

Housing Division Notice

Date: August 27, 2013

HDN#: 2013 - xxx

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.

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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

Subject: LOCAL STANDARD – BOARD MEETINGS

1. PURPOSE:

To inform all housing stakeholders of the local background and compliance standard under the *Housing Services Act 2011* (HSA) and associated regulations related to Board meetings.

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) Housing Providers are required to establish corporate By-laws, policies and procedures to effectively guide and manage Board meetings. By-laws, policies and procedures should address scheduling, notification, minutes and agendas including standardized items and reports, how meetings are conducted including code of conduct, quorum and participation, disseminating information, in camera meetings, records storage and retention, roles and responsibilities of Board members and committee(s) functions.
- (2) Directors of a Housing Provider are required to hold a minimum of six (6) Board meetings within a twelve (12) month fiscal period.
- (3) Directors of a Housing Provider shall call a minimum of one (1) annual general meeting of shareholders/members within a twelve (12) month fiscal period. Additional general members meetings may be called if:
 - i. At least ten percent (10%) of the members requisition to call a meeting. That percentage may be increased or reduced by the Housing Provider's By-laws.
 - ii. Under section 79.1 of the *Co-operatives Corporations Act*, five percent (5%) of the members of a co-operative may requisition the directors to call a general meeting of the members for any purpose that is connected with the affairs of the co-operative.
 - iii. The Directors may at any time call a general meeting of the members for the transaction of any business, the general nature of which is specified in the notice calling the meeting.
- (4) Quorum is required at all Board meetings under subsection (2) for the purposes of determining the minimum number of Board meetings held within a twelve (12) month fiscal period. A quorum at Directors meeting is a majority unless the Housing Provider's By-law provide otherwise.
- (5) Quorum is required at all annual general meetings under subsection (3) for the purposes of determining the minimum number of annual general meetings held within a twelve (12) month fiscal period. A quorum at the annual general meeting is a majority unless the Housing Provider's By-law provide otherwise.
- (6) If a Board meeting starts with a quorum but quorum is not maintained, then official business may not continue and the meeting must be rescheduled. Under this circumstance, the meeting will not count under subsection (2) and (3) for the purposes of determining the minimum number of Board meetings held within a twelve (12) month fiscal period.
- (7) The Housing Provider's by-laws must provide for the period of notice and place of meeting for Directors' meetings. The notice period for an annual general meeting shall not be less than 10 days and not more than 50 days before the meeting.

- (8) Directors can participate in meetings electronically. Meetings may be held by conference call or electronic means if the Housing Provider’s by-law permits it. With the exception of non-profit housing co-operatives, Directors can also act by unanimous signed resolution. A resolution signed by Directors entitled to vote on a resolution at a Board meeting is as valid as if it had been passed at a meeting of the Board, with the exception of non-profit housing co-operatives where a member shall vote in person. Housing Providers must amend their by-laws to reflect this change if they would like to utilize this option under the *Not-For-Profit Corporations Act, 2010*.
- (9) Housing Providers must prepare and maintain accurate corporate records including meeting minutes, registers of Directors, Officers and Members and accounting records. The City of London may, upon request, examine all corporate records.

4. ACTION:

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

The HDN is to be reviewed by the Board of Directors and noted within the respective agenda and meeting minutes at the earliest possible opportunity.

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 review or changing of Board by-laws, 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.

5. AUTHORIZATION:

Original signed by

Date:

Louise Stevens
Director, Municipal Housing

Appendix 1 - Background and Additional Information

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HDN: 2013-186
Date: August 27, 2013
Subject: Local Standard – Board Meetings

Key Roles of the Board

The Board of Directors of a Housing Provider is legally responsible for the governance of the organization. Within that mandate is the expectation that the Board will develop, implement and monitor policies that will allow the organization to carry out its work. While a Board may appoint staff and/or committees to carry out specific work related to its policies, programs and services, the Board is ultimately responsible for meeting organizational and outcomes.

Collectively, the Housing Provider Board must:

- Determine a governance model and ensure that appropriate organizational policies and structures are in place
- Participate in the development of a mission and strategic plan for the organization
- Hire and ensure that an effective management team is in place (i.e. Property Manager or staff)
- Maintain effective partnerships and communication with the community, the organization's members and its stakeholders
- Ensure transparency in all communication to members, stakeholders and the public
- Maintain fiscal responsibility, managing income and expenses, and approving and monitoring budgets and plans
- Evaluate the organization's work in relation to a strategic plan
- Evaluate the work of the Board of Directors, ensuring continuous renewal of the Board, and plan for the succession and diversity of the Board

Effective Board Meetings

Housing Providers are required by law to have board meetings. This often translates into an Annual General Meeting (AGM) of the full membership and regular, more frequent meetings of the Board of Directors. The number of meetings a Board holds in a year is outlined in its bylaws.

For Board meetings to be effective they need to:

- Have a purpose
- Provide enough notice and appropriate materials for members to be prepared
- Be chaired effectively
- Follow proper meeting procedures and respect the time of Board members
- Have clear supporting documents such as an agenda, minutes and other reports
- Ensure all participants have a voice and are respected
- Include some social interaction and networking time
- Accomplish results and/or have action items
- Be documented with minutes

Meeting Preparation

The role of planning and preparing for Board meetings usually falls to the chairperson, the property manager or staff. The extent to which each is involved is dictated by the Housing Provider's governance structure. The key to preparation is for everyone to be clear about the role they play and what needs to be done prior to the meeting.

Examples include:

- Adequate notice has been provided to Board members in a format that has been previously agreed upon (i.e. two weeks prior to the meeting all Board members are emailed a reminder notice along with a complete agenda package)
- Copies of all documents needed prior to the meeting are distributed to members (agendas, past minutes, correspondence, proposed policies, committee reports, etc.)
- Facility space is booked or confirmed along with any equipment that may be needed for the meeting
- Special guests (if applicable) have been confirmed and arranged to appear at an agreed upon time on the agenda

Agendas and Reports

One of the best ways to hold effective meetings is to put thought into the agenda, distribute it prior to the meeting, and then stick closely to it during the meeting. Ideally agendas should note:

- Topics/issues to be covered at the meeting
- Action required for each topic/issue (i.e., information only, discussion, decision)
- The person responsible for leading the discussion or providing information
- A timeline associated with each item

In keeping with their governance structure, Housing Providers should have standing items that appear on the agenda such as reports from various subcommittees. Housing Providers should ensure there is time at every meeting to discuss the organization's strategic plan, especially in relation to goals achieved related to the plans. It can also be helpful to include the organization's mission statement on the agenda as a constant reference and focus.

Boards that work under a policy-governance model have clearly laid out rules about what appears on an agenda that often link to the organizations 'ends'— in other words the goals of the organization and the results it hopes to achieve through its existence and work. When it comes to setting an agenda, Housing Providers should be asking a simple question: "*whose issue is this---the Board's or staff?*" If the answer is the Board then the item should be added to the Board meeting agenda; if the answer is staff then it is better left for the property manager or staff to deal with.

Most Boards in an effort to be effective and efficient will avoid one-way communication, i.e. having someone read a report or present information that requires no discussion or action. A property manager or staff who reads through a list of activities that have occurred since the last meeting or a subcommittee representative who reads committee meeting's minutes is not only inefficient but can be tedious and boring. It's more appropriate to include the reports and any updates in the Board package and have Directors read it beforehand. The chair should acknowledge the reports during the meeting and ask for any specific questions, concerns or further discussion; otherwise reports should receive no further attention at the meeting.

The same can apply to correspondence. Many Housing Providers receive a large quantity of information between Board meetings. The Board package sent prior to the meeting can include a list of the correspondence and copies (if feasible and warranted). Directors who want to look at the information can do so prior to or after the meeting, but time is not devoted to correspondence at the meeting unless Board input is needed.

Effective Participation

Members of a Board who don't play a leadership or executive role still have responsibilities to ensure the effectiveness of a meeting. This includes active participation but also to:

- Arrive on time and stay for the duration of the meeting
- Read materials prior to the meeting to be prepared for discussion
- Be respectful of others who are speaking and avoid interrupting, rudeness and side conversations
- Have an open mind when listening to discussion and opposing perspectives
- Ask for clarification before voting or making a decision if unsure about something
- Carefully word motions
- Volunteer to help with items that require action and follow up on action items prior to the next meeting

Board Members need to feel they are accomplishing something and being recognized for the work they do. When this happens at Board meetings Members are more apt to participate.

Minutes and Action Items

The minutes of meetings are the primary means of communication between the Board and stakeholders. Minutes record the fact that an agenda item was discussed, documentation was received and reviewed, a vote was taken and a decision made. This is necessary to satisfy the governance mandate for transparency and accountability

The long-standing debate about meeting minutes is deciding how much information to include. It is a challenge to be able to reflect the intent of an action item without providing all of the nitty-gritty discussion details. The key is to realize that minutes are legal documents of the Housing Provider, but they are also intended to be read in the future, often by people who weren't at the meeting. While it's important that all motions, decisions and action items are recorded, it's equally important that there be some context to how the decisions were made.

At a minimum, minutes need to include:

- The date and location of the meeting
- Any conflict of interests that have arisen
- Members who were present for voting
- Motions put forth, the mover and seconder
- Amendments to motions
- The outcome of the motion (whether it was carried or not) and record of the vote including dissenters and those who declared abstention or voted by proxy (if permitted)

The responsibility of recording and distributing minutes is usually given to an appointed or elected Officer of the Board called a secretary. On some Boards, responsibility for taking minutes is delegated to staff and the minutes are then reviewed and approved by the secretary. As well, some Boards that don't have executive positions may appoint the secretary on a rotating basis or may delegate the responsibility to a staff person. In addition to the formal minutes of an organization, some organizations also prepare action items. The action items may be part of the minutes or a separate document attached to the minutes.

Minutes and action items should be distributed to Board Members as soon as feasible after the meeting. At a minimum they should be distributed to the Board to provide enough time for Members to review them prior to the next meeting. At each meeting there needs to be time allotted to raise questions, clarify items or make amendments to the previous meeting's minutes. Ideally, the minutes should have been read and reviewed prior to the meeting, eliminating the need to read through them at the meeting. Any Board Member who requires assistance in reading and reviewing the minutes should have the opportunity to do so prior to the meeting.

Once the minutes are approved by a vote of the Board they become part of the official record of the organization. A copy of all minutes shall be kept together in one location along with a back-up copy stored securely elsewhere. Many Boards get the secretary or chair to sign an official copy of the minutes. Board Members should receive their own copy of minutes including any amendments.

In Camera

In camera (literally "into chambers") is used to discuss sensitive or confidential issues. The Board may also move "in camera" when they wish to discuss something before a motion is brought to the table. Housing Providers shall document the process they will follow for in camera sessions.

The usual process is:

- non-Board Members must vacate the meeting
- the minutes of the in camera session are only made available to persons eligible to attend the meeting; however, they are retained with the corporate minutes
- attendees and those who read the minutes are deemed to have agreed to maintain the confidentiality of the session
- any actions taken in camera must be reported when the normal meeting reconvenes
- all other processes and procedures are those of regular meetings

In exceptional circumstances, the meeting participants may formally agree that it is in the best interest of the organization to not report actions taken in camera in the minutes. This decision should be documented in the minutes. The end result should be that any stakeholder will find enough information in the minutes to satisfy themselves that the processes were sound. They have the right to challenge the reasons for moving in camera, the actions taken in camera (or the nondisclosure of actions) at the annual general meeting.

All Boards have a duty of care which can best be understood as conducting the business of the corporation as though it were their own. This includes safeguarding the assets, which are those things that have a lasting benefit or ones that result in the avoidance of future expenditures. When a board fails to provide transparency in the processes to conduct business—or when it seeks or appears to avoid accountability—there is a risk of losing the trust and confidence of tenants/members, staff and funders.

The dynamic interaction of the duties of safeguarding assets, providing transparency and being accountable demands a clear understanding of confidentiality.

Definition of Confidentiality:

- (1) Confidentiality prevents undue harm to the organization and its assets, including tenants/members, Board Members and staff.
- (2) Confidentiality is reconcilable with transparency; in effect, stakeholders are allowed to know enough.
- (3) Confidentiality is reconcilable with accountability, wherein stakeholders can question the processes and the outcomes.
- (4) Confidentiality requires, but does not strain, trust.

In general, prudent Boards will ask, “Why must this be kept confidential?” and are able to satisfy themselves as to the need for confidentiality.

General Meetings

In addition to regular Board meetings, Housing Providers must have general meetings. These are often referred to as Annual General Meetings (AGMs) because one must be held no later than 18 months after incorporation and at least every 15 months thereafter under Ontario law.

General meetings include the broader membership of the organization and Board Members. Every Member in good standing of an organization is entitled to vote at general meetings, and those not able to attend may vote by proxy, if permitted. Under the *Co-operative Corporations Act*, no member of a co-operative is able to vote by proxy. Membership criteria and eligibility are set out in an organization's bylaws. The current Board of an organization runs the general meeting. There are agendas and minutes taken, similar to a Board meeting, but there are differences in some procedures including voting methods, notice of meetings, conflict of interest and quorum.

Items usually addressed at general meetings include:

- Presentation of an annual report of the Board of Directors
- Nominations and elections of new Directors
- Presentation of the audited financial statements of the past fiscal year (usually by the organization's treasurer or auditor)
- Committee reports
- Appointment of auditor for the next fiscal year
- Amendments to the organization's By-laws
- Approval of Operating and Capital Budgets (Co-op Requirement)

Board Evaluation

Housing Providers should regularly undertake an evaluation process to gain input on the effectiveness of their Board meetings. Boards can take a formal or informal approach to gaining feedback about their meeting effectiveness. Informally, once or twice a year (depending on how often the Board meets) a simple survey can be handed out to Directors asking questions like:

- What do you like best about Board meetings? Least?
- Are you satisfied with the items that are usually on the agenda?
- What could be done to encourage more discussion at the meetings?
- Is the timing and location of meetings convenient for you?

The more formal approach may involve selecting an objective observer (through CHF or ONPHA as a Board mentor) to sit in on one or more meetings to observe the Board's process as it carries out its activities at a meeting. The observer would then provide advice and feedback to the Board for review.

The following resources and tools have been developed by CHF and ONPHA to assist Board in the evaluation how well they are doing:

http://www.chfcanada.coop/eng/pages2007/res_pages_cooprun.asp

http://www.chfcanada.coop/eng/pdf/Good_Governance_Test_April%2014_web.pdf

http://www.onpha.on.ca/AM/Template.cfm?Section=Board_Resources&Template=/CM/ContentDisplay.cfm&ContentID=13474