in the FIFI document.

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Current Board Composition:

Brian Bedwell, President

Fred Gloade, Vice-President

Chad Kicknosway, Secretary-
Treasurer

Ruth Deatcher, Director

Angela Slaughter, Director

Joe Downey, Director