



## MEMO

**TO:** Members of the City of London Special Priorities & Policy Committee (SPPC) for the Meeting of April 9, 2018

**FROM:** London & Middlesex Housing Corporation (LMHC) Board of Directors

**SUBJECT: CLARIFICATION AND INFORMATION RELATING TO THE SELECTION AND APPOINTMENT OF LMHC BOARD MEMBERS**

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### Background:

This memo is in response to a request made by SPPC on March 26, 2018, for LMHC to provide clarification and additional information on the conflict of interest question relating to tenants serving on the Board. To be clear, we recognize that there is no By-law (LMHC or City), corporate policy, local standard or legislation that explicitly restricts a tenant of LMHC from being appointed by Council to the Board of Directors due to any conflict of interest.

We wish to clarify the Board's earlier communication relating to the conflict of interest that may exist for tenants if appointed to the Board. The Board did not state or suggest that SPPC should not interview or appoint any candidate currently living in an LMHC property. The Board's intent was to simply point out for SPPC's consideration the potential conflict of interest or perceived conflict of interest that may arise for directors at large who are current tenants that would not arise for non-tenants in relation to certain aspects of the Board's work.

We raised the issue given our obligation to avoid conflict of interests (real or perceived) under the City's local standard, *HDN 2013-188 Local Standard: Conflict of Interest* (see Attachment 1). A Director's primary responsibility is to care for the fiduciary and governance needs of the organization, including to act in the best interests of the Corporation at all times. From time to time, this obligation may be at cross-purposes with a tenant's personal interests. If this situation arises, the Board's conflict of interests processes would need to be triggered and strategies devised to resolve any actual or perceived conflict of interest to the Board's and City's satisfaction.

It was this reality, given directors' obligation to avoid conflicts or perceived conflicts of interests, that we wanted to bring to SPPC/Council's attention.

This does not mean or imply in any way that the Board does not value, want to hear from, or provide a voice for our tenants. Contrary to this, tenants are at the heart of what LMHC is all about and why as an organization we have moved away from just being a "landlord" to a housing provider that supports and cares about our tenants, our staff and our community. This new direction was clearly stated in our 2017-2020 strategic plan that was presented to and supported by SPPC in June 2017.

In fact, our new strategic plan represents a truly collaborative effort. The plan, derived from tenant and community consultation was designed to genuinely reflect the needs of the tenants and communities we serve. We are changing LMHC's role in the community by aligning the type and scope of support services that will engage, assist and empower our tenants through the development of a tenant engagement and community development strategy, of which our tenants will play a critical role in creating.

The Board is also committed to ensuring overall diversity, inclusivity and gender equality throughout LMHC. This commitment was demonstrated at our meeting of January 26, 2017, in which the Board unanimously passed a resolution for Municipal Council as Shareholder to give consideration to the Canadian Board Diversity Council definition of board diversity<sup>1</sup> which includes industry experience, management experience, education, functional area of expertise, geography, age, gender, ethnicity, Aboriginal status, disability and sexual orientation when considering candidates for any Board vacancies.

In addition, the Board has previously requested the Shareholder include “lived experience” as a desired competency when seeking applicants for vacancies on the Board, as this is not included as a qualification of Directors under our current Shareholder Declaration (see below).

**Justification and Authority:**

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

**Regarding Retention and Reappointment of LMHC Board Members:**

Under section 6.2 (Shareholder to Appoint Directors) of LMHC’s Shareholder Declaration, the Shareholder shall appoint the Board in accordance with the following:

- a) Eligibility for Board Membership. To be eligible as a Director, an individual must not be statutorily disqualified from being a director under the OBCA or otherwise, and shall be a Canadian Resident, residing in or paying property taxes to the City or the County of Middlesex.

In addition, members of Council and County Council who act as Directors:

- i. Shall have been elected to such office by qualified electors pursuant to the provisions of the *Municipal Elections Act, 1996*, as amended or shall have been appointed as a member of Council pursuant to section 263 (Filling Vacancies) of the *Municipal Act, 2001*, as amended.
  - ii. Shall be approved as candidates for the Board by resolution of Council or County Council, as applicable.
- b) Qualifications of Directors. In appointing Directors to the Board, the Shareholder shall give due regard to the qualifications of Citizens with the aim of ensuring that the Board collectively represents a range of relevant expertise including with respect to:
    - 1) Social housing;
    - 2) Community development;
    - 3) Business and financial management;
    - 4) Corporate governance responsibilities;
    - 5) Organizational development;
    - 6) Labour relations;
    - 7) Legal and/or legal aid experience;
    - 8) Landlord and tenant and social services matters.
  - c) Board Composition. The composition of the Board of Directors of the Corporation be set at nine (9) members comprised of eight (8) citizen-at-large members, one (1) of which is to be recommended by the Council of the Corporation of the County of Middlesex, and one (1) member of Municipal Council of the Corporation of the City of London; and

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<sup>1</sup> <http://www.boarddiversity.ca/sites/default/files/CBDC-Annual-Report-Card-2016.pdf>

The Board be structured in four (4) classes allowing for staggered three (3) plus one (1) year terms and consisting of:

- Class 1: Two (2) citizen-at-large members;
- Class 2: Two (2) citizen-at-large members;
- Class 3: Three (3) citizen-at-large members); and
- Class 4: One (1) Municipal Council member and one (1) County Council.

- c) Appointment Process. Council members shall be appointed to the Board through a process approved from time to time by Council for such appointments. Other members of the Board who are not appointed to the Board through the appointment processes outlined in paragraph 6.2(d)(i) shall be appointed to the Board through a process approved by Council from time to time.
- d) Vacancies. Subject to section 124 of the OBCA (Directors and Officers: Vacancies), if a member of the Board ceases to be a Director for any reason, the Shareholder shall fill the vacancy created thereby as soon as reasonably possible from persons eligible for appointment as a Director pursuant to subsection 6.2(a).
- e) Term. The term of appointment for all Board members shall be for a term of three (3) years provided that Directors may be appointed for an additional one (1) year term in order that their tenure on the Board shall be concurrent with the term of Council. Directors, if qualified may be re-appointed to the Board.

**Regarding Board Competencies:**

On July 25, 2016, SPPC received a report from the City Manager (see Attachment 2) confirming through special resolution, Council's decision to make the following changes to the "Declaration of the Sole Shareholder" as approved on November 25, 2014:

- i. amend the Board composition (Section 6.2(c)), as follows: 1 City Council representative 1 County Council-recommended representative 7 Citizens-at-Large;*
- ii. provide for staggered Board terms (Section 6.2(f)), which may require a one-time extension of a current appointment(s) in order to provide continuity, with the transition process to be implemented in consultation with the LMHC; and*
- iii. provide for the LMHC 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 recommended changes were intended to provide greater influence over the appointment process by communicating the skills and experience needed to meet future challenges and strengthen the LMHC Board. Having the ability to advise on the qualifications and competencies of citizens in filling any vacant board position, ensures that the Board collectively represents a range of relevant expertise, noting that the City (Shareholder) will always have to consider the basic competencies required under applicable legislation as well. Staggered terms also ensures stability and continuity of business and governance over LMHC.

To maintain a balanced and diverse board, which will help achieve our new mission, vision, and strategic objectives LMHC is in need of board members who have the following qualifications, skills, and abilities:

1. APEGGA or ASET, P. Eng., or C.E.T designation with experience in/knowledge of facility building systems, facility asset management industry practices, building construction design and construction industry practices and standards including operating a facility lifecycle / asset management program and knowledge of various construction delivery methodologies including "design, bid, built", "design-build" and "construction management"
2. License Legal (J.D., LL.B) Professional with knowledge and experience associated with growing a dynamic and sustainable business and organization operating in the public domain with demonstrated solid skills pertaining labour relations, Human Resources, real estate transactions, corporate-commercial matters and/or commercial litigation.
3. Registered social worker (RSW or RSSW) or social service worker (TSI or TTSI) with the Ontario College of Social Workers and Social Service Workers with experience in the field of Community Development and understanding of the power dynamics and social relations that govern the relationships between various structures and diverse communities and working to achieve social justice through structural change.

Board member recruitment and selection is key to getting a great team of effective people around the board table. Having qualified and experienced board members that represent a mix of cultural and educational backgrounds who can offer a variety of perspectives on company issues is important for any organization, including LMHC. As such, the Board respectfully requests that all potential applicants be interviewed as part of the process and offer any assistance, if requested.

**Conclusion:**

LMHC values equity, inclusion, and dignity for all regardless of background. In order to achieve fairness and justice, we recognize no single person or idea can solve complex challenges. Increased diversity and inclusion leads to a greater ability to attract high-quality talent, serve customers' needs, and develop more innovative products, services, and ideas. These skills and abilities can come from anyone, including tenants of LMHC.

To address the changing nature of demographics, the workplace, and the marketplace, LMHC, like many organizations, is taking a proactive approach as provided by our Shareholder Agreement. We are requesting Council consider certain qualifications, skills, and abilities (including diversity) to more closely meet and exceed our customer expectations and deliver on our strategic goals and objectives.

LMHC is always looking for people who bring new perspectives and solutions to an increasingly complex business environment while ensuring fair and equitable representation at all levels of the organization. LMHC respects people as individuals and strives to create environments where diverse ideas are welcome, where collaboration is required, and equity and excellence are a must in achieving the organizational mandate, **We CARE!**

We trust this memo provides SPPC with the requested clarification and relevant information to make an informed decision and thank you in advance for your time and consideration in this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'M Buzzelli', with a long horizontal stroke extending to the right.

Michael Buzzelli, PhD  
Chair, LMHC Board of Directors

Cc: Josh Browne, CEO  
Marci Allen-Easton, Vice Chair  
S.Datars Bere, City of London Shareholder and Service Manager Liaison

Attachments:

1. [HDN 2013-188: Local Standard on Conflict of Interest](#)
2. [Recommendation to the Strategic Planning and Priorities Committee from A.Zuidema, City Manager, regarding London & Middlesex Housing Corporation Number of Directors for the Corporation. \(July 25, 2016\).](#)



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**London**  
CANADA

# Housing Division Notice

**Date: September 3, 2013**

**HDN#: 2013-188**

This applicable legislation/policy is to be implemented by the Housing Provider(s) under the following programs:

Please note if your program is **not checked**, this change is **not applicable** to your project.

<input type="checkbox"/>
<input checked="" type="checkbox"/>
<input checked="" type="checkbox"/>
<input checked="" type="checkbox"/>
<input checked="" type="checkbox"/>

Federal Non-Profit Housing Program

Private Non-Profit Housing Program

Co-operative Non-Profit Housing Program

Municipal Non-Profit Housing Program (Pre-1986)

Local Housing Corporation

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**Subject: LOCAL STANDARD – CONFLICT OF INTEREST (Replaces HDN# 2002-03 Conflict of Interest)**

**1. PURPOSE:**

To inform all housing stakeholders of the local standard under the *Housing Services Act 2011 (HSA)* and associated regulations related to Conflict of Interest of Directors, Employees and Agents of a Housing Provider.

**2. COMPLIANCE STANDARD:**

The *Housing Service Act, 2011* establishes the service manager's authority to set local standards on prescribed matters. Under section 75 of the Act, a Housing Provider shall operate a Part VII housing project and govern itself in accordance with both the prescribed provincial requirements and local standards made by the service manager. A service manager may only make local standards with respect to prescribed matters. These prescribed matters are outlined in section 100 of O.Reg 367/11 and include the following:

- i. Conflicts of interest of Directors, Employees and Agents of a Housing Provider.
- ii. The minimum number of meetings of the Board of Directors of a Housing Provider that must be held.
- iii. The remuneration of the Directors of a Housing Provider.

- iv. Property management relating to Part VII housing projects, including the procurement of, and contracts for, property management services.
- v. Leases for units in Part VII housing projects.
- vi. Multi-year financial plans.

A local standard does not apply to the extent that it conflicts with a provincial requirement, unless the provincial requirement provides otherwise.

### 3. LOCAL STANDARD:

- (1) Every Part VII Housing Provider shall have a Conflict of Interest By-law that contains, at a minimum, the requirements of the local standard including background and definitions along with a clear set of rules and business practices relating to avoiding conflict of interest, Board procedures and promoting fair and objective business practices. (See Appendices 1, 2 & 3)
- (2) Every Director, Officer, Agent and Employee of the Housing Provider shall sign a Conflict of Interest Declaration form indicating they have:
  - i. read and understand the Housing Provider's Conflict of Interest by-law and local standard and acknowledge that the Housing Provider is required to comply with it.
  - ii. acknowledge their responsibility to disclose to the Board.
  - iii. acknowledge their responsibility to disclose to the Housing Provider in writing, on an ongoing basis, any actual or perceived conflict of interest which may arise during their relationship with the Housing Provider.
- (3) A conflict of interest exists if any of the following situations occur:
  - i. The private, personal or business interest(s) of a Director, Officer, Agent or Employee of a Housing Provider that is sufficient to influence, or appear to influence, their ability to carry out their duties on behalf of the Housing Provider in a fair and objective manner.
  - ii. A personal gain, benefit, advantage or privilege is directly or indirectly given to or received by a Director, Officer, Agent or Employee of the Housing Provider or a person related to one of them as a result of a decision by the Housing Provider.
- (4) A Director, Officer, Agent or Employee of the Housing Provider shall not enter into any situation, arrangement or agreement which could result in a conflict of interest or the appearance of a conflict of interest.
- (5) Directors, Officers, Agents and Employees of the Housing Provider must notify the chair of the Board of Directors of the Housing Provider of every potential or actual conflict of interest no later than the first meeting of the Board after the Director, Officer, Agent or Employee becomes aware that he or she has entered into a situation, arrangement or agreement that results in or may result in a real or perceived conflict of interest.
- (6) The Board of Directors shall consider the notice given under subsection (5) no later than the second meeting of the Board after the notice is given and consideration of the notice must be reflected in the minutes of the meeting.



- (7) Directors, Officers, Agents and Employees of the Housing Provider who have disclosed a real/perceived conflict of interest to the chair of the Board cannot be involved in decisions related to the conflict.
- (8) The chair of the Board shall notify the service manager in writing of the receipt of every notice under subsection (5) within 10 business days following the second meeting of the Board after the notice is given consideration.
- (9) The Board of Directors shall resolve every conflict of interest or potential conflict of interest to the satisfaction of the City of London. Where a conflict of interest is on-going or not easily resolved, the Housing Provider will be required to have clear and concise written procedures detailing how an on-going conflict of interest is declared and resolved.
- (10) Housing Providers are to maintain a conflict of interest file, which should include a copy of the revised Conflict of Interest By-Law, a copy of all signed Conflict of Interest Acknowledgement Forms, all declarations of an actual or potential Conflict of Interest, along with the process undertaken by the Housing Provider and City of London to resolve the declared or actual conflict of interest, as well as any other appropriate documentation.
- (11) Despite subsection (4), a Director, Officer, Agent or Employee or a person related to one of them may directly or indirectly receive a gain, benefit, advantage, privilege or remuneration from the Housing Provider if all of the following conditions are satisfied:
- i. A notice of the conflict of interest or potential conflict of interest is given in accordance with subsection (5).
  - ii. The City of London agrees that there is no reasonable alternative for the Housing Provider other than entering into the situation, arrangement or agreement that results in or may result in the conflict of interest.
- (12) For the purposes of this local standard, a person related to a Director, Officer, Agent or Employee includes a parent, spouse, child, household member, sibling, uncle, aunt, nephew, niece, mother-in-law, father-in-law, sister-in-law, brother-in-law or grandparent, as defined by law or a person with whom the Director, Officer, Agent or Employee has a business relationship.
- (13) In this local standard,

“child”, in relation to an individual, means a child of the individual born within or outside marriage (unless that child has been adopted by one or more other individuals in Ontario or according to the law of another jurisdiction), a child adopted by the individual in Ontario or according to the law of another jurisdiction, and a child whom the individual has demonstrated a settled intention to treat as a child of his or her family, but does not include a child placed in the individual’s home as a foster child for consideration by another person having lawful custody; (“enfant”)

“parent”, in relation to an individual, means a natural parent of the individual (unless the individual has been adopted by one or more other persons in Ontario or according to the law of another jurisdiction), an adoptive parent of the individual who has adopted the individual in Ontario or according to the law of another jurisdiction, and a person who has demonstrated a settled intention to treat the individual as a child of his or her family, but does not include a person in whose home the individual has been placed as a foster child for consideration by another person having lawful custody; (“père ou mère”)



“spouse”, in relation to a person, means,

(a) an individual who, together with the person, has advised the Housing Provider that the individual and the person are spouses, or

(b) an individual who is residing in the same dwelling place as the person, if the social and familial aspects of the relationship between the individual and the person amount to cohabitation and,

- i. the individual is providing financial support to the person,
- ii. the person is providing financial support to the individual, or
- iii. the individual and the person have a mutual agreement or arrangement regarding their financial affairs (“conjoint”)

**4. REPLACEMENT OF CONFLICT OF INTEREST LOCAL STANDARD:**

The conflict of interest provisions set out in the local standard may be replaced or amended at the discretion of the Housing Division on the approval of City Council.

**5. ACTION:**

The local standard in this Housing Division Notice is effective immediately.

As this HDN specifically addresses matters pertaining to the Board, including but not limited to rules of order and governance, and/or matters requiring specific Board action including the Conflict of Interest By-law, it must be received and formally acknowledged by the Board. A copy of this HDN shall be retained with the corporate bylaws and made available for reference and review.

Housing Providers are required to pass a revised Conflict of Interest By-Law and shall provide a copy to The City of London, Housing Division, in either written or electronic formant along with a copy of the Board motion repealing their current Conflict of Interest By-Law, no later than December 31, 2013.

**6. AUTHORIZATION:**

*Original signed by*



Louise Stevens  
Director, Municipal Housing

**Appendix 1 – Background & Additional Information**

**Appendix 2 – ONPHA Sample Conflict of Interest By-law with Conflict of Interest Declaration**

**Appendix 3 - CHF Sample Conflict of Interest By-law with Conflict of Interest Declaration**

## Appendix 1 Background and Additional Information

**HDN:** 2013-188  
**Date:** September 3, 2013  
**Subject:** Local Standard – Conflict Of Interest

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### **What is a Conflict of Interest By-law?**

A Conflict of Interest By-law defines conflict of interest and guides the conduct of Housing Provider Employees, Directors, and contractors when situations of conflict of interest arise.

### **Why is it important to have a Conflict of Interest Policy?**

Housing Provider staff, Directors and contractors can face situations where their loyalties may be divided or where their personal interests may conflict with their duties or responsibilities to the Housing Provider. They need to be aware of what to do when these situations arise, and the ramifications of violating the policy.

### **What to Include in a Conflict of Interest Policy:**

- The purpose of the policy.
- A definition of conflict of interest, including real conflict of interest and perceived conflict of interest.
- The scope of the policy.
- The responsibilities surrounding conflict of interest.
- The repercussions of violating the policy.
- A reference to the local standard and details on how the Housing Provider will meet the local standard requirements regarding conflict of interest.
- Reference(s) to any related corporate policies and/or applicable legislative requirements dealing with conflict of interest. (i.e. Ontario Non-for-Profit Corporations Act, Ontario Business Corporations Act, Co-operative Corporations Act)
- Procedures to report conflict of interest instances to the City of London, as required under the local standard

### **How can the Board of Directors ensure that staff, Directors/Officers and contractors are following the corporation's Conflict of Interest Policy?**

- Have "Declaration of Conflict of Interest" as a standing agenda item at every Board meeting, general members meeting or annual general meeting providing the opportunity to declare an actual or potential conflict of interest.
- Make all Board members, Officers, Employees and Agents of the Housing Provider aware of the Conflict of Interest By-law when they join the organization and sign an a Conflict of Interest Declaration form confirming they have received, read and understand the Conflict of Interest By-law and Local Standard. All Directors should sign a Conflict of Interest Declaration form each year after elections.
- Review the by-law with Directors and staff on a regular basis.
- Establish a purchasing policy\By-law which gives clear standards for how goods and services are to be acquired, including a clause in all contracts and purchase orders above a certain value that permits the Housing Provider to terminate the contract if a conflict of interest is determined to exist by the Housing Provider or the City of London.

**Sample Conflict of Interest Bylaw:**

- Many housing providers already have a conflict-of-interest by-law because this was a Ministry requirement for all projects funded under provincially administered non-profit programs. The new Local Rule specifies that a non-profit's conflict-of-interest policy must be set down in by-law form.
- The by-law in **appendix 2** contains more requirements than the old Provincial policy (now Local Rule). However, ONPHA developed sample by-laws under the *Social Housing Reform Act 2000* rules because many providers have asked for a clear set of rules and business practices they can adopt in this format.
- The by-law is to be used as a sample only as it contains reference to the *Social Housing Reform Act 2000*. A new by-law must reference the *Housing Services Act 2011* and Local Rule
- To adopt a new by-law, your non-profit must repeal its current conflict-of-interest by-law in the manner set out in the General By-law, and replace it with one that is compliant with the *Housing Services Act 2011* and Local Rule.
- The CHF by-law contained in **appendix 3** was created with the *Housing Services Act* in mind.

Appendix 2

ONPHA Sample Conflict of Interest By-law with Conflict of Interest Declaration

HDN: 2013-188  
Date: September 3, 2013  
Subject: Local Standard – Conflict Of Interest

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Sample Conflict of Interest By-law

BY-LAW NUMBER ----- of

\* \_\_\_\_\_ [insert name of non-profit]  
(the "Non-Profit")

**Conflict of Interest By-law**

BE IT ENACTED as a by-law of the Non-Profit to repeal and replace By-law No. \_\_\_\_\_, Conflict of Interest, as follows:

1. **BACKGROUND**

a) The Non-Profit recognizes it is good business practice to avoid conflicts of interest.

b) The Government of Ontario, pursuant to the *Social Housing Reform Act 2000*, has issued Ontario Regulation 339/01, which includes the Government's rules relating to conflict of interest and other business practices. SCHEDULE A contains a summary of these rules.

c) This By-law sets out how the Non-Profit addresses conflicts of interest, including implementing the requirements of Ontario Regulation 339/01.

2. **DEFINITIONS – In this By-law:**

2.1 "Conflict of Interest" means a situation where:

i. the personal or business interests of a director, officer, agent or employee of a housing provider are in conflict with the interests of the housing provider; or

ii. a personal gain, benefit, advantage or privilege is directly or indirectly given to or received by a director, officer, agent or employee or a person related to any one of them as a result of a decision by the housing provider;

and includes

a. the non-profit giving a direct or indirect gain, benefit, advantage or privilege to a director, officer, agent or employee or a person related to any one of them;

b. a director, officer, agent or employee or a person related to any one of them receiving a direct gain, benefit, advantage or privilege from the non-profit as a result of the person's position within the non-profit; the non-profit, in offering housing accommodation or in setting rents or other occupancy charges, giving any advantage or privilege to directors who are tenants that are not available to tenants who are not directors.

2.2 "Declaration" means a declaration in the form attached as SCHEDULE B to this By-law.

- 2.3 “**Director**” means a member of the board of directors of the Non-Profit.
- 2.4 “**Officer**” means the president, chair, vice-president, secretary, treasurer, manager and anyone else designated as an Officer in the by-laws of the Non-Profit.
- 2.5 “**Person related to any one of them**” means a parent, spouse, same-sex partner, child, household member, sibling, uncle, aunt, nephew, niece, mother-in-law, father-in-law, sister-in-law, brother-in-law or grandparent of the director, Officer, agent or employee or a person with whom the director, officer, agent or employee has a business relationship.
- 2.6 “**Service Manager**” means a Service Manager as defined in Section 2 of *The Social Housing Reform Act, 2000*, and includes any person exercising the powers of the Service Manager under Section 16 of *The Social Housing Reform Act, 2000*.
- 2.7 “**Threshold**” means more than an amount, accepted as such by the Service Manager, which is lesser of:
- a) \$14,999.00; and
  - b) \$2,000.00, plus \$20.00 for each residential unit in the Non-Profit’s project/portfolio in excess of 100 units.

3. **AVOIDING CONFLICT OF INTEREST**

- 3.1 **Exceptions** – The Non-Profit shall not enter into a relationship, arrangement, contract or agreement with any person in a way that creates a Conflict of Interest, except that:
- a) provided that a notice of conflict or potential conflict of interest has been delivered to the Service Manager and the Service Manager agrees there is no reasonable alternative, the Non-Profit may enter into a relationship, arrangement, contract or agreement that normally would be the conflict of interest;
  - b) a Director who lives in the Non-Profit may be employed by the Non-Profit on a part-time basis to perform routine tasks such as administrative, maintenance or operational tasks with respect to the Non-Profit’s project/portfolio a Director may be employed by the Non-Profit in a non-managerial or non-supervisory position **[provided that where the board of directors consists of not more than five Directors, there shall not be not more than one Director so employed at any one time. If there are more than five Directors, the total number of Directors so employed may not exceed one fifth of the board.]**
  - c) some or all of the Directors may also sit as Directors of an organization that supplies essential support services for special-needs clients residing in the Non-Profit’s project/portfolio, where the project/portfolio exists specifically so that residents can live in the community with the support services provided; and
  - d) the Directors may be paid a modest *per diem* or an honorarium if a provision allowing such remuneration is contained in the Letters Patent or Articles of the Non-Profit. [Letters Patent or Articles of Incorporation may not be changed without the consent of the Service Manager under O. Reg. 339/01.]
- 3.2 **Duty to Monitor and Avoid Conflict of Interest** – The Non-Profit shall closely monitor its relationships, arrangements, contracts and agreements, and not engage in any that may result in a Conflict of Interest. The Directors, individually and collectively, shall ensure compliance with this requirement.



- 3.3** Termination – Subject to employment law in force in Ontario and any collective-bargaining agreements to which the Non-Profit is party, all relationships, arrangements, contracts or agreements of the Non-Profit, which exceed the Threshold in any one fiscal year of the Non-Profit, shall include a clause permitting the Non-Profit to terminate the relationship, arrangement, contract or agreement if the Service Manager requires such termination in order to resolve a Conflict of Interest.
- 3.4** Directors Must Resign – Except as set out in subsection 3.1, a Director shall resign from her/his position before the Non-Profit's board of directors deliberates, issues a tender, or votes on a contract or employment position for which the Director intends to compete.
- 3.5** Former Directors and Officer – Except in the circumstances set out in subsection 3.1, no former Director or Officer may apply for employment with the Non-Profit or seek to enter into a contract to supply services to the Non-Profit directly or indirectly for a period of \_\_\_\_\_ [insert appropriate period] following the date she/he ceases to be a Director or Officer.
- 3.6** Purchase or Lease of Land – Where the Non-Profit purchases or leases land, it shall not purchase or lease such land from:
- a) an individual; or
  - b) a corporation which has a shareholder, director or Officer; who is a director, officer, agent, employee, development consultant/resource group, architect or other technical consultant, real estate agent, or environmental consultant of the Non-Profit or any person related to one of them.

**4. BOARD PROCEDURES**

- 4.1** Conflict of Interest – The board shall have Conflict of Interest as a regular agenda item at the beginning of each meeting of the Directors. Any Director, Officer, agent or employee who has a Conflict of Interest must submit their Declaration at that time.
- 4.2** Declaration of Conflict of Interest – Directors, Officers, agents and employees of the housing provider must notify the chair of the Board of Directors of the housing provider of every potential or actual conflict of interest no later than the first meeting of the Board after the Director, Officer, agent or employee becomes aware that he or she has entered into a situation, arrangement or agreement that results in or may result in a conflict of interest. The form of such declaration is attached as SCHEDULE B.
- 4.3** Potential Conflict of Interest – When a potential Conflict of Interest is raised before or during a board meeting, then:
- a) the party to the potential conflict must leave the meeting; and
  - b) the board shall decide if there is a Conflict of Interest.
- 4.4** Consideration of Notice – The Board of Directors shall consider any declaration given under subsection 4.2 no later than the second meeting of the Board after the notice is given. The consideration of the notice must be reflected in the minutes of the meeting.
- 4.4** Resolution of a Conflict of Interest – The board shall notify the Service Manager of any declaration received under subsection 4.2. The notification to the Service Manager shall include one of the following:

- a) If a person filed a declaration of a potential Conflict of Interest and the board decided there was in fact no such Conflict, a declaration to that effect and a request that the Service Manager ratify this decision; or
- b) if a Conflict of Interest exists which may be resolved in accordance with this by-law and Ontario Regulation 339/01, notification of how the Non-Profit has resolved the Conflict of Interest and a request that the Service Manager ratify such resolution, or
- c) if a Conflict of Interest exists which the board is unable to resolve in accordance with this by-law and Ontario Regulation 339/01, a request that the Service Manager issue instructions for resolving the Conflict of Interest.

These requests are part of the attached SCHEDULE "C".

- 4.5 Conflict to be Resolved to the Service Manager's Satisfaction – If the Service Manager issues instructions regarding an alternative to a decision made by the board under subsection 4.5 a) or b) or a resolution under subsection 4.5 c) the Non-Profit will act in accordance with the Service Manager's instructions.
- 4.6 Record-keeping – The Non-Profit shall maintain a Conflict of Interest file containing all declarations, reports and minutes pertaining to Conflict of Interest and Perceived Conflict situations.
- 4.7 **[optional: if the Non-Profit has over 500 units under management, the Non-Profit may include the following:]** Delegation – The board of directors may delegate authority to a senior Officer to receive Declarations from, and avoid or resolve a Conflict of Interest relating to, employees with a lower rank within the Non-Profit than the senior Officer if:
  - a) the housing provider has over 500 units under management; and
  - b) a written summary of the parties, conflicts and resolutions/avoidances of each conflict situation is submitted by the senior Officer to the board of directors for its approval at least quarterly.

## 5. PROMOTING FAIR AND OBJECTIVE BUSINESS PRACTICES

- 5.1 Tenders – The Non-profit shall invite at least three qualification tenders, or publicly tender all contracts costing over \$14,999.99 **[the Non-Profit may insert a lesser amount]**.
- 5.2 Considering Tenders – In considering tenders, the Non-Profit shall:
  - a) consider the quality of goods and services to be provided; and
  - b) base its decision on written specifications outlining resources, timing, cost and fees.
- 5.3 Not Choosing Low Bid – **[delete either "a" or "b" as appropriate]**
  - a) Where the lowest bid is not chosen by the person ordinarily responsible for making this decision, that person's supervisor or, where applicable, the Board of Directors, shall review her/his decision, and ensure that the reasons are documented.
  - b) Where the lowest bid is not chosen by the Board of Directors, the Non-Profit shall ensure that the reasons are documented.



- 5.4** Contracts Under \$15,000 – The Non-Profit shall obtain a minimum of three written quotes for any contract costing between \$2,000.00 and \$14,999.99 in any fiscal year, and adopt clear, fair and written procedures for the awarding of contracts under \$2,000.00.
- 5.5** Participation in Group Purchasing Programs – Where the Non-Profit participates in group purchasing programs, the procedures of the cooperative purchasing program shall replace the Non-Profit's internal procedures for competitive acquisition of goods and services for the duration of the Non-Profit's participation in the cooperative purchasing program. The Non-Profit shall report its participation in such programs to the Service Manager on an annual basis.
- 5.6** Purchase of Professional Services – Where the Corporation is purchasing professional services:
- a) For contracts with an estimated value up to \$9,999.99, the Non-Profit shall seek an appropriate supplier and negotiate a contract. **[The Non-Profit may insert a lesser amount]**
  - b) For contracts with an estimated value of between \$10,000.00 and \$25,000.00 **[the Non-Profit may insert lesser amounts]**, related to a specific project with a limited time-frame and which can be clearly defined, the Non-Profit shall:
    - i. prepare terms of reference,
    - ii. seek three competitive proposals with associated fixed-price quotations, and
    - iii. award the contract based on an assessment of the qualifications of the consultant, the information provided in the proposal, and the price.
  - c) For contracts with an estimated value of between \$10,000.00 and \$25,000.00 **[the Non-Profit may insert lesser amounts]**, where the requirements cannot be clearly defined and where a fixed price approach is not feasible, the Non-Profit shall negotiate a contract with a suitably qualified supplier using standard negotiating procedures that employ ethical practices.
  - d) For contracts with an estimated value exceeding \$25,000.00 **[the Non-Profit may insert a lesser amount]**, or which require ongoing provision of professional advice to the Non-Profit, requiring knowledge of matters specific to the Non-Profit (such as legal advice relating to labour relations or specialized financial advice), the Non-Profit shall:
    - i. establish the Terms of Reference;
    - ii. invite offers of service by:
      1. giving notice by public advertisement of the requirement to engage the services; or
      2. inviting submissions from those individuals or firms who appear best qualified to meet the requirement of the engagement or to pre-qualified firms;
      3. rate the offers of service against the Terms of Reference to identify the offer of service which represents best value for money; and
      4. select the firm offering the best value for money.
  - e) The Non-Profit shall keep records of the appointment of suppliers meeting these criteria, together with their fees.

- 5.7 Emergencies – Where an emergency prevents the Non-Profit from following other provisions of this By-law, the Non-Profit shall:
  - a) employ without a call for proposals the individual or firm in whom the Non-Profit has the greatest confidence in regard to a particular requirement of the Non-Profit in dealing with this emergency;
  - b) ensure the employment of the individual or firm lasts no longer than necessary to deal with the emergency; and
  - c) keep records of the appointment or employment and remuneration of the individual or firm.
  
- 5.8 Employment Contracts – The Non-Profit shall implement documented, open and competitive practices for employment opportunities which are not inconsistent with:
  - a) any collective bargaining agreement of the Non-Profit; and
  - b) other fair labour practices as set out in the Personnel Policy of the Non-Profit.
  
- 5.9 Management Contracts – The property manager/management or operational services company/development consultant of the Non-Profit shall not have a direct or indirect interest in any other business that provides advice, goods or services to the Non-Profit.

**PASSED** by the Board of Directors and sealed with the corporate seal of the Corporation on the

\_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

c/s

\_\_\_\_\_  
PRESIDENT

\_\_\_\_\_  
SECRETARY

**CONFIRMED** at a general meeting of the Members on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

c/s

\_\_\_\_\_  
PRESIDENT

\_\_\_\_\_  
SECRETARY

SCHEDULE "A"**Summary of Obligations under Conflict of Interest**

This is a summary of the conflict-of-interest rules set out in Ontario Regulation 339/01, for all non-profit housing providers subject to the *Social Housing Reform Act 2000*.

1. A conflict of interest is defined as a situation where:
  - i. the personal or business interests of a director, officer agent or employee of a housing provider are in conflict with the interests of the housing provider; or
  - ii. a personal gain, benefit, advantage or privilege is directly or indirectly given to or received by a director, officer, agent or employee or a person related to them as a result of a decision by the housing provider.
2. "A person related to a director, officer, agent or employee" includes a parent, spouse, same-sex partner, child household member, sibling, uncle, aunt, nephew, niece mother-in-law, father-in-law, sister-in-law, brother-in-law or grandparent, or a person with whom the director, officer, agent or employees has a business relationship.
3. A director, officer, agent or employee of the housing provider shall not enter into any situation, arrangement or agreement that results in a conflict of interest.
4. Directors, officers, agents and employees of the housing provider must notify the chair of the Board of Directors of the housing provider of every potential or actual conflict of interest no later than the first meeting of the Board after the director, officer, agent or employee becomes aware that he or she has entered into a situation, arrangement or agreement that results in or may result in a conflict of interest.
5. The Board of Directors shall consider any notice given under paragraph 4 no later than the second meeting of the Board after the notice is given. The consideration of the notice must be reflected in the minutes of the meeting.
6. The chair of the Board of Directors shall notify the Service Manager in writing of the receipt of every notice under paragraph 4, and the Board of Directors shall resolve every conflict of interest or potential conflict of interest to the satisfaction of the Service Manager.
7. Despite paragraph 3, a director, officer, agent or employee or a person related to one of them may directly or indirectly receive a gain, benefit, advantage, privilege or remuneration from the housing provider if both the following conditions are satisfied:
  - a) a notice of the conflict of interest or potential conflict of interest is given in accordance with paragraph 4; and
8. the Service Manager agrees that there is no reasonable alternative for the housing provider other than entering into the situation, arrangement or agreement that results in or may result in the conflict of interest.
9. The conflict-of-interest provisions set out above may be replaced for a housing provider by rules agreed to by the housing provider and the Service Managers for all areas in which its housing projects that are subject to the *Social Housing Reform Act 2000* are located.

SCHEDULE "B"**-DECLARATION-  
CONSULTANT OR SERVICE PROVIDER****TO**

	(Housing Provider)
	(Address)
	(Project(s))

**FROM**

	(Housing Provider)
	(Address)
	(Project(s))

I/We have read and understand the Conflict of Interest Rules and acknowledge that \_\_\_\_\_ (housing provider) is required to comply with it. I/We further acknowledge my/our responsibility to disclose to \_\_\_\_\_. I/We further acknowledge my/our responsibility to disclose to the housing provider in writing, on an ongoing basis, any actual or perceived conflicts of interest which arise during my/our *relationship* with the housing provider. These actual or perceived conflicts of interest must immediately be disclosed in writing using this form.

I declare that:

- I do not have a conflict of interest.
- I have a conflict of interest
- I have a perceived conflict of interest

**Attached is a comprehensive written submission of the complete nature of this actual or perceive conflict of interest. I/We am/are aware that the housing provider may submit this information to the Service Manager. I/We authorize its submission and use by the housing provider and/or the Service Manager.**

<b>Date</b>	Signature – Service Provider/Consultant
<b>Date Received</b>	Signature – President, Board of Directors

SCHEDULE "C"**Notification of Conflict of Interest or Potential Conflict of Interest and Record of Resolution of Conflict of Interest**

Part 1

Name of Non-Profit:

Contact Person:

Address:

**Part 2 (to be completed by the director, officer, agent, or employee with the conflict)**

Name:

Address:

Briefly describe the conflict or potential conflict (add any relevant supporting documentation)

Signature

Date

**Part 3 (to be completed by the chair of the board or designate)**

Date of Receipt of Notice

Date of Meeting at which the conflict was considered.

Did the Board decide a Conflict of Interest existed as set out in Part 2 above?

**No****Yes**

(go to part a)

(go to part b)

a) If no above, complete the following declaration:

"I certify that the board of directors of [insert name of non-profit], after considering the potential conflict of interest described above, decided that in fact no Conflict of Interest exists. I request ratification by the Service Manager (name of Service Manager) of this decision of the Non-Profit."

Signature

Date

b) Was the conflict resolved in accordance with the Non-Profit's by-laws and O. Reg 339/01?

Complete only one of the two boxes below.

**Yes****Briefly describe the resolution of the conflict (add any relevant supporting documentation)**

"I certify this is a true record of the Conflict of Interest and its resolution. I request ratification by the Service Manager (name of Service Manager) of the decision of the Non-Profit."

Signature

Date

**No**

"I certify this is a true record of the conflict of interest and that the Non-Profit was unable to bring about a resolution. I hereby request instruction from the Service Manager (name of Service Manager) regarding resolution of this Conflict of Interest.

Signature

Date

Schedule "C"



Appendix 3

CHF Sample Conflict of Interest By-law with Conflict of Interest Declaration

HDN: 2013-188  
Date: September 3, 2013  
Subject: Local Standard – Conflict Of Interest

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[legal co-op name]

**By-law No. [\*]**

---

Conflict of Interest By-law

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Passed by the Board of Directors on xxxxxx .  
Confirmed by the Members on xxxxxx .

Note: Under *the Housing Services Act*, conflict of interest rules may be set by the service manager. You will need to check your service manager's rules and make changes to this by-law based on those rules. In particular check if there are requirements for providing information to the service manager that would affect Article 7. This model by-law is based on the former rules in the *Social Housing Reform Act (SHRA)*. If your service manager has kept the conflict of interest rules in the SHRA, this model should work.

**Model for HSA Co-operatives**

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À l'heure actuelle, ce règlement n'est disponible qu'en anglais. Les membres de la FHCC devraient communiquer avec la Région de l'Ontario de la FHCC pour demander une traduction.



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Schedule A: Conflict of Interest Declaration

**Article 1: About this by-law**

- 1.1** This by-law helps the co-op meet the requirements of the *Co-operative Corporations Act* and any local rules established by the service manager under the authority of the *Housing Services Act*.
- 1.2** If there is a conflict among rules about conflict of interest, they will govern in this order:
1. the *Co-operative Corporations Act* and the *Housing Services Act*
  2. the Regulations under the *Housing Services Act* and any regulations that are relevant under the *Co-operative Corporations Act*
  3. Local Rules about conflict of interest set by the service manager in accordance with the *Housing Services Act*
  4. this by-law
  5. the other by-laws of the Co-op.

**Article 2: What is conflict of interest?**

- 2.1** All directors, officers, committee members, agents and employees must carry out their duties honestly, in good faith and in the best interests of the co-operative rather than in their personal interest. This includes following the co-op's by-laws and provincial legislation about conflict of interest.
- 2.2** In this by-law, a person related to a director, officer, agent or employee means a parent, spouse, same-sex partner, child, household member, sibling, uncle, aunt, nephew, niece, mother-in-law, father-in-law, sister-in-law, brother-in-law, grandparent, or a person with whom the director, officer, agent or employee has a business relationship.
- 2.3** A conflict of interest can happen when a director, officer, or committee member
- makes or takes part in a decision affecting the co-op's affairs, and
  - the result of that decision gives the person, or someone related to the person a financial or other benefit which the rest of the co-op members do not have, or which only a few other members have. This financial or other benefit may be direct or indirect.
- 2.4** An employee or agent of the co-op can have a conflict of interest when
- the employee recommends, makes or takes part in a decision affecting the co-op's affairs and
  - the result of the decision gives the employee, or a person related to the employee a financial or other benefit. This financial or other benefit may be direct or indirect.

**2.5** Examples of conflict of interest are

- the co-op does business with a director or an employee of the co-op or a company in which the director or the employee or a person related to them have a financial interest or stock
- someone living in the co-op or an employee is involved personally in a procedure of discipline where they or someone related to them made the complaint, or someone related to them is being disciplined
- the board gives out on-call positions to friends or family without telling all members that positions are available

There are other types of conflict of interest. The co-op should deal with them by using the principles contained in this by-law.

**Article 3: Procedures**

**3.1** The facts of each case are different, and careful judgement is needed to decide whether there is a conflict of interest. Even a perception of conflict of interest could undermine the appearance of integrity and the credibility of the co-op's business practices and the government funding program.

Therefore, the board and members should follow the procedures below to determine if there is a conflict and to deal with the conflict if it exists.

**(a) Director conflict or possible conflict of interest**

When a director has or may have a conflict of interest:

- the director must declare the conflict of interest, or possible conflict of interest, in writing at or before the first board meeting after becoming aware of the conflict of interest or potential conflict of interest. This declaration must be recorded in the minutes of the meeting;
- if the director does not declare a conflict of interest or a possible conflict of interest, but another director is aware of one, the other director should bring it up at the meeting:

The board must consider the matter no later than the second meeting after the notice of the conflict of interest was given. This discussion must be recorded in the minutes of the meeting;

The board then decides if there is a conflict of interest. If the board decides that there is a conflict of interest the director cannot vote on the matter, must not be present at any of the parts of meetings when the matter is discussed, and does not count in quorum for those

parts of the meeting.

As set out in Article 7, the board must report its discussion of the matter including how it was resolved to the service manager.

**(b) Financial conflicts of interest**

This paragraph applies in addition to paragraph 3.1(a) if a director or officer has or may have a financial conflict of interest.

In the case of contracts or agreements the provisions of article 5.2 below apply.

Other financial conflicts of interest may be approved if the board believes that there is no reasonable alternative, that their decision is in the best interests of the co-op and is appropriate for a body that receives significant public funding.

Where the board approves a financial conflict of interest they must report it at the next meeting of the members. This does not apply to payments for on-call duties as set out in Article 5.3.

If the board does not approve the financial conflict of interest the minutes must show this.

**(c) When a committee member has or may have a conflict of interest**

A committee must follow the same procedure as the board if a committee member has or may have a conflict of interest. The matter can be appealed to the board if there is a dispute. The board's decision is final.

If the conflict of interest is financial it must be referred to the board. The board's decision is final.

**(d) When an employee or agent has or may have a conflict of interest**

An employee or agent of the co-op who has or may have a conflict of interest must report it to their supervisor and follow the supervisor's directions.

The manager must report a conflict of interest to the staff liaison (if there is one) or to the president of the co-op. The president or staff liaison will report it to the board. The manager must follow the board's directions.

Where the co-op retains a management company, the company and all its personnel must follow the same procedures as an employee of the co-op.

Where there are officers of the co-op who are not directors, they must follow the same procedures as employees.

As set out in Article 7, the board must also report the conflict of interest to the service manager.

**(e) Members' conflicts of interest**

At members' meetings, all members can discuss and vote as they wish, even if they have a conflict of interest. However, members must declare the conflict of interest before taking part in the discussion. Members should try to act in the best interests of the co-op as a whole.

These procedures are in addition to, and do not replace, the requirements of the provincial statutes or common law.

**Article 4: Avoiding conflict of interest**

- 4.1 The board will closely monitor its relationships, contracts, arrangements and agreements. It will not engage in any that may result in a conflict of interest unless the situation is resolved as in Article 3.
- 4.2 The board will promote fair, open and objective business policies and practices in all its purchasing, contracting and hiring.
- 4.3 The board and staff must follow the procedures set out in the Spending By-law.

**Article 5: Payment of directors**

- 5.1 Directors and officers serve without compensation for their role as a director. However, they have the right to be paid for travelling or other expenses while doing business for the co-op as long as the expenses are reasonable. The board must authorize these expenses which must meet any guidelines and limits set by the board. Directors cannot receive compensation for lost income while doing business for the co-op.
- 5.2 Despite anything else in this by-law, directors and officers, or people related to them, cannot enter into any contracts with the co-op other than contracts that are generally available to other members, such as occupancy or performance agreements.
- 5.3 Directors and officers hired by the co-op to a paid position must resign from office. This does not apply to being the on-call person for the equivalent of one day or less a week.

**Article 6: Declarations**

- 6.1 All directors and staff must sign the ***Conflict of Interest Declaration*** (attached: Schedule A). Directors and staff will sign when they begin their term, and existing directors and staff will sign annually.

**Article 7: Information to the service manager**

- 7.1 The board must report to the service manager the minutes of any meeting where the board discussed a conflict of interest or a potential conflict of interest. The minutes must
1. record the board's decisions
  2. record the options the board considered
  3. show how the decision was in the best interests of the co-op
  4. show how the decision was appropriate for a body that receives significant public funding.

The minutes must also record the Board's acknowledgement that its decision is subject to the approval of the service manager.

**Conflict of interest by-law**

CERTIFIED to be a true copy of By-law No. [\*] of [legal co-op name], passed by the Board of Directors at a meeting held on \_\_\_\_\_ and confirmed by a two-thirds vote at a meeting of members held on \_\_\_\_\_.

\_\_\_\_\_  
Secretary c/s

**Schedule A**

**Conflict of Interest Declaration  
(Board of Directors and Staff)**

[Full name of the co-op or letterhead]

*I agree that I will act honestly, in good faith, and in the best interests of the co-op. I must avoid conflicts of interest, both direct and indirect. I will always put the interests of the co-op before my personal interests. I promise to declare in writing any possible conflict of interest that I have, or may have, in connection with any co-op contract, business or proposed business as soon as it occurs. I understand that the obligations and limitations regarding conflict of interest also apply to all persons in my household and to my relatives. The board will deal with the conflict of interest using the procedures set out in the Conflict of Interest By-law.*

Name:

Signature:

Date:

Declaration to be signed annually by directors and staff.



<b>TO:</b>	<b>CHAIR AND MEMBERS STRATEGIC PRIORITIES AND POLICY COMMITTEE MEETING ON JULY 25, 2016</b>
<b>FROM:</b>	<b>ART ZUIDEMA CITY MANAGER</b>
<b>SUBJECT:</b>	<b>LONDON &amp; MIDDLESEX HOUSING CORPORATION NUMBER OF DIRECTORS FOR THE CORPORATION</b>

<b>RECOMMENDATION</b>
-----------------------

That on the recommendation of the City Manager, the attached by-law (Attachment "A") **BE INTRODUCED** at the Municipal Council meeting to be held July 26, 2016 to:

- a) to ratify and confirm the Special Resolution of the Shareholder of London & Middlesex Housing Corporation (LMHC) attached as Schedule "1" to the By-law to amend the size of the Board of LMHC to nine (9) members; and,
- b) to authorize the Mayor and the City Clerk to execute the Special Resolution of the Shareholder of London & Middlesex Housing Corporation attached as Schedule "1" to the by-law.

<b>PREVIOUS REPORTS PERTINENT TO THIS MATTER</b>
--

May 16, 2016 Strategic Priorities and Policy Committee (SPPC) – Item #4  
 November 9, 2015 Strategic Priorities and Policy Committee (SPPC) – Item #8  
 April 13, 2015 Strategic Priorities and Policy Committee – Agenda Item #6  
 May 11, 2015 Strategic Priorities and Policy Committee – Agenda Item #5  
 December 8, 2014 Strategic Priorities and Policy Committee – Agenda Item 19  
 November 24, 2014 Strategic Priorities and Policy Committee – Agenda Item 3  
 May 5, 2014 Strategic Priorities and Policy Committee – Agenda Item #4

<b>BACKGROUND</b>
-------------------

**Purpose of this Report:**

This report provides for the introduction of a bylaw to approve a Special Resolution of the Shareholder of London & Middlesex Housing Corporation (LMHC) related to Council's formal approval to amend the of the size of the Board of Directors of the LMHC. Council previously determined that the Board of Directors would be nine (9), as confirmed through appointments made by Municipal Council on May 12, 2015 by Bill No. 205 / By-law No. A.-7260-169.

**Justification and Authority:**

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

On May 5, 2014 SPPC received a report from the City Manager recommending the LMHC Board composition be amended to nine members and of May 20, 2015 Council approved the following recommendation:

That the following changes to the “Declaration of the Sole Shareholder” by the City of London to the London & Middlesex Housing Corporation (LMHC), including Appendix “A”- “Accountability Rules” BE ENDORSED IN PRINCIPLE; and the Civic Administration BE DIRECTED to bring forward the necessary by-law to implement the following proposed changes:

- i) amend the Board composition (Section 6.2(c)), as follows:
  - 1 City Council representative
  - 1 County Council-recommended representative
  - 7 Citizens-at-Large;
- ii) provide for staggered Board terms (Section 6.2(f)), which may require a one-time extension of a current appointment(s) in order to provide continuity, with the transition process to be implemented in consultation with the LMHC;
- iii) provide for the LMHC 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;”

On November 25, 2014, Municipal Council approved the above noted board structure but the associated by-law Bill No. 542 By-law No. A.-7202-386 did not first confirm the final composition of the Board. Council still acted within its authority as shareholder to appoint nine (9) members, however, the by-law did not formally amend the Board composition in accordance with the recommendation.

In order to formalize Council’s decision in revising the LMHC Board composition, it is recommended that Council formalize the composition through the by-law attached as Attachment “A” prior to filling the current LMHC Board vacancies.

This Special Resolution of the Shareholder will affirm the number of directors at nine (9) prior to Council’s filling of the LMHC Board vacancies.

<b>PREPARED BY:</b>	<b>RECOMMENDED BY:</b>
<b>DAVID G. MOUNTEER, SOLICITOR</b>	<b>ART ZUIDEMA CITY MANAGER</b>

**c. LMHC Board**

**ATTACHMENT "A"**

Bill No.  
2016

By-law No. A.-

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

WHEREAS London & Middlesex Housing Corporation 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 & Middlesex Housing Corporation;

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

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;

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 Housing Corporation, 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 the 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 26th day of July, 2016.

Matt Brown  
Mayor

Catharine Saunders  
City Clerk

First reading - July 26, 2016  
Second reading – July 26, 2016  
Third reading - July 26, 2016

**SCHEDULE "1"**

**LONDON & MIDDLESEX HOUSING CORPORATION  
(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 provisions of the Act:

**COMPOSITION OF BOARD OF DIRECTORS**

WHEREAS the articles of the Corporation provide that the Corporation shall have a maximum of thirteen (13) 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 nine (9) members comprised of eight (8) citizen-at-large members, one (1) of which is to be recommended by the Council of the Corporation of the County of Middlesex, and one (1) member of Municipal Council of the Corporation of the City of London; and
2. The Board be structured in four (4) classes allowing for staggered three (3) plus one (1) year terms and consisting of:
  - Class 1: Two (2) citizen-at-large members;
  - Class 2: Two (2) citizen-at-large members;
  - Class 3: Three (3) citizen-at-large members); and
  - Class 4: One (1) Municipal Council member and one (1) County Council recommended member.

**DATED** this \_\_\_\_\_ day of \_\_\_\_\_, 2016.

**The Corporation of the City of London**

By: \_\_\_\_\_  
Name: Matt Brown  
Title: Mayor

By: \_\_\_\_\_  
Name: Catharine Saunders  
Title: City Clerk