

Strategic Priorities and Policy Committee

Report

15th Meeting of the Strategic Priorities and Policy Committee
June 24, 2019

PRESENT: Mayor E. Holder (Chair), Councillors M. van Holst, S. Lewis, M. Salih, J. Helmer, M. Cassidy, P. Squire, J. Morgan, S. Lehman, A. Hopkins, P. Van Meerbergen, S. Turner, E. Pelozo, A. Kayabaga, S. Hillier

ALSO PRESENT: M. Hayward, A. Barbon, B. Card, S. Datars Bere, J. Fleming, M. Henderson, P. Kokorros, L. Livingstone, D. Purdy, C. Saunders, K. Scherr, M. Schulthess, S. Stafford, J. Taylor, B. Warner, T. Wellhauser, B. Westlake-Power and R. Wilcox.

The meeting is called to order at 4:02 PM.

1. Disclosures of Pecuniary Interest

Councillor J. Morgan discloses a pecuniary interest in Item 3.3 e) having to do with consideration of appointments to the London Hydro Inc. Board of Directors, by indicating that one of the applicants has role in his employment performance assessment with Western University.

2. Consent

2.1 London Economic Development Corporation Purchase of Services Amending Agreement

Moved by: M. Cassidy

Seconded by: S. Hillier

That, on the recommendation of the City Manager, the following actions be taken with respect to the City of London Agreement with the London Economic Development Corporation:

a) in accordance with the City of London Procurement of Goods and Services Policy, Section 20.3 (e) Contract Amendments, the proposed by-law appended to the staff report dated June 24, 2019 as Appendix A, BE INTRODUCED at the Municipal Council meeting of June 25, 2019 to:

i) approve an Amending Agreement with the London Economic Development Corporation, extending the Purchase of Services Agreement to December 31, 2019;

ii) authorize the Mayor and Clerk to sign the Amending Agreement;

b) the Civic Administration BE DIRECTED to continue to work with the London Economic Development Corporation on a new Agreement for Council's consideration, prior to the expiry of the above-noted Amending Agreement.

Yeas: (15): Mayor E. Holder, M. van Holst, S. Lewis, M. Salih, J. Helmer, M. Cassidy, P. Squire, J. Morgan, S. Lehman, A. Hopkins, P. Van Meerbergen, S. Turner, E. Pelozo, A. Kayabaga, and S. Hillier

Motion Passed (15 to 0)

3. Scheduled Items

3.1 Housing Development Corporation, London - 2018 Annual Meeting of the Shareholder Annual Resolutions

Moved by: M. van Holst
Seconded by: S. Lehman

That the following actions be taken with respect to the 2018 Annual General Meeting of the Housing Development Corporation, London:

- a) the presentation by D. Brouwer, Board Chair and S. Giustizia, President and CEO, Housing Development Corporation, London BE RECEIVED;
- b) on the recommendation of the City Manager, the proposed by-law appended to the staff report dated June 24, 2019 as Appendix "A" BE INTRODUCED at the Municipal Council meeting to be held June 25, 2019 to:
 - i) ratify and confirm the Annual Resolution of the Shareholder of Housing Development Corporation, London appended to the staff report dated June 24, 2019 as Schedule "A" to the by-law;
 - ii) authorize the Mayor and the City Clerk to execute the Annual Resolution of the Shareholder of Housing Development Corporation, London attached as Schedule "A" to the by-law;
- c) the Housing Development Corporation, London - 2018 Shareholder Update and Strategic Plan 2019-2013 BE RECEIVED;
- d) the financial statements of the Housing Development Corporation, London year ended December 31, 2018 BE RECEIVED; and
- e) the communication dated February 12, 2019 from S. Giustizia, President and CEO, Housing Development Corporation, London regarding appointments BE RECEIVED.

Yeas: (15): Mayor E. Holder, M. van Holst, S. Lewis, M. Salih, J. Helmer, M. Cassidy, P. Squire, J. Morgan, S. Lehman, A. Hopkins, P. Van Meerbergen, S. Turner, E. Peloza, A. Kayabaga, and S. Hillier

Motion Passed (15 to 0)

3.2 London & Middlesex Community Housing - 2018 Annual Meeting of the Shareholder Annual Resolutions

That the following actions be taken with respect to the London & Middlesex Community Housing Inc.:

- a) the attached presentation by S. Quigley, Chair and M. Allen-Easton, Vice Chair, London & Middlesex Community Housing BE RECEIVED;
- b) the proposed by-law appended to the staff report dated June 24, 2019 as Appendix "A", "A by-law to ratify and confirm the Special Resolution to the Shareholder of London & Middlesex Community Housing Inc." BE INTRODUCED at the Municipal Council Meeting to be held on June 25, 2019, to amend the composition of the Board from nine (9) directors to eleven (11) directors of which an additional citizen-at-large and an additional Member of Municipal Council is to be elected to the Board, resulting in a Board comprised of two (2) members of London City Council, one (1) member of Middlesex County Council and eight (8) citizens-at-large;
- c) the proposed by-law appended to the staff report dated June 24, 2019 as Appendix "B" BE REFERRED to a future meeting for consideration;

- d) the My Place to Call Home Annual Report 2018 BE RECEIVED;
- e) the financial statements of the London & Middlesex Community Housing Inc. year ended December 31, 2018 BE RECEIVED;
- f) the communication dated April 3, 2019 from J. Browne, CEO, London & Middlesex Community Housing Inc. regarding reappointment BE RECEIVED;
- g) the attached presentation from J. Browne, CEO, London & Middlesex Community Housing Inc. regarding Regeneration - Housing our Future BE RECEIVED and the Civic Administration BE DIRECTED to strike a “Champions Table” to define the necessary municipal tools, resources, and provide multi-disciplinary expertise to support the working group to advance the next steps associated with the Regeneration Process;
- h) the added communication dated June 20, 2019 from S. Quigley, Board Chair, London & Middlesex Community Housing Inc. regarding board appointments BE RECEIVED; and,
- i) the Civic Administration BE DIRECTED to continue to work with LMCH, specifically with respect to regeneration plans.

Motion Passed

Voting Record:

The Mayor rules a request for an extension of time for the delegation out of order.

Moved by: A. Hopkins

Seconded by: A. Kayabaga

Shall the ruling of the Chair be upheld?

Yeas: (5): Mayor E. Holder, S. Lewis, P. Squire, P. Van Meerbergen, and S. Hillier

Nays: (10): M. van Holst, M. Salih, J. Helmer, M. Cassidy, J. Morgan, S. Lehman, A. Hopkins, S. Turner, E. Pelozza, and A. Kayabaga

Motion Failed (5 to 10)

Moved by: M. van Holst

Seconded by: A. Hopkins

Motion to approve parts a), b), d), e), f), g), h) and i), as follows:

That the following actions be taken with respect to the London & Middlesex Community Housing Inc.:

- a) the attached presentation by S. Quigley, Chair and M. Allen-Easton, Vice Chair, London & Middlesex Community Housing Inc. BE RECEIVED;
- b) the proposed by-law appended to the staff report dated June 24, 2019 as Appendix “A”, “A by-law to ratify and confirm the Special Resolution to the Shareholder of London & Middlesex Community Housing Inc.” BE INTRODUCED at the Municipal Council Meeting to be held on June 25, 2019, to amend the composition of the Board from nine (9) directors to eleven (11) directors of which an additional citizen-at-large and an additional Member of Municipal Council is to be elected to the Board, resulting in a Board comprised of two (2) members of London City

Council, one (1) member of Middlesex County Council and eight (8) citizens-at-large;

- d) the My Place to Call Home Annual Report 2018 BE RECEIVED;
- e) the financial statements of the London & Middlesex Community Housing Inc. year ended December 31, 2018 BE RECEIVED;
- f) the communication dated April 3, 2019 from J. Browne, CEO, London & Middlesex Community Housing Inc. regarding reappointment BE RECEIVED;
- g) the attached presentation from J. Browne, CEO, London & Middlesex Community Housing Inc. regarding Regeneration - Housing our Future BE RECEIVED and the Civic Administration BE DIRECTED to strike a “Champions Table” to define the necessary municipal tools, resources, and provide multi-disciplinary expertise to support the working group to advance the next steps associated with the Regeneration Process;
- h) the added communication dated June 20, 2019 from S. Quigley, Board Chair, London & Middlesex Community Housing regarding board appointments BE RECEIVED;
- i) the Civic Administration BE DIRECTED to continue to work with LMCH, specifically with respect to regeneration plans.

Yeas: (15): Mayor E. Holder, M. van Holst, S. Lewis, M. Salih, J. Helmer, M. Cassidy, P. Squire, J. Morgan, S. Lehman, A. Hopkins, P. Van Meerbergen, S. Turner, E. Peloza, A. Kayabaga, and S. Hillier

Motion Passed (15 to 0)

Moved by: S. Turner
Seconded by: A. Kayabaga

Motion to approve part c) as follows:

- c) the proposed by-law appended to the staff report dated June 24, 2019 as Appendix “B” BE REFERRED to a future meeting for consideration;

Yeas: (13): Mayor E. Holder, M. van Holst, S. Lewis, M. Salih, P. Squire, J. Morgan, S. Lehman, A. Hopkins, P. Van Meerbergen, S. Turner, E. Peloza, A. Kayabaga, and S. Hillier

Nays: (2): J. Helmer, and M. Cassidy

Motion Passed (13 to 2)

3.3 London Hydro Inc. - 2018 Annual Meeting of the Shareholder Annual Resolutions

That the following actions be taken with respect to the 2018 Annual General Meeting of London Hydro Inc.;

- a) the presentation by V. Sharma, CEO and G. Valente, Board Chair, London Hydro Inc., BE RECEIVED;
- b) the 2018 Report on Progress BE RECEIVED;
- c) the 2018 Report on Financials BE RECEIVED;
- d) the communication dated May 30, 2019 from C. Graham, Vice Chair, Board of Directors, London Hydro Inc. and a communication dated

April 12, 2019 from G. Valente, Chair, Board of Directors, London Hydro Inc. regarding appointments BE RECEIVED;

e) for the purpose of retaining a strong engineering skillset on the Board of London Hydro Inc., the following candidates BE INTERVIEWED, by the Corporate Services Committee, for the class III director position made vacant by the retirement of Mohan Mathur:

Ayman Abu Sharkh

Andrew Hrymak

Sarah Shortreed

John Tapics

f) Class I Directors, Gabe Valente and Jack Smit, whose terms are expiring, BE APPOINTED to the Board of London Hydro Inc.;

g) the remaining Class II, III and IV Directors whose terms are expiring, BE REAPPOINTED to the board of London Hydro Inc.

Motion Passed

Voting Record:

Moved by: M. van Holst

Seconded by: E. Peloza

That the following actions be taken with respect to the 2018 Annual General Meeting of London Hydro Inc.;

a) the presentation by V. Sharma, CEO and G. Valente, Board Chair, London Hydro Inc., BE RECEIVED;

b) the 2018 Report on Progress BE RECEIVED;

c) the 2018 Report on Financials BE RECEIVED;

d) the communication dated May 30, 2019 from C. Graham, Vice Chair, Board of Directors, London Hydro Inc. and a communication dated April 12, 2019 from G. Valente, Chair, Board of Directors, London Hydro Inc. regarding appointments BE RECEIVED;

Yeas: (14): Mayor E. Holder, M. van Holst, S. Lewis, M. Salih, J. Helmer, M. Cassidy, P. Squire, S. Lehman, A. Hopkins, P. Van Meerbergen, S. Turner, E. Peloza, A. Kayabaga, and S. Hillier

Absent: (1): J. Morgan

Motion Passed (14 to 0)

Moved by: M. van Holst

Seconded by: S. Hillier

The following actions be taken with respect to the London Hydro Board of Directors:

e) for the purpose of retaining a strong engineering skillset on the board of London Hydro Inc., the following candidates be interviewed for the class III Director position made vacant by the retirement of Mohan Mathur:

Ayman Abu Sharkh

Andrew Hrymak

Sarah Shortreed

John Tapics

f) class I Directors, Gabe Valente and Jack Smit whose terms are expiring, be reappointed to the board of London Hydro Inc.;

g) the remaining class II, III and IV Directors whose terms are expiring, be reappointed to the board of London Hydro Inc..

Yeas: (13): Mayor E. Holder, M. van Holst, S. Lewis, M. Salih, J. Helmer, M. Cassidy, P. Squire, S. Lehman, A. Hopkins, P. Van Meerbergen, S. Turner, E. Pelozza, and S. Hillier

Nays: (1): A. Kayabaga

Absent: (1): J. Morgan

Motion Passed (13 to 1)

Moved by: M. van Holst

Seconded by: S. Hillier

That the interviews, noted in part e), above, BE CONDUCTED by the Corporate Services Committee.

Yeas: (14): Mayor E. Holder, M. van Holst, S. Lewis, M. Salih, J. Helmer, M. Cassidy, P. Squire, S. Lehman, A. Hopkins, P. Van Meerbergen, S. Turner, E. Pelozza, A. Kayabaga, and S. Hillier

Absent: (1): J. Morgan

Motion Passed (14 to 0)

4. Items for Direction

4.1 3rd Report of the Governance Working Group

Moved by: E. Pelozza

Seconded by: S. Lewis

That the following actions be taken with respect to the 3rd Report of the Governance Working Group, from its meeting held on May 6, 2019:

a) on the recommendation of the City Clerk, the City Clerk BE DIRECTED to make the necessary arrangements to present the proposed by-law appended to the staff report dated May 6, 2019 as Appendix "A", at a Public Participation Meeting before the Corporate Services Committee to amend Council Procedure By-law A-50, as amended, to clarify that Members of Council who are not a member of a standing committee may participate in the debate with respect to a matter before the standing committee;

b) the City Clerk BE DIRECTED to bring forward to the next meeting of the Governance Working Group (GWG) proposed procedures with respect to the provision of an electronic voting system to consider public appointments to Advisory Committees, Boards and Commissions for further consideration that would include the following:

- i) the ability to include brief profiles of the applicants;
- ii) provision of run-off capabilities based on the elimination of the applicant with the lowest vote;
- iii) the capacity to provide for run-offs where multiple applicants are to be appointed;

it being noted that the Governance Working Group (GWG) received a demonstration of the proposed electronic voting system from the Deputy Clerk; and

c) clauses 1.1 and 1.2 BE RECEIVED.

Yeas: (14): Mayor E. Holder, M. van Holst, S. Lewis, M. Salih, J. Helmer, M. Cassidy, P. Squire, S. Lehman, A. Hopkins, P. Van Meerbergen, S. Turner, E. Pelozo, A. Kayabaga, and S. Hillier

Absent: (1): J. Morgan

Motion Passed (14 to 0)

4.2 Resignation from Councillor S. Lewis from the Middlesex-London Food Policy Council

Moved by: M. Salih

Seconded by: J. Helmer

That the communication dated June 24, 2019 from Councillor Shawn Lewis resigning his appointment to the Middlesex-London Food Policy Council BE ACCEPTED.

Yeas: (14): Mayor E. Holder, M. van Holst, S. Lewis, M. Salih, J. Helmer, M. Cassidy, P. Squire, S. Lehman, A. Hopkins, P. Van Meerbergen, S. Turner, E. Pelozo, A. Kayabaga, and S. Hillier

Absent: (1): J. Morgan

Motion Passed (14 to 0)

5. Deferred Matters/Additional Business

None.

6. Confidential (Enclosed for Members only.)

Moved by: E. Pelozo

Seconded by: A. Kayabaga

That the Strategic Priorities and Policy Committee convene In Closed Session for the purpose of considering the following:

A matter pertaining to the proposed or pending acquisition or disposition of land by the municipality, including communications necessary for that purpose; advice that is subject to solicitor-client privilege; commercial and financial information, that belongs to the municipality and has monetary value or potential monetary value and a position, plan, procedure, criteria or instruction to be applied to any negotiations carried on or to be carried on by or on behalf of the municipality.

Yeas: (14): Mayor E. Holder, M. van Holst, S. Lewis, M. Salih, J. Helmer, M. Cassidy, P. Squire, S. Lehman, A. Hopkins, P. Van Meerbergen, S. Turner, E. Pelozo, A. Kayabaga, and S. Hillier

Absent: (1): J. Morgan

Motion Passed (14 to 0)

The Strategic Priorities and Policy Committee convened In Closed Session from 6:50 PM to 7:12 PM.

7. Adjournment

The meeting adjourned at 7:13 PM.

TO:	CHAIR AND MEMBERS STRATEGIC PRIORITIES AND POLICY COMMITTEE MEETING ON JUNE 24, 2019
FROM:	MARTIN HAYWARD CITY MANAGER
SUBJECT:	LONDON ECONOMIC DEVELOPMENT CORPORATION PURCHASE OF SERVICES AMENDING AGREEMENT

RECOMMENDATION

That, on the recommendation of the City Manager, the following actions be taken with respect to the City of London Agreement with the London Economic Development Corporation:

- (a) in accordance with the City of London Procurement of Goods and Services Policy, Section 20.3 (e) Contract Amendments, the by-law attached as Appendix A, **BE INTRODUCED** at the Municipal Council meeting of June 25, 2019 to:
 - i) approve an Amending Agreement with the London Economic Development Corporation, extending the Purchase of Services Agreement to December 31, 2019; and,
 - ii) authorize the Mayor and Clerk to sign the Amending Agreement;
- (b) the Civic Administration **BE DIRECTED** to continue to work with the London Economic Development Corporation on a new Agreement for Council's consideration, prior to the expiry of the above-noted Amending Agreement.

PREVIOUS REPORTS PERTINENT TO THIS MATTER
--

- Board of Control, February 27, 2008, Report authorizing Agreement between City and LEDC until June 30, 2012
- Finance and Administrative Services Committee, May 28, 2012, Agreement Between the City of London and the London Economic Development Corporation (LEDC)
- Strategic Priorities and Policy Committee, June 9, 2015, Agreement Between the City of London and the London Economic Development Corporation (LEDC)

BACKGROUND

Purpose

The purpose of this report is to seek approval to proceed with an Amending Agreement to extend the current Purchase of Services Agreement between the Corporation of the City of London and the London Economic Development Corporation to December 31, 2019.

Background

The London Economic Development Corporation (LEDC) was established as a result of the April 21, 1998 Memorandum of Understanding regarding a proposed public-private economic venture between the Corporation of the City of London and the London Economic Development Corporation.

The LEDC is governed by a 15 member Board of Directors. The Mayor is a member of the Board and sits on the Nominating Committee. Both the CEO of the Chamber of Commerce and the City Manager are ex-officio members.

LEDC is funded through a Purchase of Service Agreement between the Corporation of the City of London and the LEDC. This Agreement sets out the services to be provided, payment and schedule of payments, governance structure as it relates to the City and annual reporting to Strategic Priorities and Policy Committee, as well as ongoing liaison.

DISCUSSION

The current Purchase of Services Agreement between the Corporation and the LEDC, attached as Appendix B, was approved by Municipal Council on June 10, 2015. The term of this Agreement, as outlined in Section 1, is from July 1, 2015 to June 30, 2019, subject to renewal by agreement of both parties.

Civic Administration and the LEDC have been working collaboratively to develop the terms of a new Purchase of Services Agreement regarding the delivery of economic development services, however, additional time is required to finalize key details, including:

- services being purchased and provided;
- governance and ongoing liaison; and,
- metrics and targets that will form the basis of LEDC's annual report to Council.

Given the additional work that is required, it is recommended that the following amendments, as referenced in the Amending Agreement attached as Appendix A, be made to the 2015-2019 Purchase of Services Agreement between the Corporation and the LEDC:

- Section 1 of the Agreement is amended by deleting the current termination date of "June 30, 2019" and replacing with "December 31, 2019."
- Section 9 of the Agreement is amended by adding the following new clause "and \$1,098,000 plus HST for the 6-month period from July 1, 2019 to December 31, 2019," after the clause "June 30, 2016, 2017, 2018 and 2019."

This will allow sufficient time for Civic Administration and the LEDC to finalize the above-noted items and bring forward a new proposed Purchase of Services Agreement for Council's consideration in advance of the December 31, 2019 termination date.

This Amending Agreement is in accordance with the City of London Procurement of Goods and Services Policy, Section 20.3 (e) Contract Amendments. This section affords the municipality the ability to amend existing contracts where:

- No amendment to a contract shall be made unless the amendment is in the best interest of the City.
- No amendment that changes the price of a contract shall be agreed to without a corresponding change in requirement or scope of work.
- Amendments to contracts are subject to the identification and availability of sufficient funds in appropriate accounts within the City Council approved budgets including authorized agreements.
- City Council must authorize contract agreements when the total amended value of the contract will be greater than the administrative (Managing Director) approval threshold.

FINANCIAL IMPACT

There is no new funding being requested as a result of the proposed Amending Agreement, and therefore, there is no impact on the 2019 approved budget.

LINK TO STRATEGIC PLAN

Council's Strategic Plan for the City of London, 2019-2023, identifies 'Growing our Economy' as a Strategic Area of Focus. This Strategic Area of Focus includes the following outcomes:

- London will develop a top quality workforce
- London is a leader in Ontario for attracting new jobs and investments
- London creates a supportive environment where entrepreneurs, businesses and talent can thrive

CONCLUSION

The delivery of economic development services is a key mechanism in achieving Council's vision to be 'A leader in commerce, culture and innovation – our region's connection to the World,' as well as the achievement of the outcomes for the Strategic Area of Focus 'Growing our Economy.'

Civic Administration will continue to work collaboratively with the LEDC to ensure that the services being purchased support the achievement of Council's 2019-2023 Strategic Plan and that regular communication with Council ensures accountability and transparency in the delivery of these services.

This Amending Agreement has been reviewed with the assistance of the City Solicitor's Office, Risk Management, and Finance and Corporate Services.

PREPARED AND SUBMITTED BY:	RECOMMENDED BY:
ROSANNA WILCOX DIRECTOR, COMMUNITY AND ECONOMIC INNOVATION	MARTIN HAYWARD CITY MANAGER

c. K. Lakhotia, Chief Executive Officer, London Economic Development Corporation

APPENDIX A

Bill No.
20

By-law No.

A By-law to approve the Amending Agreement to the Purchase of Services Agreement between The Corporation of the City of London and the London Economic Development Corporation; and to authorize the Mayor and City Clerk to execute the Amending Agreement.

WHEREAS subsection 5(3) of the *Municipal Act, 2001* S.O. 2001, c.25, as amended, provides that a municipal power shall be exercised by by-law;

AND WHEREAS section 9 of the *Municipal Act, 2001* provides that a municipality has the capacity, rights, powers and privileges of a natural person for the purpose of exercising its authority under this or any other Act;

AND WHEREAS The Corporation of the City of London and the London Economic Development Corporation entered into the Purchase of Services Agreement commencing July 1, 2015 regarding the delivery of economic development services (Purchase of Services Agreement);

AND WHEREAS The Corporation of the City of London and the London Economic Development Corporation wish to amend the Agreement;

NOW THEREFORE the Municipal Council of The Corporation of the City of London enacts as follows:

1. The Amending Agreement to the Purchase of Services Agreement entered into between The Corporation of the City of London and the London Economic Development Corporation attached as Schedule "A" to this by-law, is authorized and approved.
2. The Mayor and the City Clerk are authorized to execute the Amending Agreement authorized and approved under section 1 of this by-law.
3. This by-law shall come into force and effect on the day it is passed.

PASSED in Open Council June 25th, 2019.

Ed Holder
Mayor

Catharine Saunders
City Clerk

First reading -
Second reading -
Third reading –

SCHEDULE "A"

THIS AMENDING AGREEMENT made as of June 25th, 2019.

B E T W E E N:

THE CORPORATON OF THE CITY OF LONDON
(the "Corporation")

- and -

LONDON ECONOMIC DEVELOPMENT CORPORATION
(the "LEDC")

WHEREAS the LEDC and the Corporation entered into a Purchase of Services Agreement commencing July 1, 2015, regarding the delivery of economic development services (the "Agreement");

AND WHEREAS the LEDC and the Corporation wish to amend the Agreement;

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the premises and the mutual covenants contained in the Agreement, and subject to the terms and conditions of this Amending Agreement, the parties agree as follows:

1.0 AMENDMENTS

Section 1 of the Agreement is amended by deleting the current termination date of "June 30, 2019" and replacing with "December 31, 2019."

Section 9 of the Agreement is amended by adding the following new clause "and \$1,098,000 plus HST for the 6-month period from July 1, 2019 to December 31, 2019," after the clause "June 30, 2016, 2017, 2018 and 2019."

2.0 AGREEMENT BINDING

- 2.1 Except as amended by this Amending Agreement, the Agreement shall remain binding and in full force and effect.
- 2.2 This Amending Agreement shall be binding on the parties and their respective successors and assigns.

3.0 EXECUTION

- 3.1 The Corporation and the LEDC acknowledge that it has each read this Amending Agreement, understands it and agrees to be bound by its terms and conditions.

IN WITNESS WHEREOF the Corporation has signed this Amending Agreement by its authorized representatives and the LEDC has hereunto affixed its corporate seal under the hands of its authorized officers.

SIGNED, SEALED AND DELIVERED

THE CORPORATION OF THE CITY OF LONDON

Date:

Ed Holder, Mayor

Catharine Saunders, City Clerk

**LONDON ECONOMIC DEVELOPMENT
CORPORATION**

Date:

Per:
Name:
Title:

Date:

Per:
Name:
Title:
I/We have authority to bind the corporation.

APPENDIX B

PURCHASE OF SERVICES AGREEMENT

This Agreement made as of the day of , 2015

B E T W E E N:

THE CORPORATION OF THE CITY OF LONDON

(hereinafter referred to as the "Corporation")

LONDON ECONOMIC DEVELOPMENT CORPORATION

(hereinafter referred to as the "LEDC")

IN CONSIDERATION OF their respective covenants and agreements herein contained and subject to the terms and conditions herein set out, the Corporation and the LEDC covenant and agree each with the other as follows:

1. **Duration of Agreement.** The term of this Agreement (herein referred to as "the **Term**") commences on July 1, 2015 and continues until June 30, 2019, subject to renewal by agreement of both parties.
2. **Termination of Agreement.** The Purchase of Service Agreement between the Corporation and the LEDC dated July 1, 2012 expressed to be in force until June 30, 2015 is terminated upon this Agreement coming into effect.
3. **Services Being Purchased and Provided.** The Corporation agrees to purchase from the LEDC and the LEDC agrees to provide to the Corporation the following broadly described economic development services and, in order to provide such services, the LEDC shall:
 - a) act as the primary economic development body on behalf of the Corporation;
 - b) assist local businesses with expansions and relocation within the City of London (the "**City**"), and retaining their existing operations within the City;
 - c) attract new business investment to the City;
 - d) provide site location assistance and analysis for potential new businesses;
 - e) market and promote the City to existing and potential new business ventures;
 - f) collaborate with the Corporation on funding opportunities with the Federal Government, the Provincial Government and other sources for economic development purposes;
 - g) identify and establish suitable partnerships throughout the community and wherever necessary in order to meet the economic development objectives of the Corporation;
 - h) provide guidance and leadership in the development of the local and regional workforce;
 - i) inform and apply best efforts to involve the offices of the Mayor and the Corporation's City Manager in advance of public announcements or events involving LEDC and/or economic development matters;
 - j) submit a Board approved LEDC Strategic Plan for information to the Municipal Council every 4 years, or as may be appropriate;
 - k) prepare and submit on or before September 1st of each year, an annual business plan to the Municipal Council on the progress associated with the objectives identified in the Strategic Plan. At minimum, the business plan is to include:
 - i. state of the local economy, including, but not limited to economic indicators such as labour force, employment by industry, building construction activity and GDP;
 - ii. overview of key economic sectors and emerging opportunities;
 - iii. data on local retention and growth activity and new foreign investments;
 - iv. workforce development initiatives, and
 - v. marketing and promotional campaigns.
 - l) provide continued leadership on the London Community Economic Road Map and its implementation;
 - m) continue working relationships with partner community organizations to support Economic Development in London;
 - n) may provide funding for Community Improvement Programs (CIP) that focus on the enhancement of economic development opportunities within the Community Improvement Project Areas.

4. **Changes to Services.** The Corporation and the LEDC may agree in writing from time to time to add, eliminate, transfer or vary the economic development services purchased by the Corporation from the LEDC and supplied by the LEDC to the Corporation hereunder, recognizing that the annual fee paid by the Corporation to the LEDC may be adjusted to reflect such changes in purchased services.
5. **Consistent Strategies.** The LEDC shall ensure that its marketing and promotional efforts are consistent with the communications and brand strategies of the Corporation.
6. **Economic Development Policies.** The LEDC will liaise with the Corporation where the Council of the Corporation (the "**Municipal Council**") has a policy or a position on community issues which have economic development implications.
7. **Annual Business Plan for the Concurrence of Municipal Council.** The LEDC shall prepare and submit to the Municipal Council an annual business plan (the "**Business Plan**") by such date and in such form as the Corporation may prescribe, containing details of the services contemplated by this Agreement and sufficient to enable the Municipal Council to give reasonable consideration of the Business Plan.
8. **Third Party Agreements.**
 - (a) The LEDC may enter into agreements with other parties which are consistent with the Business Plan. The Corporation may enter into agreements with other parties which are consistent with the Corporation's objective of strengthening and expanding the local economy.
 - (b) Nothing contained in this Agreement shall constitute the LEDC as the agent, partner, employee or joint venturer of the Corporation. The LEDC shall not act to:
 - i. Incur any expense, liability or obligation on behalf of or in the name of the Corporation;
 - ii. enter into or engage in any negotiations on behalf of or in the name of the Corporation concerning a proposed acquisition or disposition of land by the Corporation;
 - iii. make any representation, inducement or enter into or engage in any negotiations on the basis that the Corporation would assist directly or indirectly any manufacturing business or other industrial or commercial enterprise through the granting of bonuses for that purpose by the Corporation giving or lending any property of the municipality, including money, guaranteeing borrowing, leasing or selling any property of the municipality at below fair market value, or giving a total or partial exemption from any levy, charge or fee contrary to s. 106 of the *Municipal Act, 2001*.
9. **Consideration.** For the services purchased and provided, the Corporation shall pay the LEDC a fee (the "**Fee**") of \$2,279,004 for each twelve month period ending June 30, 2016, 2017, 2018 and 2019 subject to the following:
 - a) The LEDC shall on or before September 1st of each year submit an annual Business Plan to the Corporation for concurrence by the Municipal Council.
 - b) The actual amount paid by the Corporation to the LEDC for services rendered during the period covered by such Business Plan is subject to the Municipal Council's approval of the Corporation's budget.
 - c) One-twelfth of the amount mentioned thereafter, or such other proportion as may be agreed upon, shall be paid monthly based on an invoice for payment submitted by the LEDC to the Corporation containing such particulars or accompanied by such supporting information as the Corporation may require.
 - d) Amounts paid by the Corporation shall be for the services specifically purchased by the Corporation consistent with the Business Plan recognizing that the LEDC may, as circumstances arise, expend funds in a manner determined by the LEDC to be consistent with the Business Plan and within its annual budget but not as may have been particularized within such budget at the time of submission of the Business Plan to the Corporation.
 - e) The amounts mentioned above shall be adjusted to reflect the addition, elimination, transfer or variance to the economic development services agreed upon from time to time by the Corporation and the LEDC.

10. **Refund of Payment.** The LEDC shall refund to the Corporation any amount requested by the Corporation should the Corporation, during its inspection of monthly invoices or audited financial statements, determine that any payment by the Corporation to the LEDC has been used by the LEDC for any purpose other than that for which the payment was made.
11. **Illegality.** The LEDC shall forthwith refund any payment by the Corporation to the LEDC upon demand by the Corporation in the event that the Corporation is at any time adjudged by a court to have assisted directly or indirectly any commercial enterprise by reason of the payment being a bonus in aid thereof contrary to the *Municipal Act, 2001*.
12. **Code of Conduct.** The LEDC shall adopt a Code of Conduct similar to the Code of Conduct for Members of the Municipal Council.
13. **Governance.** The LEDC agrees and undertakes to do the following:
 - a) Maintain the Mayor as a member of the LEDC's Nominating Committee;
 - b) Give notice of, and invite the Corporation's City Manager to attend, meetings of the LEDC's Executive Committee;
 - c) Obtain the concurrence of the Municipal Council to the appointment or replacement of the President and Chief Executive Officer of the LEDC; and
 - d) Ensure that a review of the LEDC's President and Chief Executive Officer's performance is conducted annually by the Board of Directors of the LEDC, and that the view of the Corporation is sought in the preparation of such performance review.
14. **Prospective Directors.** The LEDC's Board of Directors shall ensure that its Nominating Committee guidelines include seeking out representatives of the London business and educational communities who are committed to the growth and wealth creation of the community and who can provide non-conflicted guidance to the board and management of the LEDC.
15. **Ongoing Liaison.** For the purpose of discussing with the Corporation and keeping it informed on a timely basis of the success of the LEDC in providing the services set out in this Agreement and to maintain good working relationships, the LEDC and the Corporation shall maintain ongoing liaison as follows:
 - a) The President and Chief Executive Officer of the LEDC shall meet regularly with the Corporation's City Manager and shall report to the Municipal Council with respect to the LEDC's activities on an annual basis; and
 - b) Representatives of the LEDC's Board of Directors shall meet annually with the Strategic Priorities and Policy Committee at the Municipal Council's direction and at the Municipal Council's option.

At least one of the meetings mentioned in subclause (b) above shall address strategic planning issues.
16. **LEDC's Human Resources.** The LEDC shall be the direct employer of its own human resources, with an organizational structure, staff complement, and salaries and benefits determined by the LEDC.
17. **LEDC's Corporate Services.** The LEDC shall be responsible for its own corporate services such as, but not limited to, payroll and benefits administration, banking, accounting and financial management, legal, purchasing, printing, computers and office technology, human resource management, mail/courier, office space, furniture, fixtures and supplies. The Corporation is prepared to provide any of these services to the LEDC at the LEDC's expense.
18. **Registered Mark License Agreement.** The Registered Mark License Agreement dated January 28th, 1999 between the Corporation and the LEDC, which gives the LEDC a non-exclusive, non-assignable License to use the Corporation's registered tree logo is continued for the term of this Agreement.
19. **Release by the LEDC.** The LEDC on behalf of itself, its officers and employees releases the Corporation, its officers and employees and their respective heirs, executors, administrators, successors and assigns (herein called the "Corporation and its Representatives") from and against all claims, actions, causes of action, suits, debts, dues, accounts, contracts, demands, costs, expenses, damages, liabilities or other obligations whatsoever and from and against all liabilities, losses, damages, costs, charges, court costs,

legal fees on a solicitor and its own client basis and other expenses of every nature whatsoever which the LEDC, its officers and employees may now have or hereafter can, shall or may have against the Corporation and its Representatives arising from or pertaining to the making or refunding of the Fee as the case may be.

20. **Indemnification by the LEDC.** The LEDC shall indemnify and save harmless the Corporation and its Representatives from and against all claims, demands, losses, costs, damages, actions, suits or other proceedings by whomsoever made, sustained, brought or prosecuted, in any manner arising from any willful or negligent act, or attributed to anything done or omitted to be done by the LEDC, its directors, officers, employees or agents arising from or pertaining to the receipt, disposition or refunding of the Fee by the LEDC, as the case may be.
21. **Indemnification by Corporation.** The Corporation shall indemnify and save harmless the LEDC, its directors, officers, employees and agents, and their respective heirs, executors, administrators, successors and assigns from and against all claims, demands, losses, costs, damages, actions, suits or other proceedings by whomsoever made, sustained, brought or prosecuted in any manner arising from any willful or negligent act, or attributable to anything done or omitted to be done by the Corporation, its officers, employees or agents, arising from or pertaining to the late payment or nonpayment of any installment of the Fee or other financial obligation of the Corporation to the LEDC except where such late payment or nonpayment is permitted by this Agreement.
22. **Annual Financial Statements.** The LEDC shall file with the Corporation, no later than March 31 in each year, financial statements and an auditor's report for the immediately preceding year, fairly representing the financial position of the LEDC and the results of its operations for the period under review in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding period.
23. **Financial Records.** The LEDC shall keep separate financial records for all amounts incurred, claimed, paid and received and shall retain and preserve all documents, contracts, records, claims and accounts that relate thereto for a period of four (4) years.
24. **Inspection of Financial Records and Documents.** If the Corporation has reasonable grounds for believing that any amount included in any preceding installment of a Fee of any year has not been expended in accordance with this Agreement, the LEDC shall, upon reasonable notice from the Corporation, make available at all reasonable times and without expense to the Corporation all such documents, contracts, records, claims and accounts for inspection and audit by Corporation or its auditors as the Corporation may deem necessary to determine whether such is the case.
25. **Provision of Information.** Upon written request from the Corporation, the LEDC shall provide the Corporation, without expense to it, any information which is available to the LEDC with respect to its Business Plan or financial statements and which it is able to provide without breaching any applicable law.
26. **Dispute Resolution.** In the event any claim, dispute or other matter (herein referred to as a "dispute") shall arise between the parties hereto during the term of this Agreement:
 - a) Such dispute shall be referred initially by the party raising the dispute to the other party in writing for decision which the latter shall give in writing within a reasonable time. The initial reference shall be at the level of Chief Executive Officer of the LEDC and the Corporation's City Manager.
 - b) If such dispute is not satisfactorily settled between the parties, it shall be submitted to the Chairman of the LEDC and the Mayor of the Corporation.
 - c) If such dispute is not satisfactorily settled between the parties, it shall be submitted to a single arbitrator to be agreed upon by the parties.
 - d) If a single arbitrator cannot be agreed upon by the parties within ten (10) days after the appointment of the single arbitrator has been requested by one of the parties, then the dispute shall be referred to a board of three arbitrators, one to be appointed by the LEDC, one to be appointed by the Corporation, and a third arbitrator to be appointed by the first two named arbitrators in writing.
 - e) If either the LEDC or the Corporation refuses or neglects to appoint an arbitrator within twenty days (20) after the other party appoints an arbitrator and has served written

notice upon the party refusing or neglecting to appoint an arbitrator requiring such party to make such appointment, then the arbitrator first appointed shall, at the request of the party appointing him or her, proceed to hear and determine the dispute as if he or she were a single arbitrator appointed by both the LEDC and the Corporation for that purpose.

- f) If two arbitrators are named within the time prescribed and they do not agree within a period of ten (10) days upon the appointment of the third arbitrator, then upon the application of either the LEDC or the Corporation, the third arbitrator shall be appointed by a Judge of the Ontario Supreme Court of Justice.
- g) The determination which shall be made by the said arbitrators or a majority of them, or by the single arbitrator, as the case may be, shall be final and binding upon the parties hereto and the costs of arbitration and the remuneration of the third arbitrator shall be borne equally between the parties hereto, each of the parties bearing the remuneration of the arbitrator appointed by it.

The provisions of this clause shall be deemed to be submission to arbitration within the provisions of the *Arbitrations Act, 1991* and any statutory modification or re-enactment thereof, provided that any limitation on the remuneration of arbitrators imposed by such legislation shall not have application to any arbitration proceeding commenced pursuant to this Agreement.

27. **Events of Default.** The following constitute events of default, the proof of which to the contrary lies upon the LEDC:

- a) The LEDC becomes bankrupt or insolvent, goes into receivership, or takes the benefit of any statute from time to time being enforced relating to bankrupt or insolvent debtors;
- b) An order is made or resolution passed for winding up or for the dissolution of the LEDC or it is dissolved;
- c) The LEDC ceases actual bona fide operation for a period of thirty (30) days;
- d) The LEDC has knowingly submitted false or misleading information to the Corporation;
or
- e) The LEDC is in breach of the performance of, or compliance with, any term, condition or obligation on its part to be observed or performed hereunder.

28. **Remedies on Default.**

If,

- a) an event of default specified in subclause 27 (a), (b), (c) or (d) occurs; or
- b) an event of default specified in subclause 27 (e) occurs and is not remedied within ten (10) business days after receipt by the LEDC of notice of default, or a plan satisfactory to the Corporation to remedy such an event of default is not implemented within such period and fully and diligently carried out thereafter,

the Corporation may exercise either or both of the following remedies, in addition to any other remedies otherwise available, namely;

- c) terminate forthwith any obligation by the Corporation to pay the Fee or to continue to pay any instalment, including any unpaid installment outstanding prior to the date of such termination; and
- d) require the LEDC to repay all or part of the unspent Fee forthwith to the Corporation.

29. **Interim Suspension of Payment.** In the event that the Corporation gives the LEDC notice of default and no plan satisfactory to the Corporation to remedy such an event of default is implemented within such period and being fully and diligently carried out as provided in paragraph 28(b), the Corporation shall have no obligation to make any further payments under this Agreement prior to the end of the period given to the LEDC to remedy the event of default.

30. **Waiver of Breaches.** In the event of a breach of any provision of this Agreement by one party, no action or failure to act by the other party shall constitute a waiver of any right or duty afforded by that party under this Agreement, nor shall any such action or failure to act constitute an approval of or acquiescence in any such breach, except as may be specifically agreed to in writing.
31. **Termination.** This Agreement and the Registered Mark License Agreement made between the Corporation and the LEDC dated January 28, 1999, shall, at the Corporation's option, (with the exception of paragraphs (d), (e) and (f) below in which case this Agreement shall terminate on the date determined in accordance with paragraphs (d), (e) and (f) as applicable) terminate prior to June 30, 2019 or prior to the expiration of any renewal of this Agreement, upon the happening of one of the following events, whichever occurs first:
- a) an event of default specified in subclause 27 (a), (b), (c) or (d);
 - b) an event of default specified in subclause 27 (e) that is not remedied within ten business days of receipt by the LEDC of notice of default, or a plan satisfactory to the Corporation to remedy such an event of default is not implemented within such period and fully and diligently carried out thereafter as provided in subclause 28 (b);
 - c) the enabling statutory authority or the required approvals under which the Corporation has entered into this Agreement being repealed or rescinded so as to substantially limit or deprive the Corporation of the authority to confer any of the rights or assume any of the obligations granted or assumed hereunder, and the Corporation being unable with reasonable diligence within a period of two (2) years to obtain private legislation to remedy the deficiency of authority;
 - d) notice of termination being given to the Corporation by the LEDC stipulating the date of termination, (which date shall be no less than ten days from the date of such notice) on the ground that, despite negotiations in good faith between and reasonable efforts by the LEDC and the Corporation to settle the amount of the Fee or the amount appropriated by the Corporation in its sole discretion for the LEDC is insufficient to enable the LEDC in any substantial way to perform its responsibilities under this Agreement;
 - e) the Corporation giving the LEDC twelve months' written notice of its intent to terminate this Agreement; or
 - f) the Corporation and the LEDC agreeing in writing at any time to the termination of this Agreement.
32. **Benefit.** No member of the Municipal Council shall be admitted to any share or part of this Agreement or to any benefit arising therefrom.
33. **Confidentiality.** For the purposes of the *Municipal Freedom of Information and Protection of Privacy Act*, the Corporation's access to information hereunder is subject to the LEDC's assertion at all material times that all such documents, contracts, records, claims, and accounts are supplied to the Corporation in confidence, recognizing that their disclosure could reasonably be expected to be injurious to the economic and other interests of the LEDC, and the Corporation shall not disclose any such information without the LEDC's consent.
34. **Deemed Amendment of Agreement.** In the event that the enabling statutory authority or the required approvals under which the Corporation has entered into this Agreement are subsequently amended or altered, but not so substantially as to limit or deprive the Corporation of the authority to confer any of the rights or assume any of the obligations hereunder, this Agreement shall be deemed to be amended or altered in accordance therewith. If however, the amendment or alteration to the enabling statutory authority or the required approvals do substantially limit or deprive the Corporation's authority, the Corporation and the LEDC shall forthwith enter into discussions with respect to the amendment or termination of this Agreement, and, if no such discussions are held within a reasonable period of time or such discussions do not result in an amendment of this Agreement, this Agreement shall be deemed to be terminated.
35. **Further Documents.** The LEDC and the Corporation shall, from time to time, execute and deliver all further documents and instruments and do all acts and things as the other party may reasonably require to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement.

36. **Notice.** Where in this Agreement any notice, request, direction or other communication is required to be given or made by either party, it shall be in writing and is effective if delivered in person or by recognized courier or sent by facsimile transmission addressed to the other party for whom it is intended at the following addresses, and any notice shall be deemed to have been given:

- a) if delivered personally or by recognized courier on the date of such delivery; or
- b) if by facsimile transmission, when transmitted (if received before 4:30 pm local time at the recipient's office or failing which on the next business day).

Any notices intended for the Corporation shall be delivered and addressed to:

City Clerk
The Corporation of the City of London
3rd Floor, 300 Dufferin Avenue
PO Box 5035
London Ontario N6A 4L9

Facsimile: (519) 661-4892

Any notices intended for the LEDC shall be delivered and addressed to:

President
London Economic Development Corporation
Suite 701
380 Wellington Street
London Ontario N6A 5B5

Facsimile: (519) 661-5331

The address or facsimile number of either party may be changed by notice in the manner set out above.

- 37. **Assignment.** Neither party shall assign all or any portion of its rights or obligations under this Agreement to a third party without the other party's prior written consent.
- 38. **Supplementary or Additional Agreements.** If at any time during the continuance of this Agreement, the parties shall deem it necessary or advisable to make any alteration or addition to this Agreement, they may do so by means of a written agreement between them which shall be supplemental or additional hereto and form part hereof.
- 39. **No Merger.** The completion or satisfaction of any part of this Agreement shall not result in the merger or other termination of the remainder of the Agreement, and this Agreement shall continue in full force and effect.
- 40. **Headings for Convenience.** Descriptive headings are inserted solely for convenience of reference, do not form part of this Agreement, and are not to be used as an aid in the interpretation of this Agreement.
- 41. **Severability of Provisions.** If any of the provisions of this Agreement shall be illegal or invalid, such illegality or invalidity shall not render the whole Agreement illegal or invalid, but the Agreement shall be construed as if it did not contain the illegal or invalid provision or provisions, and the rights and obligations of the parties shall be construed and enforced accordingly.

IN WITNESS WHEREOF the Corporation and the LEDC have hereunto affixed their respective corporate seals, attested by the hands of their respective officers duly authorized in that behalf.

THE CORPORATION OF THE CITY OF LONDON

Per: _____
Matt Brown, Mayor

Per: _____
Catharine Saunders, City Clerk

LONDON ECONOMIC DEVELOPMENT CORPORATION

Per: _____
Kapil Lakhota, President and Chief Executive Officer

Per: _____
Gerald Slemko, Chair

TO:	CHAIR AND MEMBERS STRATEGIC PRIORITIES AND POLICY COMMITTEE MEETING ON JUNE 24, 2019
FROM:	MARTIN HAYWARD CITY MANAGER
SUBJECT:	HOUSING DEVELOPMENT CORPORATION, LONDON 2018 ANNUAL MEETING OF THE SHAREHOLDER ANNUAL RESOLUTIONS

RECOMMENDATION

That, on the recommendation of the City Manager, the attached proposed by-law (Appendix "A") BE INTRODUCED at the Municipal Council meeting to be held June 25, 2019 to:

- a) ratify and confirm the Annual Resolutions of the Shareholder of the Housing Development Corporation, London attached as Schedule "A" to the by-law; and
- b) authorize the Mayor and the City Clerk to execute the Annual Resolutions of the Shareholder of the Housing Development Corporation, London attached as Schedule "A" to the by-law.

PREVIOUS REPORTS PERTINENT TO THIS MATTER
--

- June 9, 2016 – Strategic Priorities and Policy Committee – Agenda Item #4
- July 25, 2016 – Strategic Priorities and Policy Committee – Agenda Items #5 and #6
- May 15, 2017 – Strategic Priorities and Policy Committee – Agenda Item #8
- March 26, 2018 – Strategic Priorities and Policy Committee – Agenda Item #4.3
- June 25, 2018 – Strategic Priorities and Policy Committee – Agenda Item #3.2

BACKGROUND

At its meeting held March 5, 2019, Municipal Council resolved:

"That the following actions be taken with respect to the 2018 Annual General Meeting of the Shareholder for the Housing Development Corporation, London:

- a) the 2018 Annual General Meeting of the Shareholder for the Housing Development Corporation, London BE HELD at a meeting of the Strategic Priorities and Policy Committee on June 24, 2019, for the purpose of receiving the report from the Board of Directors of the Housing Development Corporation, London in accordance with the Shareholder Declaration and the Business Corporations Act, R.S.O. 1990, c. B.16; and

b) the City Clerk BE DIRECTED to provide notice of the 2018 Annual Meeting to the Board of Directors for the Housing Development Corporation, London and to invite the Chair of the Board and the Executive Director of the Housing Development Corporation, London to attend at the Annual Meeting and present the report of the Board in accordance with the Shareholder Declaration; and,

c) the request for the Shareholder to reappoint D. Brouwer and L. Stevens as Board Members, Class 1, BE RATIFIED at the above-noted annual meeting of the Sole Shareholder;

it being noted that the Strategic Priorities and Policy Committee received a communication dated February 12, 2019 from S. Giustizia, President & CEO, Housing Development Corporation, London with respect to this matter. (4.3/7/SPPC) (2019-S11)”

2018 Annual General Meeting

The Housing Development Corporation, London is a corporation with share capital incorporated under the *Business Corporations Act*, R.S.O. 1990 c. B.16. The Housing Development Corporation, London is managed by a Board of Directors appointed by The Corporation of the City of London as the sole shareholder.

The attached (Schedule “A”) Annual Resolutions of the Shareholder of the Housing Development Corporation, London addresses the following matters that are required to be dealt with at an Annual Meeting as required by the Shareholder’s Declaration and the *Business Corporations Act*.

- a) receipt of the 2018 audited financial statements;
- b) appointment of the Auditors; and
- c) election of the directors.

The Board of Directors has requested that D. Brouwer and L. Stevens be reappointed to a second term as first class of directors. This is reflected in the attached resolution of the shareholder.

PREPARED BY:	RECOMMENDED BY:
CATHY SAUNDERS CITY CLERK	MARTIN HAYWARD CITY MANAGER

APPENDIX "A"

Bill No.
2019

By-law No. A.-

A by-law to ratify and confirm the Annual Resolutions of the Shareholder of the Housing Development Corporation, London.

WHEREAS the Housing Development Corporation, London is a corporation incorporated under the *Business Corporations Act* R.S.O. 1990, c.B.16;

AND WHEREAS subsection 104(1)(b) of the *Business Corporations Act* provides that a resolution in writing dealing with all matters required by this Act to be dealt with at a meeting of shareholders, and signed by all the shareholders or their attorney authorized in writing entitled to vote at the meeting, satisfies all the requirements of this Act relating to that meeting of shareholders;

AND WHEREAS The Corporation of the City of London is the sole shareholder of Housing Development Corporation, London;

AND WHEREAS Subsection 9 of the *Municipal Act, 2001* provides that a municipality has the capacity, rights, powers and privileges of a natural person for the purpose of exercising its authority under this or any other Act;

AND WHEREAS Subsection 5(3) of the *Municipal Act, 2001* provides that a municipal power shall be exercised by by-law;

NOW THEREFORE the Municipal Council of The Corporation of the City of London enacts as follows:

1. The Annual Resolutions of the Shareholder of Housing Development Corporation, London for the fiscal year ended December 31, 2018, attached as Schedule "A" are ratified and confirmed.
2. The Mayor and the City Clerk are authorized to execute the Annual Resolutions of the Shareholder ratified and confirmed under section 1 of this by-law.
3. This by-law comes into force on the day it is passed.

PASSED in Open Council on the 25th day of June, 2019.

Ed Holder
Mayor

Catharine Saunders
City Clerk

First Reading - June 25, 2019
Second Reading – June 25, 2019
Third Reading - June 25, 2019

SCHEDULE "A"

HOUSING DEVELOPMENT CORPORATION, LONDON (the "Corporation")

WHEREAS subsection 104(1)(b) of the *Business Corporations Act* (Ontario) (the "Act") provides that a resolution in writing dealing with all matters required by the Act to be dealt with at a meeting of shareholders, and signed by all the shareholders or their attorney authorized in writing entitled to vote at the meeting, satisfies all the requirements of the Act relating to that meeting of shareholders;

The following resolutions, signed by the sole shareholder of the Corporation entitled to vote thereon, are hereby passed pursuant to the provisions of the Act:

FINANCIAL STATEMENTS

It is hereby acknowledged that the balance sheet of the Corporation as at December 31, 2018, and the other audited financial statements, together with Auditors' Report, of the Corporation for the financial year ended on such date have been received by the undersigned shareholder of the Corporation.

ELECTION OF DIRECTORS

WHEREAS pursuant to the Shareholder Declaration the board of directors for the Corporation shall consist of five (5) Directors;

AND WHEREAS the terms of the directors that are members of the second class expire at the annual meeting of shareholders held in 2018 pursuant to paragraph 4.4 of the Shareholder Declaration;

NOW THEREFORE BE IT RESOLVED THAT:

1. Each of the following persons, being directors that are members of the second class pursuant to paragraph 4.4 of the Shareholder Declaration, is hereby **elected** as a director of the Corporation to hold office for a term with the expiry as set out below, provided that when a successor is not duly elected at the close of the annual meeting described below, such director shall hold office until his or her successor is elected:

<u>Class</u>	<u>Name of Director</u>	<u>Term</u>
First	Louise Stevens	the close of the annual meeting of shareholders to be held in 2019 for the financial year ending December 31, 2021
First	Dick Brouwer	the close of the annual meeting of shareholders to be held in 2019 for the financial year ending December 31, 2021

CONFIRMATION OF CONTINUING TERMS

2. Each of the following persons, being directors that are members of the first, and third class, as provided for below, pursuant to paragraph 4.4 of the Shareholder Declaration is hereby **confirmed** as having a term continuing until the expiry as set out below, provided that when a successor is not duly elected at the close of the annual meeting described below, such director shall hold office until his or her successor is elected:

<u>Class</u>	<u>Name of Director</u>	<u>Term</u>
Second	Daniel Ross	the close of the annual meeting of shareholders to be held in 2021 for the financial year ending December 31, 2020
Second	Larry Hazel	the close of the annual meeting of shareholders to be held in 2021 for the financial year ending December 31, 2020
Third	Vivian Iron	the close of the annual meeting of shareholders to be held in 2020 for the financial year ending December 31, 2019

APPOINTMENT OF AUDITORS

3. KPMG LLP are hereby appointed auditors of the Corporation to hold office until the close of the next annual meeting of the shareholders or until a successor is appointed by the shareholder at such remuneration as may be fixed by the directors and the directors are hereby authorized to fix such remuneration.

DATED this _____ day of _____, 2019.

The Corporation of the City of London

By: _____
Name: Ed Holder
Title: Mayor

By: _____
Name: Catharine Saunders
Title: City Clerk



Shareholder Presentation

Strategic Priorities and Policy Committee
June 24, 2019

HDC 1, 2, 3...Grow

Since 2016...

- Year 1**
 - 476 units affordable units created
 - \$8.8 Million in leveraged municipal investment
 - \$45 Million in total private equity, loans and government funding
- Year 2**
 - 2019 – 2023
- Year 3**
 - 2019 – 2023

HDC Housing Affordability in London

- \$29,000/yr salary for retail/sales**
"Affordable" would be shelter costs at < \$750/m
- 25% of all workers in sales and retail**
Labour market vacancies align with housing gap
- \$887/month average 1 bdrm rent**
Average available 1 bedroom unit is approx. \$1100/m
- 2.1% rental market vacancy rate**
Much lower for affordable units
- 3000 new affordable housing units are needed in London**
- \$415,000 average home price**
Unattainable to those in seeking affordable housing
- 14% of Londoners in core housing need**
4th highest in Canada
- 40% of Londoners rent**
New rental stock is primarily higher priced / luxury units
- 500 people experiencing chronic homelessness**
Requiring specialized housing with supports

300 + units needed per year to close this gap

HDC 2018 Approved Projects (2019 Starts)

1045 Dundas Street
London Affordable Housing Foundation

41 affordable units.
50 year affordability period.

1090 Hamilton Road
Italian Seniors Project (ISP) Group

60 affordable units.
50 year affordability period.

Plus 35 affordable units negotiated through Bonusing



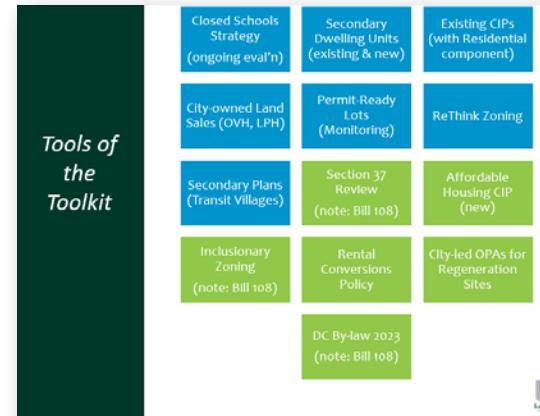
HDC Strategy Alignment with City Strategy



City Multi-Year Strategy :	HDC Supported Strategies
Strengthening our Community (SOC) SOC-02: Specialized Housing Options	Specialized Housing
SOC-04: Innovation for Affordable Development	Activating Surplus Lands CIP/Municipal Tools Bonus Units
SOC-05: More Affordable Housing Units	HDC Core Funding Single Unit Strategy
By 2023	
300 Units/yr with \$8,250,000	



Our Municipal Leadership



- Multiple ways to address opportunities and gaps
- Many need to be involved in a housing system & solutions
- “Carrots” and “Sticks” policies require resourcing & funding
- Strong Plans and Programs:
 - Urban Regeneration
 - Social Housing Regen
 - Single Units
 - Specialized developments
 - Non-profit housing
 - Mixed market units, etc.

Creating Housing Stability for All



QUESTIONS



Your trusted partner in enabling the development of sustainable affordable housing





HDC

Housing Development Corporation, London

*Your trusted partner in enabling the developing of
sustainable and affordable housing*

**2018 Shareholder Update
and
Strategic Plan 2019-2023**

June 24, 2019





Message from CEO and Board Chair

To Municipal Council and Community Members:

There is a critical shortage of affordable housing across our community. The problem is getting worse and many are impacted, including:

- People living in vulnerable situations without housing;
- Those employed in low to moderate income jobs;
- People looking to call London, and this great area, their new home.
- Those who experience housing as a barrier to finding work;
- People who, without support, risk losing their homes; and

Together, we are responding to housing needs, but more action is required from all stakeholders. Local governments play an anchor role in advancing and encouraging this work. Affordable housing developments are considered municipal facilities, services, and part of the City's infrastructure because, like parks, roads, and water, they are critical to creating strong and inclusive communities. HDC is an instrument of Council that works with private developers, non-profit housing organizations, and others with the resources, plans, and programs needed to create more affordable housing to address local needs. HDC's partnership role with the City and others relies on a shared vision and plan.

This document includes a Report to the Shareholder on HDC's work in 2018 as well as a revised HDC Strategic Plan (2019-2023) that aligns with other local plans including the Homeless Prevention and Housing Plan, London Plan, and City's Strategic Plan. These plans reflect a "system approach" based on working together on housing solutions.

We look to Council's continued leadership and the engagement of our community to help provide housing stability for all.

Dick Brower
Chair, HDC Board of Directors

Stephen Giustizia
Chief Executive Officer, HDC



What's Inside?

Housing Affordability Gap in London	6
HDC: Helping to Close the Gap	7
HDC's Work Within a Housing System	8
2018 Accomplishments	9
HDC Strategy Map 2019-2023	10
Strategy 1: A Partner in Great Housing Solutions	11
Strategy 2: A Developer in New and Regenerative Community Based Housing	12
Strategy 3: A Leader in Housing Policies and Programs	13
Strategy 4: A Trusted and Accountable Organization	14
Anticipated Outcomes	15
Anticipated Timelines	16
Appendix A: 2018 Development Activity	17
Appendix B: 2018 Financials	18
Appendix C: HDC Contributions to City Multi-Year Strategy	19



Housing Affordability Gap in London

\$29,000/yr salary for retail/sales

“Affordable” would be shelter costs at < \$750/m

25% of all workers in sales and retail

Labour market vacancies align with housing gap

\$887/month

average 1 bdrm rent
Average available 1 bedroom unit is approx. \$1100/m

2.1% rental market vacancy rate

Much lower for affordable units

3000 new affordable housing units are needed in London

\$415,000

average home price
Unattainable to those in seeking affordable housing

300 + units needed per year to close this gap

14% of Londoners in core housing need

4th highest in Canada

40% of Londoners rent

New rental stock is primarily higher priced / luxury units

500 people experiencing chronic homelessness

Requiring specialized housing with supports



HDC: Helping to Close the Gap

London needs approximately 3000 affordable rental units across the city and for many populations to address these housing gaps. (Based on Canada Mortgage and Housing Corporation (CMHC) analysis in 2018)

- Without these units:
- More people will face rising housing costs and a lack of availability;
 - The local labour market will be impacted;
 - Social housing waitlists will continue to grow; and
 - London's housing affordability gap will continue to expand.

Creating 300 new units per year will help to close this gap, especially if these units can be advanced within a variety of programs that both prioritize local needs and blend into the respective communities. HDC was established with a mandate to enable this work.

HDC offers a unique approach to closing the gap, including:

- A small team of skilled leaders under the guidance of an expert Board of governance;
- Specialized industry knowledge and trust relations with stakeholders;
- A track record of advancing quality affordable housing that communities want;
- Specialized tools and practices that focus on development;
- Flexibility to learn and stack new programs, services and funding; and
- A willingness to continuously explore new ventures affordable developments.

HDC's work in negotiating agreements, navigating and stacking funding programs, advancing units in private developments, and working to creating new, viable and sustainable affordable developments has been recognized as a municipal best practice* and a mechanism to achieving better affordable housing outcomes. (*MMAH, 2017)



HDC's Work Within a Housing System

Housing solutions requires working together within a housing system.

HDC's unique and specialized role in this system is:

- Building new affordable housing inventory
- Creating policies and tools that support more affordable development
- Supporting partners committed to community based housing solutions
- Maximizing every dollar invested in affordable housing development
- Seizing opportunities that position affordable housing as part of strong and integrated communities

HDC does this by:

- Helping to navigate pre-qualified partners housing organizations through complex development processes
- Enabling new programs by working in collaboration with the City on the required tools and resources
- Maintaining design and program guidelines that support tenants, developers, and communities
- Leveraging programs, funding, and land use/regeneration strategies
- Working with strong non-profit organizations to help them create long-term viable and sustainable housing projects
- Aligning with City services to enable housing solutions together
- Being a flexible, effective, efficient, and accountable organization

In 2016...

476 New units created

\$8.8 Million of municipal funding leveraged

\$45 Million in private equity, loans and investments





2018 Accomplishments

HDC enabled housing policies and programs to help create new affordable housing in London and Middlesex.

In 2018, HDC's work included:

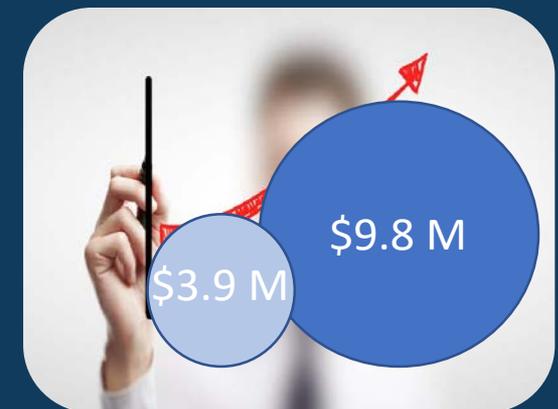
- Leveraging government programs, allowing municipal contributions to be reinvested to support future housing plans and 101 new approved units
- Working with City Planning and Development Services on streamlined planning and approval processes for affordable housing developments
- Negotiating 35 affordable units recommended and approved by Council through s.37 *Planning Act* "bonusing" in exchange for height and density
- Advancing 4 successful Co-Investment and 3 successful SEED Fund applications for community partners, through partnership with CMHC and their new National Housing Strategy programs
- Supporting readiness planning and detailed assessments of land and site potential related to public housing regeneration

Additional 2018 Information on HDC:

- Appendix A: 2018 Development Activity
- Appendix B: 2018 Financials
- Appendix C: HDC Contributions to City's Multi-Year Strategy

In 2018...

- 101** New units approved
- 4** New homeownerships funded through Habitat for Humanity
- 35** Units negotiated through bonusing
- \$3.9** Million of municipal funding leveraged
- \$9.8** Million in private equity, loans and investments





HDC Strategy Map 2019-2023

VISION

All members of the community have access to housing that is safe, secure, and suitable to their needs and ability to pay. *Housing Stability for All.*

HDC'S WORK

Creating sustainable affordable housing throughout London and Middlesex. Supporting neighbourhoods that are inclusive of affordable housing. Working with others to create affordable housing that supports people, builds strong communities and stimulates economic growth.

STRATEGIES



1. A Partner in Great Housing Solutions



2. A Developer in New and Regenerative Community Based Housing



3. A Leader in Housing Policies and Programs



4. A Trusted and Accountable Organization

PRIORITIES AND INITIATIVES

Working with government programs to create new affordable housing supply.

Making it easier for groups and individuals to create new affordable housing.

Building strong, sustainable housing solutions.

Developing surplus lands to include affordable housing.

Creating partnerships to develop new models of affordable housing.

Supporting plans to regenerate social and public housing.

Helping to create and use authorities, programs and tools to advance affordable housing in new and regenerated developments.

Advancing new financing and development tools for affordable housing.

Providing value through effective business solutions and efficient service management.

Being a local and national leader in the housing sector.

Managing through strong sustainable governance.

HDC BEHAVIOURS

Open Transparent Fair Honest Knowledgeable Experienced Reputable Credible



Strategy 1: A Partner in Great Housing Solutions

Intent of this Strategy

- Strong competent partners are engaged in affordable housing development
- Government funds are leveraged for the greatest benefit
- HDC work with pre-qualified partners on creating a business plan and ensure sustainable operation

Expected Results

- Additional funding to generate affordable housing units
- Solid relationships with development sector and community organizations
- Simple processes for builders, developers and individuals to create affordable housing
- Aligned interests, processes and policies with City and related to housing development and regeneration of social housing properties
- Stronger partnerships with other orders of government and sector areas related to new affordable housing development

Anticipated Outcome

- * 200 additional units per year:
 - 150 units per year of mixed housing
 - 25 units per year for secondary suites and single units
 - 50 units every other year for specialized housing





Strategy 2: A Developer in New and Regenerative Community Based Housing

Intent of this Strategy

- All surplus public lands are reviewed for urban regeneration including affordable housing
- Social housing providers are supported in their regeneration plans
- Housing is created by working across sectors and with new partners

Expected Results

- Stronger capital planning of public facilities to include exploring opportunities to stack housing development
- Activate surplus city and other government lands to advance developments inclusive of new affordable housing
- Aligned interests, processes and policies with City related to housing development and social regeneration

Anticipated Outcome

- * 50 additional units per year:
- Direct HDC lead development of surplus lands inclusive of affordable housing
- Initial site plans supporting LMCH Regeneration
- New policies and resources supporting municipal land acquisition and staging to include affordable housing





Strategy 3: A Leader in Housing Policies and Programs

Intent of this Strategy

- Additional housing and new development plans are created through innovative financing tools and resources
- Municipal tools are aligned to support and expedite the development of more affordable housing
- The community has clear expectations related to the need of affordable housing

Expected Results

- Work with City on a Community Improvement Plan (CIP) as a basis for municipal programs, permissions, and supports to affordable housing
- Work with the City on a bonus policy that makes affordable housing a priority (or other similar such tools within new emerging provincial laws)
- Introduce new innovative approaches including a special purpose foundation to build a community advancing affordable development
- Build housing solutions that are based on best practices and services

***All projected unit outcomes remain subject to the associated multi-year strategy funding and any related provincial regulations.**

Anticipated Outcome

- * 50 additional units per year:**
 - Working with City Planning on bonusing units within multi-residential developments
 - Establishing standards that support many solutions to qualify for affordable housing options
 - Financial and resource strategy for new tools and approaches





Strategy 4: A Trusted and Accountable Organization

Intent of this Strategy

- Londoners trust and engage HDC as a stable well governed organization
- HDC is recognized as a supportive, competent and productive workplace
- HDC is respected by partners and stakeholders who value the services and support provided by HDC
- HDC is open and fair in its operations and administration

Expected Results

- Improved HDC communications plans
- Finalize work with the City on a Shared Services Agreement
- Strategies to retain a strong and active Board
- Internal staff development and succession planning

Anticipated Outcome

Creating a strong organization by:

- Continuous improvement plans are advanced regularly creating a lean organization
- Integrated business policies and processes with City and HDC and with other government programs
- Succession strategies within the organization





Anticipated Outcomes

The HDC Strategy builds on the Council-approved HDC mandate and business plans. HDC’s ability to achieve the outcomes summarized below relies on the City of London Multi-Year Strategy and budget requests summarized in Appendix C. It also remains subject to related provincial and federal laws and programs.

OUTCOMES	2019	2020	2021	2022	2023
• Increase affordable housing stock (3000 units needed)	*100	150	150	150	150
• Create a separate capital plan to advance specialized housing development		25	25	25	25
• Establish a secondary suite and other single unit conversions/development program (with City)		25	25	25	25
• Work with City on affordable housing bonusing within multi-residential developments	50	50	50	50	50
• Activate surplus lands		50	50	50	50
Total per year	150	300	300	300	300

* 2019 is based on existing funding



Anticipated Timelines

HDC’s strategy is intended to be flexible and responsive to changes in the economy, budget, and needs of the community. To ensure success, HDC will work in collaboration with the City, community, and other orders of government to hold us accountable in our measures and outcomes.

OUTCOMES	2019	2020	2021	2022	2023
• Advance a sustainable strategic plan for LMCH regeneration	→				
• Create a capital reserve for acquisition of schools and other surplus lands		→			
• Work with the City Planning to create a Community Improvement Plan and Affordable Housing Policy to advance affordable housing city-wide	→				
• Alignment of HDC strategic long term planning with City and key organizations	→				
• Establish a local affordable housing foundation			→		



Appendix A: 2018 Development Activity

Location	Total Units	Affordable Units	Market Units	Status
516 Albert St.	31	27	4	Completed and Renting
27 Centre St.	61	46	15	Completed and Renting
356 Dundas St.	69	50	19	Under Construction
25 Centre St.	82	45	37	Under Construction
770 Whetter Ave.	54	50	4	Under Construction
1045 Dundas St.	41	41	0	Approved in 2018
1090 Hamilton Rd.	60	60	0	Approved in 2018
Total	398	313	85	

In 2018, HDC approved two multi-residential affordable housing rental developments for a total of 101 units.

1045 Dundas Street will have 41 affordable units. This development is owned by London Affordable Housing Foundation, a non-profit housing provider. This building has a 50 year affordability period.

1090 Hamilton Road will have 60 affordable units. This development is owned by Italian Seniors Project, a non-profit housing provider. This building has a 50 year affordability period.



1045 Dundas Street



1090 Hamilton Road



Appendix B: 2018 Financials

Federal / Provincial Capital Funding	2018 Allocation	2019 Allocation
Social Infrastructure Fund	\$1,214,940 Invested in 1045 Dundas St.	n/a
Investment in Affordable Housing - Extension	\$5,560,960 Invested in 1090 Hamilton Rd.	\$2,469,725
NEW: Canada –Ontario Community Housing Initiative / Ontario Priorities Housing Initiative	n/a	\$ TBD

Reserve Fund as at December 31, 2018

Municipal Contribution Opening Balance		\$5,990,560
Plus annual City contribution, interest and surplus		\$2,154,800
2018 Drawdowns		
Office Leasehold, 122 Baseline, Habitat for Humanity		(\$342,336)
Closing Cash Balance		\$7,803,024
Less: Reserve Commitments		
Ongoing Commitments Past Developments	(\$359,845)	
2018 New Developments: 1045 Dundas St. 1090 Hamilton Rd.	(\$3,933,100)	
122 Baseline Rd. Project (Initial Allocation from 2017)	(\$2,876,095)	
403 Thompson Rd. Project (Site Readiness Allocation from 2017)	(\$100,000)	
Miscellaneous Operating Expenses	(\$11,069)	
Sub-Total Committed Funds to Date		(\$7,280,109)
Funds Held for Future Administrative Expenses		(\$333,065)
2018 Uncommitted Capital		\$189,850



Appendix C: HDC Contributions to City Multi-Year Strategy

The following table highlights HDC’s contributions to the City of London Strategic Plan (2020-23). These initiatives, addressing priority affordable housing solutions, remain subject to the City’s Multi-Year Budget. They support an integrated response to housing supply with investment growth from \$2,000,000 (current since 2000) to \$8,250,000 (by 2023).

City Multi-Year Strategy Reference: Strengthening our Community (SOC)	HDC Supported Strategies	Estimated Funding Requests	Outcome Measures
SOC-02: Specialized Housing Options	Specialized Housing	(new) \$1,100,000/yr. to \$1,250,000/yr.	25 units/yr. or 50 units every 2yrs. Priority populations Partner: Homeless Prevention
SOC-04: Innovation for Affordable Development	Activating Surplus Lands	(new) \$500,000/yr.	50 units/yr. New CIP supported through growth by 2021 Partner: Civic Administration
	CIP/Municipal Tools	(new) \$3,000,000/yr.	
	Bonus Units (Or similar initiatives)	\$0	50 units/yr. Negotiated and recommended Partner: City and Developers
SOC-05: More Affordable Stock	HDC Core Funding	(increase) \$2,500,000/yr. to \$3,000,000/yr.	150 units/yr. Mixed affordable housing Partner: Civic Administration
	Secondary/Single Unit Program	(new) \$500,000/yr.	25 units/yr. Partner: Civic Administration



HDC

Housing Development Corporation, London

520 Wellington St., Unit 7

London, ON N6A 3R2

P: 519-930-3512

W: www.hdclondon.ca

Financial Statements of

**HOUSING DEVELOPMENT CORPORATION,
LONDON**

Year ended December 31, 2018



KPMG LLP
140 Fullarton Street Suite 1400
London ON N6A 5P2
Canada
Tel 519 672-4800
Fax 519 672-5684

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Housing Development Corporation, London

Opinion

We have audited the financial statements of Housing Development Corporation, London (the "Entity"), which comprise:

- the statement of financial position as at December 31, 2018
- the statement of operations for the year then ended
- the statement of changes in net financial assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2018, and its results of operations, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "**Auditors' Responsibilities for the Audit of the Financial Statements**" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

London, Canada

April 18, 2019

HOUSING DEVELOPMENT CORPORATION, LONDON

Statement of Financial Position

As at December 31, 2018, with comparative information for 2017

	2018	2017
Financial assets		
Due from the Corporation of the City of London (note 3)	\$ 7,877,704	\$ 5,926,529
Trade and other receivables	58,604	27,895
Total financial assets	7,936,308	5,954,424
Financial liabilities		
Accounts payable and accrued liabilities	135,850	27,739
Deferred revenue	3,000	-
Total financial liabilities	138,850	27,739
Net financial assets	7,797,458	5,926,685
Non-financial assets		
Tangible capital assets (note 4)	451,544	1,346
Prepaid expenses	5,666	63,975
Total non-financial assets	457,210	65,321
Accumulated surplus (note 5)	\$ 8,254,668	\$ 5,992,006

Commitments (note 9)

The accompanying notes are an integral part of these financial statements.

HOUSING DEVELOPMENT CORPORATION, LONDON

Statement of Operations

For the year ended December 31, 2018, with comparative information for 2017

	Budget	2018	2017
	(note 8)		
Revenues			
Transfer payments			
Municipal - the Corporation of the City of London (note 3)	\$ 2,817,745	\$ 2,987,331	\$ 4,343,164
Federal	-	13,010	3,100
Interest income	-	132,286	54,933
Other	-	-	6,000
Total revenues	2,817,745	3,132,627	4,407,197
Expenses			
Salaries, wages and benefits	658,961	563,327	427,796
Materials and supplies	78,784	31,582	30,764
Contracted services	41,700	115,588	124,594
Office rental expense	38,300	22,318	24,674
External transfers	-	100,000	100,000
Amortization of tangible capital assets (note 4)	-	37,150	385
Total expenses	817,745	869,965	708,213
Annual surplus	2,000,000	2,262,662	3,698,984
Accumulated surplus, beginning of year (note 5)	5,992,006	5,992,006	2,293,022
Accumulated surplus, end of year (note 5)	\$ 7,992,006	\$ 8,254,668	\$ 5,992,006

The accompanying notes are an integral part of these financial statements.

HOUSING DEVELOPMENT CORPORATION, LONDON

Statement of Net Financial Assets

For the year ended December 31, 2018, with comparative information for 2017

	Budget	2018	2017
Annual surplus	\$ 2,000,000	\$ 2,262,662	\$ 3,698,984
Acquisition of tangible capital assets	(23,674)	(231,947)	-
Contributions of tangible capital assets	-	(255,401)	-
Amortization of tangible capital assets	-	37,150	385
	1,976,326	1,812,464	3,699,369
Change in prepaid expenses	-	58,309	(60,033)
Change in net financial assets	1,976,326	1,870,773	3,639,336
Net financial assets, beginning of year	5,926,685	5,926,685	2,287,349
Net financial assets, end of year	\$ 7,903,011	\$ 7,797,458	\$ 5,926,685

The accompanying notes are an integral part of these financial statements.

HOUSING DEVELOPMENT CORPORATION, LONDON

Statement of Cash Flows

For the year ended December 31, 2018, with comparative information for 2017

	2018	2017
Cash provided by:		
Operating activities:		
Annual surplus	\$ 2,262,662	\$ 3,698,984
Items not involving cash:		
Amortization of tangible capital assets	37,150	385
Contributions of tangible capital assets	(255,401)	-
Changes in non-cash assets and liabilities:		
Due from the Corporation of the City of London	(1,951,175)	(3,620,529)
Prepaid expenses	58,309	(60,033)
Trade and other receivables	(30,709)	(24,846)
Accounts payable and accrued liabilities	108,111	6,039
Deferred revenue	3,000	-
Net change in cash from operating activities	231,947	-
Capital activities:		
Purchase of tangible capital assets	(231,947)	-
Cash used in capital activities	(231,947)	-
Net change in cash flows and cash, end of year	\$ -	\$ -

The accompanying notes are an integral part of these financial statements.

HOUSING DEVELOPMENT CORPORATION, LONDON

Notes to Financial Statements

Year ended December 31, 2018

1. Nature of reporting entity

Housing Development Corporation, London (the "Corporation") is a municipal services corporation with share capital incorporated under the *Business Corporations Act*, R.S.O. 1990, c.B.16 on October 26, 2015.

The Corporation is a wholly owned subsidiary company of The Corporation of the City of London (the "City") and is managed by a Board of Directors appointed by the City, as the sole shareholder.

2. Significant accounting policies

The financial statements of the Corporation are prepared by management, in accordance with Canadian generally accepted accounting principles as defined in the Chartered Professional Accountants (CPA) of Canada Public Sector Handbook – Accounting.

Significant accounting policies are as follows.

(a) Basis of accounting

Sources of financing and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(b) Tangible capital assets

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets, excluding land, are amortized on a straight line basis over their estimated useful lives as follows:

Asset	Useful Life - Years
Leasehold improvements	Lease term
Office equipment and furniture	5

Annual amortization is charged in the year of acquisition and in the year of disposal using the following rules:

- Leasehold improvements – prorated by month, based on in-service date
- Office equipment and furniture - half year rule.

Assets under construction are not amortized until the asset is available for productive use.

(c) Government transfers

Government transfer payments from the City are recognized in the financial statements in the year in which the payment is authorized and the events giving rise to the transfer occur, performance criteria are met, and a reasonable estimate of the amount can be made. Funding that is stipulated to be used for specific purposes is only recognized as revenue in the fiscal year that the related expenses are incurred or services performed. If funding is received for which the related expenses have not yet been incurred or services performed, these amounts are recorded as a liability at year end.

HOUSING DEVELOPMENT CORPORATION, LONDON

Notes to Financial Statements (continued)

Year ended December 31, 2018

2. Significant accounting policies (continued)

(d) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Significant items subject to such estimates and assumptions include the valuation allowances for receivables and useful lives assigned to tangible capital assets.

Actual results could differ from those estimates.

(e) Budget figures

Budget figures have been provided for comparison purposes. Given differences between the budgeting model and generally accepted accounting principles established by the Public Sector Accounting Board ("PSAB"), certain budgeted amounts have been reclassified to reflect the presentation adopted under PSAB.

(f) Liability for contaminated sites

Under PS 3260, liability for contaminated sites are defined as the result of contamination being introduced in air, soil, water or sediment of a chemical, organic, or radioactive material or live organism that exceeds an environmental standard. This Standard relates to sites that are not in productive use and sites in productive use where an unexpected event resulted in contamination.

(g) Related Party Disclosures

The Corporation adopted Public Sector Accounting Board Standard PS 2200 Related Party Transactions effective for fiscal periods beginning on or after April 1, 2017. The standard defines related party and provides disclosure requirements. Disclosure is only required when the transactions or events between related parties occur at a value different from what would have been recorded if they were not related and the transactions could have a material financial impact on the financial statements. The standard also requires disclosure of related party transactions that have occurred where no amounts have been recognized. The Corporation adopted this standard on a prospective basis and there were no adjustments as a result of the adoption of this standard.

HOUSING DEVELOPMENT CORPORATION, LONDON

Notes to Financial Statements (continued)

Year ended December 31, 2018

2. Significant accounting policies (continued)

(h) Inter-entity Transactions

The Corporation adopted Public Sector Accounting Board standard PS 3420 *Inter-entity Transactions* effective for fiscal periods beginning on or after April 1, 2017. The standards specifies how to account for transactions between public sector entities within the government reporting entity.

Transactions undertaken on similar terms and conditions to those adopted if the entities were dealing at arm's length are recorded at the exchange amount. Transfers of an asset or liability at nominal or no consideration is recorded by the provider at the carrying amount and the recipient has the choice of using either the carrying amount or fair value. Cost allocations are reported using the exchange amount and revenues and expenses are reported on a gross basis. Unallocated costs for the provision of goods or services may be recorded by the recipient at the carrying amount or fair value unless otherwise dictated by policy, accountability structure or budget practice.

All other transactions are measured at the carrying amount.

The Corporation adopted this standard on a prospective basis and there were no adjustments as a result of the adoption of this standard.

3. Related Party Transactions

The City maintains a separate general ledger on behalf of the Corporation. All funds are paid and received through the City's bank account and are held for use by the Corporation.

In accordance with the City of London Council's direction of September 2, 2014, the Corporation has been extended shared services support from the City. The City's support services include information technology, risk management, facility, finance, payroll, purchasing, legal and other administrative services to ensure operational efficiency. The Corporation has also entered into an agreement with the City under which the Corporation reimburses the City for salaries and fringe benefits for employees that provide services on behalf of the Corporation. The Corporation incurred charges of **\$200,667** (2017 - \$193,896) for these services and this expense has been included in the Statement of Operations.

During the year, the Corporation received municipal revenues from the shareholder, as follows:

- (a) Operating budget appropriation revenue of **\$281,015** (2017 - \$481,176)
- (b) Annual contribution to the affordable housing reserve fund of **\$2,000,000** (2017 - \$3,600,000)
- (c) Administrative fee revenue of **\$450,915** (2017 - \$261,988)
- (d) Municipal funding contribution of **\$255,401** (2017 – nil) for land acquisition. On May 30, 2017, the City of London Council passed a resolution to transfer lands from City of London ownership to the Corporation for affordable housing purposes. The transaction was completed during 2018 and recorded as a tangible capital asset addition by the Corporation, noting that the lands were transferred at their net book values, as follows:

	Net book value	Market value
403 Thompson Road, London	\$ 160,000	\$ 250,000
122 Baseline Road West, London	95,401	490,000
	\$ 255,401	\$ 740,000

The City Council resolution stipulates that the transfer will be subject to a 10-year reversion clause should the lands not be sold or developed by the Corporation.

HOUSING DEVELOPMENT CORPORATION, LONDON

Notes to Financial Statements (continued)

Year ended December 31, 2018

4. Tangible capital assets

Cost	Balance at December 31, 2017	Additions	Disposals	Balance at December 31, 2018
Land	\$ -	\$ 265,315	\$ -	\$ 265,315
Leasehold improvements	-	218,431	-	218,431
Office equipment and furniture	1,923	3,602	-	5,525
Total	\$ 1,923	\$ 487,348	\$ -	\$ 489,271

Accumulated Amortization	Balance at December 31, 2017	Amortization Expense	Disposals	Balance at December 31, 2018
Land	\$ -	\$ -	\$ -	\$ -
Leasehold improvements	-	36,405	-	36,405
Office equipment and furniture	577	745	-	1,322
Total	\$ 577	\$ 37,150	\$ -	\$ 37,727

	Net book value December 31, 2017	Net book value December 31, 2018
Land	\$ -	\$ 265,315
Leasehold improvements	-	182,026
Office equipment and furniture	1,346	4,203
Total	\$ 1,346	\$ 451,544

5. Accumulated surplus

Accumulated surplus consists of the following:

	2018	2017
Surplus:		
Invested in tangible capital assets	\$ 451,544	\$ 1,346
Total surplus	451,544	1,346
Reserve funds set aside for specific purpose by the Board:		
Future affordable housing	7,803,024	5,990,560
Total reserve funds (note 6)	7,803,024	5,990,560
Share capital:		
100 Class A common shares (note 7)	100	100
Total share capital	100	100
	\$ 8,254,668	\$ 5,992,006

HOUSING DEVELOPMENT CORPORATION, LONDON

Notes to Financial Statements (continued)

Year ended December 31, 2018

6. Analysis of reserve fund

	2018	2017
Reserve fund for future affordable housing:		
Balance, beginning of year	\$ 5,990,560	\$ 2,291,191
Interest earned	132,286	54,933
Contributions from current operations:		
Annual	2,000,000	2,000,000
Additional one-time from City of London	-	1,600,000
Current year surplus	22,514	32,500
Current year surplus reserved for office leasehold improvements	-	111,936
Transfers to current operations	(100,000)	(100,000)
Transfers to capital operations:		
Office leasehold improvements	(218,431)	-
Development of land for future use	(23,905)	-
Balance, end of year	\$ 7,803,024	\$ 5,990,560
	2018	2017
Comprised of:		
Contributions from the City of London, stipulated for use in future affordable housing projects	\$ 7,469,959	\$ 5,568,073
Accumulated operating surpluses held for future administration expenses	333,065	422,487
Balance, end of year	\$ 7,803,024	\$ 5,990,560

7. Share capital

	2018	2017
Authorized:		
An unlimited number of Class A common shares		
An unlimited number of Class B common shares		
An unlimited number of Class C common shares		
An unlimited number of non-cumulative, redeemable, voting Class A Special shares		
An unlimited number of non-cumulative, redeemable, voting Class B Special shares		
An unlimited number of non-cumulative, redeemable, voting Class C Special shares		
An unlimited number of non-cumulative, redeemable, voting Class D Special shares		
An unlimited number of non-cumulative, redeemable, voting Class E Special shares		
Issued:		
100 Class A common shares	\$ 100	\$ 100

HOUSING DEVELOPMENT CORPORATION, LONDON

Notes to Financial Statements (continued)

Year ended December 31, 2018

8. Budget data

Budget data presented in these financial statements are based upon the 2018 operating budget approved by the City and interim Board and then transferred to the Corporation. Adjustments to budgeted values were required to provide comparative budget values based on the full accrual basis of accounting. The chart below reconciles the approved budget with the budget figures as presented in these financial statements.

	Budget
Revenue:	
Municipal revenue – The Corporation of the City of London	\$ 690,453
Total revenue	690,453
Expenses:	
Personnel costs	167,603
Administrative expenses	89,760
Purchased services	428,150
Materials and supplies	2,360
Furniture and equipment	2,580
Total expenses	690,453
Net surplus as per Approved Budget	\$ -
Public Sector Accounting Board (PSAB) Reporting Requirements and Budget adjustments:	
Decrease in government grants and subsidies	\$ (410,000)
Increase in municipal revenue	2,537,292
Increase in personnel costs and other expenses	(127,292)
Net PSAB Budget Surplus as per Financial Statements	\$ 2,000,000

9. Commitments

- a) The City is responsible for the delivery and administration of affordable housing programs in the City of London and the County of Middlesex. The City has delegated responsibilities for the administration and development activities for capital development within the Rental Housing Component to the Corporation.

Under this delegated authority, the Corporation has entered into various Municipal Contribution Agreements related to Affordable Housing Programs. The agreements are between the Corporation, the City and the successful proponent, who is selected through a procurement process. The agreements establish the proponent's obligations with respect to the program and the Corporation's and City's obligation to provide funding to the proponent.

As at December 31, 2018, the Corporation has outstanding commitments remaining on these agreements of **\$4,292,945** (2017 - \$359,845).

HOUSING DEVELOPMENT CORPORATION, LONDON

Notes to Financial Statements (continued)

Year ended December 31, 2018

9. Commitments (continued)

- b) The Corporation is committed to the following minimum annual operating lease payments for premises as follows:

2019	\$	22,500
2020		23,125
2021		23,250
2022		23,875
2023		4,000
Total	\$	96,750

KPMG LLP
1400-140 Fullarton Street
London, Ontario N6A 5P2
Canada

April 18, 2019

Ladies and Gentlemen:

We are writing at your request to confirm our understanding that your audit was for the purpose of expressing an opinion on the financial statements (hereinafter referred to as "financial statements") of Housing Development Corporation, London ("the Entity") as at and for the period ended December 31, 2018.

General:

We confirm that the representations we make in this letter are in accordance with the definitions as set out in [Attachment I](#) to this letter.

We also confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

Responsibilities:

- 1) We have fulfilled our responsibilities, as set out in the terms of the engagement letter dated September 15, 2016, including for:
 - a) the preparation and fair presentation of the financial statements and believe that these financial statements have been prepared and present fairly in accordance with the relevant financial reporting framework.
 - b) providing you with all information of which we are aware that is relevant to the preparation of the financial statements, such as all financial records and documentation and other matters, including:
 - (i) the names of all related parties and information regarding all relationships and transactions with related parties; and
 - (ii) the complete minutes of meetings, or summaries of actions of recent meetings for which minutes have not yet been prepared, of shareholders, board of directors and committees of the board of directors that may affect the financial statements. All significant actions are included in such summaries.
 - c) providing you with unrestricted access to such relevant information.
 - d) providing you with complete responses to all enquiries made by you during the engagement.
 - e) providing you with additional information that you may request from us for the purpose of the engagement.



- f) providing you with unrestricted access to persons within the Entity from whom you determined it necessary to obtain audit evidence.
- g) such internal control as we determined is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. We also acknowledge and understand that we are responsible for the design, implementation and maintenance of internal control to prevent and detect fraud.
- h) ensuring that all transactions have been recorded in the accounting records and are reflected in the financial statements.

Internal control over financial reporting:

- 2) We have communicated to you all deficiencies in the design and implementation or maintenance of internal control over financial reporting of which we are aware.

Fraud & non-compliance with laws and regulations:

- 3) We have disclosed to you:
 - a) the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
 - b) all information in relation to fraud or suspected fraud that we are aware of that involves:
 - management;
 - employees who have significant roles in internal control over financial reporting;
or
 - otherswhere such fraud or suspected fraud could have a material effect on the financial statements.
 - c) all information in relation to allegations of fraud, or suspected fraud, affecting the financial statements, communicated by employees, former employees, analysts, regulators, or others.
 - d) all known instances of non-compliance or suspected non-compliance with laws and regulations, including all aspects of contractual agreements, whose effects should be considered when preparing financial statements.
 - e) all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

Subsequent events:

- 4) All events subsequent to the date of the financial statements and for which the relevant financial reporting framework requires adjustment or disclosure in the financial statements have been adjusted or disclosed.

Related parties:

- 5) We have disclosed to you the identity of the Entity's related parties.



- 6) We have disclosed to you all the related party relationships and transactions/balances of which we are aware.
- 7) All related party relationships and transactions/balances have been appropriately accounted for and disclosed in accordance with the relevant financial reporting framework.

Estimates:

- 8) Measurement methods and significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.

Going concern:

- 9) We have provided you with all information relevant to the use of the going concern

Misstatements:

- 10) The effects of the uncorrected misstatements described in [Attachment II](#) are immaterial, both individually and in the aggregate, to the financial statements as a whole.
- 11) We approve the corrected misstatements identified by you during the audit described in [Attachment II](#).

Non-SEC registrants or non-reporting issuers:

- 12) We confirm that the Entity is not a Canadian reporting issuer (as defined under any applicable Canadian securities act) and is not a United States Securities and Exchange Commission ("SEC") Issuer (as defined by the Sarbanes-Oxley Act of 2002). We also confirm that the financial statements of the Entity will not be included in the consolidated financial statements of a Canadian reporting issuer audited by KPMG or an SEC Issuer audited by any member of the KPMG organization



Yours very truly,



Stephen Giustizia, President and CEO, Housing Development Corporation



Sharon Swance, CPA, CGA, Manager of Accounting, Finance & Corporate Services, City of London



Ian Collins, CPA, CMA, Director, Financial Services, Finance & Corporate Services, City of London

I have the recognized authority to take, and assert that I have taken, responsibility for the financial statements

Attachment I – Definitions

Materiality

Certain representations in this letter are described as being limited to matters that are material. Misstatements, including omissions, are considered to be material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. Judgments about materiality are made in light of surrounding circumstances, and are affected by the size or nature of a misstatement, or a combination of both.

Fraud & error

Fraudulent financial reporting involves intentional misstatements including omissions of amounts or disclosures in financial statements to deceive financial statement users.

Misappropriation of assets involves the theft of an entity's assets. It is often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing or have been pledged without proper authorization.

An error is an unintentional misstatement in financial statements, including the omission of an amount or a disclosure.

Related parties

In accordance with Canadian Public Sector Accounting Standards, *related party* is defined as:

- when one party has the ability to exercise control or shared control over the other. Two or more parties are related when they are subject to common control or shared control. Related parties also include key management personnel and close family members.*

In accordance with Canadian Public Sector Accounting Standards, a *related party transaction* is defined as:

- A transfer of economic resources or obligations between related parties, or the provision of services by one party to a related party. These transfers are related party transactions whether or not there is an exchange of considerations or transactions have been given accounting recognition. The parties to the transaction are related prior to the transaction. When the relationship arises as a result of the transaction, the transaction is not one between related parties.*

Attachment II – Summary of Audit Misstatements Schedule(s)

F2018 Corrected Misstatements

	Income Statement Effect	Balance Sheet Effect		
Description	(Decrease) Increase	Assets (Decrease) Increase	Liabilities (Decrease) Increase	Net Assets (Decrease) Increase
Adjustment to leasehold improvements amortization	(14,562)	(14,562)	-	(14,562)
Total corrected misstatements	(14,562)	(14,562)	-	(14,562)

F2018 Uncorrected Misstatements

	Income Statement Effect	Balance Sheet Effect		
Description	(Decrease) Increase	Assets (Decrease) Increase	Liabilities (Decrease) Increase	Net Assets (Decrease) Increase
Adjustment for unrecorded lease inducement	(9,540)	-	9,540	(9,540)
Total uncorrected misstatements	(9,540)	-	9,540	(9,540)

F2017 Uncorrected Misstatements

	Income Statement Effect	Balance Sheet Effect		
Description	(Decrease) Increase	Assets (Decrease) Increase	Liabilities (Decrease) Increase	Net Assets (Decrease) Increase
Leasehold improvements to be included in tangible capital assets - construction in progress	-	111,936 (55,968) (55,968)	-	-
Total uncorrected misstatements	-	-	-	-



February 12, 2019

SENT BY EMAIL to csaunders@london.ca

Attention: Cathy Saunders, City Clerk City of London

City Clerks Office
City Hall, 300 Dufferin Avenue
PO Box 5035
London, ON N6A 4L9

Dear Ms. Saunders:

REGARDING: HDC Annual Meeting of the Sole Shareholder

At its meeting of January 17, 2019, the Board of Directors of the Housing Development Corporation, London (HDC) resolved to:

1. Request a meeting of the Shareholder. HDC requests to appear before the Strategic Priorities and Policy Committee (SPPC) of Municipal Council, at its June 24, 2019 scheduled meeting for our annual meeting of the Sole Shareholder. HDC requests delegation status to provide the Shareholder a presentation on the HDC annual report of 2018; and
2. Request the Sole Shareholder approve the reappointment of Dick Brouwer and Louise Stevens, Board Members, Class 1, and ratify the same through a by-law at the meeting of the Shareholder. This request is in accordance with the HDC Business Plan, HDC Shareholder Declaration, and municipal By-law A-7433-212.

The HDC Board was designed with staggered board appointments for renewable three (3) year terms. The above request for reappointment comes with the agreement of the Class 1 members, the unanimous agreement of the HDC Board, and with an understanding that the stability and continuity of the current Board supports the ongoing start-up activities of HDC.

Please advise if Civic Administration is requiring anything for the corresponding report related to the standard resolutions and receipt of the HDC audit. Please note, the HDC audit has been scheduled through the City's Finance office with KPMG and is targeted to be completed for the requested meeting date.

We look forward to our meeting with the Shareholder.

Yours truly,

A handwritten signature in black ink, appearing to read "Stephen Giustizia", is written over a circular stamp or seal.

Stephen Giustizia President & CEO, on behalf of,
Housing Development Corporation, London (HDC) Board of Directors

c. S. Datars Bere, Managing Director, HSSD and City of London Shareholder Liaison.

TO:	CHAIR AND MEMBERS STRATEGIC PRIORITIES AND POLICY COMMITTEE MEETING ON JUNE 24, 2019
FROM:	MARTIN HAYWARD CITY MANAGER
SUBJECT:	LONDON & MIDDLESEX COMMUNITY HOUSING INC. 2018 ANNUAL MEETING OF THE SHAREHOLDER ANNUAL RESOLUTIONS

RECOMMENDATION

That, the following actions be taken with respect to London & Middlesex Community Housing Inc.:

- a) the attached proposed by-law (Appendix "A") "A by-law to ratify and confirm the Special Resolution to the Shareholder of London & Middlesex Community Housing Inc." BE INTRODUCED at the Municipal Council Meeting to be held on June 25, 2019, to amend the composition of the Board from nine (9) directors to eleven (11) directors of which an additional citizen-at-large and an additional Member of Municipal Council is to be elected to the Board, resulting in a Board comprised of two (2) members of London City Council, one (1) member of Middlesex County Council and eight (8) citizens-at-large;
- b) the attached proposed by-law (Appendix "B") BE INTRODUCED at the Municipal Council meeting to be held on June 25, 2019 to:
 - i) ratify and confirm the Annual Resolutions of the Shareholder of London & Middlesex Community Housing Inc. attached as Schedule "A" to the by-law; and
 - ii) authorize the Mayor and the City Clerk to execute the Annual Resolutions of the Shareholder of London & Middlesex Community Housing Inc. attached as Schedule "A" to the by-law.

PREVIOUS REPORTS PERTINENT TO THIS MATTER
--

- May 16, 2016 – Strategic Priorities and Policy Committee – Agenda Item #4
- July 25, 2016 – Strategic Priorities and Policy Committee – Agenda Item#8
- May 15, 2017 – Strategic Priorities and Policy Committee – Agenda Item #7
- March 26, 2018 – Strategic Priorities and Policy Committee – Agenda Item #4.2
- June 25, 2018 – Strategic Priorities and Policy Committee – Agenda Item #3.3
- March 4, 2019 – Strategic Priorities and Policy Committee – Agenda Item #2.2
- April 8, 2019 – Strategic Priorities and Policy Committee – Agenda Items #4.3 and #4.4

BACKGROUND

At its meeting held April 23, 2019, Municipal Council resolved:

“That the following actions be taken with respect to the 2018 Annual General Meeting of the Shareholder for the London & Middlesex Community Housing:

- a) the 2018 Annual General Meeting of the Shareholder for the London & Middlesex Community Housing BE HELD at a meeting of the Strategic Priorities and Policy Committee on June 24, 2019, for the purpose of receiving the report from the Board of Directors of the London & Middlesex Community Housing in accordance with the Shareholder Declaration and the Business Corporations Act, R.S.O. 1990, c. B.16; and
- b) the City Clerk BE DIRECTED to provide notice of the 2018 Annual Meeting to the Board of Directors for the London & Middlesex Community Housing and to invite the Chair of the Board and the Executive Director of the London & Middlesex Community Housing to attend at the Annual Meeting and present the report of the Board in accordance with the Shareholder Declaration;

it being noted that the Strategic Priorities and Policy Committee received a communication dated March 20, 2019, from J. Browne, Chief Executive Officer, London & Middlesex Community Housing, with respect to this matter;

it being further noted that the London & Middlesex Community Housing requested delegation status at the Shareholder's Meeting to present the Corporation's Regeneration Plan. (4.3/12/SPPC) (2019-C06A)”

“That the City Clerk BE DIRECTED to bring forward the necessary by-law at a future meeting of the Strategic Priorities and Policy Committee to amend the Board Composition (section 6.2(c)) of the London and Middlesex Community Housing Board of Directors to increase the number of Directors from nine (9) to eleven (11) that would include one (1) additional member of Municipal Council and one (1) additional citizen-at-large.”

Board Composition

The attached proposed by-law (Appendix “A”) is being submitted in response to the Municipal Council direction to bring forward the necessary by-law to amend the composition of the Board to increase the number of Directors from nine (9) to eleven (11) that would include one (1) additional member of Municipal Council and one (1) additional citizen-at-large.

2018 Annual General Meeting

The London & Middlesex Community Housing Inc. is a corporation with share capital incorporated under the *Business Corporations Act*, R.S.O. 1990 c. B.16. The London & Middlesex Community Housing Inc. is managed by a Board of Directors appointed by The Corporation of the City of London as the sole shareholder.

The attached (Schedule “A”) Annual Resolutions of the Shareholder of the London & Middlesex Community Housing Inc. addresses the following matters that are required to be dealt with at an Annual Meeting as required by the Shareholder's Declaration and the *Business Corporations Act*:

- a) receipt of the 2018 audited financial statements;
- b) appoint an Auditor; and,
- c) election of the directors.

As noted above, the Municipal Council at its meeting of April 23, 2019, directed the City to Clerk to bring forward the necessary by-law to amend the Board Composition to increase the number of Directors from nine (9) to eleven (11) that would include one (1) additional member of Municipal Council and one (1) additional citizen-at-large.

With respect to the election of the Second Class Directors whose terms expired December 31, 2018, London & Middlesex Community Housing Inc. request that Anna-Marie Evans be reappointed, noting that Ms. Evans was first appointed in June 2018 to fill a vacancy resulting from a resignation and therefore has only served a portion of a term.

It is also recommended that Stephanie Marentette Di Battista be reappointed as Ms. Marentette Di Battista was first appointed December 2018 and therefore has only served a portion of a term.

The applications received for appointment to the proposed additional citizen-at-large Director's position have been included on the Agenda for the Committee's consideration.

It is noted that as a result of Municipal Council's direction, the appointment of an additional Member of Council as a Director is required.

PREPARED BY:	RECOMMENDED BY:
CATHY SAUNDERS CITY CLERK	MARTIN HAYWARD CITY MANAGER

APPENDIX “A”

Bill No.
2019

A by-law to ratify and confirm the Special Resolution to the Shareholder of London & Middlesex Community Housing Inc.

WHEREAS London & Middlesex Community Housing Inc. is incorporated under the *Business Corporations Act* R.S.O. 1990, c.B.16 (the “BCA”);

AND WHEREAS subsection 104(1)(b) of the BCA provides that a resolution in writing dealing with all matters required by the BCA to be dealt with at a meeting of shareholders, and signed by all the shareholders or their attorney authorized in writing entitled to vote at the meeting, satisfies all the requirements of the BCA relating to that meeting of shareholders;

AND WHEREAS The Corporation of the City of London is the sole shareholder of London & Middlesex Community Housing Inc.;

AND WHEREAS Subsection 9 of the *Municipal Act, 2001* provides that a municipality has the capacity, rights, powers and privileges of a natural person for the purpose of exercising its authority under this or any other Act;

AND WHEREAS Subsection 5(3) of the *Municipal Act, 2001* provides that a municipal power shall be exercised by by-law;

NOW THEREFORE the Municipal Council of The Corporation of the City of London enacts as follows:

1. The Special Resolution of the Shareholder of London & Middlesex Community Housing Inc. regarding the number and composition of the Board of Directors for the corporation attached as Schedule “1” is confirmed and ratified.
2. The Mayor and City Clerk are authorized to execute the Special Resolution of the Shareholder confirmed and ratified under section 1 of this by-law.
3. This by-law comes into force on the day it is passed.

PASSED in Open Council on the 25th day of June, 2019.

Ed Holder
Mayor

Catharine Saunders
City Clerk

First reading – June 25, 2019
Second reading – June 25, 2019
Third reading – June 25, 2019

SCHEDULE "1"

**LONDON & MIDDLESEX COMMUNITY HOUSING INC.
(the "Corporation")**

WHEREAS subsection 104(1)(b) of the *Business Corporations Act* (Ontario) (the "Act") provides that a resolution in writing dealing with all matters required by the Act to be dealt with at a meeting of shareholders, and signed by all the shareholders or their attorney authorized in writing entitled to vote at the meeting, satisfies all the requirements of the Act relating to that meeting of shareholders;

The following special resolution, signed by the sole shareholder of the Corporation entitled to vote thereon, is hereby passed pursuant to the Act:

COMPOSITION OF BOARD OF DIRECTORS

WHEREAS the articles of the Corporation provide that the Corporation shall have a maximum of nine (9) directors;

NOW THEREFORE BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. The composition of the Board of Directors of the Corporation be set at eleven (11) members comprised of eight (8) citizen-at-large members, two (2) of which is to be recommended by Council of The Corporation of the City of London, and one (1) member is to be recommended by the Council of The Corporation of the County of Middlesex; and
2. The Board shall be structured in four (4) classes allowing for staggered three (3) plus (1) year terms and consisting of:

Class 1: Two (2) citizen-at-large members;

Class 2: Three (3) citizen-at-large members;

Class 3: Three (3) citizen-at-large members; and,

Class 4: Two (2) Municipal Council members and one (1) County of Middlesex Council.

DATED this _____ day of _____, 2019.

The Corporation of the City of London

By: _____
Name: Ed Holder
Title: Mayor

By: _____
Name: Catharine Saunders
Title: City Clerk

APPENDIX “B”

Bill No.
2019

By-law No. A.-

A by-law to ratify and confirm the Annual Resolutions of the Shareholder of London & Middlesex Community Housing Inc.

WHEREAS London & Middlesex Community Housing Inc. is incorporated under the *Business Corporations Act* R.S.O. 1990, c.B.16 (the “BCA”);

AND WHEREAS subsection 104(1)(b) of the BCA provides that a resolution in writing dealing with all matters required by the BCA to be dealt with at a meeting of shareholders, and signed by all the shareholders or their attorney authorized in writing entitled to vote at the meeting, satisfies all the requirements of the BCA relating to that meeting of shareholders;

AND WHEREAS The Corporation of the City of London is the sole shareholder of London & Middlesex Community Housing Inc.;

AND WHEREAS Subsection 9 of the *Municipal Act, 2001* provides that a municipality has the capacity, rights, powers and privileges of a natural person for the purpose of exercising its authority under this or any other Act;

AND WHEREAS Subsection 5(3) of the *Municipal Act, 2001* provides that a municipal power shall be exercised by by-law;

NOW THEREFORE the Municipal Council of The Corporation of the City of London enacts as follows:

1. The Annual Resolutions of the Shareholder of London & Middlesex Community Housing Inc. for the fiscal year ended December 31, 2018, attached as Schedule “1” are ratified and confirmed.
2. The Mayor and the City Clerk are authorized to execute the Annual Resolutions of the Shareholder ratified and confirmed under section 1 of this by-law.
3. This by-law comes into force and effect on the day it is passed.

PASSED in Open Council on June 25th, 2019.

Ed Holder
Mayor

Catharine Saunders
City Clerk

SCHEDULE "1"

LONDON & MIDDLESEX COMMUNITY HOUSING INC. (the "Corporation")

WHEREAS subsection 104(1)(b) of the *Business Corporations Act* (Ontario) (the "Act") provides that a resolution in writing dealing with all matters required by the Act to be dealt with at a meeting of shareholders, and signed by all the shareholders or their attorney authorized in writing entitled to vote at the meeting, satisfies all the requirements of the Act relating to that meeting of shareholders;

The following resolutions, signed by the sole shareholder of the Corporation entitled to vote thereon, are hereby passed pursuant to the provisions of the Act:

FINANCIAL STATEMENTS

It is hereby acknowledged that the balance sheet of the Corporation as at December 31, 2018, and the other audited financial statements, together with Auditors' Report, of the Corporation for the financial year ended on such date have been received by the undersigned shareholder of the Corporation.

ELECTION OF DIRECTORS

WHEREAS pursuant to the Declaration of the Sole Shareholder, the board of directors of the Corporation shall consist of eleven directors, eight of which shall be composed of various classes of directors, each serving for a three-year term, the ninth, tenth and eleventh members of the fourth class shall serve as the representatives of the municipal council of The Corporation of the City of London and The Corporation of the County of Middlesex;

AND WHEREAS the terms of the directors that are members of the second class expire at the annual meeting of shareholders held in 2018 pursuant to paragraph 6.2 of the Declaration of the Sole Shareholder;

NOW THEREFORE BE IT RESOLVED THAT:

1. Each of the following persons, being directors that are members of the first class pursuant to paragraph 6.2 of the Declaration of the Sole Shareholder, is hereby **elected** as a director of the Corporation to hold office for a term with the expiry as set out below, provided that when a successor is not duly elected at the close of the annual meeting described below, such director shall hold office until his or her successor is elected:

<u>Class</u>	<u>Name of Director</u>	<u>Term</u>
Second	Anna-Marie Evans	the close of the annual meeting of shareholders to be held in 2022 for the financial year ending December 31, 2021
Second	Stephanie Marentette Di Battista	the close of the annual meeting of shareholders to be held in 2022 for the financial year ending December 31, 2021
Second	TDB	the close of the annual meeting of the shareholders to be held in 2022 for the financial year ending December 31, 2021

CONFIRMATION OF CONTINUING TERMS

2. Each of the following persons, being directors that are members of the second, third and fourth class, as provided for below, pursuant to paragraph 6.2 of the Declaration of the Sole Shareholder, is hereby **confirmed** as having a term continuing until the expiry as set out below, provided that when a successor is not duly elected at the close of the annual meeting described below, such director shall hold office until his or her successor is elected:

<u>Class</u>	<u>Name of Director</u>	<u>Term</u>
First	Deborah Peckham	the close of the annual meeting of shareholders to be held in 2020 for the financial year ending December 31, 2019
First	Larry Ducharme	the close of the annual meeting of shareholders to be held in 2020 for the financial year ending December 31, 2019
Third	Marci Allen-Easton	the close of the annual meeting of shareholders to be held in 2021 for the financial year ending December 31, 2020
Third	Sean Quigley	the close of the annual meeting of shareholders to be held in 2021 for the financial year ending December 31, 2020
Third	Mark Rosehart	the close of the annual meeting of shareholders to be held in 2021 for the financial year ending December 31, 2020
Fourth	Anna Hopkins	the term ending November 15, 2022
Fourth	TBD	the term ending November 15, 2022
Fourth	Adrian Cornelissen	the term ending November 15, 2022

APPOINTMENT OF AUDITORS

3. KPMG LLP are hereby appointed auditors of the Corporation to hold office until the close of the next annual meeting of the shareholders or until a successor is appointed by the shareholder at such remuneration as may be fixed by the directors and the directors are hereby authorized to fix such remuneration.

DATED this ____ day of _____, 2019.

The Corporation of the City of London

By:

Name: Ed Holder

Title: Mayor

By:

Name: Catharine Saunders

Title: City Clerk



MY PLACE TO CALL HOME

Annual Report 2018

PRESENTATION TO SPPC • JUNE 24, 2019



“A home is more than just an address. Having a home makes it possible to access employment, enroll in school, and open a bank account. A home provides shelter, security, and a place to raise our families. All Canadians deserve a dignified place to call home.”

-Canada's National Housing Strategy



OUR NEW NAME

London & Middlesex Community Housing

- Our focus as a community housing provider
- Renewed commitment to creating and supporting community in our buildings
- Created Community Development team to support this work



“I’m new here. I had a great job but things happened and I’m grateful that LMCH is here to help. Everyone has been so welcoming and kind, so it really is the people that make it great here.”

-Vincent, LMCH resident





OUR TENANTS

Collecting Insights

In 2018, we worked with tenants to achieve improvements, supports and housing stability:

- 214 saved tenancies
- 2287 complaints investigated and resolved
- 553 referrals to partner agencies
- 335 new tenancies*



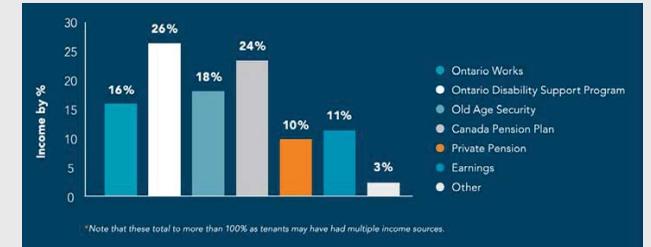
OUR TENANTS

Collecting Insights

In 2018, we provided homes for:

- 1,132 Seniors
- 1,970 Adults
- 1,606 Youth and Children
- 4,708 Total Individuals & Families**

In 2018, the sources of income for our tenants were:



LMCH WE CARE



OUR SYSTEM NAVIGATORS

Helping tenants solve problems

- Acting as partners in problem-solving
- Asking questions to find solutions
- Meeting tenants where they are



OUR COMMUNITY PARTNERS

59 partners providing 130 programs

- Creating new partnerships
- Expanding existing partnerships
- Better supports and outcomes for tenants



“Playing basketball with different kids from different areas is awesome. People on your team might be from other neighbourhoods so you get to meet new kids who have different skills and grow together with the help of our coaches”

– Joe League Participant

"Rookie League and Joe League are both beneficial partnerships for all involved. The most obvious is the benefit for all kids who participate in an organized sport and the lessons that come with this, such as teamwork, dedication and learning how to lose gracefully. The partnership also benefits the volunteer coaches -- putting officers with kids in a positive environment humanizes the relationship and connection. These relationships can last a lifetime and really impact the decisions they make in the future."

- PC Chris Golder, London Police Service



OUR COMMUNITY-LED PROGRAMS

Empowering tenants to build community & provide support

- Creating new partnerships
- Expanding existing partnerships
- Better supports and outcomes for tenants



[There's] “a room full of laughter and conversation! Nothing like a home cooked meal to bring people together” at the community meals. “Each of these activities are impacting the building in different ways. It's exciting and exhilarating and it makes your heart smile...I'm inspired and proud to be a part of. For myself, just seeing people smiling, chatting and enjoying life is the best payoff ever! Thank you so much Tim and Kristen, along with your team, for all your encouragement, support and hard work.”

-Mary, Resident Contact



OUR ASSETMANAGEMENT

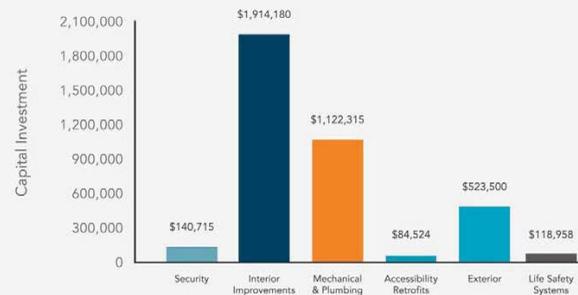
\$456 million in capital repairs are required over the next decade to return to an FCI value of 0.

OUR ASSETMANAGEMENT

Over \$60 million is required for high impact building components.

OUR INVESTMENTS

Capital Investments Overview



* The Revenues and Expenditures outlined above are shown before capital funding and amortization of tangible capital assets. Please visit: https://www.lmch.ca/uploads/pdf/2018_Annual_Report1.pdf to view LMCH's 2018 Audited Financial Statements and budget variance explanations.



OUR FINANCES



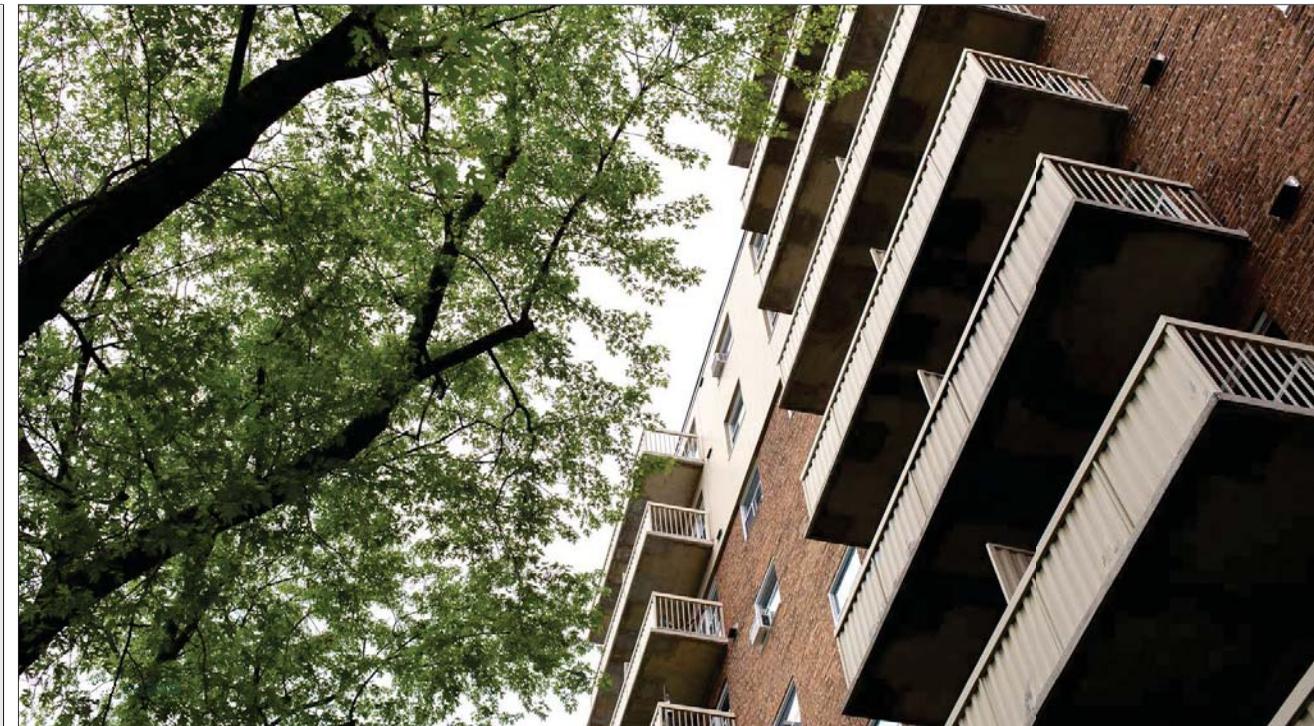
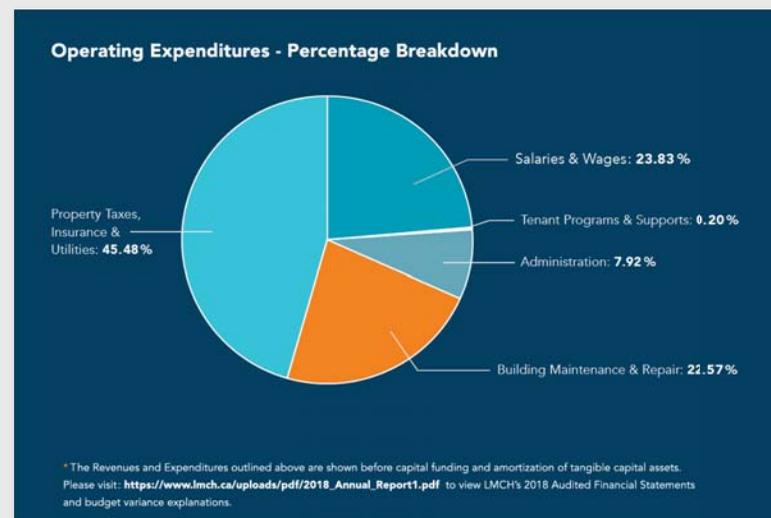
OUR FINANCES

Operating Expenditures*

	2018	2017
Salaries, Wages and Benefits	\$ 5,239,281	\$ 4,790,722
Property Taxes, Insurance and Mortgages	\$ 6,042,125	\$ 5,968,535
Building Maintenance and Repair	\$ 4,963,198	\$ 4,631,855
Utilities	\$ 3,960,041	\$ 4,031,625
Administration	\$ 1,741,783	\$ 1,765,400
Tenant Programs and Supports	\$ 43,609	\$ 43,046
Total Investment	\$ 21,990,037	\$ 21,231,183
Net Surplus (Deficit)	(\$ 35,284)	\$ 4,506



OUR FINANCES



OUR STRATEGY

Status Indicators (As of December 2018)		Total	%
✓	Complete: Action item is complete	27	39%
↑	On Target: Action item is anticipated to be completed by the target date	23	33%
⬮	Caution: Action item is delayed by one quarter	5	7%
↓	Below Plan: Action item is delayed two quarters or more	7	10%
⬮	On Hold: Action item is on hold until further notice	7	10%

* Our complete Strategic Plan can be found at: https://www.lmch.ca/uploads/pdf/Strategic_Plan.pdf



OUR NEXT STEPS

- We are making progress and are focused on improving our processes to ensure healthy, safe and stable places to call home.
- We will deliver a robust Multi-Year Budget request that supports the organizational needs for scalable interventions to address needs to support housing stability for tenants and investment in our buildings.
- We are committed to our strategic plan and our metrics proposed to the city of London in alignment with the City's strategic plan.



Housing matters
People matter *more*





REGENERATION

HOUSING OUR FUTURE

PRESENTATION TO SPPC | JUNE 24, 2019



LMCH WE CARE

We envision transformed and strengthened community housing through vibrant, connected and sustainable neighbourhoods in London and Middlesex County, creating a better tomorrow for those we serve.



REGENERATION IS DEFINED IN TWO WAYS:

Site Regeneration: Supports sensitive growth and change in our neighbourhoods so that they are sustainable and prosperous over the long term.

Social Revitalization: Engages and supports tenants. Transitions buildings into more supportive and inclusive communities and collaborates with partners to advance housing and whole-life stability.



LMCH WE CARE

If LMCH wants to return its buildings to perfect condition (FCI value of 0) within 10 years, it needs to complete \$456 million in capital projects. In order to maintain its current standard, \$22.3 million in annual capital spending is required. The current capital funding level is \$2.2 million.



THE TIME TO ACT IS NOW

- Over \$400 million needed to address capital deficit over the next 10 years
- The London Plan and the City's 2020-2024 Strategic Plan identify and prioritize the renewal of social housing stock
- Momentum from Federal and Provincial Housing Strategies

HOW TO ACTIVATE REGENERATION

- Redeveloping underutilized parcels of land or sites;
- Retrofitting or upgrading existing units and sites to make them more operationally efficient;
- Making accessibility improvements to better meet a shifting demand for housing; and,
- Making changes to existing land use and tenant mix.

OBJECTIVES

- Increase the number of homes LMCH provides
- Transform the pathways into housing to improve housing stability
- Engage stakeholders to manage the impact of regeneration
- Create healthy homes and communities that aim to eliminate stigma



WHERE DO WE
BEGIN?

LMCH has the vision & mission to support robust regeneration.

We have developed the organizational and operational components to make regeneration reality in London and Middlesex



The policies and people who will help us get there



Housing Development Corporation has been designed to assist in the building process from planning to finance and development process. They act as a consultant to the site regeneration process.



Together we can address the housing needs in our community where 45.6% of renters in London live in homes that cost more than 30% of their income.



CITY OF LONDON

Shareholder:

- Amend Shareholder Agreement
- Permit leveraging of properties for financing
- Allow LMCH to hold own reserves

Service Manager:

- Homeless Prevention & Housing Program
- Allow LMCH to hold diverse housing options
- Improve assessment and information sharing to ensure low barrier access to most appropriate housing option



SITE EVALUATION TOOL

- Land Use Planning
- Social Aspects
- Financial Feasibility
- Asset Management



NEXT STEPS

- **2019:** LMCH updates City Council on the regeneration plan, including the vision, goals and principles. Site evaluation criteria are provided for approval before identifying regeneration sites.
- **2019-2020:** Champions table to be struck. Family sites to be evaluated, presented and discussed for feasibility and opportunity. Results to be reported back for endorsement by City Council.
- **2020-2021:** Community engagement and tenant co-design process to develop full site plans, including phased implementation and costing for funding applications and approvals.



ACKNOWLEDGEMENT OF SIGNIFICANT CONTRIBUTION TOWARD THIS PLAN:

London & Middlesex Community Housing: Marisa Banuelos, Josh Browne, Sarah Campbell, Tim Smuck, Norman Turner

Housing Development Corporation: Stephen Giustizia, Brian Turcotte

City Of London - Housing Division: Douglas Calderwood-Smith, Dave Purdy



LMCH WE CARE



Housing matters .
People matter *more*.

LMCH WE CARE





LONDON &
MIDDLESEX
COMMUNITY HOUSING

MY PLACE TO CALL HOME

ANNUAL REPORT 2018



CONTENTS

04 Message from the Chair + CEO	16 Our Community-led Programs
05 Our New Name	18 Our Buildings
08 Our Tenants	20 Our Asset Management
12 Our System Navigators	22 Our Finances
14 Our Community Partners	24 Our Strategic Plan in Action
	26 Our Team

A home is more than just an address. Having a home makes it possible to access employment, enroll in school, and open a bank account. A home provides shelter, security, and a place to raise our families. All Canadians deserve a dignified place to call home."

- Canada's National Housing Strategy, A Place to Call Home



MESSAGE FROM THE CHAIR + CEO

Our tenants include some of our city's most vulnerable citizens. The homes we provide for these children, adults and seniors give them stability in their lives -- a foundation to feel safer and grow up stronger. This is a responsibility that we're mindful of every single day as we work to make our communities better for our tenants. That's why we changed our name from London & Middlesex Housing Corporation to London & Middlesex Community Housing. This change signifies our renewed focus on creating communities in our buildings where all are welcome and can access the supports they need to reach their potential.

In 2018, with our strategic plan now firmly in place, we worked on the designs and resources required to move us into being a Housing Provider that cares. We focused on our core services as a community housing provider and worked to transform our culture and practices to become more responsive and tenant-centric. This included a focus on risk management, governance, and leadership, along with the introduction of our CARE framework and the creation of our community development and tenant engagement team. We also worked to integrate LMCH into the network of supports and services that exist in the city to support our tenants, including exploring how we could best respond to the opioid crisis facing Londoners. The accumulation of this work was summarized in an internal audit report authored by PriceWaterhouseCoopers (PWC) that focused on the operational alignment of LMCH's funding model and strategic plan.

Moving forward, we are committed to working with the City of London and our service delivery partners to renew our aging housing stock, make our communities safer and continue to improve our service delivery for the families we work with every day. As such, we are implementing strategies to improve our work order system, reduce the time needed to prepare vacated units for new tenants, and better connect tenants to services and supports.

We are moving into 2019 with a strong, committed team, clear goals and a renewed focus on making our organization more tenant-centric, responsive and accountable. We want to be an organization the entire city can be proud of by owning our unique purpose as a community housing provider with a focus on tenants who face complex challenges and barriers. As we continue to make progress, our focus must be about creating safer homes for our tenants and building communities that create more safety, stability and opportunity for the people we serve.



JOSH BROWNE
Chief Executive Officer



SEAN QUIGLEY
Board Chair

OUR NEW NAME

LONDON & MIDDLESEX
COMMUNITY HOUSING

Our new name, London & Middlesex Community Housing, represents our renewed commitment to creating and supporting community in our buildings. It also demonstrates our focus as a community housing provider; we aim to provide a home for everyone who needs one. We know we currently don't have enough units to meet the need in London and Middlesex, but we are working towards regenerating our sites so that we can create more homes.

To increase our ability to facilitate community building, we created a Community Development team within our organization. These committed staff are focused on engaging our tenants and community partners to identify and develop the supports our communities need to come together. By engaging more deeply and more often with our tenants and community partners, we better understand their needs and more effectively communicate how we can work to meet them. And when we don't have a quick or easy solution, this relationship and trust helps us create a plan to find a solution that will work.



WE CARE

VISION

We envision healthy homes and communities in London and Middlesex. Leading by example, LMCH will help make a difference and positively impact lives using housing as the foundation.

MISSION

We provide and maintain homes in a safe and supportive environment to meet the needs of the people we serve in our communities.

VALUES

To Collaborate and be Committed to our mission;
To be Accountable and Accessible;
To foster Respect and be Responsive;
To promote Equity and pursue Excellence.

In other words, WE CARE



OUR TENANTS

In 2018, we collected insights to help us understand more about our tenants, their situation and their needs. This insight helps us to understand how our communities are changing, to identify supports we may need to put in place and to plan for the future as we continue to build on these insights over time.

In 2018, we provided homes for:

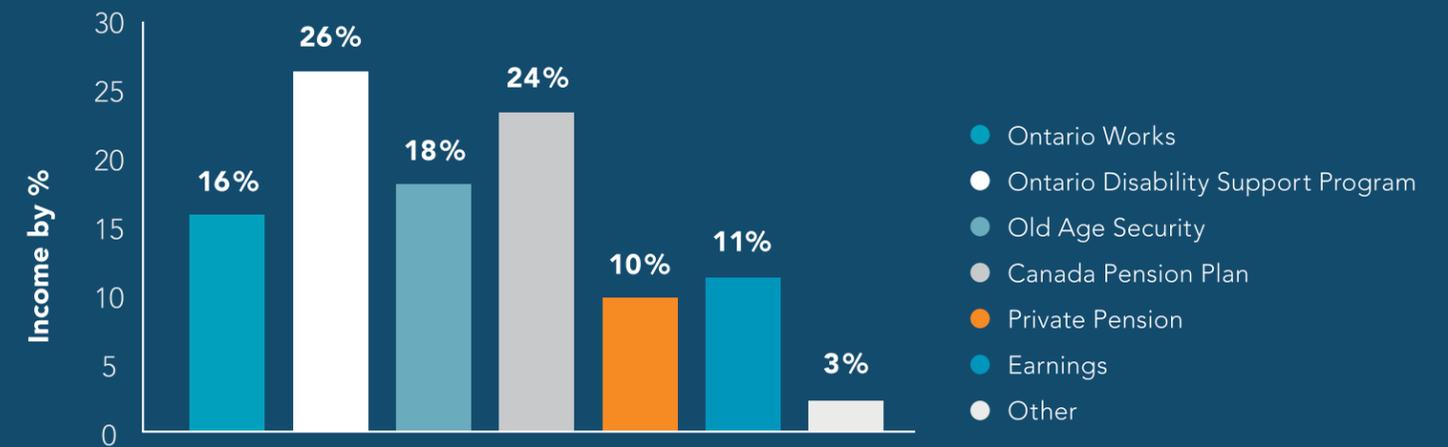
1,132 Seniors

1,970 Adults

1,606 Youth and Children

4,708 Total Individuals + Families

In 2018, Household Income Sources for tenants were*:



*Note that these total to more than 100% as tenants may have had multiple income sources.

In 2018, we worked with tenants to achieve improvements, supports and housing stability:

214 saved tenancies which means keeping individuals in their homes.

2287 complaints investigated and resolved from noise complaints to trouble with non-secure doors, issues are being resolved.

553 referrals to partner agencies connecting tenants to supports means healthier communities.

335 new tenancies individuals and families who didn't have a safe place to call home, now do.**

**This is about 66% of our 5-year-average; we believe this is largely due to the affordable housing shortage and our multiple saved tenancies.



I'm new here. I had a great job but things happened and I'm grateful that LMCH is here to help.

Everyone has been so welcoming and kind, so it really is the people that make it great here.

- Vincent, LMCH resident



OUR SYSTEM NAVIGATORS

As part of the creation of our Community Development team, we overhauled the approach to tenant service. As a result, our front-counter customer service roles are now System Navigator roles. The people in these roles have a new focus on community development and strive to help tenants solve issues first and foremost.

This means acting as partners in problem-solving to keep our tenants safely and supportively housed. We know that by asking questions related to challenges like paying rent or by pro-actively following up with non-responsive tenants, we can make a big difference in supporting individuals and saving tenancies.

We are focused on working with our tenants as the individuals that they are; they depend on us to meet their needs during the most difficult times in their lives and it is not a responsibility that we take lightly.

Our history as an unresponsive and compliance-driven organization needs to be rebuilt with our new, caring approach that focuses on trust, service, and humanity.

But this new commitment is not without challenges; we know that there are historical and systemic structures that must be broken down before we can make meaningful and lasting change.

Our tenants are why we show up every day ready to work. Our tenants are why we passionately advocate for change. And they're why we're hopeful about the future we're building, together.





OUR COMMUNITY PARTNERS

London Middlesex Community Housing has been fortunate to have many community partners participate on our sites over the years providing a variety of programs and services to individuals and families and individuals.

In 2018, we spent purposeful time getting to know our partners and which programs and supports tenants engaged most actively with. This led to the expansion of some long-standing partnerships and the creation of new ones in response to tenant needs. We now have 59 community partners working across our sites on 130 programs.

One example is our partnership with the East Village Animal Hospital, which has a special focus on working with pets cared for by low-income individuals. Because of this partnership, 199 pets belonging to our tenants were seen by a veterinarian and 145 homes were visited by their team.

This is important because research shows that pets provide important supports, leading to improved mental health and resiliency for pet owners. Our tenants may not have access to this kind of important care for their furry family members without this partnership.

Another example is our Rookie League and Joe League programs, where volunteers from the City of London Police Service play baseball and basketball with youth tenants. This allows potentially vulnerable youth to build positive relationships with authority figures, to make friends from other neighbourhoods and learn new skills while building confidence in their abilities.

“Playing basketball with different kids from different areas is awesome. People on your team might be from other neighbourhoods so you get to meet new kids who have different skills and grow together with the help of our coaches.”

- Joe League Participant

“Rookie League and Joe League are both beneficial partnerships for all involved. The most obvious is the benefit for all kids who participate in an organized sport and the lessons that come with this, such as teamwork, dedication and learning how to lose gracefully. The partnership also benefits the volunteer coaches -- putting officers with kids in a positive environment humanizes the relationship and connection. These relationships can last a lifetime and really impact the decisions they make in the future.”

- PC Chris Golder, London Police Service

“Every child is precious and every family offers something to the community. We serve the basic needs, the community culture and nurture the spirit to ensure that the village is there to support when needed.”

- Rev. Pam Cullen, London Community Chaplaincy

OUR COMMUNITY-LED PROGRAMS

Our Community Development team has been working with tenants to develop Tenant Advisory Committees that empower tenants to build community, provide support for their neighbours and bring concerns forward. These committees have started to run their own programs and we seek to support them, whether it's with space, grant applications or connections to community partners. There were many successes for these committees in 2018, including the development of 42 programs, and there's more to come as we build in 2019 and beyond, including building on some of the programs detailed below.

Community Meal Program

Mary is a Resident Contact and an active member of the Tenant Advisory Committee in her building, where tenants have developed a knitting circle, a community meal program attended by more than 70 people and a food cupboard to support fellow tenants.

She says there's "a room full of laughter and conversation! Nothing like a home cooked meal to bring people together" at the community dinners. "Each of these activities are impacting the building in different ways. It's exciting and exhilarating and it makes your heart smile...I'm inspired and proud to be a part of them. For myself, just seeing people smiling, chatting and enjoying life is the best payoff ever! Thank you so much Tim and Kristen, along with your team, for all your encouragement, support and hard work."

Tenant-led Recycling Programs: Southdale and Simcoe St.

Steve was a quiet participant in the tenant advisory group, but over the course of the year, he has grown his leadership abilities with the committee.

"The committee has given me projects to do and given me purpose by getting me involved in my community. With the recycling program I started at the building, we've been able to reduce our impact on the planet.

The committee has given the voiceless a voice. The police are also more active and supportive of our community and the work the committee is doing."

Tenants taking the lead: Steph's story

Steph is a leader among her peers on the Simcoe St. Tenant Advisory Committee. An early participant in community engagement activities, Steph now takes notes for meetings, runs the group's Facebook page, and organizes games nights in the community room. Steph is an advocate as she wants to ensure her home is safe and welcoming and that she and her neighbours have the support and services they need.

"The committee has allowed me to meet more tenants and it has brought the building together like never before. We are building healthy relationships with housing and the community as a whole, and we're working together to be part of the solution."



OUR BUILDINGS

We're committed to providing safe, clean, supportive housing as a driver for dignity and belonging for our tenants. This means completing work orders in a timely manner, increasing our capital investments and restoring units back to active use.

"Fundamentally, the building itself is a roof over my head. We all have a story as to how we got here, but regardless of that, a home is a basic human right and should be treated that way by all."

- Marshall, LMCH Resident

As our infrastructure ages and our tenants' needs grow, the number and complexity of our work orders is increasing significantly year over year.

Growth in Work Orders by year*

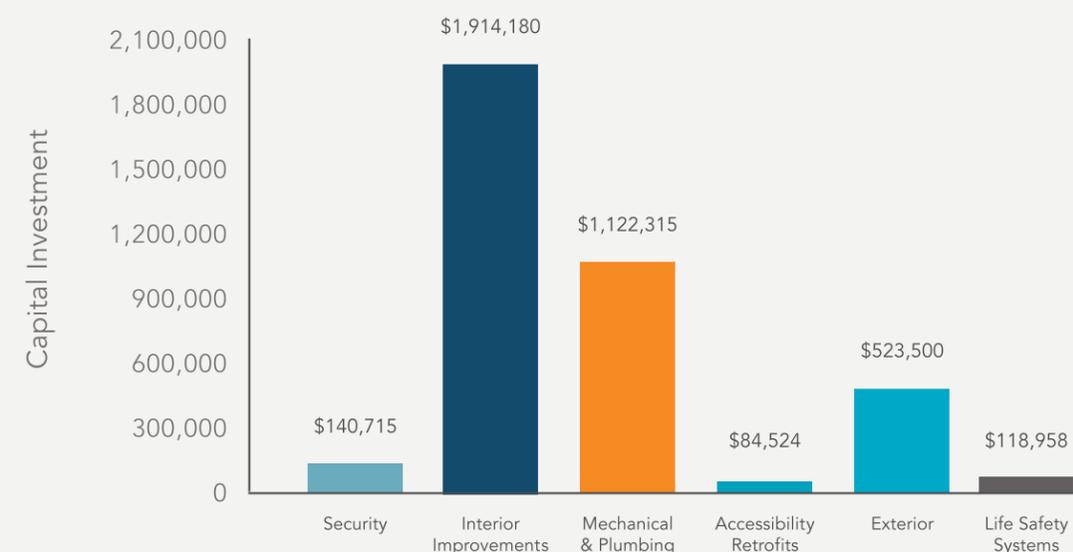
2016: 14,000
2017: 16,000
2018: 18,000

Units Restored in 2018: 341

*Numbers are rounded.



Capital Investments Overview



*The Revenues and Expenditures outlined above are shown before capital funding and amortization of tangible capital assets. Please visit: https://www.lmch.ca/uploads/pdf/2018_Annual_Report1.pdf to view LMCH's 2018 Audited Financial Statements and budget variance explanations.

OUR ASSET MANAGEMENT

We take each home, each building and each community with the utmost seriousness. This collection of spaces makes up the LMCH asset base and we took a deep, critical look at all its future needs. The result of this is an asset management plan that will be ready in 2019. This plan builds on the 2015 VFA Facility Condition Assessment report and provides guidance for the pursuit of additional capital funding to ensure our tenant's homes are livable and sustainable in the future.

The early findings of our Asset Management plan identifies challenges that our housing stock, at an average age of 50 years, is facing now and for the coming years. In short it means that over the next 10 years, there are over \$456 million in identified capital requirements. Over \$60 million are for high impact building components, which are in imminent risk of failure, require extensive coordination to correct, and severely impact the buildings' operation and our tenants' daily lives.

\$456 million in capital repairs are required over the next decade to return to an FCI value of 0.

* Facility Condition Index (FCI) measures the condition of an asset (site, all built improvements) relative to its replacement value. The resulting value is between 0 and 1, with zero indicating that the asset is in perfect condition with no components requiring capital investment and 1 indicating that the asset requires capital investment equal to its replacement value.

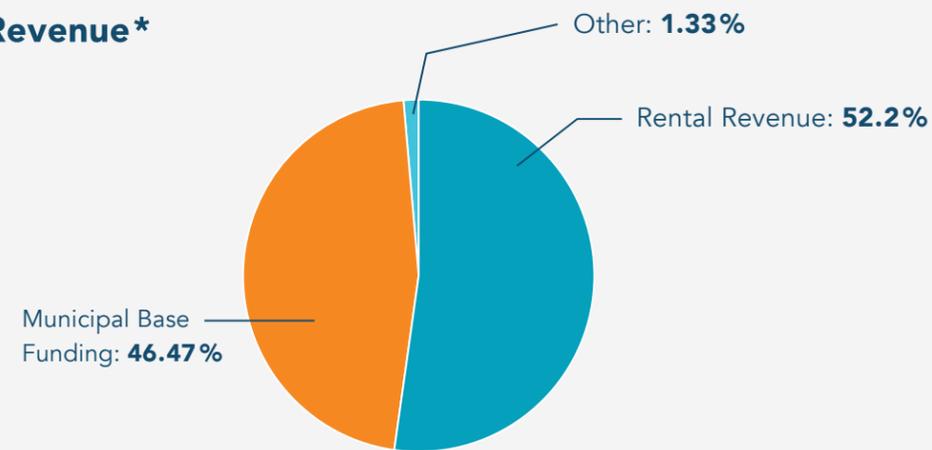
The average FCI value for the buildings and homes across our portfolio is 0.30 as of December 2018. By April 2019, the anticipated FCI is 0.35. At the current (and historical) capital funding level of \$2.2 million, the FCI is projected to reach 0.61 by 2023.



OUR FINANCES

LMCH has developed greater financial sophistication in 2018, increasing reporting confidence across the organization and with the City of London. As we experienced both significant internal change initiatives and unanticipated costs, we demonstrated financial prudence and were able to deliver our tenant services with only a small operational overrun. In 2018, we completed a Zero-Based Budgeting exercise for the 2019 operating year in anticipation of the multi-year budget submission ahead. Our finance team is dedicated to finding financial efficiencies where possible to allocate every possible dollar to service and CARE for our tenants and buildings.

Operating Revenue*

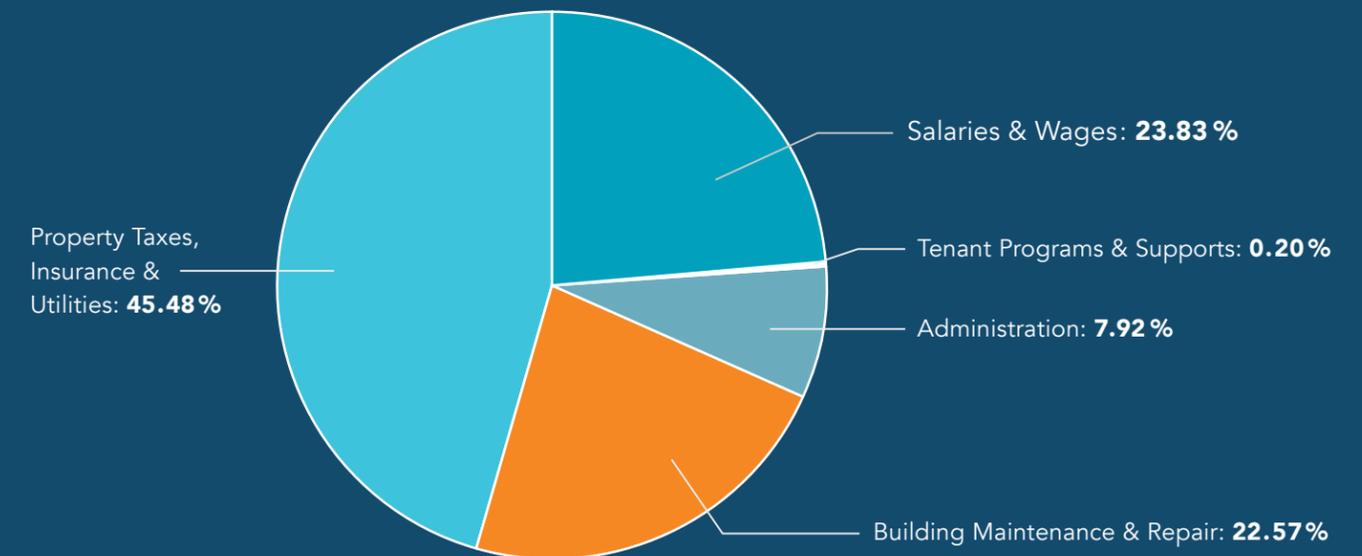


	2018	2017
Rental Revenue	\$ 11,460,132	\$ 11,122,354
Municipal Based Funding	\$ 10,202,215	\$ 9,758,730
Other	\$ 292,406	\$ 354,605
Total	\$21,954,753	\$21,235,689

Operating Expenditures*

	2018	2017
Salaries, Wages and Benefits	\$ 5,239,281	\$ 4,790,722
Property Taxes, Insurance and Mortgages	\$ 6,042,125	\$ 5,968,535
Building Maintenance and Repair	\$ 4,963,198	\$ 4,631,855
Utilities	\$ 3,960,041	\$ 4,031,625
Administration	\$ 1,741,783	\$ 1,765,400
Tenant Programs and Supports	\$ 43,609	\$ 43,046
Total Investment	\$ 21,990,037	\$ 21,231,183
Net Surplus (Deficit)	(\$ 35,284)	\$ 4,506

Operating Expenditures - Percentage Breakdown



* The Revenues and Expenditures outlined above are shown before capital funding and amortization of tangible capital assets. Please visit: https://www.lmch.ca/uploads/pdf/2018_Annual_Report1.pdf to view LMCH's 2018 Audited Financial Statements and budget variance explanations.

OUR STRATEGY

We are committed to our strategic plan* and delivering on its objectives. The following is an update on our status in achieving those objectives:

Status Indicators (As of December 2018)	Total	%
 Complete: Action item is complete	27	39%
 On Target: Action item is anticipated to be completed by the target date	23	33%
 Caution: Action item is delayed by one quarter	5	7%
 Below Plan: Action item is delayed two quarters or more	7	10%
 On Hold: Action item is on hold until further notice	7	10%

* Our complete Strategic Plan can be found at: https://www.lmch.ca/uploads/pdf/Strategic_Plan.pdf

Status Indicator Summary



Total

A: Improve, renew and maintain the homes that we offer	7	4	-	1	-	12
B: Invest in people to build long-term organizational health	1	3	1	2	2	9
C: Stake out our critical role in supporting housing stability and preventing homelessness	5	6	2	1	1	15
D: Engage, assist and empower tenants	6	2	1	1	-	10
E: Organizational effectiveness	7	1	-	2	4	14
F: Long-term financial growth and stability	1	3	1	-	-	5
G: Maximize information and technology	-	4	-	-	-	4
Totals	27	23	5	7	7	69

As we gained momentum on our strategic plan, we also undertook significant work to deliver planning documents for our core business that will be finalized in 2019. They will provide definition, detail and clarity to every area of our work, including asset management, finance, regeneration, resource management and community development and tenant engagement.

OUR TEAM

Board Members

Sean Quigley | Board Chair

Marci Allen-Easton | Vice Chair

Cllr. Adrian Cornelissen | Director

Larry Ducharme | Director

Deb Peckham | Director

John Morgan | Director

Cllr. Arielle Kayabaga | Director

Stephanie Marentette Di Battista | Director

Anna-Marie Evans | Director

Staff Members

Our staff members are CARE ambassadors who work each day to better our organization. This dedicated team is our greatest asset in ensuring a strong future for community housing in London and Middlesex.

Candace Aboussafy

Megan Baker

Marisa Banuelos

Glynnis Bowman

Tim Brown

Josh Browne

Sarah Campbell

Jorge Chacon

Stacey Clarke

Adam Corrin

Corinne Cowan

Kevin Crowder

Jody Cuyllé

Amanda David

Brad Deneau

Steven Farrow

Jason Flanagan

Lynn Gibson

Urque Gordon

Olesya Gryn

Idal Guardarrama

Nici Hamilton

Nicole Hutt

Cheri Johnson

Ashley Kennedy

Brenda Kernohan

Susan King

Jon Lawson

Bill Leslie

Andrea Mackenzie

Megan Malouin

Josh Malouin

Joan Matthew

Gerald McCormick

Valerie McCourt

Tanneisha McDonald

Denise McRae

Jen Meaney

Katie Millar-Harrison

Chris Moore

Tanya Murray

Tammy Nagle

Manny Nogueira

Tina O'Connor

Laura Palmer

Terry Parker

Keri Patterson

Steve Peckham

Shelagh Provily

Sean Quin

Deven Richardson

Rob Rossi

Mariana Salazar-Vargas

Angela Serra

Mark Sleziuk

Susan Smith - Jongepier

Tim Smuck

Henry Sobanski

Nancy Strickert

Doug Tucker

Kristen Turner

Tom Turner

Norm Turner

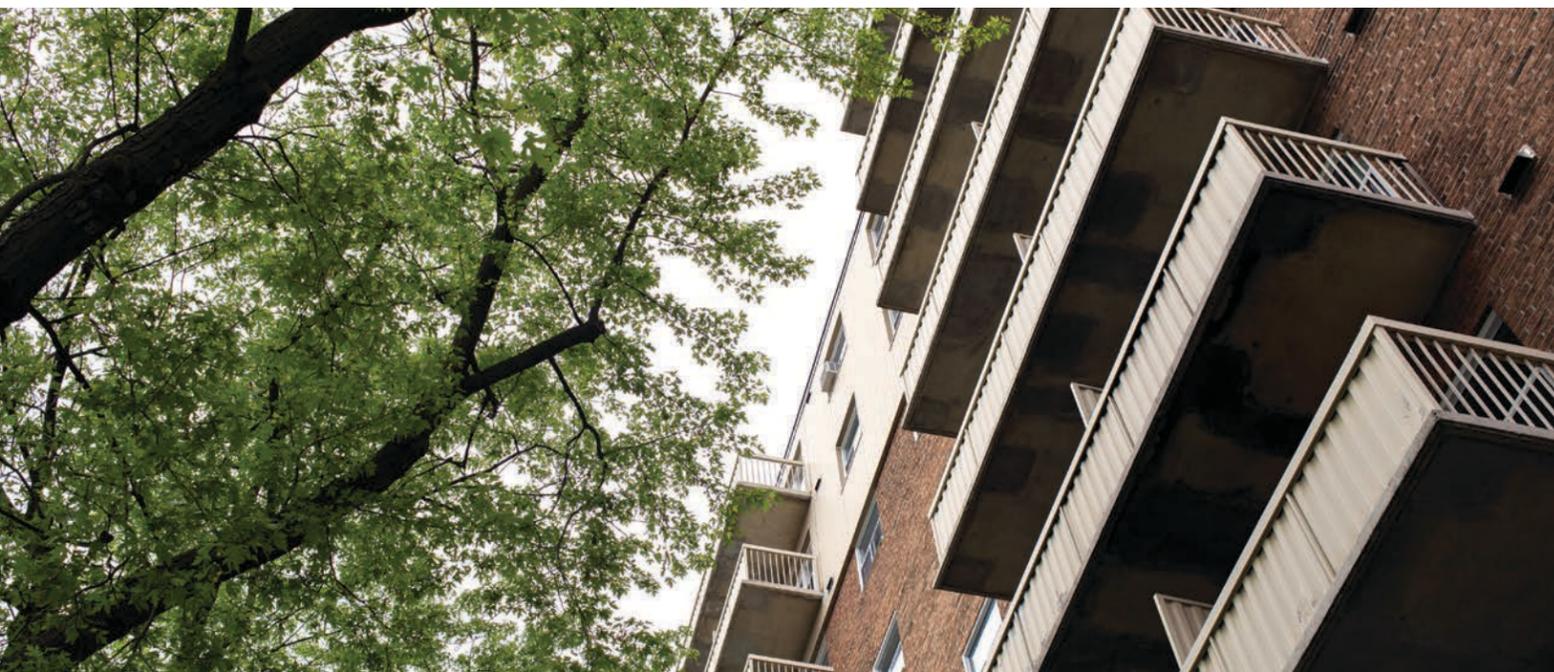
Nick Van Der Velde

Azra Velagic

Kim Wigfield

Eric Winkworth

Michael Wismer





London & Middlesex Community Housing

1299 Oxford St E Unit 5c5,
London, ON N5Y 4W5

(519) 434-2765 | LMCH.ca

Financial Statements of

**LONDON & MIDDLESEX
COMMUNITY HOUSING INC.**

Year ended December 31, 2018



KPMG LLP
140 Fullarton Street Suite 1400
London ON N6A 5P2
Canada
Tel 519 672-4800
Fax 519 672-5684

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of London & Middlesex Community Housing Inc.

Opinion

We have audited the financial statements of London & Middlesex Community Housing Inc. (the "Entity"), which comprise:

- the statement of financial position as at December 31, 2018
- the statement of operations for the year then ended
- the statement of change in net debt for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies (Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2018, and its results of operations, its changes in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

London, Canada

May 30, 2019

LONDON & MIDDLESEX COMMUNITY HOUSING INC.

Statement of Financial Position

As at December 31, 2018, with comparative information for 2017

	2018	2017
Financial Assets:		
Cash	\$ 1,520,921	\$ 1,501,897
Accounts receivable (note 3)	914,739	1,280,317
Due from The Corporation of the City of London	740,062	1,279,156
	<u>3,175,722</u>	<u>4,061,370</u>
Financial Liabilities:		
Accounts payable and accrued liabilities	2,962,605	3,851,506
Tenant advances	649,246	623,337
Unearned miscellaneous revenue	67,672	57,975
	<u>3,679,523</u>	<u>4,532,818</u>
Net debt	(503,801)	(471,448)
Non-Financial Assets:		
Tangible capital assets (note 7)	54,281,872	51,957,297
Prepaid expenses	503,801	471,448
	<u>54,785,673</u>	<u>52,428,745</u>
Commitments (note 5)		
Accumulated surplus (note 9)	\$ 54,281,872	\$ 51,957,297

See accompanying notes to financial statements

On behalf of the Board:

Director

LONDON & MIDDLESEX COMMUNITY HOUSING INC.

Statement of Operations

Year ended December 31, 2018, with comparative information for 2017

	Budget	2018	2017
Revenue:			
Rental revenue	\$ 11,411,078	\$ 11,460,132	\$ 11,122,354
Rental subsidy	10,202,215	10,202,215	9,758,730
The Corporation of the City of London:			
Funding adjustment		35,284	(4,506)
Capital funding	-	3,904,191	2,610,289
Energy savings project rebates	-	-	74,100
Other	259,474	292,406	354,605
	21,872,767	25,894,228	23,915,572
Expenses:			
Salaries, wages and employee benefits	5,108,262	5,239,281	4,790,722
Maintenance, materials and services:			
Building, general	3,529,214	3,554,708	3,506,268
Grounds	888,195	1,048,150	846,330
Painting	321,017	288,203	320,347
Other	267,957	145,870	152,119
	5,006,383	5,036,931	4,825,064
Utilities:			
Electricity	1,901,232	1,927,787	1,984,966
Water	1,129,273	1,147,591	1,116,774
Natural gas	926,139	884,663	929,885
	3,956,644	3,960,041	4,031,625
Amortization	-	1,680,278	1,529,531
Property :			
Insurance	614,652	598,618	630,535
Municipal taxes	5,457,422	5,396,636	5,289,982
Mortgage payments	46,871	46,871	46,871
	6,118,945	6,042,125	5,967,388
Administration	1,682,533	1,610,997	1,685,153
Total expenses	21,872,767	23,569,653	22,829,483
Annual surplus	-	2,324,575	1,086,089
Accumulated surplus, beginning of year	51,957,297	51,957,297	50,871,208
Accumulated surplus, end of year	\$ 51,957,297	\$ 54,281,872	\$ 51,957,297

See accompanying notes to financial statements

LONDON & MIDDLESEX COMMUNITY HOUSING INC.

Statement of Change in Net Debt

Year ended December 31, 2018, with comparative information for 2017

	Budget	2018	2017
Annual surplus	\$ -	\$ 2,324,575	\$ 1,086,089
Acquisition of tangible capital assets	-	(4,047,920)	(2,615,620)
Disposal of tangible capital assets net of accumulated amortization	-	43,067	
Amortization of tangible capital assets	-	1,680,278	1,529,531
		(2,324,575)	(1,086,089)
Acquisition of prepaid expenses	-	(6,832,743)	(6,600,274)
Use of prepaid expenses	-	6,800,389	6,581,068
Change in net debt	-	(32,353)	(19,206)
Net debt, beginning of year	(471,448)	(471,448)	(452,242)
Net debt, end of year	\$ (471,448)	\$ (503,801)	\$ (471,448)

See accompanying notes to financial statements

LONDON & MIDDLESEX COMMUNITY HOUSING INC.

Statement of Cash Flows

Year ended December 31, 2018, with comparative information for 2017

	2018	2017
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 2,324,575	\$ 1,086,089
Items not involving cash:		
Amortization	1,680,278	1,529,531
Loss on disposal of tangible capital assets	43,067	
Changes in non-cash items:		
Accounts receivable	365,578	(453,635)
Prepaid expenses	(32,353)	(19,206)
Due from The Corporation of the City of London	539,094	(429,727)
Accounts payable and accrued liabilities	(888,901)	1,184,200
Tenant advances	25,909	114,410
Unearned miscellaneous revenue	9,697	(4,943)
	4,066,944	3,006,719
Capital activities:		
Acquisition of tangible capital assets	(4,047,920)	(2,615,620)
Net increase in cash	19,024	391,099
Cash, beginning of year	1,501,897	1,110,798
Cash, end of year	\$ 1,520,921	\$ 1,501,897

See accompanying notes to financial statements

LONDON & MIDDLESEX COMMUNITY HOUSING INC.

Notes to the Financial Statements

Year ended December 31, 2018

1. Incorporation:

London & Middlesex Community Housing Inc. (formerly London & Middlesex Housing Corporation) (the "Corporation") operates housing accommodation primarily for persons of low and moderate income. The Corporation operates 3,282 units throughout The City of London and the County of Middlesex and is 100% owned by The City of London.

2. Significant accounting policies:

The financial statements of the Corporation are prepared by management in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada. Significant accounting policies adopted by the Corporation are as follows:

(a) Tangible Capital Assets:

i) Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets, excluding land, are amortized on a straight line basis over their estimated useful lives as follows:

Asset	Useful Life-Years
Site improvements	25 - 30
Buildings and improvements	25 - 40
Technology and communications	3
Vehicles	10
Furniture and fixtures	10
Machinery and equipment	25
Appliances	10

One half-year's amortization is charged in the year of acquisition.

ii) Contributions of Capital Assets:

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt.

(b) Revenue recognition:

Rental revenue is recognized at the time the service is provided. Other revenues are recognized when the services are

Government transfer payments are recognized in the financial statements in the year in which the payment is authorized and the events giving rise to the transfer occur, performance criteria are met, and a reasonable estimate of the amount can be made. Funding that is stipulated to be used for specific purposes is only recognized as revenue in the fiscal year that the related expenses are incurred or services performed. If funding is received for which the related expenses have not yet been incurred or services performed, these amounts are recorded as a liability at year end.

(c) Use of estimates:

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Significant items subject to such estimates and assumptions include the carrying value of tangible capital assets and the valuation allowances for receivables. Actual results could differ from those estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the year in which they become known.

LONDON & MIDDLESEX COMMUNITY HOUSING INC.

Notes to the Financial Statements (continued)

Year ended December 31, 2018

2. Significant accounting policies (continued):

(d) Budget data:

Budget Figures have been provided for comparison purposes. Given differences between the budgeting model and generally accepted accounting principles established by PSAB, certain budgeted amounts have been reclassified to reflect the presentation adopted under PSAB.

(e) Pension contributions:

The Corporation has a pension agreement with the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer defined contribution benefit plan. The Corporation's costs are the contributions due to the plan in the

(f) Contaminated sites:

Under PS 3260, contaminated sites are defined as the result of contamination being introduced in air, soil, water or sediment of a chemical, organic or radioactive material or live organisms that exceeds the environmental standard. This standard relates to sites that are not in productive use and sites in productive use where an unexpected event resulted

(g) Adoption of new accounting policies:

(i) Related party disclosures:

The Corporation adopted Public Sector Accounting Board Standard PS 2200 Related Party Transactions effective for fiscal periods beginning on or after April 1, 2017. The standard defines related party and provides disclosure requirements. Disclosure is only required when the transactions or events between related parties occur at a value different from what would have been recorded if they were not related and the transactions could have a material financial impact on the financial statements. The standard also requires disclosure of related party transactions that have occurred where no amounts have been recognized. The Corporation adopted this standard on a prospective basis and there were no adjustments as a result of the adoption of this standard.

(ii) Inter-entity transactions:

The Corporation adopted Public Sector Accounting Board Standards PS 3420 Inter-entity Transactions effective for fiscal periods beginning on or after April 1, 2017. The standard specifies how to account for transactions between public sector entities within the government reporting entity.

Transactions undertaken on similar terms and conditions to those adopted if the entities were dealing at arm's length are recorded at the exchange amount. Transfers of an asset or liability are nominal or no consideration is recorded by the provider at the carrying amount and the recipient has the choice of using either the carrying amount or fair value. Cost allocations are reported using the exchange amount and revenues and expenses are reported on a gross basis. Unallocated costs for the provision of goods or services may be recorded by the recipient at the carrying amount or fair value unless otherwise dictated by policy, accountability structure or budget practice.

All other transactions are measured at the carrying amount.

LONDON & MIDDLESEX COMMUNITY HOUSING INC.

Notes to the Financial Statements (continued)

Year ended December 31, 2018

3. Accounts receivable:

Accounts receivable recorded on the statement of financial position are composed of the following:

	2018	2017
Rent	\$ 784,566	\$ 1,347,589
Allowance for doubtful accounts	(417,084)	(945,401)
Harmonized Sales Tax	261,841	477,735
Sundry	285,416	400,394
	\$ 914,739	\$ 1,280,317

4. Income Producing properties:

The income producing properties held by London & Middlesex Housing Authority and passed through to the Corporation were originally financed by the Province of Ontario through general obligation provincial debentures. At the time of the transfer of ownership the Province did not transfer the responsibility for repayment of these debentures. Accordingly, the value of the provincial debentures associated with them have not been recorded on the Corporation's financial statements.

5. Commitments:

(a) Debt service payment:

The Corporation is responsible for the debt service payments on one of its properties located on Bella Street in Strathroy, Ontario. These payments of both principal and interest are made directly to the mortgagee and are expensed when incurred. A total of \$46,871 was expensed and paid in 2018 (2017 - \$46,871). The Ontario government is considered to be the holder of this debt, thus no provision has been made in the Corporation's financial statements for the mortgage.

(b) Contractual Obligations:

The Corporation is committed to the following minimum annual operating lease payments for premises and equipment

2019	\$	332,952
2020		334,223
2021		137,090

6. Pension Agreement:

The Corporation makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), a multi-employer plan, on behalf of its employees. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. 2018 contribution rates are 9.0% for employee earnings below the year's maximum pensionable earnings and 14.6% thereafter. Employee contributions match these rates.

Contributions to OMERS by the Corporation are recognized as an expense in the period they are incurred. A total of \$343,064 was incurred as pension expense in 2018 (2017 - \$312,640).

LONDON & MIDDLESEX COMMUNITY HOUSING INC.

Notes to the Financial Statements (continued)

Year ended December 31, 2018

7. Tangible capital assets:

Cost	Balance at December 31, 2017	2018 Additions	2018 Disposals	Balance at December 31, 2018
Land	\$ 24,605,751	\$ -	\$ -	\$ 24,605,751
Site improvements	3,496,415	41,626	104,677	3,433,364
Buildings and improvements	84,424,782	3,568,872	-	87,993,654
Technology and communications	628,470	223,918	22,688	829,700
Vehicles	48,297	-	-	48,297
Furniture and fixtures	233,981	2,543	6,507	230,017
Machinery and equipment	3,397,879	87,667	-	3,485,546
Appliances	1,873,289	123,294	-	1,996,583
TOTAL	\$ 118,708,864	\$ 4,047,920	\$ 133,872	\$ 122,622,912

Accumulated Amortization	Balance at December 31, 2017	2018 Disposals	2018 Amortization	Balance at December 31, 2018
Land	\$ -	\$ -	\$ -	\$ -
Site improvements	1,731,188	61,610	76,104	1,745,682
Buildings and improvements	61,333,939	-	1,331,988	62,665,927
Technology and communications	548,853	22,688	85,519	611,684
Vehicles	26,565	-	4,830	31,395
Furniture and fixtures	80,748	6,507	24,324	98,565
Machinery and equipment	1,464,613	-	106,637	1,571,250
Appliances	1,565,661	-	50,876	1,616,537
TOTAL	\$ 66,751,567	\$ 90,805	\$ 1,680,278	\$ 68,341,040

	Net Book Value At December 31, 2017	Net Book Value At December 31, 2018
Land	\$ 24,605,751	\$ 24,605,751
Site improvements	1,765,227	1,687,682
Buildings and improvements	23,090,843	25,327,727
Technology and communications	79,617	218,016
Vehicles	21,732	16,902
Furniture and fixtures	153,233	131,452
Machinery and equipment	1,933,266	1,914,296
Appliances	307,628	380,046
TOTAL	\$ 51,957,297	\$ 54,281,872

LONDON & MIDDLESEX COMMUNITY HOUSING INC.

Notes to the Financial Statements (continued)

Year ended December 31, 2018

8. Capital allotment:

An approved capital allotment is managed by the City of London to finance future capital expenditures. The allotment has not been recognized in these financial statements and will be accounted for as the funds are received and expensed.

	2018
Opening balance	\$ 1,735,040
Contributions during the year	2,708,000
Capital expenditures	(1,463,458)
	<hr/> \$ 2,979,582 <hr/>

9. Accumulated Surplus:

Accumulated surplus consists of surplus funds as follows:

	2018	2017
Surplus:		
Invested in tangible capital assets	\$ 54,281,872	\$ 51,957,297

London & Middlesex Community Housing Inc.

Audit Findings Report for the year ended December 31, 2018

KPMG LLP

May 15, 2019

kpmg.ca/audit



Table of contents

EXECUTIVE SUMMARY	1
AUDIT RISKS AND RESULTS	4
FINANCIAL STATEMENT PRESENTATION AND DISCLOSURE	7
ADJUSTMENTS AND DIFFERENCES	8
APPENDICES	9



The contacts at KPMG in connection with this report are:

Katie denBok

Lead Audit Engagement Partner
Tel: 519-660-2115
kdenbok@kpmg.ca

Deanna Baldwin

Audit Manager
Tel: 519-660-2156
deannabaldwin@kpmg.ca

Executive summary



Purpose of this report*

The purpose of this Audit Findings Report is to assist you, as a member of the Finance Committee, in your review of the results of our audit of the financial statements as at and for the year ended December 31, 2018.

This Audit Findings Report builds on the Audit Plan we presented to the Finance Committee on February 13, 2019.



Changes from the Audit Plan

There have been no significant changes regarding our audit from the Audit Planning Report previously presented to you.



Finalizing the audit

As of the date of this report, we have completed the audit of the financial statements, with the exception of certain remaining procedures, which include:

- obtaining a response to our confirmation request from The Corporation of the City of London;
- obtaining a signed copy of the management representation letter;
- completing our discussions with the Finance Committee;
- obtaining evidence of the Board's approval of the financial statements.

We will update the Finance Committee, and not solely the Chair (as required by professional standards), on significant matters, if any, arising from the completion of the audit, including the completion of the above procedures. Our auditors' report will be dated upon the completion of any remaining procedures.

*This Audit Findings Report should not be used for any other purpose or by anyone other than the Finance Committee. KPMG shall have no responsibility or liability for loss or damages or claims, if any, to or by any third party as this Audit Findings Report has not been prepared for, and is not intended for, and should not be used by, any third party or for any other purpose.



Executive summary (continued)



Audit risks and results

We identified at the start of the audit a significant financial reporting risk relating to the presumed fraud risk over management override of controls. This risk has been addressed in our audit. We have no significant matters to report to the Finance Committee in respect of this risk.

We also discussed with you some other areas of focus. We have no significant matters to report to the Finance Committee in respect of them.

See pages 5-8



Critical accounting estimates

Overall, we are satisfied with the reasonability of critical accounting estimates.

- Management identifies all accounting estimates and establishes processes for making accounting estimates.
- There are no indicators of management bias as a result of our audit over estimates.
- Disclosure of estimation uncertainty in the financial statements is included in Note 2(c) *Use of estimates*. This note provides information on areas in the financial statements that include estimates.
- Management evaluates these estimates on a regular basis to ensure they are appropriate.



Significant accounting policies and practices

In F2018 London & Middlesex Community Housing Inc. adopted PS2200 – related party transactions and PS3240 – Inter-entity transactions. Adoption of these accounting standards has been disclosed in the notes to the financial statements.

Executive summary

(continued)



Adjustments and differences

We did not identify differences that remain uncorrected.

We did not identify any adjustments that were communicated to management and subsequently corrected in the financial statements.



Control and other observations

We did not identify any control deficiencies that we determined to be significant deficiencies in ICFR.



Audit risks and results

Inherent risk of material misstatement is the susceptibility of a balance or assertion to misstatement which could be material, individually or when aggregated with other misstatements, assuming there are no related controls. We highlight our significant findings in respect of significant financial reporting risks as identified in our discussion with you in the Audit Plan.

Professional requirements

Why is it significant?

Fraud risk from management override of controls

This is a presumed fraud risk. We have not identified any specific additional risks of management override relating to this audit.

Our response and significant findings

We performed the following procedures as noted in our audit planning report:

- Testing of journal entries and other adjustments including performing tests over the opening and ending balance of journal entries, and journal entry completeness
- Performed a retrospective review of estimates and evaluated business rationale of significant unusual transactions

Audit findings:

- No significant issues were noted as a result of our procedures.





Audit risks and results (continued)

We identified other areas of focus for our audit in our discussion with you in the Audit Plan.

Significant findings from the audit regarding other areas of focus are as follows:

Other area of focus	Why are we focusing here?
Cash	The dollar value of cash makes this a significant financial reporting caption.
Accounts payable and accrued liabilities	The dollar value of accounts payable and accrued liabilities makes this a significant financial reporting caption.

Our response and significant findings

We performed the following procedures as noted in our audit planning report:

- Obtained confirmation from third parties to verify cash balances at year-end.
- Reviewed bank reconciliations and performed verification of significant reconciling items.
- Reviewed financial statement disclosure.

Audit findings:

No significant issues were noted as a result of our procedures.

We performed the following procedures as noted in our audit planning report:

- Updated our understanding of activities over the initiation, authorization, processing, recording and reporting of accounts payable and accrued liabilities.
- Performed a search for unrecorded liabilities.

Audit findings:

No significant issues were noted as a result of our procedures.



Audit risks and results (continued)

Other area of focus

Why are we focusing here?

Tangible capital assets

The dollar value of tangible capital assets makes this a significant financial reporting caption

Our response and significant findings

We performed the following procedures as noted in our audit planning report:

- Updated our understanding of activities over the initiation, authorization, processing, recording and reporting of tangible capital assets.
- Vouched a selection of additions and disposals throughout the year to supporting documentation.
- Performed a substantive analytical procedure over depreciation expense.
- Obtained details of repairs and maintenance expenses recorded during the year. Vouched a selection of expenses to supporting documentation. For the items selected for testing, obtained an understanding of the nature of the expense to gain assurance that it was not capital in nature.
- Obtained management's assessment of the impact of the Contaminated Sites standard (PS 3260) and reviewed the impact to the financial statements.

Audit findings:

No significant issues were noted as a result of our procedures.



Financial statement presentation and disclosure

The presentation and disclosure of the financial statements are, in all material respects, in accordance with London & Middlesex Community Housing Inc.'s relevant financial reporting framework. Misstatements, including omissions, if any, related to disclosure or presentation items are in the management representation letter.

We also highlight the following:

Form, arrangement, and content of the financial statements

The form, arrangement, and content of the financial statements is adequate.

Adjustments and differences



Adjustments and differences identified during the audit have been categorized as “Corrected adjustments” or “Uncorrected differences”. These include disclosure adjustments and differences.

Professional standards require that we request of management and the Finance Committee that all identified adjustments or differences be corrected. We have already made this request of management.

Corrected adjustments

We did not identify any adjustments that were communicated to management and subsequently corrected in the financial statements.

Uncorrected differences

We did not identify differences that remain uncorrected.

Appendices



Appendix 1: Required communications



Appendix 2: Management representation letter



Appendix 3: Audit Quality and Risk Management



Appendix 4: Cyber in the external audit

Appendix 1: Required communications



In accordance with professional standards, there are a number of communications that are required during the course of and upon completion of our audit.

These include:



Auditors' Report

The conclusion of our audit is set out in our draft auditors' report attached to the draft financial statements. The auditors' report has changed in 2018. Please refer to the draft audited financial statements to see the changes.



Management representation letter

In accordance with professional standards, copies of the management representation letter are provided to the Finance Committee. The management representation letter is attached. See Appendix 2.



Appendix 2: Management representation letter



KPMG LLP
1400-140 Fullarton Street
London, ON N6A 5P2

Date

Ladies and Gentlemen:

We are writing at your request to confirm our understanding that your audit was for the purpose of expressing an opinion on the financial statements (hereinafter referred to as "financial statements") of London & Middlesex Community Housing Inc. ("the Entity") as at and for the period ended December 31, 2018

General:

We confirm that the representations we make in this letter are in accordance with the definitions as set out in [Attachment I](#) to this letter.

We also confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

Responsibilities:

- 1) We have fulfilled our responsibilities, as set out in the terms of the engagement letter dated September 15, 2016, including for:
 - a) the preparation and fair presentation of the financial statements and believe that these financial statements have been prepared and present fairly in accordance with the relevant financial reporting framework.
 - b) providing you with all information of which we are aware that is relevant to the preparation of the financial statements, such as all financial records and documentation and other matters, including:
 - (i) the names of all related parties and information regarding all relationships and transactions with related parties; and
 - (ii) the complete minutes of meetings, or summaries of actions of recent meetings for which minutes have not yet been prepared, of shareholders, board of directors and committees of the board of directors that may affect the financial statements. All significant actions are included in such summaries.
 - c) providing you with unrestricted access to such relevant information.
 - d) providing you with complete responses to all enquiries made by you during the engagement.
 - e) providing you with additional information that you may request from us for the purpose of the engagement.

- f) providing you with unrestricted access to persons within the Entity from whom you determined it necessary to obtain audit evidence.
- g) such internal control as we determined is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. We also acknowledge and understand that we are responsible for the design, implementation and maintenance of internal control to prevent and detect fraud.
- h) ensuring that all transactions have been recorded in the accounting records and are reflected in the financial statements.
- i) ensuring that internal auditors providing direct assistance to you, if any, were instructed to follow your instructions and that management, and others within the entity, did not intervene in the work the internal auditors performed for you.

Internal control over financial reporting:

- 2) We have communicated to you all deficiencies in the design and implementation or maintenance of internal control over financial reporting of which we are aware.

Fraud & non-compliance with laws and regulations:

- 3) We have disclosed to you:
 - a) the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
 - b) all information in relation to fraud or suspected fraud that we are aware of that involves:
 - management;
 - employees who have significant roles in internal control over financial reporting; or
 - otherswhere such fraud or suspected fraud could have a material effect on the financial statements.
 - c) all information in relation to allegations of fraud, or suspected fraud, affecting the financial statements, communicated by employees, former employees, analysts, regulators, or others.
 - d) all known instances of non-compliance or suspected non-compliance with laws and regulations, including all aspects of contractual agreements, whose effects should be considered when preparing financial statements.
 - e) all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

Subsequent events:

- 4) All events subsequent to the date of the financial statements and for which the relevant financial reporting framework requires adjustment or disclosure in the financial statements have been adjusted or disclosed.

Related parties:

- 5) We have disclosed to you the identity of the Entity's related parties.
- 6) We have disclosed to you all the related party relationships and transactions/balances of which we are aware.
- 7) All related party relationships and transactions/balances have been appropriately accounted for and disclosed in accordance with the relevant financial reporting framework.

Estimates:

- 8) Measurement methods and significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.

Going concern:

- 9) We have provided you with all information relevant to the use of the going concern assumption in the financial statements.
- 10) We confirm that we are not aware of material uncertainties related to events or conditions that may cast significant doubt upon the Entity's ability to continue as a going concern.

Non-SEC registrants or non-reporting issuers:

- 11) We confirm that the Entity is not a Canadian reporting issuer (as defined under any applicable Canadian securities act) and is not a United States Securities and Exchange Commission ("SEC") Issuer (as defined by the Sarbanes-Oxley Act of 2002). We also confirm that the financial statements of the Entity will not be included in the consolidated financial statements of a Canadian reporting issuer audited by KPMG or an SEC Issuer audited by any member of the KPMG organization.

Yours very truly,

Jody Cuyllle, Director of Finance & CFO

Attachment I – Definitions

Materiality

Certain representations in this letter are described as being limited to matters that are material. Misstatements, including omissions, are considered to be material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. Judgments about materiality are made in light of surrounding circumstances, and are affected by the size or nature of a misstatement, or a combination of both.

Fraud & error

Fraudulent financial reporting involves intentional misstatements including omissions of amounts or disclosures in financial statements to deceive financial statement users.

Misappropriation of assets involves the theft of an entity's assets. It is often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing or have been pledged without proper authorization.

An error is an unintentional misstatement in financial statements, including the omission of an amount or a disclosure.

Related parties

In accordance with Canadian public sector accounting standards, *related party* is defined as:

- When one party has the ability to exercise control or shared control over the other. Two or more parties are related when they are subject to common control or shared control. Related parties also include key management personnel and close family members.

In accordance with Canadian public sector accounting standards, a *related party transaction* is defined as:

- A transfer of economic resources or obligations between related parties, or the provision of services by one party to a related party. These transfers are related party transactions whether or not there is an exchange of considerations or transactions have been given accounting recognition. The parties to the transaction are related prior to the transaction. When the relationship arises as a result of the transaction, the transaction is not one between related parties.

Appendix 3: Audit Quality and Risk Management



KPMG maintains a system of quality control designed to reflect our drive and determination to deliver independent, unbiased advice and opinions, and also meet the requirements of Canadian professional standards.

Quality control is fundamental to our business and is the responsibility of every partner and employee. The following diagram summarizes the six key elements of our quality control system.

Visit our [Audit Quality Resources page](#) for more information including access to our most recent [Audit Quality Report](#).

Other controls include:

- Before the firm issues its audit report, the Engagement Quality Control Reviewer reviews the appropriateness of key elements of publicly listed client audits
- Technical department and specialist resources provide real-time support to audit teams in the field

We conduct regular reviews of engagements and partners. Review teams are independent and the work of every audit partner is reviewed at least once every three years.

We have policies and guidance to ensure that work performed by engagement personnel meets applicable professional standards, regulatory requirements and the firm's standards of quality.

All KPMG partners and staff are required to act with integrity and objectivity and comply with applicable laws, regulations and professional standards at all times.



We do not offer services that would impair our independence.

The processes we employ to help retain and develop people include:

- Assignment based on skills and experience
- Rotation of partners
- Performance evaluation
- Development and training
- Appropriate supervision and coaching

We have policies and procedures for deciding whether to accept or continue a client relationship or to perform a specific engagement for that client.

Existing audit relationships are reviewed annually and evaluated to identify instances where we should discontinue our professional association with the client.

Appendix 4: Cyber in the external audit



Cyber Security

Services for External Audit

2019

As your External Auditors, we are able to leverage our insight and knowledge of your business, to provide you with access to a selection of our award winning Cyber Security Services.

What Forrester Research says about KPMG's Cyber Security services?

"KPMG has the clearest, most direct vision. KPMG asserts its desire to help CISOs and boards of directors come together on information security as a business issue, not an IT issue. The company's go-to-market approach leads with vertical expertise, while it is also applying investments across global member firms in areas like data analytics to cyber security engagements."

In these days of incidents and breaches regularly making news headlines, Cyber Security, and the steps you take to protect your data and systems, can have a huge impact on your organization. How you then respond, if or when you do have an incident, is also key. How prepared do you think your organization is?

What's on your mind?

Our discussions with our external audit clients tell us some of the most common questions they ask in relation to Cyber Security are:

- **Are we doing enough** to protect ourselves and reduce our Cyber risk to an acceptable level?
- **Are our systems secure enough?**
- **How do we compare** to the rest of our industry, in terms of our investment in Cyber Security and our level of protection?

How can we demonstrate to our customers, clients, and other stakeholders that we take security seriously?

- **We have a limited budget**, how we can be sure we are investing in the right areas to reduce our risks?
- **How would we respond** if we had a serious incident that impacted our ability to do business or serve our customers?

How we can help turn risk to advantage?

Our permissible¹ Cyber Security services for External Audit clients can help you to answer the concerns listed above. These include:

Independent Cyber Security Reviews and Certification Audits

A formal certification is a key way to demonstrate to your customers or clients that you are taking security seriously. Going through the process can also drive improvements in security across your organization, by embedding processes and policies, and raising overall awareness.

We are able to perform formal Certification Audits to international standards such as the Information Security Management System standard (ISO27001) and Business Continuity Management (ISO22301). We can also perform Privacy by Design assessments which enable you to show that privacy is embedded into your organization and processes.

¹ The scope of our services may be subject to certain limitations in order to maintain our independence as your external auditors; as such, permissibility shall be ultimately evaluated based on the relevant facts and circumstances on a case-by-case basis.

Cyber Maturity Assessment (CMA)

Our CMA service helps you to understand your key cyber risks and your cyber security position relative to industry standards, providing observations for how you can improve.

Potential benefits to you:

- Greater visibility into your Cyber risk landscape and organizational Cyber capabilities.
- A comparison of your relative position compared to your industry competitors, whether you are behind, ahead or within 'the pack'.



Source: KPMG in Canada

Business Resilience Reviews

If you need to test or demonstrate resilience in the face of Cyber attacks, data breaches, unplanned IT or telecom outages, loss of talent/skills, adverse environmental conditions, and other challenges. KPMG can deliver tabletop scenario tests of DR, crisis response and Business Continuity to audit clients.

This will help to increase your understanding of what matters most to the business and how prepared you are to protect it.

It will identify resiliency risks and recommended actions to become more resilient.

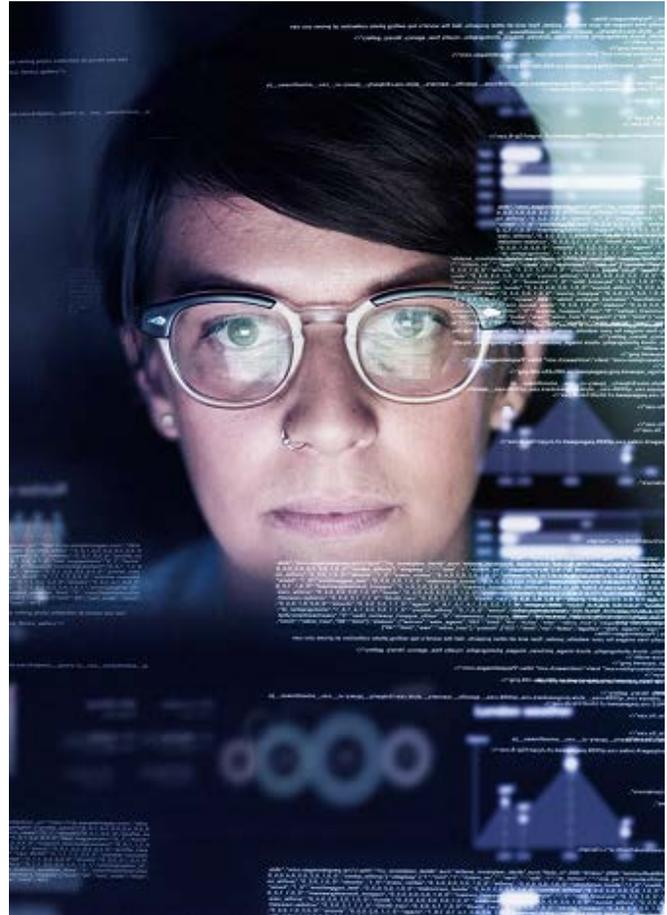
RedTeaming and Ethical Hacking Services

This service provides the opportunity to 'simulate an attack' on your systems. We are then able to identify potential weaknesses so you can better understand the effectiveness of your monitoring and detection capabilities, and then take steps to improve your defences.

Incident Response Assessments and Simulations

If you have concerns over your ability to react to an incident, which could impact how you are able to recover data, or investigate potential breaches and deal with negative publicity. We can provide an in-depth review of your readiness against a cyber-attack and the potential consequences.

We can also help with Cyber incident response tabletop exercises, to validate how you are able to execute your response plans.



Contact us

If any of these potential issues and our services resonate with you, don't hesitate to contact your KPMG External Audit contact or our Regions East Cyber Security leaders below:



Darren Jones
Senior Manager
T: (613) 212-3726
E: darrenjones@kpmg.ca



Peter Morin
Senior Manager
T: (902) 377-7827
E: petermorin@kpmg.ca



Paul Sammut
Senior Manager
T: (613) 212-3660
E: paulsammut@kpmg.ca



kpmg.ca/audit



KPMG LLP, an Audit, Tax and Advisory firm (kpmg.ca) and a Canadian limited liability partnership established under the laws of Ontario, is the Canadian member firm of KPMG International Cooperative ("KPMG International").

KPMG member firms around the world have 174,000 professionals, in 155 countries.

The independent member firms of the KPMG network are affiliated with KPMG International, a Swiss entity. Each KPMG firm is a legally distinct and separate entity, and describes itself as such.

© 2018 KPMG LLP, a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved.



April 3, 2019

SENT BY EMAIL TO: csaunders@london.ca

City Clerk's Office
Cathy Saunders, City Clerk
300 Dufferin Avenue, PO Box 5035
London, ON N6A 1V5

Re: Reappointment of LMCH Board Member

Dear Ms. Saunders:

At its meeting of March 28, 2019, the Board of Directors of the London & Middlesex Community Housing (LMCH) resolved to:

- a) Request the Sole Shareholder approve the reappointment of Anna-Maria Evans, Board Member, Class 2, and ratify the same through a by-law at the meeting of the Shareholder. This request is in accordance with the LMCH Shareholder Declaration and associated by-laws.

The LMCH Board was redesigned with staggered board appointments for renewable three (3) year terms. The above request for reappointment comes with the agreement of the Class 2 member, the unanimous agreement of the LMCH Board, and with an understanding that the stability and continuity of the current Board supports the ongoing activities of LMCH.

This letter is provided in advance of the shareholder meeting notification recognizing that Council appointments and related public notifications may precede our Annual Shareholder meeting. Thank you in advance for your time and consideration in this matter.

Sincerely,

Josh Browne
CEO

cc: Sean Quigley, Board Chair
D. Purdy, Housing Services Manager – Housing Division
S. Datars Bere, Managing Director, Social Services, Housing and Dearness Home

Committee: **London & Middlesex Housing Corporation**

Organization/Sector represented: **N/A**

Name: **Anna-Marie Evans**

Occupation: **Operations Manager**

Work experience: **16 years Public Sector- OLG 5 years Department of National Defence
Operations/ HR/ Manager**

Education: **Human Resources Management Certified Human Resources Professional
designation 20 years management experience 2 years serving on non-profit board**

Skills: **Committee experience Team setting experience Human Resources**

Interest reason: **Passionate about being active within the community and being able to give
time and resources when possible.**

Contributions: **Time, passion, enthusiasm, working with various government and non-
government agencies and stakeholders**

Past contributions: **None**

Interpersonal: **Presently sit on 2 committees in my workplace Sit on a board for a private
non-profit organization in London Volunteer with at-risk youth in London**

Interview interest: **Yes**

Committee: **London & Middlesex Housing Corporation (LMHC)**

Organization/Sector represented:

Name: **Jonathan Hughes**

Occupation: **Strategy Consultant and University Lecturer**

Work experience: **Mr. Hughes is the founder and strategic business partner for Abray Learning, consulting to Fortune 500 companies for over twenty years. He specializes in awakening teams to reach their full potential; facilitating extraordinary results through strategic planning, leadership development, team performance improvement and individual coaching. His educational work includes, Associate Faculty in the School of Business MBA program at Royal Roads University; facilitation for professional education programs at McMaster University; and a Human Resources and Organizational Behaviour Lecturer at Ryerson University.**

Education: **MBA with a specialization in Leadership. BSc. in Applied Mathematics Certificate in Adult Learning & Development**

Skills: **I've worked with many organizations, helping them create a vision for the future and the strategic plan to deliver results. I have sat on the board of a housing co-operative as treasurer. I have also chaired meetings of housing co-operative members, so I understand the perspectives of residents but can also bring my business experience.**

Interest reason: **I want to give back to the city and housing has always been a focus for me, having spent the last twenty years helping to sustain and grow the co-operative housing sector.**

Contributions: **As well as my strategy planning skills, I am also a trained facilitator and have often chaired meetings for groups large and small; so I believe I will be a great asset in helping the board work effectively.**

Past contributions: **I have worked with many organizations, helping them plan for the future. I have sat on the board of a housing co-operative as treasurer.**

Interpersonal: **I have significant experience, in fact I have both volunteered and been paid to make sure groups of people coming together whether as a board, team or organization can do so in a successful way.**

Interview interest: **Yes**

Committee: **London & Middlesex Housing Corporation (LMHC)**

Organization/Sector represented:

Name: **Wanda Latuszak**

Occupation: **Realtor**

Work experience: **2008-Present Recognized and Accomplished Realtor with the Largest and Most Recognized Brokerage, Century 21. 2008-2017 Small Business and Development Consultant**

Education: **Licensed REALTOR, LSTAR, OREA, CREA Completed Course Work University of Western Ontario – Sociology with Math Fanshawe College – Labour Relations**

Skills: **As an Expert in London Ontario's Housing Market and specialized knowledge in our community's neighbourhoods I have a working experience in housing contracts, laws and issues related to home purchases and commercial applications that work within city of London's property bylaws. Additional expertise includes the development of best practices to deliver diverse individuals and families with a comfortable home acquisition experience based on a relationship built on ethics and trust. Furthermore I possess strong competencies in property and asset management, land development, mortgage banking, urban planning, social enterprise and real estate appraisal.**

Interest reason: **Born and Raised in London Ontario, First Generation Canadian of Polish Decent. Our family immigrated to Ontario in the 1950's and worked hard at creating a life in our New World. As a 2nd generation Londoner, I have an appreciation for the socio-economic challenges and opportunities presented within our communities, that will support the growth of the city and more importantly the people, utilizing my relevant experience and commitment, through strategic and sustainable housing initiatives like the London and Middlesex Community Housing.**

Contributions: **. With my combined work, volunteer and board experience in the regional housing market, I will strategically assist in supporting the evidence based decision making in partnership with strategic stakeholders that work towards providing and achieving the goals of building a strong organizational foundation that creates a positive and sustainable impact in the communities we serve.**

Past contributions: **Currently Board Director with Museum London Foundation Board Currently Board of Director with Polish Combatant Association Branch #2 Currently Audit Committee with Polish Combatant Association Branch #2 Past Chair of Museum London Fundraising Committee Past Member Museum London Capital Campaign Past Chair Re-elect Media Group Financial Credit Union**

Interpersonal: **My most recent experience was proposing a strategic fundraising campaign that both increased investments for Museum London and expanded its diversity and inclusion portfolio by introducing an indigenous cultural fundraising experience that was a first of its kind for both Museum London and the city. As this was new to everyone on the committee and the Museum, it was met with varying opinions and ideas. To introduce the indigenous cultural with respect, a strategic approach was taken and matched with our teams diverse skill set to ensure the event was celebrating the indigenous culture and performers in a respectful way. This has now been proposed as an annual event due to its success.**

Interview interest: **Yes**

Committee: **Board of LHMC**

Organization/Sector represented: **Commercial/Residential Construction**

Name: **Ted Melchers**

Occupation: **General Contractor**

Work experience: **31 years as a General Contractor in the residential and commercial fields**

Education: **Graduate of the Construction Technology and Management Program at Fanshawe College Past President of the London Home Builders Association**

Skills: **Knowledge of residential and commercial construction industries**

Interest reason: **Most of our work is in the London area and it is a way of "giving back"**

Contributions: **Advise on the construction, maintenance aspects of the board responsibilities**

Past contributions: **Past President of LHBA**

Interpersonal: **Past President of LHBA**

Interview interest: **Yes**



June 14, 2019

Mayor Holder & Members of the Special Policy and Priorities Committee (SPPC)
C/O City of London Clerks Office
300 Dufferin Avenue London, Ontario
N6A 4L9

RE: Regeneration Update for London Middlesex Community Housing (LMCH) 2019

Dear Mayor Holder:

As part of our delegation status for the June 24th, 2019 SPPC meeting, LMCH will be bringing forward the following recommendation for consideration:

That, on the recommendation of the Chief Executive Officer of London Middlesex Community Housing, and with the concurrence of the working group on LMCH Regeneration representing Housing Development Corporation and The City of London, Housing Services Division, that SPPC advance the following recommendations to City Council for APPROVAL:

- 1) That the presentation and report **BE RECEIVED** for information.
- 2) That the LMCH regeneration vision, objectives and guiding principles **BE ENDORSED** by Municipal Council, noting that these statements have been guiding the work that has been done by the LMCH Regeneration Planning Table (comprised of LMCH, City of London, and HDC);
- 3) That, in support of the LMCH Regeneration working group, Civic Administration **BE REQUESTED** to strike a "Champions Table" to define the necessary municipal tools, resources, and provide multi-disciplinary expertise to support the working group to advance the next steps associated with the Regeneration Process.

It being noted that LMCH will be returning to Municipal Council in late 2019 or early 2020 to report on the defined priority sites for regeneration, as vetted by the LMCH Board, the Planning Table, and with input from Civic Administration experts to guide detailed site regeneration activities, conceptual options, and approaches to tenant engagement process.

Strategic Alignment:

This is consistent with LMCH's 2017 Strategic Plan with particular connection to LMCH's strategic goal to *Improve, Renew and Maintain the Homes we offer.*"

It is also consistent with the priorities that Council and civic administration within the City of London will deliver on over the next four years, as identified in the Strategic Plan for the City of London, 2019-2023. The following are Council endorsed priorities related to the LMCH regeneration specifically:

- Strengthening Our Communities: Establish and revitalize community housing through a Regeneration Plan.
- Building a Sustainable City: Regenerate and revitalize LMCH/Community Housing sites.

Background:

LMCH has been working together with Housing Development Corporation (HDC) and the Housing Services to develop a regeneration strategy (LMCH Regeneration Working Group). Initiated in 2018, several steps have been taken to deliver the regeneration strategy through this report and presentation to SPPC June 24, 2019.

Concurrent to the drafting of the regeneration strategy, multiple influential activities and frameworks are being pursued at every level of government which could significantly impact the implementation plan for the regeneration strategy. These include;

- The Housing Service review (planned to be complete by end of July 2019)
- The Affordable Housing Tool Kit (underway)
- The Housing and Homelessness strategy development (planned to be done in fall 2019)
- The Community Housing Renewal Strategy (2019)
- The More Homes, More Choice: Ontario's Housing Supply Action plan (2019)
- Federal Government National Housing Strategy Investment Availability (increased in 2019 budget)

The framework for the Regeneration Strategy as presented in this update is designed to incorporate the foundational documents as each are completed so that the implementation plan will be reflected, aligned and interconnected. The timing of delivering this plan is important to ensure core elements such as vision, objectives and principles are well established and communicated in advance of engaging the community and proceeding with site selection and development concepts.

Update:

The LMCH regeneration working group have been meeting regularly to establish the vision, goals and guiding principles as outlined in the REGENERATION strategy framework document (appendix A). On May 30, 2019 London Middlesex Community Housing Board of Directors approved by motion, the Vision, Goals and Guiding principles as LMCH's strategy framework for regeneration.

This framework in conjunction with LMCH's organizational values, and Mission will be utilized as evaluative and directive tools throughout the regeneration process and will provide clarity to stakeholders regarding the intention and evaluation criteria deployed as regeneration activities begin in public forums.

The regeneration strategy framework was developed in conjunction with other critically important activities that are central to the successful regeneration.

These activities include:

- Internal Organizational Culture work to continue strengthen staff and processes to deliver CARE (Values based and measurable) model of service.
- Development of an Asset Management Plan –involving current state of assets and mitigation strategies inclusive of regeneration activities.
- Community Development Principles in Tenant Services and Tenant Engagement being established within the organization, setting basis for social revitalization.
- Requesting changes to the articles of incorporation and shareholder agreement to align with the goals and strategies that will need to be employed to pursue regeneration activities.
- On-going discussions and initial applications to CMHC Nation Housing Strategy officials for renew and repair and regeneration investment.

The above initiatives compliment the efforts at all levels of government to address the housing needs in our community. The culmination of organizational, civic and local focus on housing, aligned with provincial and national attention on housing as a public issue is cause for hope as we deliver this framework. Collectively we can work together to build more homes.

The working group has engaged in site selection criteria and engaged in data collection to advance this process efficiently. With the support of a "Champions table" supporting the use of the tools and opportunities available to LMCH to deliver regeneration objectives, we are hopeful that site regeneration will be possible in the near future to compliment the social revitalization efforts that are already in process through community development.

Next Steps:



We are requesting that civic administration be directed to strike an LMCH regeneration table that would include critical civic administration roles to inform align and advance recommendations to expedite and strengthen regeneration efforts throughout the process. We seek a chair from senior administration at the city who is highly invested in the implementation of the London Plan, who has expertise in planning, development and internal civic processes as well as public engagement best practices to assist in leading this important table.

With the support of such a table, we imagine being able to present sites that have been selected in alignment with our criteria and with design concepts and community feedback within the next year to begin site regeneration activities.

Best Regards,

Josh Browne
Chief Executive Officer
London & Middlesex Community Housing

Cc: Dave Purdy, Manager, Housing Services, City of London
Stephen Giustizia, CEO, Housing Development Corporation London

APPENDIX:

Regeneration - Housing Our Future Document Appendix A

REGENERATION

HOUSING OUR FUTURE | JUNE 2019



LONDON & MIDDLESEX COMMUNITY HOUSING

Defining our vision, goals and principles to improve
and grow sustainable community housing

DEFINING REGENERATION

Our regeneration strategy is the future of social housing: moving away from the divested, unsustainable, and stigmatized concept to create a strengthened and sustainable community housing system. LMCH's regeneration strategy reimagines community housing to include a range of housing options for those living in the gaps of conventional housing markets, and provides sustainable social supports to improve community outcomes for more residents. Community housing can expand beyond the strictly defined rent-geared-to-income (RGI) social housing to include supportive, modernized, social and affordable rental housing.

Regeneration means we have the ability to support those who are the most vulnerable and are seeking long-term shelter, to those seeking affordable home ownership. A new, more diverse portfolio of housing types can create new opportunities for choice, community building and societal inclusion. Stable, supportive and inclusive housing provides residents with a solid foundation that encourages and maximizes positive citizen engagement. Urban regeneration inherently generates a unique opportunity for community housing providers, such as LMCH, to create homes, community and belonging for people with diverse needs.

For LMCH, regeneration is defined in two ways:

Social Revitalization: Engages and supports tenants. Transitions buildings into more supportive and inclusive communities and collaborates with partners to advance housing and whole-life stability.

Site Regeneration: Supports sensitive growth and change in our neighbourhoods so that they are sustainable and prosperous over the long term.

By definition, regeneration is renewal. LMCH acknowledges its strategic change from landlord to community housing provider, as articulated by its Strategic Plan 2017-2020, to be a clear direction and a critical step towards our regeneration objectives. The plan identifies the shift LMCH from a legacy Ontario Housing Provider with constrained resource capacity to a true Community Housing Provider as the catalyst for regeneration. A cultural and operational transformation through regeneration will provide the best outcomes for future housing and tenants.

REGENERATION VISION STATEMENT



We envision transformed and strengthened community housing through vibrant, connected and sustainable neighbourhoods in London and Middlesex County, creating a better tomorrow for those we serve.

THE TIME TO ACT IS NOW

The need for affordable, accessible and supportive housing is high in our community and our RGI system is unsustainable. LMCH's assets are aging and with the current level of capital funding, the capital deficit will exceed \$400 million in the next 10 years.

Housing has become an increased area of focus in London, where the vacancy rate for rental housing was 2% in 2018, and the cost for a one-bedroom apartment continues to rise from the 2018 monthly average of \$900 (CMHC, 2019). London and Middlesex County are not alone in these challenges, and thus, municipal, provincial and federal governments have turned their attention to housing.

The London Plan, our city's growth blueprint for the next 20 years, identifies and prioritizes the renewal of social housing stock and includes provisions for increased affordable housing. Additionally, the City's Civic Administration is pursuing planning tools (policies, permissions, and authorities) that align with the outcomes in the City's 2020-2024 Strategic Plan for renewed and increased housing stock.

These plans and initiatives, combined with the National Housing Strategy, administered by the Canada Mortgage and Housing Corporation (CMHC), and the Provincial Government's plan to modernize social housing and invest in community housing, can be leveraged to execute within LMCH's regeneration strategy.

There are many reasons to consider regenerating social housing. Primarily, the social housing system in Ontario has proven to be unsustainable and poorly funded (Pomeroy, 2017). The physical infrastructure is becoming a significant liability due to disrepair and a lack of significant investment over many decades.

Regeneration also includes social revitalization - community development activities, joined with asset management, through renovation and maintenance of LMCH's current housing stock. Tenant- and community-led initiatives help foster healthy, safe homes and neighbourhoods, and create new opportunities to counter the negative impacts of poverty on health.

Social regeneration is dependent on LMCH's ability to extend the life and use of our building assets and properties.

If LMCH wants to return its buildings to perfect condition (FCI value of 0) within 10 years, it needs to complete \$456 million in capital projects. In order to maintain its current standard, \$22.3 million in annual capital spending is required. The current capital funding level is \$2.2 million.

Many of the high rise locations are already at maximum density and enjoy provisions that would be near impossible to replicate, much less improve. In these sites, regeneration may explore zoning and community uses, such as medical, retail and other community building permissions.

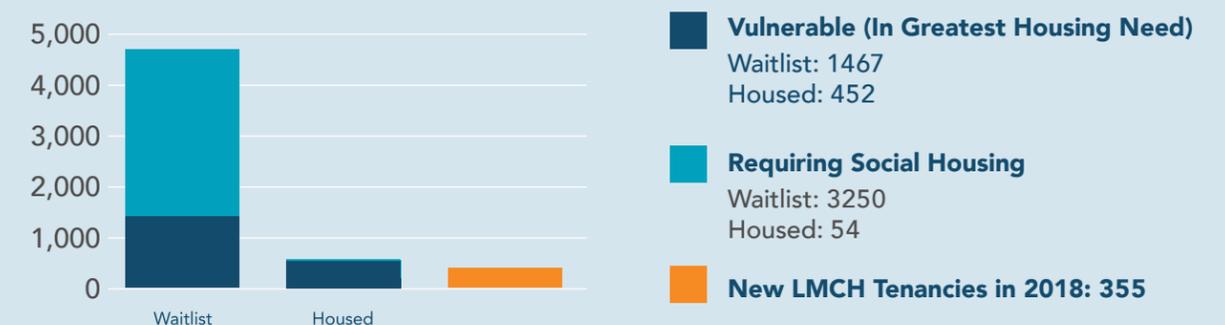
At other sites where there is more land available, such as our family townhouse sites, regeneration is critically tied to land use opportunities. With an average open space coverage of 60%, these sites provide the greatest opportunity for site regeneration.

Regeneration could be activated in a number of ways, including:

- Redeveloping underutilized parcels of land or sites;
- Retrofitting or upgrading existing units and sites to make them more operationally efficient;
- Making accessibility improvements to better meet a shifting demand for housing; and,
- Making changes to existing land use and tenant mix.

Regeneration activities will allow LMCH to more effectively manage its land portfolio and improve the quality of housing services. Through the availability of affordable rental options that support people across their lifespan, LMCH's regeneration will create a diverse tenant base.

Social Housing Waitlist Data and Housing Response in London & Middlesex in 2018 Data points:





GOALS AND OBJECTIVES

“We shape our buildings; thereafter, they shape us.”

Winston Churchill

Our regeneration goals are clear: to build communities, homes and lives by adding diversity, services and resources to our neighbourhoods. Outlining our intentions at the outset of the process ensures that our purpose, outcomes, and success can be planned and evaluated for each site regeneration and social revitalization project.

Our objectives are as follows:

To increase the number of homes LMCH provides and expand beyond RGI-mandated housing to include affordable and supportive housing, and even market and/or innovative home ownership options.

To transform the pathways into housing through informed policies and processes that improve housing stability and create the conditions to support the right person in the right place.

To care for and engage stakeholders by working together to manage the impact of regeneration and strive to create positive outcomes for all.

To create healthy homes and communities that integrate physical design, tenant diversity and affordability in vibrant neighborhoods that eliminate stigma.

“The regeneration of LMCH properties is monumental in our city and county. It is critical that it serves all, including the most vulnerable in our community. This is a long-term project and over time, opportunities, needs, best practices and resources may change. It is our belief that the following principles will ensure a balanced and cohesive regeneration framework to provide consistency as we address the housing need now and in the future. Public housing is municipal infrastructure; investment in public housing is an investment in our community.”

Josh Browne, CEO
London & Middlesex Community Housing



GUIDING PRINCIPLES

LEAD ORGANIZATION

LMCH will be the leader in public housing regeneration in London and Middlesex County that focuses on our mission “to provide and maintain homes in a safe and supportive environment to meet the needs of the people we serve in our communities.”

LMCH takes responsibility for leading regeneration activities. As the largest social housing provider in the London area, the intention is to increase our services within our portfolio and through partner organizations. As LMCH becomes adept at the principles, tools and activities of regeneration and revitalization, the organization will share its learning with other social and affordable housing providers.

DECISION MAKING

The decisions of today will impact the homes and lives of future tenants. Current demands, along with critical demographic, research and modeling information will inform planning.

Decisions will involve tenants and community participation to ensure transparency and clarity when it is possible. LMCH will only share and discuss decisions when there is a reasonable likelihood that they can be acted on in a predetermined time frame.



COMMUNICATION

LMCH will ensure all stakeholders are engaged and informed through frequent and transparent communication. As part of the regeneration strategy, LMCH recognizes that public engagement and participation are necessary to achieve its goals.

Communication is the key to successful relationships. LMCH is committed to having clear pathways for communication, participation and feedback throughout all regeneration activities.

Great outcomes in regeneration require early engagement, participatory research, and community co-creation. Communication is a two way process. Throughout regeneration, LMCH will communicate to the public and ensure that it creates times, spaces and mechanisms to listen and capture feedback from the public.

PORTFOLIO MIX

LMCH will create homes and communities that reflect the needs and diversity of its tenants by ensuring the built form and social supports provide equitable opportunities to participate in the community.

Portfolio mix means that LMCH responds to the diverse circumstances of the people it serves through a range of housing options.

Portfolio mix is the means for LMCH to administer housing options beyond Rent-Geared-to-Income (RGI), with some sites as 100% affordable market, mixed RGI or a combination of affordable and rent supplement. A mix of tenancies and incomes associated with these various housing options provides economic sustainability and social diversification. Overall, a person-centred approach allows people to access homes across their lifespan and economic circumstances, while building lasting connections to their neighbours and the broader community.

TENANT ENGAGEMENT

LMCH will meaningfully engage and involve tenants throughout the regeneration process. The organization is committed to engaging all tenants and providing opportunities for them to be consulted, involved, and empowered throughout the site and community improvement process.

One of the goals of LMCH's regeneration plan is to mitigate the negative impacts of this process on tenants' lives. A high level of engagement and an empowerment approach will provide tenants with the information and resources to help them decide how to respond to these impacts.

LMCH acknowledges that this process is difficult for tenants; therefore, it will provide a decision-making framework that involves tenants as much as possible and acknowledges the significant challenges that regeneration may create for tenants.

COMMUNITY PARTNERS

LMCH regeneration is dependent on strong partnerships and this is a cornerstone of our approach.

LMCH will need the community to support regeneration through formal (agencies and organizations) and informal (neighbourhood and community engagement) efforts throughout the process, including the participation of building contractors and development organizations. A champions table made up of a group of civic administrators, will help LMCH plan, engage, finance and execute all aspects of site regeneration. Other partners will assist with identifying and engaging appropriate tools throughout the process.

ITERATIVE PLANNING

Plans will be iterative, long-term, and continuously evaluated against LMCH's regeneration principles to ensure they are still applicable to the needs of our communities. LMCH recognizes the significance, value and long-lasting impacts regeneration can have on our community.

LMCH anticipates that there will be learnings, capacity development, emerging best practices and shifts in opportunities during our regeneration efforts. The organization intends to be agile so we can take advantage of new opportunities while building on tested methodologies.

SUSTAINABILITY

Sustainability is a goal, driver and principle of all regeneration activities. As LMCH builds sustainability into its projects, the stock becomes more stable and can anticipate growth, making stronger communities.

The rejuvenated or newly developed homes will be environmentally, socially and financially sustainable to create healthy and safe neighbourhoods with more diverse tenants.

FINANCIAL INSTRUMENTS

Financial sustainability is a critical measure for the feasibility of any project. LMCH will leverage its assets and manage its debt while pursuing mixed sources of revenue with its shareholder's support. All sources of viable, predictable and appropriate funding will be pursued and considered so that LMCH can address any gaps in the range of housing options.



WHERE DO WE BEGIN?

Regeneration is a marathon, not a sprint. LMCH's clear vision, goals, objectives and its guiding principles will direct us as we begin to identify sites and design concepts.

Regeneration does not happen in isolation. Important informative and supportive work is underway at the municipal level with the City of London's Homelessness Prevention and Housing Plan, Review of Service Delivery and Housing and the Affordable Housing Development Planning Toolkit. The National Housing Strategy and Ontario's Community Housing Renewal Strategy will also affect our work.

LMCH has undertaken significant work to deliver planning documents for our core business that support regeneration and will be finalized in 2019. They will provide definition, detail and clarity to every area of our work, including asset management, finance, site regeneration, resource management and community development and tenant engagement.

LMCH has the vision & mission to support robust regeneration.
We have developed the organizational and operational components to make regeneration reality in London and Middlesex



The policies and people who will help us get there



Housing Development Corporation London (HDC) has been designed to assist in the building process from planning to finance and development process. They act as a consultant to the site regeneration process.



Together we can address the housing needs in our community where 45.6% of renters in London live in homes that cost more than 30% of their income.



The City of London is critical to support regeneration in its roles as:

Shareholder:

- Amend Shareholder Agreement
- Permit leveraging of properties for financing
- Allow LMCH to hold own reserves

Service Manager:

- Homeless Prevention & Housing Program
- Allow LMCH to hold diverse housing options
- Improve assessment and information sharing to ensure low barrier access to most appropriate housing option

NEXT STEPS

To prioritize regeneration efforts and create a structured and evidence-based evaluation of sites, a site evaluation tool has been developed. The tool includes traditional housing development principles and social housing specific considerations.

Four categories of consideration were established: land use planning, social aspects, financial feasibility of development, and asset management. Within each category of consideration specific metrics prioritize and rank sites according to the criteria defined in each section. The following is a high-level review of the criteria.

Land Use Planning

These metrics inform, rather than prescribe, site evaluation; however, together with the other metrics, these considerations include an evaluation of land use opportunity.

The evaluated criteria are defined by the 6 Cs.

Consistency

How well do the policies of the London Plan work with or serve to advance our goals for regeneration?

Capacity

How well is LMCH utilizing its land? Can current sites physically support greater density?

If LMCH chooses to proceed with a regeneration activity on a site, is there sufficient capacity “in the pipes” to accommodate its regeneration goals, which anticipate a greater variety of built forms and increased levels of residential density? Can municipal infrastructure support greater density?

Compatibility

In as much as a regeneration activity must be sensitive to, compatible with, and a good fit within the surrounding neighbourhood, the character of the neighbourhood is

critically important when considering a regeneration activity.

Connectivity

How walkable is the neighbourhood? To what degree is the family site connected to the larger community? Are the goods and services typically required on a daily or weekly basis provided if private transportation is not an option?

Complexity

The studies and background reports required to support and advance site regeneration.

Cooperation

Opportunities may exist to advance and align a regeneration activity with a planned municipal initiative.

Social Aspects

Average Townhouses Refusal Rate Per Vacant Unit

This measure evaluates how many refusals a vacant unit had before being rented. This can showcase stigma, security issues and lack of desire from our tenant base.

Number Of Onsite Supports

This identifies where LMCH currently lacks onsite community supports and where strong partnerships are actively working to create a healthy and vibrant community.

Vacancy Rate

The vacancy rate helps LMCH understand where families are looking to live and why they may favour one site over another.

The Number of Requests For Transfer Per Unit Per Year

This number tells us how many tenants would like to change communities due to safety concerns or other issues occurring on the site.

The Percentage of Households with Priority Status Entering the Site (from Jan. 1, 2010)

This metric highlights how LMCH’s communities have changed over time with the creation of Special Priority Placement and the Urgent Status 9/10 local rule.

Financial Feasibility

Appraised Value Per Hectare

The 2018 appraised property value was divided by the number of hectares to determine the property value per hectare.

The lower the value per hectare, the greater the priority for regeneration because there is space to intensify and/or the existing housing has the greatest need for investment.

Net Gain (Loss) Of Bedrooms Based On Current Planning Permissions

LMCH is cognizant of the need to preserve larger units. Consideration of the net gain (loss) of bedrooms through regeneration (based on current planning permissions) is included in the site evaluation tool. The higher the net gain in bedrooms, the greater the priority for the site because LMCH can house more people while limiting displacement due to regeneration.

Cost Per Bedroom On Site

The maximum delivery of beds (based on permitted planning density) using the most economical approach helps LMCH find homes for as many people as possible.

Asset Management

Current FCI Score

An important metric for understanding the state of a property is the Facility Condition Index (FCI). An FCI value can be computed for each property by dividing the total cost of all maintenance that is deferred and scheduled to occur within the current year and the next two calendar years by the total asset replacement value. The derived value will always range from 0 to 1. An FCI rating of zero (0) indicates that the building is in perfect condition and that nothing needs to be replaced. An FCI rating of 1 indicates the opposite: every component in the building needs to be replaced. Therefore, the higher the FCI score, the poorer the condition of an asset, and the greater the priority for regeneration.

REGENERATION ACTIVITIES TIMELINE

2014: LMCH Board of Directors approved motion to consider family sites within the LMCH portfolio for regeneration potential.

2015: The Housing Development Corporation is established by the City of London with a mandate to support LMCH regeneration.

2017: LMCH articulated a new vision, mission and values as part of its Strategic Plan. These are the seeds of internal regeneration and the strategy specifically identifies regeneration activities.

2018: LMCH & HDC delivered an overview of the regeneration process and activities to be completed before site regeneration. City Council receives a report with the anticipated plan to come in 2019.

2019: LMCH updates City Council on the regeneration plan, including the vision, goals and principles. Site evaluation criteria are provided for approval before identifying regeneration sites.

2019-2020: Champions table to be struck. Family sites to be evaluated, presented and discussed for feasibility and opportunity. Results to be reported back for endorsement by City Council.

2020-2021: Community engagement and tenant co-design process to develop full site plans, including phased implementation and costing for funding applications and approvals.

ACKNOWLEDGEMENT OF SIGNIFICANT CONTRIBUTION TOWARD THIS PLAN:

London & Middlesex Community Housing:

Marisa Banuelos
Josh Browne
Sarah Campbell
Tim Smuck
Norman Turner

Housing Development Corporation:

Stephen Giustizia
Brian Turcotte

City Of London - Housing Division:

Douglas Calderwood-Smith
Dave Purdy



LONDON &
MIDDLESEX
COMMUNITY HOUSING



June 20, 2019

Ms. Cathy Saunder, City Clerk
City of London – City Clerk’s Office
P.O. Box 5035 London, ON N6A 4L9

Delivered By Email to csaunder@london.ca

RE: London & Middlesex Community Housing (LMCH) Board Appointments

Dear Ms. Saunders:

On May 20, 2015 Council approved a recommendation to amend our Shareholder Declaration that included the following:

“provide for the LMCH to advise the Municipal Council of desired competencies when seeking applicants for vacancies on the Board (Section 6.2(b)), and to have the ability to put forward the names of applicants they would like to have considered for those vacancies;”

The intent of recommendation was to provide greater influence over the appointment process by communicating the skills and experience needed in a given year to meet future challenges and strengthen the LMCH Board. Having the ability to advise on the qualifications and competencies of citizens in filling any vacant board position, will ensure that the Board collectively represents a range of relevant expertise, noting that the City (Shareholder) will always have to consider the basic competencies requires under applicable legislation as well.

The Board has previously requested and continues to request that all potential applicants be interviewed as part of the process and that consideration to The Canadian Board Diversity Council definition of board diversity be considered. The definition includes industry experience, management experience, education, functional area of expertise, geography, age, gender, ethnicity, Aboriginal status, disability and sexual orientation.

Upon review of the applicants for the two vacant citizen-at-large board positions (excluding an additional Council appointment) on the SPPC meeting agenda for Monday, June 24, 2019, the Board supports the reappointment of Anna-Marie Evans and appointment of Jonathan Hughes to the LMCH Board. Both applicants have the desired qualifications, skills and abilities critical in assisting LMCH to achieve our new vision, strategic objectives and determining the right culture and effectiveness of the organization.

Thank you in advance for this consideration.

Kinds Regards,


Sean Quigley
Board Chair

Cc: Josh Browne, CEO
Marci Allen-Easton, Vice Chair

TO:	CHAIR AND MEMBERS STRATEGIC PRIORITIES AND POLICY COMMITTEE MEETING ON JUNE 24, 2019
FROM:	MARTIN HAYWARD CITY MANAGER
SUBJECT:	LONDON HYDRO INC. 2018 ANNUAL MEETING OF THE SHAREHOLDER ANNUAL RESOLUTIONS

RECOMMENDATION

That, on the recommendation of the City Manager, the attached proposed by-law (Appendix "A") BE INTRODUCED at the Municipal Council meeting to be held June 25, 2019 to:

- a) ratify and confirm the Annual Resolutions of the Shareholder of London Hydro Inc. attached as Schedule "A" to the by-law; and
- b) authorize the Mayor and the City Clerk to execute the Annual Resolutions of the Shareholder of London Hydro Inc. attached as Schedule "A" to the by-law;

it being noted that the above-noted Schedule "A" by-law will be amended to include the names of the individuals elected by Municipal Council to serve as First Class Directors and Third Class Directors.

PREVIOUS REPORTS PERTINENT TO THIS MATTER
--

- June 9, 2015 – Strategic Priorities and Policy Committee – Agenda Item #4
- February 29, 2016 – Strategic Priorities and Policy Committee – Agenda Item #5
- May 16, 2016 – Strategic Priorities and Policy Committee – Agenda Item #3
- May 29, 2017 – Strategic Priorities and Policy Committee – Agenda Item#8
- April 9, 2018 – Strategic Priorities and Policy Committee – Agenda Item #4.1
- June 25, 2018 – Strategic Priorities and Policy Committee – Agenda Item #3.1

BACKGROUND

At its meeting held April 23, 2019, Municipal Council resolved:

That the following actions be taken with respect to the 2018 Annual General Meeting of the Shareholder for London Hydro Inc.:

- a) the 2018 Annual General Meeting of the Shareholder for London Hydro Inc. BE HELD at a meeting of the Strategic Priorities and Policy Committee on June 24, 2019, for the purpose of receiving the report from the Board of Directors of London Hydro Inc. in accordance with the Shareholder Declaration and the *Business Corporations Act, R.S.O. 1990, c. B.16*; and

- b) the City Clerk BE DIRECTED to provide notice of the 2018 Annual Meeting to the Board of Directors for London Hydro Inc. and to invite the Chair of the Board and the Chief Executive Officer of London Hydro Inc. to attend at the Annual Meeting and present the report of the Board in accordance with the Shareholder Declaration;

it being noted that the Strategic Priorities and Policy Committee received a communication dated March 28, 2019, from G. Valente, Chair, Board of Directors, London Hydro Inc., with respect to this matter. (4.1/12/SPPC)

2018 Annual General Meeting

London Hydro Inc. is a corporation with share capital incorporated under the *Business Corporations Act*, R.S.O. 1990 c. B.16. London Hydro Inc. is managed by a Board of Directors appointed by The Corporation of the City of London as the sole shareholder.

The attached (Schedule “A”) Annual Resolutions of the Shareholder of London Hydro Inc. addresses the following matters that are required to be dealt with at an Annual Meeting as required by the Shareholder’s Declaration and the *Business Corporations Act*:

- a) receipt of the 2018 audited financial statements;
- b) appointment of the Auditor; and,
- c) election of the director.

The election of one (1) Third Class Director is required as a result of the resignation of Radhey Mohan Mather. The election of two (2) First Class Directors is required, as the term for Gabriel Valente and Jack Smit has ended. The City Clerk has advertised to seek applications to fill the above-noted vacancies.

London Hydro submitted a letter dated April 12, 2019 addressing the resignation of Radhey Mohan Mather and recommending that Dr. Mather’s replacement have an engineering background. The above-noted letter also recommended that Dr. Andy Hrymak be appointed as a Third Class Director with the term ending the close of the annual meeting of the shareholders to be held in 2021 for the financial year ending December 31, 2020 to replace Dr. Mather.

In the above-noted letter, London Hydro also indicated that the “remaining Board members in the various classes all expressed interest to continue to serve on the Board of London Hydro”.

The Shareholder Declaration does not limit the number of terms that a Director may serve.

The applications received as a result of the request for applications for appointments have been included on the Agenda for the Committee’s consideration.

PREPARED BY:	RECOMMENDED BY:
CATHY SAUNDERS CITY CLERK	MARTIN HAYWARD CITY MANAGER

APPENDIX "A"

Bill No.
2019

By-law No. A.-

A by-law to ratify and confirm the Annual Resolutions of the Shareholder of London Hydro Inc.

WHEREAS London Hydro Inc. is a corporation incorporated under the *Business Corporations Act* R.S.O. 1990, c.B.16;

AND WHEREAS subsection 104(1)(b) of the *Business Corporations Act* provides that a resolution in writing dealing with all matters required by this Act to be dealt with at a meeting of shareholders, and signed by all the shareholders or their attorney authorized in writing entitled to vote at the meeting, satisfies all the requirements of this Act relating to that meeting of shareholders;

AND WHEREAS The Corporation of the City of London is the sole shareholder of London Hydro Inc.;

AND WHEREAS Subsection 9 of the *Municipal Act, 2001* provides that a municipality has the capacity, rights, powers and privileges of a natural person for the purpose of exercising its authority under this or any other Act;

AND WHEREAS Subsection 5(3) of the *Municipal Act, 2001* provides that a municipal power shall be exercised by by-law;

NOW THEREFORE the Municipal Council of The Corporation of the City of London enacts as follows:

1. The Annual Resolutions of the Shareholder of London Hydro Inc. for the fiscal year ended December 31, 2018, attached as Schedule "A" are ratified and confirmed.
2. The Mayor and the City Clerk are authorized to execute the Annual Resolutions of the Shareholder ratified and confirmed under section 1 of this by-law.
3. This by-law comes into force on the day it is passed.

PASSED in Open Council on the 25th day of June, 2019.

Ed Holder
Mayor

Catharine Saunders
City Clerk

First Reading - June 25, 2019
Second Reading – June 25, 2019
Third Reading - June 25, 2019

SCHEDULE "A"

LONDON HYDRO INC. (the "Corporation")

WHEREAS subsection 104(1)(b) of the *Business Corporations Act* (Ontario) (the "Act") provides that a resolution in writing dealing with all matters required by the Act to be dealt with at a meeting of shareholders, and signed by all the shareholders or their attorney authorized in writing entitled to vote at the meeting, satisfies all the requirements of the Act relating to that meeting of shareholders;

The following resolutions, signed by the sole shareholder of the Corporation entitled to vote thereon, are hereby passed pursuant to the provisions of the Act:

FINANCIAL STATEMENTS

It is hereby acknowledged that the balance sheet of the Corporation as at December 31, 2018, and the other audited financial statements, together with Auditors' Report, of the Corporation for the financial year ended on such date have been received by the undersigned shareholder of the Corporation.

ELECTION OF DIRECTORS

WHEREAS pursuant to an Amended and Restated Shareholder Declaration, as amended (the "Amended and Restated Shareholder Declaration"), the board of directors of the Corporation shall consist of seven directors, six of which shall be composed of various classes of directors, each serving for a three-year term, and the seventh member of the fourth class shall serve as the representative of the municipal council of The Corporation of the City of London;

AND WHEREAS the terms of the directors that are members of the third class expire at the annual meeting of shareholders held in 2018 pursuant to paragraph 4.4 of the Shareholder Declaration;

NOW THEREFORE BE IT RESOLVED THAT:

1. Each of the following persons, being directors that are members of the first and third class pursuant to paragraph 4.4 of the Amended and Restated Shareholder Declaration, are hereby elected as a director of the Corporation to hold office for a term with the expiry as set out below, provided that when a successor is not duly elected at the close of the annual meeting described below, such director shall hold office until his or her successor is elected:

<u>Class</u>	<u>Name of Director</u>	<u>Term</u>
First	TBD	the close of the annual meeting of the shareholders to be held in 2022 for the financial year ending December 31, 2021
First	TBD	the close of the annual meeting of the shareholders to be held in 2022 for the financial year ending December 31, 2021.
Third	TBD	the close of the annual meeting of shareholders to be held in 2021 for the financial year ending December 31, 2020

CONFIRMATION OF CONTINUING TERMS

2. Each of the following persons, being directors that are members of the second, third and fourth class, as provided for below, pursuant to paragraph 4.4 of the Shareholder Declaration, is hereby confirmed as having a term continuing until the expiry as set out below, provided that when a successor is not duly elected at the close of the annual meeting described below, such director shall hold office until his or her successor is elected:

<u>Class</u>	<u>Name of Director</u>	<u>Term</u>
Second	Connie Graham	the close of the annual meeting of shareholders to be held in 2020 for the financial year ending December 31, 2019
Second	Guy Holburn	the close of the annual meeting of shareholders to be held in 2020 for the financial year ending December 31, 2019
Third	Marilyn Sinclair	the close of the annual meeting of shareholders to be held in 2021 for the financial year ending December 31, 2020
Fourth	Michael van Holst	the term ending November 15, 2022

APPOINTMENT OF AUDITORS

3. KPMG LLP are hereby appointed auditors of the Corporation to hold office until the close of the next annual meeting of the shareholders or until a successor is appointed by the shareholder at such remuneration as may be fixed by the directors and the directors are hereby authorized to fix such remuneration.

DATED this _____ day of _____, 2019.

The Corporation of the City of London

By: _____
Name: Ed Holder
Title: Mayor

By: _____
Name: Catharine Saunders
Title: City Clerk



London Hydro Inc. Annual General Meeting

For the Financial Year Ending
December 31, 2018

June 24, 2019

Board of Directors

- Gabe Valente, BA, BComm, CPA, CA
Chair
- Connie Graham, BSc, ICDD
Vice-Chair
- Mohan Mathur, DSc, PhD, PEng, FCAE
- Marilyn Sinclair, BA
- Jack Smit, CPA, CGA
- Guy Holburn, MA, PhD
- Michael van Holst, HBSc, BEd

Senior Management Team

- Vinay Sharma, PhD, PEng, FCAE, CDir
CEO
- William Milroy, BAsC, PEng
VP Engineering & Operations
- David Arnold, BSc, MAcc, CPA, CA
CFO, VP Finance & Corporate Secretary
- Syed Mir, BSc
CIO & VP Corporate Services
- Elizabeth Carswell, BA, MA, BEd
Sr. Director Human Resources

Another Successful Year For London Hydro...

Financial Highlights	2018 Actual	2017 Actual
Distribution Revenue	68.7	66.9
Net Earnings	12.9	14.6
Average Return on Shareholder's Equity	7.8%	9.4%
Annual Investments:		
Capital Assets	42.3	38.2
Financial Position:		
Total Assets	426.0	394.5
Shareholder's Equity	169.3	159.8
Distributions to the City of London:		
Dividends Declared/Paid	5.0	5.0
S&P Credit Rating	A/Stable A/Stable	

Strong Financial Performance

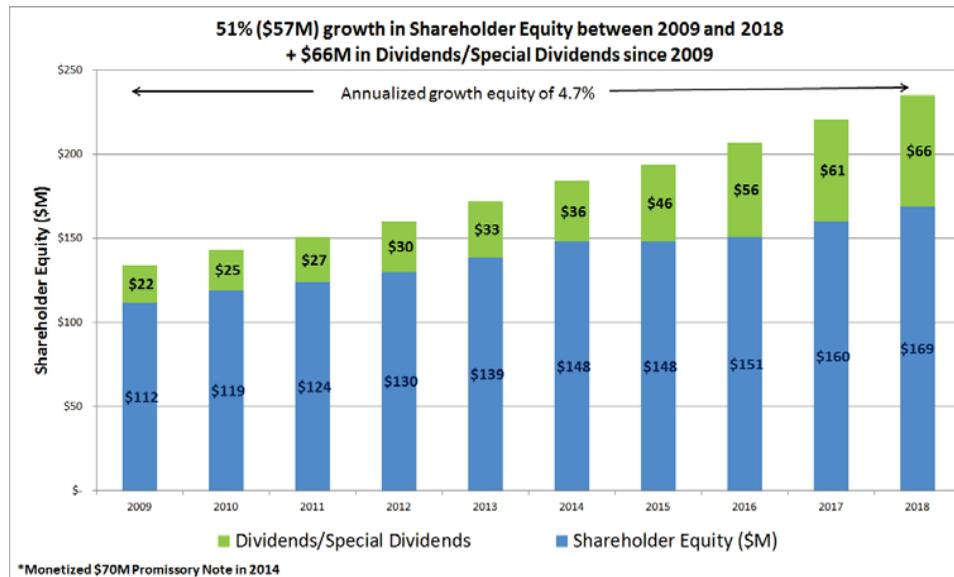
**Leaders in Technology and
Innovation**



London Hydro Fulfills All Shareholder Objectives

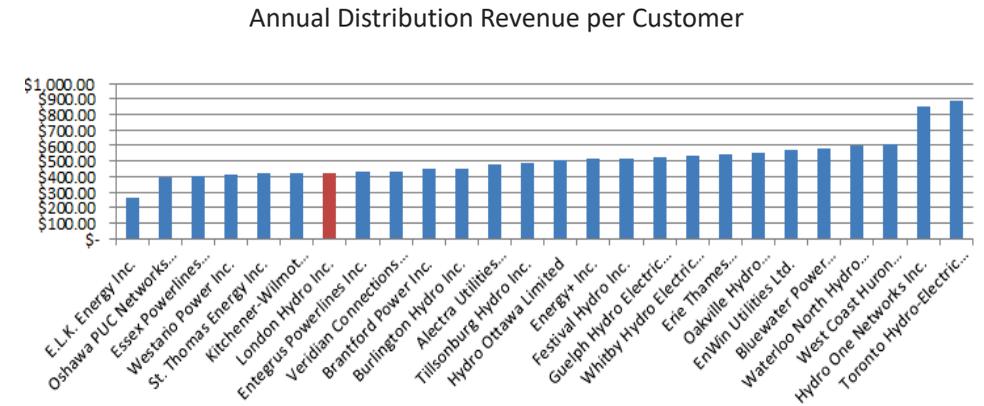
1. **Strong Growth in Shareholder Value**
 - ✓ Competitive Rate of Return: 7.8% RoE (10.2% on deemed equity)
 - ✓ Asset base growth of 8% and shareholder equity growth of 6%
 - ✓ Sustained Annual Dividend to the City of \$5M
 - ✓ Since 2000, \$206M cash flow provided to the Shareholder
2. **Caring for our Customers**
 - ✓ Cost and rates are again in the lowest quartile among Ontario utilities
 - ✓ Improving quality and reliability of service
 - ✓ High customer satisfaction – embracing technology
 - ✓ Continued prudent capital infrastructure investment
3. **Industry-Leading Performance**
 - ✓ Innovation Award in Digital Customer Engagement, for Builder's Portal
 - ✓ EDA Customer Service Excellence Award, for Builder's Portal
 - ✓ IHSA President's Award for 250,000 hours without an LTI

Growing Shareholder Value



5

London Hydro has Competitive Rates



6

Enhancing the Reliability of Our Distribution Grid \$130M invested in last 4 years in Capital Infrastructure



Enabling Growth and Development



Strengthening the Electric Grid

New Infrastructure for Growth

- New infrastructure to meet growth and development
- Installed more than 140km of underground infrastructure
- Installed over 440 transformers and 420 poles
- \$13.5 M invested on Dundas Flex Street Program

Increasing Contingency and Security of Supply

- Minimizing outages for customers
- Building new overhead and underground circuits to support peak loads
- Installed more than 68km of primary wire and cable
- Adding capacity and reliability to London's Core Grid

7

London Hydro - Leader in Digital Technology

Industry Recognized Leadership in Developing and Marketing Digital Technology
Creating Opportunities for New Revenue Streams



GREEN BUTTON PLATFORM

UL Certified Green Button CMD & DMD for Electricity, Water and Natural Gas



SMART POINT

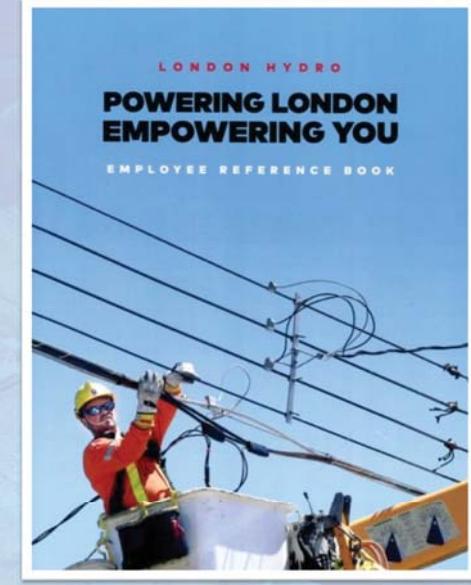
International Award Winning MyWater Web Portal



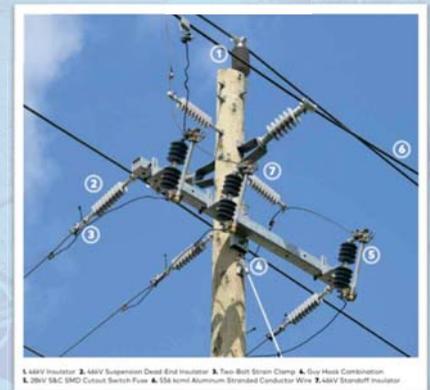
"MyWater has provided excellent value to the City given that the software solution, leveraging existing hardware and not requiring costly retrofits or the deployment of fixed network systems, permits an evidence based approach to managing our customer programs while also placing the data in the hands of the public for self-service."



Daniel Hsia, P.Eng
Water Demand Manager
Water Engineering
City of London



Educating our Employees Our Employee Reference Book



Example of an Overhead Asset

London Hydro Strong, Reliable and Innovative

- 1. Continue Strong Financial Performance**
 - ✓ Excellent debt-to-equity ratio
 - ✓ S&P credit rating of A stable
 - ✓ 8% growth in rate base and shareholder value
 - ✓ Prudent investment in modernizing the distribution grid to enhance security, contingency and reliability of supply
- 2. Strong Customer Focus**
 - ✓ Industry leading customer satisfaction ratings of 89% to 92% commercial and residential customers
 - ✓ Strategic investment in technology, automation processes to keep rates competitive
 - ✓ Increasing investment in digital technologies for innovation and enhanced customer service
- 3. Valuable Community Partner**
 - ✓ London Hydro employees donated \$36,000 to local charities, 2,066 lbs. of food to the London Food Bank, 280 toys to the Salvation Army Christmas Hamper Program. and designed, built and decorated a float for the Santa Claus Parade which was awarded the 2018 Committee's Choice Award
 - ✓ Continued focus on corporate culture journey with due regard for employees – 300+ strong



111 Horton Street
P.O. Box 2700
London, ON N6A 4H6

Powering London.
Empowering You.

May 30, 2019

Mayor Ed Holder
The Corporation of the City of London
Office of the Mayor
300 Dufferin Avenue
London, Ontario N6A 4L9

Re: London Hydro's Board of Directors & Shareholder Resolutions

Dear Mayor Holder:

We received a notification dated May 22, 2019 of Municipal Council's Resolution in connection with London Hydro's Board of Directors appointments/affirmations following our original letter dated April 12, 2019. In our letter we advised Council of the retirement of one Class III Board member as well as the renomination of the remaining Board members by the Corporate Governance Committee of London Hydro. As we indicated in our letter, the London Hydro Board is renominating the Class I Board members whose terms are up for reelection. We also noted in our letter that with the retirement of our experienced Class III Board member, the average tenure of the Board will decline to about 6 years, while our good governance requires an average tenure of 9 years.

By virtue of introduction, London Hydro is a business corporation strictly regulated by the provincial regulator and a competitive organization aggressively pursuing business growth opportunities. London Hydro is subjected to provincial regulation, several federal regulations as well as the Income Tax Act (ITA). Moreover, the corporation is subject to electricity open market trading. As we have shared with you in the past, London Hydro requires a rather long tenure for its Board members in order to ensure greater understanding of the complexities of the business, consistency in decision making, fiduciary responsibilities in terms of corporate liabilities, personal liabilities, and regulatory and ITA compliance. We have had two new Board members join us in the last three years and, as such, our current average tenure is about 7.7 years, much less than desirable. As we have noted above, with the retirement of one Class III member, this average will decline to 6 years. This is our prime reason for renominating the incumbent Class I Board members in order to retain experienced members. Furthermore, one of the incumbent Class I Board members has just been appointed Chair of the Board for his experience and profound knowledge of the business. In December 2018, the Ontario Energy Board (OEB) adopted rules and regulations regarding the corporate governance of utilities, a longer tenure of

Board members is going to assist London Hydro in fulfilling the OEB's governance requirements.

I speak from personal experience, that a longer tenure of the Board is paramount to London Hydro's success. I have been a London Hydro Board member since 2011 and I am currently the Vice Chair. I can assure you that I am still learning the complexities of the business. Therefore, I request that you give due consideration to the nominations of the Board members for reelection and affirmation with one vacancy, as noted in the Chair's letter dated April 12, 2019. I understand that the incumbent Class I members have been asked to reapply; please consider this letter and their nomination from the London Hydro Board as their applications for reelection to the London Hydro Board. I also believe that you already have a copy of their credentials and CVs from their previous application.

Further to this effect, please find enclosed Shareholder Resolutions pertaining to London Hydro's AGM scheduled for June 24, 2019, which represents the financial statements, election and confirmation of Board members as well as the appointment of auditors.

Sincerely,



Connie Graham, Vice Chair, Board of Directors
London Hydro Inc.

Enclosure: Shareholder Resolutions

c. Cathy Saunders, City Clerk, Corporation of the City of London

LONDON HYDRO INC.
(the “Corporation”)

WHEREAS subsection 104(1)(b) of the *Business Corporations Act* (Ontario) (the “Act”) provides that a resolution in writing dealing with all matters required by the Act to be dealt with at a meeting of shareholders, and signed by all the shareholders or their attorney authorized in writing entitled to vote at the meeting, satisfies all the requirements of the Act relating to that meeting of shareholders;

The following resolutions, signed by the sole shareholder of the Corporation entitled to vote thereon, are hereby passed pursuant to the provisions of the Act:

FINANCIAL STATEMENTS

It is hereby acknowledged that the balance sheet of the Corporation as at December 31, 2018, and the other audited financial statements, together with Auditors’ Report, of the Corporation for the financial year ended on such date have been received by the undersigned shareholder of the Corporation.

ELECTION OF DIRECTORS

WHEREAS pursuant to an Amended and Restated Shareholder Declaration, as amended (the “**Amended and Restated Shareholder Declaration**”), the board of directors of the Corporation shall consist of seven directors, six of which shall be composed of various classes of directors, each serving for a three-year term, and the seventh member of the fourth class shall serve as the representative of the municipal council of The Corporation of the City of London;

AND WHEREAS the terms of the directors that are members of the third class expire at the annual meeting of shareholders held in 2019 pursuant to paragraph 4.4 of the Amended and Restated Shareholder Declaration;

NOW THEREFORE BE IT RESOLVED THAT:

1. Each of the following persons, being directors that are members of the first class pursuant to paragraph 4.4 of the Amended and Restated Shareholder Declaration, is hereby **elected** as a director of the Corporation to hold office for a term with the expiry as set out below, provided that when a successor is not duly elected at the close of the annual meeting described below, such director shall hold office until his or her successor is elected:

<u>Class</u>	<u>Name of Director</u>	<u>Term</u>
First	Gabriel Valente	the close of the annual meeting of shareholders to be held in 2019 for the financial year ending December 31, 2018
First	Jack Smit	the close of the annual meeting of shareholders to be held in 2019 for the financial year ending December 31, 2018

CONFIRMATION OF CONTINUING TERMS

2. Each of the following persons, being directors that are members of the second, third, and fourth class, as provided for below, pursuant to paragraph 4.4 of the Amended and Restated Shareholder Declaration, are hereby confirmed as having a term continuing until the expiry as set out below, provided that when a successor is not duly elected at the close of the annual meeting described below, such director shall hold office until his or her successor is elected:

<u>Class</u>	<u>Name of Director</u>	<u>Term</u>
Second	Connie Graham	the close of the annual meeting of shareholders to be held in 2020 for the financial year ending December 31, 2019
Second	Guy Holburn	the close of the annual meeting of shareholders to be held in 2020 for the financial year ending December 31, 2019
Third	Vacant	
Third	Marilyn Sinclair	the close of the annual meeting of shareholders to be held in 2021 for the financial year ending December 31, 2020
Fourth	Michael van Holst	the term ending November 30, 2022

RESOLVED THAT:

KPMG LLP are hereby appointed auditors of the Corporation to hold office until the close of the next annual meeting of the shareholders or until a successor is appointed by the shareholder at such remuneration as may be fixed by the directors and the directors are hereby authorized to fix such remuneration.

DATED this _____ day of _____, 2019.



**London
Hydro**

111 Horton Street
P.O. Box 2700
London, ON N6A 4H6

Powering London.
Empowering You.

April 12, 2019

Mayor Ed Holder
The Corporation of the City of London
Office of the Mayor
300 Dufferin Avenue
London, Ontario N6A 4L9

Re: Appointments/Affirmations of London Hydro's Board of Directors

Dear Mayor Holder:

After five strong years of leadership, hard work and significant time commitment, Mohan Mathur, P.Eng., Ph.D., FCAE, has decided to relinquish the Board Chair responsibilities. Mohan has also elected to retire from the London Hydro Board after having served for over 13 years. Former Dean of Western Engineering, Mohan was instrumental in shaping the technology innovation culture and in nurturing the safety culture at London Hydro. All of us profoundly thank him for his contributions to the success of London Hydro and wish him the very best in the future. With Mohan's exit, we will lose engineering skills on the Board. Please note, the Board of London Hydro has elected Gabe Valente as Chair and Connie Graham as Vice Chair, effective March 1, 2019.

London Hydro has been a very successful corporation with excellent performance and sound financial returns. This is the result of a well-functioning, skilled and experienced Board which has over the years maintained a high standard of governance. The average tenure of the current Board members is about 7.7 years, much less than desirable; this is because of the two new appointments of Board members in 2016 and 2017. Ideally, it would be more appropriate to maintain an average tenure of 9 years or more for good governance of the corporation, especially a strictly regulated and yet competitive organization, like London Hydro. Also, with Mohan's exit our average tenure will decline to about 6 years.

Ex-Mohan, London Hydro has strong financial, business and strategic expertise in the current mix of its Board members; thus, it is necessary and appropriate to seek a new member with engineering skills to replace Mohan. Such a selection will again complete the required skill set for the corporation. It would be consistent with London Hydro's Shareholder Declaration, the Ontario Energy Board's draft Governance Guidelines as well as the Office of the Superintendent of Financial Institutions of Canada's requirements for a high performing Board to have all-round skills from engineering to finance to strategy. Therefore, please consider this letter as a request to City Council to elect a new Board member to replace Mohan for Class III, specifically with a candidate that has engineering skills. The remaining Board members in the various classes have all expressed interest to continue to serve on the Board of London Hydro.

The former Western Engineering Dean, Andy Hrymak, PhD, PEng., who is presently Western's Provost & Vice President (Academic), had previously applied to be a member of our Board in 2017 when Guy Holburn was the eventual appointee. Our understanding is that Andy is still willing to be nominated for the appointment to London Hydro's Board. Given Andy's engineering qualifications as well as our experience of having worked with him on many research projects during his tenure as Dean of Engineering, London Hydro strongly endorses his candidacy. We believe that Andy's experience and qualifications will strengthen the collective skills of the London Hydro Board.

With the noted vacancy for Mohan's replacement, we will separately prepare and submit the necessary shareholder resolution at the time of our Annual General Meeting regarding the following nominations for the various Classes of London Hydro's Board members for Council's consideration.

Class	Number of Board Members	Board Members	Skills/Competencies	Nomination for 2019
I	2	Jack Smit	Finance	Nominated
		Gabe Valente	Finance	Nominated
II	2	Guy Holburn	Business/Regulatory	Nominated
		Connie Graham	Strategy	Nominated
III	2	Marilyn Sinclair	IT & Business	Nominated
		Vacancy	Engineering	Vacant
IV	1	Michael van Holst	Community	Nominated

Sincerely,



Gabe Valente, Chair, Board of Directors
London Hydro Inc.

✓ c. Cathy Saunders, City Clerk, Corporation of the City of London

AYMAN ABU SHARKH

MBA, P.Eng., PMP

Date: May 1, 2019

Re: Board of Directors Vacancy – London Hydro Inc.

Please accept my attached resume and my interest in filling a Board of Director position with London Hydro Inc.

With 10+ years of management experience in utilities, specifically 3 years as an IT Program Manager with London Hydro, and 8 years as a Manager with Bell in Network Provisioning and Services, I believe I can serve the position by offering a unique skill set:

- Independent director status. As I am not a present employee London Hydro or the City of London, I represent a degree of independence critical to good governance;
- Engineering & technical capability. As a past employee of London Hydro, I understand its core business. Moreover, my entire career has been based upon my ability to understand, adapt to, and implement new technological concepts and apply them to business goals. I am also a licensed Professional Engineer in Ontario (P.Eng.)
- Knowledge and understanding of current board governance best practices. I have attained a level of expertise in board governance policy and procedure that I have subsequently utilized as a governance resource in recent board and committee assignments (see CV);
- Board diversity. Representing a cultural background and age group that are often under-represented in boardrooms, I bring a unique perspective to the boardroom, which can prove beneficial in limiting “group-thinking” and increasing board performance.

I believe that I bring a diverse technical capability in a world that is increasingly looking to achieve business goals. I have the unique ability to understand board governance and best practices from working in public, private, and publicly- traded organizations, as well as from an educational background with electrical engineering and Executive MBA education.

In addition to continuing to work in technology in day-time capacity, I have a good understanding of OEB and CRTC regulations from my years with London Hydro and Bell.

I look forward to discussing your needs with the nominating committee in due time. If there is anything you require in the interim, please don't hesitate to give me a call. I am happy to provide references when requested.

Sincerely yours,

Ayman Abu Sharkh

Enclosure: Resume

Committee: **London Hydro Inc.**

Organization/Sector represented:

Name: **Ayman Abu Sharkh**

Occupation: **Senior Project Manager/ College Professor**

Work experience: **I have been working for Canada Life since June 2018 as a Senior Project Manager. I also have been a part-time business professor with Fanshawe College since Jan 2018. I am also regularly invited as a speaker in engineering and technology conferences. In the past I have worked for the following organizations: • London Hydro: Program Manager, IT Infrastructure Jun 2015 – Jun 2018 • Bell: Senior Program Manager Jul 2007 – Jun 2018 • IBM: Quality Assurance Analyst May 2005 – Sep 2006**

Education: **Education • Executive MBA – Ivey School of Business Jun 2018 • B.A. Economics – Western University Oct 2008 • B.Sc. Electrical Engineering – Western University Jun 2007 Professional Credentials • Licensed Professional Engineer of Ontario (P.Eng.) 2010 – Present • Professional Project Manager (PMP) 2010 – Present • Information Technology Infrastructure Certified (ITIL v3) 2015 – Present • Licensed Scum Master 2018-Present**

Skills: **I bring 10+ years of management experience where I supported, coached, and directed teams of more than 10 members with various backgrounds and skillsets. I have also worked with multifunctional teams and numerous technology vendors and professional services providers. I am a Professional Engineer (P.Eng.) and have years of experience in strategy development, capital and expense budget management, labour planning, and IT Operations. I also teach college-level business courses such as Economics, Risk Assessment, Supply Chain Operations, and Quality Management. I believe that my motivation, collaboration skills, and understanding of importance of effective governance will help me in assisting London Hydro toward a sustainable future. I bring subject matter expertise in technology and overall management and I have excellent listening and negotiation skills.**

Interest reason: **I firmly believe that well-qualified members of our society have a duty to contribute positively to the advancement of our city. As my career path has progressed in utilities and technology, I am interested in giving back to the City of London through serving London Hydro again. Working for London Hydro as a manager in the recent past was a great addition to my career and I would enjoy the opportunity once again to give back to London Hydro through a board seat this time.**

Contributions: **I believe that I bring a diverse technical capability in a world that is increasingly looking to leverage technology to achieve business goals. I have the unique ability to understand board governance and best practices from working in public, private, and publicly- traded organizations, as well as from an educational background with my Executive MBA education. In addition to working in technology in day-time capacity, I am also involved in the education sector as an adjunct professor of business for Fanshawe College. This experience has given me a broad view of opportunities and challenges facing the Ontario and the City of London.**

Past contributions: **In the recent past, I contributed as a committee member of the Ivey School of Business's Social Impact committee where I played a role defining the committee's social impact mission (which was focused on education) and where I helped in organizing fund raising, donations, and food drives. In 2019, I continue to contribute to the non-profit sector by working as a Government Relations and Advocacy ambassador for the Multiple Scoliosis Society of Canada, an organization focused on research and improving the quality of life for people living with Multiple Scoliosis. I also have been recently nominated as a board member for WIL employment connections, a publicly-funded organization focused on empowering new immigrants to finding job placements in Canada. I get a first-row seat to how our economy and society are progressing into a prosperous direction.**

Interpersonal: **Respect is paramount – no question. As a leader in various professional areas any multiple organizations, my ability to work with a variety of personalities is proven. I have a track record of communicating and negotiating with colleagues, partners, and leaders in a cohesive and respectful matter that results in the betterment of the organization.**

Interview interest: **Yes**

AYMAN ABU SHARKH

MBA, P.Eng., PMP

PROFILE SUMMARY

Seasoned **technology leader & college professor** with 10+ years of experience with prominent Canadian organizations in insurance, utilities, telecommunications, and technology with a focus on strategic management and information technology. Concurrently involved as a volunteer board member in local non-profit organizations.

- Influential Leadership
- Financial Acumen
- Strategic Management
- Relationship Builder
- Results Driven
- Performance Management

EDUCATION

Executive MBA, Ivey School of Business	(2018)
BA Economics, Western University	(2008)
B.Sc. Electrical Engineering, Western University	(2007)

INDUSTRY SECTOR EXPERIENCE

Education	Telecommunications
Finance Services & Insurance	Technology Professional Services
Electrical Utilities	Government and Public Relations

CORE COMPETANCIES

- IT Strategy
- Project Management & Business Analysis
- Capital and Operational budgets
- IT Procurement & Vendor Management
- Building teams & Managing performance
- IT Service Delivery & Operations
- End to End Solution Delivery
- New Technology Introduction
- Managing Change & User Satisfaction
- Cyber Security & Disaster Recovery

BOARD EXPERIENCE

Board Member (2019 – 2021)
WIL Employment Connections (www.wil.ca)

Ambassador for Government Relations and Advocacy (2019-2021)
Multiple Scoliosis Society of Canada (www.mssociety.ca)

Social Committee Member (2017-2018)
Ivey School of Business Executive MBA Cohort Social Impact Committee (<https://www.ivey.uwo.ca/emba/>)

EMPLOYMENT HISTORY

Fanshawe College, Professor of Business

Jan 2018 - Present

- Demonstrated strong effectiveness as a professor by receiving an overall effectiveness score of 4.83 out of 5 in 2018 (College mean score was 4.29 out of 5).
- Extend in-class lectures on a weekly basis using engaging teaching methods to deliver on designed course learning outcomes.
- Design and use appropriate strategies and tools for facilitating and evaluating student progress and achievement.
- Create and maintain a positive learning environment which supports the diversity of students' cultures, educational backgrounds and learning styles.

Canada Life, Senior Project Manager, Group Technology

Jun 2018 - Present

- Managed the migration of 1.1M group plan members from a legacy benefits portal to a new platform.
- Managing the roll out of a new tele-medicine benefit and the required system impact changes as part of the roll-out strategy.
- Working with third party vendors to evaluate new technology implementations into Great-West Life's technology stack.

London Hydro, IT Manager

Jul 2015 – Jun 2018

- Designed a competitive organizational structure by effectively filling gaps in technical roles and repatriating IT support services (level 1) from an ineffective outsourced model to a more robust in-house model.
- Partnered with business unit leaders to gather project requirements, manage hardware acquisition and integration, and track financial spending and forecasts of IT operations.
- Regularly lead and create procurement requirements (RFP/RFI/RFQ) for all IT projects, including functional requirements, evaluation criteria, bid evaluations, vendor selection, and Statement of Work development.
- Successfully saved \$75K annually through effective market scans and negotiating new rates by leading the migration of cellular, ISP, M2M, and telephony services to new vendor agreements and modern platforms.

Bell, Senior Program Manager, Business Transformation

Jul 2007 – Jun 2015

- Integrated departmental strategic plan into the corporate strategic plan and packaged strategic objectives and financial analysis into C-Suite quality presentations.
- Managed Engineering budgets where duties include budgeting, forecasting, analyzing unit cost, and collaborating with operational teams to steer financial portfolio to target.
- Successfully re-designed the financial model for a \$45 million demand-driven program and improved budget forecasting and reporting by 25%.
- Led the design and implementation of a lean future mode of operation for the department workforce (700+ employees) and enabled the introduction of a new fiber strategic program.

IBM, Quality Assurance Analyst

May 2005 – Sep 2006

- Provided technical support to Quality Assurance Analysts from IBM DB2 international software labs with test environments setup, network and server maintenance, and system upgrades.
- Scripted SQL & Perl workflows to automate tests and track defects in critical database functions; compiled and distributed test results to associated developers.

PROFESSIONAL MEMBERSHIPS & CERTIFICATIONS

Professional Engineer (P.Eng.) Professional Engineers Ontario (www.peo.on.ca)	(2010-Present)
Professional Project Manager (PMP) Project Management Institute (www.pmi.org)	(2010-Present)
Information Technology Infrastructure Certified (ITIL v3) AXELOS (www.axelos.com)	(2015-Present)
Licensed Scum Master scruminc. (www.scurminc.com)	(2018-Present)

PERSONAL

Married to wife Dena, 2 children Khaled and Omar

Hobbies: soccer, boxing, yoga, swimming, walking, reading, investing

Committee: **London Hydro Inc. Board of Directors**

Organization/Sector represented: **Environment**

Name: **Skylar Franke**

Occupation: **Executive Director**

Work experience: **I've worked in the environmental sector for the last 6 years at ReForest London and the London Environmental Network. Previous to that I worked in the post-secondary educational sector with Ivey Business School and King's University College. For the last 2.5 years I've been the Executive Director with the London Environmental Network.**

Education: **I attended King's University College and completed by Honours BA. in Social Justice and Peace Studies and French Studies. Having a liberal arts education has improved my ability to critically analyze problems and communicate solutions effectively. I also have a Professional Certificate in Leadership from Western Continuing Studies.**

Skills: **I have sat on Boards in the past (Urban League of London, Halton Organization for Pride and Education) and understand the work that a Board of Directors is responsible for (fiscal responsibility, risk management and good governance). I've taken courses from Pillar Nonprofit on Board Governance as well and know I understand the role of a Board member. I am a responsible and diligent committee member, I read the reports, ask inquiring and relevant questions, respect confidentiality and ensure that organizations are striving to achieve their full potential. I am aware of regulations and policy changes that affect LDC's as I stay current with policies changes that affect many levels of the environmental sector. Our work is also impacted by changing legislation so I receive regular communications regarding these changes. I would continue to ensure that I'm aware of municipal, provincial and federal regulations and changes that would impact the work of London Hydro Inc. As Executive Director at the London Environmental Network, I've supported our organization in a variety of related initiatives. (small in comparison to London Hydro with around \$250,000/year operating and 5 staff but still relevant). I'm responsible for ensuring good financial management, human resource decisions and supporting the Board in executing the strategic vision of the organization. This work is transferable to understanding the needs of London Hydro as an organization.**

Interest reason: **The London Environmental Network recently launched Green Economy London, a Hub for business sustainability. This Hub will assist London businesses with reducing their energy, waste and water use. I see this work being particularly relevant and would love to sit on the London Hydro Board of Directors so I could learn about what services London Hydro could offer these small to medium sized enterprises. I'd also like to offer support and ideas for how London Hydro could connect with the various London businesses and ensure quality conservation management of their facilities. I've also heard from colleagues across Ontario that London Hydro is a leader in cutting edge technology and other LDC's across Ontario learn from the best practices set out by London Hydro. I'd love to be a small part of helping continue that innovation and leadership. I am very familiar with targets outlined in the City's Community Energy Action Plan and London Hydro Inc. plays a large role in that plan. I'm keen to see how the CEAP is implemented through London Hydro's offerings. I am very aware of many City of London initiatives that would relate to London Hydro's operations. I'm very interested overall in ensuring London Hydro Inc. continues to be a local leader in the community by ensuring good governance from a Board level. I'm also keen to see that London Hydro remains a public asset for the City of London. It is a major asset for the City of London and provides an excellent annual dividend that helps fund the important work the City of London does for our community.**

Contributions: **I believe the main contribution I could offer to the London Hydro Board of Directors is a strong connection and understanding of what the business community of London needs to support their work in reducing their energy use and becoming more efficient. Through Green Economy London, our organization will be working actively with members of the business community to find these efficiencies. Our organization recently joined the London Chamber of Commerce as a member and would be able to connect into their membership with information if required. Another strong connection would be to the local environmental nonprofit sector and in particular the London Electric Vehicle Association which has teamed up with London Hydro in the past regarding the installation**

of public chargers and hosting a Plug n' Drive event. I also have a strong connection to the London community through my work as the Urban League of London Board and could communicate community level initiatives. As residents, my partner and I have taken advantage of London Hydro's free Smart Meter installation program and enjoy seeing our heat or cooling shut off during peak periods - how cool to be a small part of city-wide conservation demand management! Plus we use Energate and can remotely turn off the heat/cooling from our phones and check our data out on the My Green Button app.

Past contributions: Through my work at the London Environmental Network I've sat on many committees including; Agricultural Advisory Committee, Urban Agriculture Steering Committee and the Waste Management Community Liaison Committee. During the time I sat on the Agricultural Advisory Committee I led a coalition of advisory committees (ACE, TFAC, AAC etc.) in organizing annual conferences including; Urban Agriculture Conference (2016), Resilient Cities Conference (2017) and the River Talks Conference (2018). The Urban Agriculture Strategy developed by the City of London leveraged many contacts from the 2016 Urban Agriculture Conference and we assisted in promoting the development of that strategy. I now sit of the Urban Agriculture Steering Committee to help advise on the implementation of the strategy. In my role on the Waste Management Community Liaison committee as Co-Chair, we presented to council our support for a 60% Diversion target for the city and our support in having a Green Bin program for London residents. I'm happy to contribute to the good governance of committee, commission and board work, as well as helping organize events and support strategy development and implementation as seen above. I can take a project from an idea to execution.

Interpersonal: I aim to seek understanding from those I do not agree with and enjoy discussing issues from a variety of perspectives. I have taken courses on conflict management and active listening and am experienced in respectful dialogue. I aim to find solutions, not more problems, through discussions. During my time on the Agricultural Advisory Committee I demonstrated that despite not sharing similar perspectives when it comes to industrial farming versus sustainable farming, I was always pleasant and respectful in our dialogue.

Interview interest: Yes

Committee: **London Hydro Inc. Board of Directors**

Organization/Sector represented:

Name: **Andrew N. Hrymak**

Occupation: **Provost and Vice-President (Academic) and Professor, Faculty of Engineering, Western University**

Work experience: **Senior administrative experience in university environment: 1 year as Provost and Vice-President (Academic); 9 years as Dean, 9 years as Department Chair. Active as chair and board member in professional engineering related committees, societies and industry led research consortia.**

Education: **B.Eng., McMaster University, Chemical Engineering, 1980; Ph.D., Carnegie Mellon University, Chemical Engineering, 1985; Registered Professional Engineer, Ontario (1999, #90552050)**

Skills: **I have senior management experience in budgeting (>\$750M per year as Provost, >\$30M per year as Dean), human resource planning as Dean (> 15 direct reports supporting over 200 staff and 2500 students), project planning (>\$100M in capital construction during my terms as Dean), and technical experience as a professional engineer and as an engineering educator for more 30 years.**

Interest reason: **Professionally I have interacted with London Hydro senior management to further educational, career and research opportunities that benefit London Hydro and Western University, and the City of London's citizens and rate payers. I have lived in the City of London as a homeowner since 2010 and would also bring the perspective of a citizen and ratepayer.**

Contributions: **I believe that my contributions will benefit the decision making of the Board from my exposure as a professional engineer, the collaborations that have gone on through Western University and London Hydro, and more broadly through interactions with other stakeholders related to energy policy, renewable energy and innovation in technology.**

Past contributions: **I have not served on a municipal or corporate board previously. I have served on boards in professional societies and groups related to university- industry relationships. I served 4 years as Chair of the Board of Directors of the University Network of Excellence in Nuclear Engineering, which has major industry funding from Ontario Power Generation, Bruce Power as well as other industry representatives, supporting research chairs and projects at more than a dozen universities.**

Interpersonal: **The board membership and professional society leadership roles, in addition to my role related functions as Provost and VP-Academic and Dean of Engineering, have helped me to develop, encourage, and listen to a wide diversity of stakeholders, individually and representing sectors. I have been involved in bargaining teams, so I appreciate the importance of collective agreements in framing the relationships with professional groups and unionized members. The Board needs to use sound evidence based decision making by bringing the knowledge and experience of the board members in reviewing and considering the recommendations of staff, along with the views, experience and abilities of stakeholder groups.**

Interview interest: **Yes**

Committee: **London Hydro Board of Directors**

Organization/Sector represented: **Management Education**

Name: **Trevor Hunter**

Occupation: **Associate Professor of Management**

Work experience: **I have taught management, international business and governance at King's for nearly 20 years. During that time, I have also provided governance training and consulting to many for and not-for-profit organizations in and around London and taught governance courses through organizations like Western's Faculty of Continuing Studies, London Community Foundation, London and Middlesex United Way Emerging Leaders program and Pillar Non-profit Network.**

Education: **BA (Honours Sociology) - King's University College MBA - Ivey School of Business PhD - Ivey School of Business**

Skills: **I am a recognized expert governance consultant, practitioner and thought leader within the London community. Other than an engineering background, I possess all the characteristics being sought for this position and I truly believe I am the best fit. As professor of management I have made a career teaching the functional areas of management including finance, accounting, human resources and strategic planning. I provide strategic planning and governance consulting to businesses and non-profits. My reputation as an educator and consultant is based on integrity and honesty. I have a strong understanding of both the utility industry, the core business of London Hydro and economic development in the City of London, as I have researched and written about the industry and London Hydro specifically in numerous studies. I have investigated and identified the impact London Hydro has on London's economic development and how it compares to other regional utility companies in three studies I wrote for the London Economic Development Corporation. This work was specifically cited in a study the City commissioned from KPMG in March 2014, as being "used to establish the strategic direction that LEDC is following" and that changing that strategy would be "detrimental to the City's economic development interests." I have held many leadership positions over my career. I have led my academic unit for more than six years. I have been chair or vice-chair of three non-profit organizations, including one I co-founded. Over the years, in these roles, I have interacted and worked with city officials and other arms-length governmental organizations regularly. I have practiced corporate stewardship and risk management in heavily regulated and competitive environments. The notions of compliance obligations and transparency are part of how I think as a board member.**

Interest reason: **To say that London Hydro plays an important role in the London community is an understatement. As one of London's largest assets, London Hydro is the linchpin to so many vital activities and processes. It quite literally powers the City's social and economic development. London Hydro helps unleash the potential of our citizens and organizations. It provides security and comfort. It powers the gateways to learning, knowledge creation and innovation. Who wouldn't want to be part of an organization that touches nearly every aspect of our city? I have a lot of board experience and expertise and I feel I have a responsibility to help our community by using the skills I possess. If I am selected to be a director I could help London Hydro be the best it can be for the City and, indirectly, help multiple constituencies achieve their social and economic goals. Good governance by the board of London Hydro contributes to a lot of good done in our City and being part of that is exciting to me.**

Contributions: **As a director of London Hydro I will bring scrupulous oversight, stewardship and integrity. I understand the commitment that is needed to be a board member and as I always do, I will take governance and the role of a director very seriously. I will be an involved and active director who knows the line between governor and manager and does not step across it. I will ask management and fellow directors tough questions to hold us accountable to our stakeholders and put in the kind of research and homework to be prepared and informed. I am a very good fit for the London Hydro board since I share the same commitment to governance excellence as the current directors, however, I bring a range of skills and expertise that is different from but complimentary to that which currently exists. I spend the bulk of my professional life researching and applying governance best practices and I will bring these insights to the board to maintain the continuous improvement the board has undertaken over the years. Additionally, along**

with what I have learned from my research, I bring nearly two decades of practical governance experience from serving on multiple boards from many sectors. I have developed insight and leadership that can only be gained from having “been there, done that.” I have served on boards in sectors that are highly regulated (public health, child welfare, economic development) and understand how to govern in the kind of dynamic environment in which London Hydro operates. With my understanding of governance, London Hydro itself and the City’s economic plan, I will have a short learning period and be able to contribute quickly.

Past contributions: I have consistently been recognized as a resource for governance best practices by the boards on which I have served. I have regularly been a member of or chaired the governance committee or been a member of the executive of these boards. In those positions, in addition to my stewardship role, I have ensured that the boards were following proper practices and aiming for improved board effectiveness. Below is the list of the boards on which I have served and a few of the major contributions I made: • Airshow London, (2015-2017), Co-founder and vice-chair: Created the organizational mission, vision and strategic plan. Developed the governance structure from scratch, wrote the by-laws, policies and created the committee mandates and reference terms while also defining the roles and responsibilities of the board and management. • Middlesex-London Board of Health, (2015-2018), Governance Committee chair: Managed the executive performance evaluation process. Led and oversaw a total organizational policy review in a heavily regulated sector. Oversaw and instigated board evaluation and reporting processes as well as board development plans. Identified board recruitment skills/needs, the promotion of director diversity among many other plans and oversaw board recruitment activities. • Governance Capacity Building Committee, Ontario Association of Children's Aid Societies, (2014 -present): I assist in the development and delivery of sector-wide director education tools and director evaluation procedures. My role on this committee has been to provide advice regarding cutting edge governance practices that are disseminated throughout the province. • Institute of Canadian Directors SWO region, (2012 - 2017): Provided oversight of the regional chapter of a national governance education/training organization. Led the presentation of and gave governance training sessions to board members from various sectors. • King’s University College Foundation, (2011 – present): Oversee the management and dissemination of endowed funds for a university. Provide oversight of the fund’s assets, appoint and oversee auditors and the monitor the Foundation’s investment policy. • London Small Business Centre, (2009 – 2014), chair 2012-2013: As board chair, I instituted a formalized management performance evaluation process that tied accountabilities and compensation through objective metrics. I also instituted an executive and board member succession planning process. Prior to becoming chair I was tasked with revamping the entire board structure developing a system of committees and wrote the mandates, terms of reference and reporting structure. Additionally, I reworked, improved and formalized the on-boarding and director orientation process. • Youth Opportunities Unlimited, (2001 – 2006): Was asked to take a direct role in providing business, planning and operations guidance and oversight to the fledgling Youth Enterprise division

Interpersonal: Teaching is the act of exchanging views with people who have different skills, abilities and knowledge and I am a very good teacher. Teaching requires the ability to listen, understand and interpret and I am really good at it. I have taught thousands of people since 2002. My students have been business people, directors or employees of non-profits, university and high-school students from many countries with varied backgrounds. With such a diverse student body I have had to develop the ability to integrate disparate levels of knowledge and experience into a coherent whole wherein all participants could communicate, learn and work together to accomplish goals. I have worked with different organizations with different agendas and values and I have learned from them all. My life is completely devoted to respecting the skills, abilities and knowledge of others because I love to learn and you can't learn if you are not willing to hear opinions with which you don't agree or understand. One cannot learn if one thinks they know it all. I work hard to know a lot about what I teach, but I recognize that there is always more to learn from many people. Since I recognize that I can learn more, I always try to. I listen to people who do things or see things differently than I to try to understand the reasons why they see things differently. Because I don't know everything and I want to be the best teacher I can, I am open and respectful of people who see the world differently than I. I offer the following two professional references who are willing to speak to my expertise and “fit” with this board position. Kapil Lakhotia President & CEO, LEDC 380 Wellington Street, Suite 701 London, Ontario N6A 5B5 Dr. Christopher Mackie Medical Officer of Health

and CEO Middlesex London Health Unit 50 King St, London, Ontario N6A 5L7

Interview interest: **Yes**

Committee: **London Hydro Board of Directors**

Organization/Sector represented:

Name: **Harry Joosten**

Occupation: **Semi-retired / governance consultant**

Work experience: **1976-2016 Libro Credit Union, retiring as Corporate Secretary and Governance Coach 2016-present Governance Vitality (principal) consulting practice specializing in government relations, strategic planning, public affairs**

Education: **1971 SDCI graduate & Ontario Scholar (80+ avg) 1976 Western U BA (Econ) + Dean's List 1975 1982 CCUI Fellowship & Associate (Honours) 2003 Queens U Exec Development Program 2015 ICD.D via Rotman School at U of Toronto**

Skills: - **collaboration, cooperation & consensus building - strategic & scenario planning - government relations & public affairs - board skill assessment, peer feedback, evaluation - articles, bylaws, policy, regulation development**

Interest reason: **As an Independent Community Service Professional, my passion is helping public, private and plural sector organizations reach their maximum potential through governance vitality and best practices. I believe London Hydro will benefit from my experience and expertise.**

Contributions: **While London Hydro provides a critical service on a reliable basis, it must continue to evolve to remain relevant in a fast changing environment. Unique governance challenges come from the City being sole shareholder and I can help address those issues.**

Past contributions: **I helped the former SWEA build better relationships with member municipalities and developed governance models (open disclosure: not ultimately adopted). London City Community Grants Panel -- fostered a more strategic approach to approval decision making**

Interpersonal: **My approach is open communication and respectful candour. I have chaired and coached many groups over 43 years, facilitating conversations that lead to effective decision making while also building team and interpersonal relationships. I have presented to many conferences and seminars on a wide variety of topics including governance, marketing, strategic planning, government relations.**

Interview interest: **Yes**

Committee: **London Hydro**

Organization/Sector represented: **Senior Partner MacNeill Edmundson P. C.**

Name: **James MacNeill**

Occupation: **FCPA**

Work experience: **Managing Partner MacNeill Edmundson PC Specialist in Taxation Instructor in Taxation at UWO Chairman of Board in many London organizations**

Education: **Bachelor of Mathematical Science, University of Waterloo, 1977 Received CA Designation in 1978 Received CPA Designation in 2012 Received FCA, FCPA in 2018 Received CFP Designation in 1997**

Skills: **Strong communication skills in dealing with complex matters. Negotiation skills on complex transactions. Corporate finance skills in the area of business valuations, and related financings. Knowledge of Governance matters, and Board Structures.**

Interest reason: **At this stage in my career, I would like to apply my skill sets to the work of London Hydro. I am a long time, proud Londoner, and I feel I can make a meaningful contribution at the Board level.**

Contributions: **Financial analysis from a Board perspective, and the audit function.**

Guidance on potential, if any, corporate purchases

Past contributions: **Chairman of the Board Westminster College Chairman of the Board Museum London Chairman of the Board the London Club Chairman of the Board Centre Stage Theatre Treasurer of the London Home Builders Assoc**

Interpersonal: **Numerous Board experience, and knowledge of proper Policies and Procedures, and general governance matters, and in particular on Roberts rules of order.**

Lecturer at UWO, and Fanshawe College. Hiring Executive Directors at various organizations. My personal style, is to seek as much input from other people before making important decisions, that will affect the future of the organization.

Interview interest: **Yes**

JAMES B. MACNEILL
CURRICULUM VITAE

- CHARTERED ACCOUNTANT:** Inducted Fellow of the Chartered Professional Accountants of Ontario in 2018
Received C.P.A. designation in 2012
Received C.A. designation in 1978
Received C.F.P. designation in 1997
Graduate of University of Waterloo in 1977
Bachelor of Mathematical Science
CICA In Depth Tax Course
CICA In Depth Tax Course - GST
CICA In Depth Tax Course - U.S. Tax
CICA In Depth Tax Course - International Tax
CICA In-Depth Tax Course – Corporate Reorganization
- AREA OF EXPERTISE:** Taxation, corporate reorganization, cross-border tax planning, international tax
- ACADEMIC INVOLVEMENT:** Lecturer, Personal and Corporate Taxation, Western University, 2001-2009
Lecturer, Accounting, Fanshawe College, 1986-1989
- CURRENT COMMUNITY INVOLVEMENT:** Committee Member, The London Club
Member, Campaign Cabinet, Fanshawe College
- COMMUNITY INVOLVEMENT:** Construction Crew in Cambodia, Tabitha Foundation Canada 2014
Chairman of the Board, The London Club
Chairman of the Board, Museum London
Chairman of the Board, Westminster College
Chairman of the Board, Centre Stage Theatre
Chair, Finance Committee, RCGA, Canadian Mid-Amateur Championship
Chair, Property and Finance Committee, Museum London
Chair, Finance Committee, Museum London Foundation
Member – Treasurer, Executive, The London Club
Member, Board of Museum London Foundation
Treasurer of London Home Builders' Association
Treasurer of Westminster College
London Free Press Editorial Board
Treasurer, Colborne Street United Church
Treasurer of Dance London
- MEMBERSHIPS:** Canadian Tax Foundation
London Tax Discussion Group
Film and Electronic Media Association (FEMA)
The London Hunt and Country Club
The London Club
Griffith Island Hunting Club
Oaks Golf Club
- PUBLICATIONS:** Frequent Appearances on CFPL T.V. on Matters of Tax and Finance
Lecturer in Taxation Chartered Life Underwriter
Lecturer, Law Society Bar Admissions Course – Family Law Section
Articles to Western Ontario Business and London Free Press
Lecturer for Federal Business Development Bank on Taxation
Lecturer at Fanshawe College, London, Ontario
Developed Personal and Taxation Courses for the Purposes of UWO Senate Approval and ICAO Approval

Committee: **City Council Appointment to the London Hydro Inc. Board of Directors**

Organization/Sector represented: **Individual/Independent**

Name: **Greg Martin**

Occupation: **Software Development Manager**

Work experience: **I am an experienced Software Development Manager with a positive attitude and a strong work ethic. I am very organized with an established focus on software development and delivery of enterprise-class, mission critical systems. My day-to-day activities require I maintain a wide and diverse workload, and I am always eager to accept new responsibilities. I align my personal goals with those of the company to help deliver positive results. My strengths include: - Over 20 years experience in a software leadership role in Manufacturing and Financial industries; - Expert knowledge of Visual C++ 6.0 (ATL, WTL, MFC, Win32), C#, VB, JavaScript, and XML/XSL as evidenced by the achievement of the Microsoft Certified Solution Developer certification, Microsoft's premier designation for Software Developers; - Proven track record of solution delivery, eager acceptance of new challenges, and resourceful problem solving**

Education: **I am a graduate of the University of Western Ontario (1995) and have completed computer programming courses in Visual Basic and C++ at Fanshawe College (1997). In April of 2000, I achieved the Microsoft Certified Solution Developer designation (MCSD). Throughout my career I have attended and led numerous technical, industry and leadership training sessions.**

Skills: **The key area of specialized knowledge I have that will assist London Hydro is in the area of technical domain knowledge, specifically as it relates to the trend of digitization. Major technical disruptors are leading changes to our everyday lives, and depend fundamentally on a consistent and scalable source of hydro electricity: - Electric Vehicles: Today we think of "digital" as laptops, TVs and mobile devices. Are we prepared for mass adoption of electric vehicles? As recently as last month, Tesla, an electric vehicle manufacturer based in Palo Alto, California, accepted pre-orders for a concept electric vehicle for which over 300,000 orders were made within 72 hours. With Chevrolet also announcing the Chevy Bolt in pre-production, the niche of electric vehicles appears poised to become mainstream. - The IoT: With similar momentum is the "mega-trend" of the IoT, the "Internet of Things". With sensors added to new destinations of everyday life, our collective demand for hydro to power those sensors - not to mention the infrastructure to support them, will only increase. - Bigger Data: Someday we will look back at the era when we referred to our data as "big data" and smile: the data in our world is only ever going to get bigger. Bigger data means bigger infrastructure support. Datacenters in regional locations, such as South Carolina or Belgium will eventually give way to localized datacenters to serve the need of the sheer scale of data volume consumers will come to demand. Localized data center requirements start with hydroelectric power. I have a diverse set of experiences, having seen banking, manufacturing and insurance from the perspective of a software development leader. These insights will help foster an on-going dialogue about the future of London Hydro.**

Interest reason: **I anticipate the intersection of future technical trends and hydro power demands will necessitate the influence of technically inclined people. Based on my professional experience, I believe I am uniquely poised to help serve the needs of London Hydro in this capacity.**

Contributions: **I believe I can effectively communicate my perspective to deal with both near term and long term strategic initiatives and risks facing the organization. I have worked directly with technology, but also with people (as a resource manager) and understand the importance of empathy and collaboration as part of a team. As an independent individual, I do not represent the interests of an outside corporation or have any potential conflict of interest which could influence my perspective.**

Past contributions: **Working within a leadership team during my employment history, I have led committees on process implementation, enterprise risk management, and employee communication.**

Interpersonal: **I have 20 direct reports who are software developers of varying levels of experience and education, ranging from co-op students to industry veterans, to Computer Science PhDs. In an industry which typically averages an employee turnover rate of 22%, the average for employees on my teams is less than half that number. I have people on my**

team today who have worked on my teams in past companies. I sincerely believe that I advocate on behalf of my team and am able to communicate my view in a way that is inclusive. Software development is a world of details and fast decision-making, and neither can occur without the skills, abilities and knowledge of others.

Interview interest: **Yes**

Committee: **London Hydro Inc. Board of Directors**

Organization/Sector represented: **Technology / Business**

Name: **Margaret (Marg) A. Parks**

Occupation: **Recently Retired IBM Business Executive**

Work experience: **I have both Board and Work experience as outlined here. Board Experience – The Board Experience I have developed has prepared me for a role with the London Hydro Board. a) Big Brothers Big Sisters of London – 7 years Experience including Board Governance, having worked on all committees and served as Vice President for 2 years b) Children's Aid Society London and Middlesex – Board Governance Role. I have served for the last 2 years and currently serve on 2 committees: i. the Quality & Equity of Services Committee ii. The Executive Committee c) My Sisters Place – I have served with My Sisters' Place - CMHA Middlesex for 3 years in several capacities – including Fundraising Organisation and Strategic Consulting as part of the Sustainability Committee d) Board Governance Training through Capacity Canada. This training has been invaluable in providing a basis to understand the roles and responsibilities for a Board of Directors. IBM / Work Experience Career with IBM in the technology business. Consulted with clients in areas of Mergers & Acquisitions, Strategic Planning, Business & Financial Operations. I was personally responsible for complex contract negotiations of \$10 M annually. I had increasing responsibilities in Sales, Strategic Planning, Executive Management, Consulting, HR, Operations and Change Management. I managed teams of 35 employees. I am a results oriented executive with strong people skills and success in tackling transformation challenges. I have the ability to work in environments with multiple stakeholders.**

Education: **IBM Education & Training every year (over 30 years) – including Harvard Courses, Executive Management Development, and Sales Training. Laurier Business Certificate in Entrepreneurial Studies Board Training as member of Big Sisters Board Board Governance Training – Capacity Canada**

Skills: **I understand the Hydro business. I have worked with London Hydro, plus several other Hydro businesses in Ontario – including Bruce Power, Ottawa Hydro, Hamilton Hydro and others. The experience I bring will allow me to assimilate efficiently and become part of the Board process.**

Interest reason: **I have been part of the London Community for 25 years. I have strong business and personal relationships in this community. I understand the Vision and Values of London Hydro and I believe I can contribute to continued success. The skills and experience that I have gained in areas of M&A, contract negotiations, HR and business operations will help me be successful and contribute to the London Hydro Board. I have a strong work ethic and high energy, and work very well as part of a team.**

Contributions: **I would work hard to be a contributing member on the Board. I have good communication skills and I am very interested to see the continued success of London Hydro. The experience that I have in areas such as M&A, strategic planning, technology, and financial management are all part of my experience.**

Past contributions: **I have Board experience with 3 organisations here in London. I am currently active at Children's Aid and My Sisters Place. I have had extensive Board Training. My corporate work life has provided tremendous experience and training opportunities for me to grow and develop, and I would like to use this experience to contribute back into our community. 1) Big Brothers Big Sisters of London – 7 years Experience 2) Children's Aid Society London and Middlesex – Board Governance Role – 2 years 3) My Sisters' Place - CMHA Middlesex – 3 years**

Interpersonal: **I have Board experience where I always work collaboratively with members. Additionally, my career experience was successful in great part because I am very strong working as part of a team. I am very strong in the areas of information sharing and exchange. My personal style is collaborative. As a business executive it was a key part of my responsibilities to collaborate both with senior executives of our clients, and with the IBM teams to manage and implement change processes within those same businesses. I have over 20 years of management experience, managing complex projects and large teams.**

Interview interest: **Yes**

Committee: **London Hydro Inc. Board of Directors**

Organization/Sector represented: **Industry knowledge, strategic planning, finance, regulatory, etc.**

Name: **Mark F. Rosehart**

Occupation: **CEO/General Manager Tillsonburg Hydro Inc. until June 30, 2016**

Work experience: **Primary functions have included participation within the corporate senior management team on various strategic planning initiatives, managing various regulatory compliance and customer issues, business and resource planning, administration and budgeting. Management of customer service, information system, strategic planning, utility support services team; key accounts and energy management, business systems support, wholesale and retail settlements, meter data management, and retailer management, regulatory compliance.**

Education: **THE UNIVERSITY OF WESTERN ONTARIO, London, Ontario. B.A. in Administrative & Commercial Studies, Financial Studies & Economics, 1980 -1983**

FANSHAWE COLLEGE OF APPLIED ARTS & TECHNOLOGY, London, Ontario.

Diploma, Graduated Land Survey (Civil) Technician Program., 1977 -1979 Activities and

Societies: Student Council representative for the CIVIL Technology Division ONTARIO

ASSOCIATION OF CERTIFIED ENGINEERING TECHNICIANS AND

TECHNOLOGISTS Designation as a C.E.T. and C.S.T.

Skills: **Strategic planning, Regulatory Interpretation, Finance deputy Treasurer, Business Communications and Report Writing, Stabilization & Complex Issues Management, Electric & Water Conservation/CDM Manager, Team Building and Mentorship, Regulatory Interpretation & Requirements, Energy Management, Smart Metering Business Process, Project Management Change Management and Leadership, Strategic Planner/Visionary, Award Winner, Program Developer, Marketing**

Interest reason: **My aspiration is to continue to serve the Public in a team environment experiencing new challenges and growth, and at the same time utilize my skills and past experiences to meet the organizations mission and objectives.**

Contributions: **Vision, leadership, commitment, hard worker, strategic thinker, diverse knowledge and experience, senior leadership team player, experienced manager, complex issues manager, team builder and leader, etc.**

Past contributions: **Senior leadership team at two Hydro Distribution companies, Middlesex Elgin Board of Director, etc.**

Interpersonal: **Senior leadership team at two Hydro Distribution companies, Middlesex Elgin VON Board of Director, Smart Energy Oxford Committee member, key advisor to the Ontario Energy Board (OEB), Ministry of Energy (MOE), Independent Electric System Operator (IESO), etc. I have personally worked with the MOE in writing two legislations and multiple regulations, the OEB in writing and defining multiple Codes and the IESO in defining compliance and initiatives. Considerable senior leadership team experience, etc.**

Interview interest: **Yes**

Mark F. Rosehart B.A., C.E.T., C.S.T.

Experience

CHIEF EXECUTIVE OFFICER/GENERAL MANAGER AT TILLSONBURG HYDRO INC.

2015 – 2016

Stabilize business operations, create a path of sustainability and/or review alternative business model options, enhanced governance, represent THI on various stakeholder matters e.g. Regional Planning, Smart Energy Oxford, Ministry of Energy, etc. Through presentation and Hydro Board approval several changes were made including implementation of an operational resource plan, organizational restructuring, sustainable budget approvals, short and long-term business strategies, etc.

CONTRACT CDM AT LONDON HYDRO INC.

2014

Duties mentoring CDM employees performing cost effectiveness tests and feasibility studies.

DIRECTOR, UTILITY SUPPORT SERVICES & ENERGY MANAGEMENT AT LONDON HYDRO INC.

1999 - 2012

Employed as the Director, Utility Support Services & Energy Management within the Customer Services & Strategic Planning (CSSP) Department. Primary functions have included participation within the corporate senior management team on various strategic planning initiatives, managing various regulatory compliance and complex business issues, business and IT resource planning, administration and budgeting. In addition, management of the utility support services team consisting of business systems support, key accounts and energy management, wholesale and retail settlements, meter data management and retailer management.

Past Positions:

*Director, Utility Support Services & Energy Management (2005-2012) *Manager of Strategic Planning and Energy Analysis (2002-2004) *Strategic Planner (2001) *Key Account Executive (1999).

MANAGER OF CUSTOMER SERVICE & INFORMATION SYSTEMS AT TILLSONBURG PUBLIC UTILITY COMMISSION

1986 - 1999

- ❖ Customer Service Manager: 30% allocation.
- ❖ Deputy Treasurer and Financial Analyst: 30% allocation.
- ❖ Key Accounts Manager: 20% allocation.
- ❖ Computer & Information Systems Manager: 20% allocation.

Skills & Expertise

*Leadership, Team Building and Mentoring *Business Communications and Report Writing *Strategic Planning/Visionary *Stabilization & Complex Issues Management *Resource & Business Planning *Change & Project Management *Wholesale & Retail Settlements *Research, Rate and Price Analytics *Electric & Water Conservation *Business Process Improvement *Regulatory Interpretation & Business Requirements *Energy Management, Renewables & Smart Metering *Award Winner, Program Development, Marketing.

Education & Associations

THE UNIVERSITY OF WESTERN ONTARIO, LONDON, ONTARIO.

B.A. in Administrative & Commercial Studies, Financial Studies & Economics, 1980 - 1983

FANSHAWE COLLEGE OF APPLIED ARTS & TECHNOLOGY, LONDON, ONTARIO.

Diploma Land Survey (Civil) Technician Program, 1977 - 1979

Activities and Societies: Student Council representative for the CIVIL Technology Division.

CONTINUING EDUCATION:

Completed several Municipal, Accounting and Human Resources Management Certificate program credits, Front Line Leadership, Organizational Behaviour, Visual Basic, AutoCAD, etc.

ONTARIO ASSOCIATION OF CERTIFIED ENGINEERING TECHNICIANS AND TECHNOLOGISTS

Designation as a C.E.T. and C.S.T.

BOARD MEMBERSHIP:

*London-Middlesex Housing Corporation Board of Directors (2017) *Tillsonburg Hydro Board of Directors (2015) *Smart Energy Oxford Committee Member (2015-16) *VON Elgin Middlesex Board of Directors (2014).

Awards and Honours:

- M.E.A. Marketing and Consumer Information Award for medium sized Utility (1988) - Heat Pump Package.
- Ontario Hydro - Award for Excellence in Customer Service and Promotion of Energy Efficiency (1992).
- M.E.A. Marketing and Consumer Information Award for medium sized Utility (1997) - "Home Energy Audit" program.

Committee: **London Hydro Board**

Organization/Sector represented:

Name: **Sarah Shortreed**

Occupation: **Technology Executive**

Work experience: **Titles and Years: CIO, Bruce Power, 2013 - 2018 VP, BlackBerry, 2008 - 2013 Multiple Roles, IBM Canada - 1996 - 2008 Multiple Roles, Union Gas - 1989 - 1996**

Details (apologies for the loss of formatting): SUMMARY An accomplished senior technology executive who delivers business strategies especially in the area of industrial technology. Global experience in a broad range of industries and executive roles related to the business of technology. Boardroom and CIO agenda experience. Forms effective relationships with business and partner stakeholders using highly effective communications skills. Highly resilient executive with advanced facilitation skills, a collaborative style and persuasive business case capabilities, known for her pragmatic approach to highly complex initiatives. Leverages these skills to motivate and lead IT organization and teams. Areas of Expertise: Digital Transformation Stakeholder Management Business Continuity Cloud Transformation Cyber Security Mergers and Divestitures Risk Management Structured Innovation Strategic Leadership WORK EXPERIENCE BRUCE POWER, Tiverton 2013 – 2018 Bruce Power is a \$3B private company that operates the world’s largest operating nuclear generating facility supplying roughly 30 per cent of Ontario’s electricity. CIO An Officer, and a member of the Executive team, responsible for the corporate Innovation mandate, Cyber Security, IT operations and projects, as well as performing command functions, and other executive participation as part of nuclear operations. • Delivered a comprehensive capital Modernization Program (~\$200M), including implementing a Cloud ERP on time and on budget • Established Cyber standards for Industrial Controls that are being used in the global standards for Nuclear plants • Restructured and reissued vendor contracts to drive savings year over year, exceeding all targets • Created an internal Innovation Program designed to drive grassroots, small innovations at the work group level, exceeded targets by increasing the participation rates from the previous program 400% in the first year • Engaged the local community and school board in a series of STEM career awareness events, exceeding expectations by establishing an ongoing teacher/industry mentor match program BLACKBERRY, Waterloo 2008 – 2013 VP, Enterprise Portfolio Management, 2012 – 2013 Responsible for the product lifecycle management process for the Enterprise Business Unit (EBU) and the strategic planning process for both the EBU and CIO teams. Focus was on creation of new revenue generation strategies. VP, Planning and CIO Program Office, 2008 – 2012 Responsible for 400-person Shared Services and Chief of Staff functions that spanned strategy, planning, budgeting (\$400M OpEx), vendor management, procurement, business continuity, risk management and Project Management Office for RIM Global CIO groups including BlackBerry Operations, Customer Support Operations, Corporate IT, and Enterprise Business Unit. Seconded to lead 3000-person Customer Support Operations for one year during this mandate. • Developed a procurement team from \$120M/year to \$1B/year over 2 years without increasing headcount. Later led that same team to cut 30% from the annual spend through a targeted reduction initiative that enabled the firm to meet the rapidly changing business conditions • Managed 3 crisis activities over the timeframe: SARS, European Ash Cloud, and 4-day BlackBerry outage – ensuring movement of product across quarter end and effective external communications to corporate customers • Led the Project Management activities related to Lawful Access and Data Sovereignty issues ensuring effective government relations programs were aligned with technology plans • Managed a portfolio of CapEx projects worth \$500M/year, meeting or exceeding business goals each year IBM, Markham 1996 – 2008 Business Development Executive, BPO and ITO, 2006 – 2008 • Managed 3 deal teams to closure, averaging \$700M/deal, meeting or exceeding all targets Project Executive, 2005 – 2006 • Managed \$125M P&L, 800-person team, providing outsourcing services at a major Canadian airline, meeting or exceeding all GP, Revenue and Signing targets Global Business Services, Consulting, 1996 – 2005 Progressive roles through the consulting organization leading sales and delivery of Strategy and Application projects. Large projects included implementation of e-health in Alberta, and Shared Services in Manitoba. UNION GAS, South Western Ontario 1989 – 1996 Progressive engineering and management roles in region operations and pipeline construction. EDUCATION / AWARDS / BOARDS Nuclear Leadership Program (CANDU Owners

Group), In-Class Executive Mentor – 2018 Ryerson IT Leadership Program, 2007 Bachelor of Engineering Science (Mechanical), University of Western Ontario, 1989 Women of Waterloo Tech Award 2010 Lauchland Engineering Medal, 2009 Young Alumni Award, 1999 Board Member of Western University’s Board of Governors, 2018 – Present Executive Committee, International Women’s Forum (IWF), Waterloo Chapter, 2017 – Present Member of Digital Advisory Board to the Treasury Board Secretariat CIO (Canada), 2016 – Present Chair of Conference Board of Canada’s CIO Committee, 2017 – 2018 Board Member of Natural Sciences and Engineering Research Council (NSERC), 2014 – 2018

Education: B.E.Sc. (Mechanical), UWO, 1989; P.Eng.

Skills: Considerable Board Experience including 2 theater boards, 2 social services agencies, ITAC Talent, NSERC and currently serving on the Board of Governors at Western. Technology, Cyber, Operations, and Business skills that are relevant.

Interest reason: I would like to contribute to the transformation of the electrical utility business in Ontario as the customer experience, distribution mechanisms, and advances in Operations Technology take place.

Contributions: I believe my broad business expertise, combined with Technical expertise, would be suited to helping London Hydro navigate the next few years of change. My Board Competencies include: - Strategic Thinking, with a unique perspective using lateral thinking methods. - Significant digital experience in a utility and industrial environment. - Professionalism in all situations

Past contributions: As a Board Member, I have participated in several Committees within the Board Structure. I have participated in CEO searches and succession planning, mergers of agencies, financial crisis events, and other Board relevant matters over my years as a volunteer Board member. I believe that my respect for the role of Management and my understanding of the fiduciary responsibility of the Board have been demonstrated in these events.

Interpersonal: My personal style is highly collaborative, with advanced negotiation skills. I often play the clarification role in board discussions where several members are having open and honest dialogue, but may be unable to see the connecting points, or areas of commonality. I have broad exposure to unions and diversity issues, and respect the process as well as the people.

Interview interest: Yes

Committee: **Board of Directors of London Hydro Inc.**

Organization/Sector represented:

Name: **Jack Smit**

Occupation: **Retired CEO Libro Credit Union**

Work experience: **President/CEO of Libro Credit Union for 24 years. Established a strong brand in Southwestern Ontario, including 5 branches and Head Office in London. Grew assets to \$1.6 Billion. Last month Libro was the recipient of the prestigious London Chamber of Commerce Corporate Icon award. I am extremely proud of the recognition by the Chamber of Libro's contribution to the London community.**

Education: **Chartered Professional Accountant. Graduate of Queens University Executive Program.**

Skills: **London Hydro Statement of Corporate Governance Practices states that the Board oversees the following areas: Strategic planning and strategic direction. Risk Identification oversight. Quality and performance measurement and monitoring. Policy and procedure Management. Financial oversight. Oversight of Management, including selection, supervision and succession planning. Stakeholder Communication and Accountability. Governance. Legal compliance. I have been on both sides of the Board table, as CEO of Libro reporting to the Board and as Board member and Chair of numerous diverse organizations. In those roles I have been involved in all of the areas mentioned above. The Boards of the Credit Union Centrals are complex organizations providing services, such as payment systems, liquidity, IT services and trade association services to Credit Unions in their respective provinces and at the national level. Libro Credit Union and the Centrals are heavily regulated entities. I am a Chartered Professional Accountant and very familiar with Financial oversight and risk identification and oversight. I have been involved in CEO selection on four different occasions as Board member, Chair of the Board and Selection Committee member. There have been a number of mergers and acquisitions in the utility industry and there is an expectation there will be more M&A activity in the sector. Libro has been involved in a number of acquisitions. In 2008 I was the lead negotiator in a merger between the Credit Union Centrals of Ontario and British Columbia into Central 1. This was a complicated merger due to the different businesses the Centrals are engaged in as well as the regulatory oversight. The merger was successfully concluded on July 1, 2008 in the midst of the financial crisis. Another area of importance for London Hydro is technology. I have extensive experience with technology. Libro Credit Union has its own in house system. I have been on the Board of Cudata, a company providing technology services to Credit Unions across Canada, which ultimately merged with CGI. I am also currently a Board member of Nerds on Site, a company providing technology services to individuals and small and medium size businesses. It is headquartered in London providing services worldwide. I have been part of the London community for the past 47 years. I have always been very active in the community participating in numerous fund raising activities. I have also been actively involved in the business community and developed a lot of contacts. I am a past Board member of the London Chamber of Commerce as well as past President. From these past experiences I have developed a thorough understanding of community needs. I have a high level of integrity and I am a team builder. At Libro I developed a very talented and professional leadership team.**

Interest reason: **As a long time resident of the City of London. I am committed to enhance the competitive position of the City. Our philosophy at Libro is that we can only be as successful as the communities we serve. Therefore we always make significant investments in the community. I also want to make such an investment. Hydro is a key component for our competitiveness by providing safe, reliable and efficient energy to residents and businesses.**

Contributions: **My success in business has been through visionary leadership and strategic thinking. I also have extensive governance experience as a Board member in a number of diverse organizations. A number of Boards I have served on have recognized my leadership skills by electing me Chair of the Board. I am keen to use those skills to make a meaningful contribution to the Board of London Hydro Inc.**

Past contributions: **I have served on the following Boards: London Chamber of Commerce - Board member and President. United Way of London and Middlesex - Board member. NEI Investments - Board member and Chair of Investment Committee. Central 1 Credit**

Union - Board member and Chair of the Board. Credit Union Central of Canada - Board member and Chair of the Board. Credit Union Central of Ontario - Board member, Chair of the Board and Chair of the Audit Committee. Nerds on Site - Board member.

Interpersonal: As President/CEO I was the Head Coach. Over the years I have coached and mentored numerous people, including my successor. I have developed excellent communication and negotiation skills in a wide variety of situations. Through my extensive experience on a number of Boards I have developed a sound ability to exchange views and debate in a respectful manner.

Interview interest: **Yes**

Committee: **London Hydro Board of Directors**

Organization/Sector represented: **Small Business Sector**

Name: **Lee Smithson**

Occupation: **CFDC General Manager/Franchise owner**

Work experience: **I have varied work experience including, Account director and Regional Sales management, Managing Director of The Stiller Centre and Western Research Park, Director of Life Sciences and Entrepreneurship with LEDC General Manager of Middlesex CFDC a federally funded small business support centre with a lending pool for rural entrepreneurs. I am also a small business owner of a FranNet Franchise for Southwestern ONtario**

Education: **I have a BSc in Cell Biology from Western and a number of Sales and management training certificates from a number of public and private training centres**

Skills: **I have a good understanding of financial and legale knowledge including accounting and limited tax as it pertains to small businesses; • I have a solid understanding of the core business and objectives of the Corporation; • I have experience in strategic planning, including human resource planning • My research park and Stiller Centre positions included considerations of corporate stewardship and risk management; • 15 plus year of B2B sales and small business ownership have provided plenty of experience in a competitive business environment; • As a customer both residential and business I am very aware of client needs of the business • I am actively engaged with local issues • I have a reputation for integrity and solid leadership in the city; • My time at LEDC and with the CFDC have provided me with the opportunity to connect to London industry and understand their needs and what drives them. I have also been involved in, supported or led numerous economic development activities including Foreign direct investment missions and local entrepreneur summits**

Interest reason: **I am looking for an opportunity to serve the community and bring my unique experience and skill sets to bear for the good of the city. I have lived and worked in London for more than 3 decades and would like to lever that experience back into London.**

Contributions: **I feel I can contribute as both business community member and as a client of London Hydro. I have a positive vision for London's future and can contribute to Strategic planning through measured discussion and risk mitigation actions to enable London Hydro have clear and decisive board direction.**

Past contributions: **I seerve on the Foundation board for Museum London, I was on the founding board for Emerging leaders, I served on the founding committee for innovation works, I serve as president of the London Chapter of Keiretsu Forum (an angel investing platform) and have enabled London companies over the years to raise more than \$100m for their companies through access to my network or investment professionals**

Interpersonal: **I have 15 years of sales and sales management experience and 12 years in a variety of senior management roles in very technical areas and in evaluating peoples business plans and investment requests. All of these experiences require one to respect the skills abilities and knowledge of others around the table. Not to do so would yeild less than ideal results.**

Interview interest: **Yes**

Committee: **London Hydro Board of Directors**

Organization/Sector represented: **N/A**

Name: **Steven Stefanko**

Occupation: **Currently retired.**

Work experience: **I was a Member and Vice Chair of the Ontario Municipal Board ("OMB") from 2005-2016, an Associate Lawyer and Partner with the law firm of Lerner LLP ("Lerner") from 1976-2005, the Chair of the Board of Directors of London Hydro ("LH") from 2000-2005 and a Commissioner with LH's predecessor, the Hydro Electric Commission of the City of London ("HEC") from 1998-2000.**

Education: **I have a B.A.(Economics) and an LL.B from Western University.**

Skills: **Prior experience with LH as Chair and my legal background, knowledge and experience at Lerner and the OMB.**

Interest reason: **It allows me the opportunity to again give back to a community which has been very generous to me over the years.**

Contributions: **Based on my legal knowledge and experience as well as my previous experience at LH, I believe I am able to identify, address and resolve the various issues, both legal and otherwise, which LH must deal with, on an ongoing basis.**

Past contributions: **As mentioned above I was the former Chair of the Board of Directors of LH and a Commissioner with HEC.**

Interpersonal: **My time as a Partner with Lerner, as a Member and Vice Chair of the OMB, as the Chair of LH and, my tenure as Chair of the Board of Directors of King's University College.**

Interview interest: **Yes**

Committee: **London Hydro Inc. Board of Directors**

Organization/Sector represented:

Name: **John Tapics**

Occupation: **Retired Electricity/Mining Executive / Professional Engineer**

Work experience: **Electricity: TransAlta Corporation 23 years (1978 to 2000) . Senior positions: Director of Fuel Supply (1986 to 1990); Vice President and Executive Vice President of Generation (1990 to 1998); Executive Vice President of Transmission and Distribution (1998 to 2000). Leadership of Generation Business Unit with 4500 Megawatts of Generation and 600 employees. Leadership of T&D Business unit with \$2.5 billion in assets and 850 employees. Developed business strategy for these business units. Actively participated in deregulation discussions leading to the development of Alberta's new Electric Utilities Act which came into force in 1996. Responsible for General Rate Applications. A primary witness at Utility rate hearings. Accountable for generation planning and T&D system planning respectively. Accountable for system control and power pool operations. (2001-2002) President and Chief Executive Officer for the Balancing Pool of Alberta which is a statutory corporation that managed output of over 3000 Megawatts of Generation on behalf of Albertans. Dealt directly with the Department of Energy to revise Balancing Pool regulations to enable the sale of derivative contracts for the capacity held by the Balancing pool. Developed strategy for the sale of energy for the assets managed by the Balancing Pool. (2003 to 2005) President and Chief executive Officer of the Alberta Electric System Operator. Responsible for: a) the operation and settlement of the real time electricity market (the power pool); b) for all the transmission planning for the province of Alberta; c) directing the operation of the provincial electricity system; and d) load settlement for the allocation of energy and hourly pool prices to customers without interval meters. (2006 to 2013) President and Chief Executive Officer of Compliance Energy a junior power generation and mining developer located in BC. Bid and was awarded a 35 year power purchase agreement with BC Hydro for the development of a 56 MW power plant. Negotiated a joint venture agreement for the power plant with a local first nation. Responsible for the project management of the project including engineering design and financing. Negotiated Joint venture agreements with major Japanese and Korean companies for the development of a new mine in BC. Responsible for information sharing and consultation with 20 First nations and aboriginal groups regarding the projects impact on their aboriginal rights and title. Led the development of a very comprehensive Environmental Impact Assessment. Spun out the Copper Mountain Mining project from Compliance Energy. Assisted in the development of an 80 million pound per year copper producer in south central BC. (\$500 million start up) . Currently on Copper Mountain`s Board of Directors.**

Education: **Professional Engineer; B.Sc. Eng in Mining Queen`s University. Other developmental courses include: Co-generation Systems from University of Wisconsin; Executive Development from University of Calgary; Finance for the The Non Financial Executive from Queen`s University**

Skills: **I have had extensive leadership experience in the electricity sector and have had experience .Mergers and Acquisitions and business development . As the first CEO of the Alberta Electric System Operator I was responsible for merging the former Power Pool of Alberta with the Transmission Administrator (ESBI) to form a single organization. I have also been on a number of publicly traded company Boards and volunteer organizations and bring existing Board room experience.**

Interest reason: **I moved to London 10 months ago and I want to get more involved in the community.**

Contributions: **With my extensive electricity and business background I can help review and develop n(as necessary) long term strategy for London Hydro.**

Past contributions: **See Job Experience re TransAlta, Alberta Electric System Operator, and Compliance Energy. I currently serve on the Board of Festival Hydro and Copper Mountain Mining Corporation.**

Interpersonal: **I have gained experience doing so through my executive positions and on the Boards of Directors I have served on.**

Interview interest: **Yes**

Committee: **London Hydro Inc. - Board of Directors**

Organization/Sector represented:

Name: **Gabe Valente**

Occupation: **Chartered Professional Accountant**

Work experience: **1992 to Present – Managing Partner in the accounting and management consulting firm of Valente CPAs LLP** As a practicing public accountant, I serve clients in both the for profit and not for profit business sectors throughout southwestern and central Ontario. I began my firm as a sole proprietor in 1992 and now manage a full-service advisory, accounting and tax practice employing 27 professional staff here in London Ontario. I am a member in good standing with the both the provincial and federal institutes of chartered professional accountants. My professional experience includes providing a broad range of financial, taxation and business management consulting services to clients with revenues/asset bases ranging from \$500,000 to over \$500,000,000. More specifically my experience includes the following: **Identification of client's needs through cooperative and interactive involvement with business owners, senior management teams and boards of directors with a view to develop, communicate and implement effective solutions to those needs and expectations; Develop and implement complete internal control systems/procedures including ongoing best practices and comprehensive internal and external audit measurement structures to ensure future adherence and reporting; Research, evaluate and execute complex corporate reorganization transactions; Negotiation and co-ordination of numerous mergers, acquisitions and divestitures for both private and publically traded entities. Specific experience in the utility business sector, advising clients on appropriate and tax effective purchase structure, due diligence work, acquisition risk mitigation and business valuation for corporate acquisitions made from Public Utilities in Ontario; Represent, defend and liaise client positions to and with all levels of Federal and Provincial tax authorities; Serve as advisory committee member on many private corporate entity boards with active participation, development and facilitation of corporate strategic planning; Provide clients with senior executive recruitment support and develop varied compensation arrangements and evaluation models, including vesting stock option compensation plans geared to talent retention. 1991 to 1992 Vice-President of Finance (Samuel's Inc). Responsible for all financial accounting and management functions of a twelve-location restaurant franchise organization, reporting directly to the president. Responsible for the successful implementation of an integrated and computerized financial and operational management information system to facilitate more efficient use of head office and location resources. Led organizational policy generation, culminating in the preparation of an in-depth corporate business plan and standardized corporate policy manual. Assisted in all levels of feasibility analysis for new franchise locations, including preparation and monitoring of detailed operating and capital expenditure budgets, lease and franchise agreement negotiation. Assisted in the negotiation of supplier contracts giving rise to significant financial savings on volume purchasing. 1988 to 1991 Staff Accountant - Deloitte & Touche, Chartered Accountants London**

Education: **Member in good standing of the Institute of Chartered Accountants of Ontario since 1992 Graduate of both UWO and University of Windsor holding Bachelor Degrees in both political science and commerce. Continuing education programs through the Canadian Institute of Chartered Accountants including: Practitioner's In-Depth Tax Course Business Valuations I and II Corporate Reorganizations Estate and Trust Planning Mergers and Acquisition – Private and Public Sector Associate Member of The Certified Fraud Examiners Association.**

Skills: **I joined the board of London Hydro in 2008 with very good understanding of the utility business sector as a whole. My work experience has afforded me the opportunity to gain a keen insight into the business of Public Utilities, an appreciation of the mandate of London Hydro as well as its importance to the City of London and ultimately the stakeholders. I was then appointed Chair of the Audit and Finance committee where I served for 5 years; appointed Vice-Chair of the Board in 2016 and in March of 2019 I was selected as Chair of the Board of Directors. While the complexity of the Ontario LDC sector, and London Hydro's place in that sector has a very steep and extended learning curve, my tenure as a director of the board has afforded me the opportunity to develop a deep and fulsome understanding of both the challenges and opportunities for our city's hydro asset. Since my appointment I have served on all special committees struck to assess**

the viability of potential acquisition, mergers and other strategic partnering opportunities; always with the view of ensuring London Hydro remains an efficient, effective steward for our community stakeholders, and a valuable and enduring asset to the shareholder. Beyond my current hands-on experience as a current London Hydro Chair and board member I bring my business 30 plus years of financial and advisory acumen generally attributable to a chartered professional accountant in public practice . My past board experience is as follows and I suggest has also contributed to the development of my Board skills: Chair, Greater London International Airport Authority (GLIAA) Appointed to the Board by the Federal Government, long standing member of the Executive and Finance committees, actively involved in the divestiture of the Airport from the Federal Government to the independent GLIAA. A board that delivered a \$19mil. airport terminal expansion budget and on-time without government subsidy, serving as Vice-Chair and Chair of the Board for 8 years. As Chair of the Greater London International Airport Authority, I feel I provided Board leadership in a collaborative manner by cultivating an environment of consensus building based on mutual respect and due process. This approach proved very successful at the GLIAA and leveraged the significant and varied skill sets of all Board members resulting in positive and effective governance as well as ongoing financial success for one of London's most important community partners. Through my past board experience, I have garnered a clear understanding of the scope and role of a board member and the stewardship responsibilities inherent in the position. I have been personally involved in working collaboratively with senior management in support of their efforts to actualize corporate strategic goals as well as providing appropriate mentoring and evaluation of CEO's and senior management as may have been required. I have also been involved in all facets of senior executive recruitment, evaluation and compensation from a number of different vantage points. Furthermore, I feel I possess good communication but equally good listening skills; both of which, in my opinion, are critical to the success of any board member. Council of Chairs Member, Canadian Airports Council A national Board representing all of Canada's Airports with a focus on development best practices, strategic partnerships, safety and security and most global issues pertaining to the delivery of airport services in Canada. Chair, Airshow London Limited Provided oversight for the delivery of the London International Airshow 1999 through to 2002. Director, London-connect Inc. 2000 to 2001 City of London appointee to the board of the high-tech data transfer subsidiary of London Hydro Inc. Subsequently sold by London Hydro in 2001. Past Director, London Health Sciences Centre Board Actively involved in all matters of board governance. Past Chair, Children's Health Foundation Founding Director, Past Treasurer of the Southwestern Ontario Chapter of CAFE, (Canadian Association of Family Enterprises) Past Director - Youth Opportunities Unlimited

Interest reason: London Hydro, like the London Airport or the London Health Sciences Centre, is an important community asset not only for providing the safe, cost-effective and reliable supply of hydro services to our customers but also as an important financial asset and employer for our community. That being said and as a life-time Londoner, I am a passionate supporter of our community. I hold a deep belief that we should all make best efforts to contribute in any way possible to the stewardship and betterment of the place in which we work, live and play. I have actualized on this commitment during my career and continue to do so now as I take on the important task of leading the London Hydro Board as Chair. London Hydro faces numerous challenges as the utility industry is ever-changing in Ontario, however, the company is very well positioned to seize upon many opportunities as it has become and national leader in technology and efficiency. In fact, London Hydro has become the go-to LDC in Ontario for innovation leadership. My hope is that I will be reappointed to the board for another term, so as to continue to the exciting work of ensuring the continued prudent management, growth and safe-guarding of our City's important utility asset.

Contributions: I believe I have brought an unbiased, reasoned and collaborative approach, as well as sound senior business and financial experience to London Hydro during my current tenure as a board member. This coupled with my varied board experiences and commitment to our furthering our City's best interest, I believe I will continue to responsibly execute the stewardship duties entrusted to me by the shareholder.

Past contributions: As stated above, my current London Hydro and other past board contributions have included establishing, evaluating and changing governance policy, developing organizational strategic planning, leveraging the skills of others board

members, supporting senior management in their efforts to actualize corporate goals and providing reasoned and unbiased input as required.

Interpersonal: Again, my personal opinion is that the views of others are critical and must always be heard, respected and taken into consideration in all interactions. As a professional service provider, myself, open information exchange, leverage of personal knowledge, experience and skills are pre-requisites to reaching the most appropriate and effective solutions for my clients. I would most certainly be out of business without such an appreciation. This open approach is what I embrace in my daily business and personal life and bring to my current role as a London Hydro board member. I will continue to do so in the future.

Interview interest: **Yes**

Committee: **London Hydro Board of Directors**

Organization/Sector represented: **General Public**

Name: **Mary Helen Walsh**

Occupation: **Teacher**

Work experience: **I have been involved in many different areas in my life. I have been a business and cooperative education teacher for 20 years. I have also been involved in real estate and the set up of several small businesses as well as being a responsible homeowner and London resident.**

Education: **I graduated from Western University in 1981 and went into the insurance business. I returned part time to university and eventually graduated from Teacher's College in 1992.**

Skills: **I am very interested and involved in Environmental Issues. I have a lot of business experience and a tremendous amount of experience dealing with people of all ages.**

Interest reason: **I think I can make a difference to both London Hydro and its customers. I am a real life working person and have worked very hard to get where I am. I would like to be able to give back to the city I have lived in my entire life.**

Contributions: **I can contribute new, fresh ideas on how to improve service and motivate customers to lower consumption.**

Past contributions: **I have not been on a body like London Hydro, however I have been involved on many school committees, our neighbourhood association, Amabile choirs of London amongst others.**

Interpersonal: **I have lots of experience from the school perspective as well as the Amabile perspective. Listening to others and respecting their opinions is crucial to effective meetings.**

Interview interest: **Yes**

3RD REPORT OF THE
GOVERNANCE WORKING GROUP

Meeting held on May 6, 2019, commencing at 2:00 PM, in Committee Room #4, Second Floor, London City Hall.

PRESENT: Councillors J. Morgan (Chair), S. Hillier, S. Lewis, P. Squire, and M. Van Holst, and C. Saunders (Secretary).

ABSENT: A. Kayabaga

ALSO PRESENT: M. Hayward, A. Anderson, S. Corman, J. Raycroft and B. Westlake-Power.

1. CALL TO ORDER

1.1 Disclosures of Pecuniary Interest

That it BE NOTED that no pecuniary interests were disclosed.

1.2 2nd Report of the Governance Working Group

That the 2nd Report of the Governance Working Group from its meeting held on March 25, 2019 BE RECEIVED.

2. CONSENT ITEMS

None.

3. ITEMS FOR DISCUSSION

3.1 Debate at Standing Committees – Proposed Amendments to the Council Procedure By-Law

That, on the recommendation of the City Clerk, the City Clerk BE DIRECTED to make the necessary arrangements to present the proposed by-law appended to the staff report dated May 6, 2019 as Appendix “A”, at a Public Participation Meeting before the Corporate Services Committee to amend Council Procedure By-law A-50, as amended, to clarify that Members of Council who are not a member of a standing committee may participate in the debate with respect to a matter before the standing committee.

3.2 Appointment Voting Demonstration and Discussion

That the City Clerk BE DIRECTED to bring forward to the next meeting of the Governance Working Group (GWG) proposed procedures with respect to the provision of an electronic voting system to consider public appointments to Advisory Committees, Boards and Commissions for further consideration that would include the following :

- i) the ability to include brief profiles of the applicants;
- ii) provision of run-off capabilities based on the elimination of the applicant with the lowest vote;
- iii) the capacity to provide for run-offs where multiple applicants are to be appointed;

it being noted that the Governance Working Group (GWG) received a demonstration of the proposed electronic voting system from the Deputy Clerk.

4. DEFERRED MATTER/ADDITIONAL BUSINESS

None.

5. ADJOURNMENT

The meeting adjourned at 2:42 PM.



300 Dufferin Avenue
P.O. Box 5035
London, ON
N6A 4L9

June 24, 2019

Chair and Members of the
Strategic Priorities and Policy Committee

Re: Resignation from the Middlesex London Food Council

Due to a recent increase in personal demands on my time, there is a need for me to reduce my commitments outside of council. As a result, it is with regret that I am submitting my resignation from the Middlesex London Food Policy Council.

I am currently appointed to a number of Boards and Commissions. I believe it is important members of council are able to devote the time necessary to the boards and commissions on which they serve to be effective. This has led me to reach the conclusion that with my recent increased personal obligations, council duties, and other boards and commissions, the best course of action is to resign from the Middlesex London Food Policy Council, and allow an opportunity for another member of council to fill that role and give it the attention it deserves.

I thank you for your consideration of this matter.

Respectfully submitted,

Shawn Lewis
Councillor, Ward 2