

Board of Directors Meeting Agenda

**October 20, 2011
5:30 pm – 7:30 pm
Georgetown Inn**

1. Approval of Agenda
2. Approval of September 22, 2011 Minutes
3. Business Arising from Minutes: none
4. Committee Reports
 - a. Executive Committee: verbal report
 - b. Communication Committee: no report
 - c. PAH Demand Assessment Committee: no report
 - d. Board Recruitment Committee: verbal report
5. Report from Managing Director: Quarterly Financial Report
6. New Business
7. In Camera
 - a. Intergovernmental Issue
 - b. Intergovernmental Issue
 - c. Policy Issue
 - d. Human Resource Issue
8. Direction to Council
9. Next meeting dates:
 - a. November 17th, 2011 (tentative)
10. Meeting adjournment

A majority of the Directors in office shall constitute a quorum. In the case of an equality of votes, the Chair shall be entitled to a second or casting vote.

Board of Directors Meeting Minutes
DRAFT FOR APPROVAL
Thursday, September 22, 2011
CCHC Boardroom

Board members in attendance:

Cathy-Anne David
Bob Kocian
Garth Lyon

Kimber Meister
Brent Rosvold

Others in attendance:

Jennifer Bisley, Managing Director, CCHC;
Gary Buxton, Town of Canmore, CCHC Liaison
Therese Rogers, Town of Canmore, HR Manager

Regrets John Borrowman, Karen Greene, Ed Russell, Heather Schilling

There being a quorum, Cathy-Anne David called the meeting to order at 5:39 pm.

Presentation: Town of Canmore Human Resources Policies and Procedures

Therese Rogers left the meeting at 6:08pm

1) Agenda Approval

Moved by Brent Rosvold to approve the agenda as amended, with the removal of agenda item 7b.

Carried unanimously

2) Review and Approval of Minutes

Motion 2011.34

Moved by Kimber Meister that the Board approve the Minutes of the August 18, 2011 Board meeting as presented.

Carried unanimously

3) Business Arising from Minutes:

a) 2012 CCHC Business Plan

Motion 2011.35

Moved by Bob Kocian that the Board approve the final version of the 2012 CCHC Business Plan as presented.

It was noted that the CCHC Managing Director and Chair will make a presentation to the Town of Canmore Budget Committee on October 12, 2011 at the Town's request.

DRAFT FOR APPROVAL

4) Committee Reports

- a) **Executive Committee:** none
- b) **Communication Committee:** none
- c) **PAH Demand Assessment Committee:** none
- d) **Board Recruitment Committee:** verbal report accepted for information

5) Report from Managing Director:

Managing Director's Report presented, discussed and accepted for information.

6) New Business

a) Presentation: Town of Canmore Human Resources Policies and Procedures

b) Bow Valley Interagency Letter of Support Request

Motion 2011.36

Moved by Brent Rosvold that CCHC provide a letter of support to the Town of Banff Family and Community Support Services for its application for a Bow Valley Housing Outreach Worker under the Canada Homelessness Partnering Strategy Funding Program

Carried unanimously

c) Canadian Tire Affordable Housing Contribution

Motion 2011.37

Moved by Bob Kocian that CCHC, on receipt of the Canadian Tire \$288,000 affordable housing contribution, deposit the funds in the capital fund account with a restriction on its use for future affordable housing projects as to be approved by the Board.

Carried unanimously

Moved by Kimber Meister to go in camera at 6:53 pm. Carried.

7) In Camera

- a) **HR Issue**
- b) **Removed from agenda**
- c) **Intergovernmental Issue**

Kimber Meister declared a conflict of interest and left the meeting at 7:15 pm

d) Legal Issue

Kimber Meister returned to meeting at 7:30 pm

Moved by Bob Kocian to come out of camera at 7:30 pm. Carried.

8) Direction to Council: none

9) Next Meeting Dates

a) Shareholder Meeting: October 18, 2011

b) Board Meeting: October 20, 2011

10) Motion to Adjourn

Moved by Kimber Meister to adjourn the meeting at 7:32 pm

Carried.

CCHC Quarterly Financial Report

As of 30-Sep-11

Prepared 14-Oct-11

	30-Sep		2011	2011	2011	Adj YTD as	
	YTD	Adjmt	YTD to	YTD to	Budget	% of	NOTES
			Sep 30	Sep 30		Budget	
OPERATING REVENUES							
Town Contributions	\$ 187,500	0	\$ 187,500	\$ 187,500	\$ 250,000	75%	
PAH Admin Fees	18,513	0	18,513	18,513	31,250	59%	
Interest	7,581	0	7,581	7,581	5,000	152%	
Other	288,000	0	288,000	288,000	0	-	Canadian Tire Contribution - restricted rev
MHCH Lease Revenues	0	0	0	0	0	-	
Total Operating Revenues	\$ 501,593	0	\$ 501,593	\$ 501,593	\$ 286,250	175%	
OPERATING EXPENSES							
Advertising and Marketing	\$ 8,866		\$ 8,866	\$ 8,866	\$ 17,500	51%	
Bank Charges	96		96	96	200	48%	
Hosting - Meetings	1,034		1,034	1,034	2,500	41%	
Insurance	1,203		1,203	1,203	1,925	62%	
Meals and Entertainment	390		390	390	1,000	39%	
Office Services	4,235		4,235	4,235	6,500	65%	
Office Supplies	1,760		1,760	1,760	4,500	39%	
Professional Fees	21,408		21,408	21,408	15,000	143%	MHCH legal fees of \$13,000 to be charged
Professional Development	499		499	499	1,750	29%	
Resale Fees	6,003		6,003	6,003	17,500	34%	Consistent with low PAH admin fees
Salaries and Benefits	97,619	47,997	145,617	145,617	195,375	75%	
Telephone, Fax, Net	2,820		2,820	2,820	4,250	66%	
Travel, Conferences	282		282	282	2,500	11%	
Total Operating Expenses	\$ 146,216	47,997	\$ 194,214	\$ 194,214	\$ 270,500	72%	
OPERATING SURPLUS/DEFICIT	\$ 355,377	-47,997	\$ 307,380	\$ 307,380	\$ 15,750	1952%	
CAPITAL COSTS							
Computer Equipment	0	0	1,889	1,889	2,000	94%	
PROJECT COSTS							
The Hector at Palliser Village							
Revenue	0	447,206	447,206	447,206	593,792	75%	
Operating Costs	0	-102,382	-102,382	-102,382	-159,180	64%	
Financing and Reserves	0	-322,943	-322,943	-322,943	-430,592	75%	
Net Surplus/Deficit	0	21,881	21,881	21,881	4,020	544%	
Owing (to)/from Town	0	-21,881	-21,881	-21,881	-4,020	544%	
Cash Balance	\$ -	-	\$ 0	\$ 0	0	-	
Coyote Ridge	1,754		1,754	1,754	0	-	
TSMV Lot 39	5,720		5,720	5,720	7,750	74%	
Palliser Lot 7	1,282		1,282	1,282	6,000	21%	
Total Project Costs	\$ 8,756	0	\$ 8,756	\$ 8,756	\$ 13,750	64%	
NET CASH SURPLUS/DEFICIT	\$ 346,621	-47,997	\$ 298,624	\$ 298,624	\$ 0		

MEETING DATE: October 20, 2011

SUBJECT/TOPIC: **Financial Management Policies and Procedures and Capital Reserve Fund**

PURPOSE: For decision

RECOMMENDATION:

That the CCHC Board

- 1) Approve SPP 4.01 Financial Management Primer
- 2) Approve SPP 4.05 Cash Management
- 3) Approve the establishment of a \$370,878 CCHC Capital Reserve Fund as of December 31, 2010 consisting of \$341,294 cash and \$29,584 owing.

BACKGROUND:

Financial Management Policies and Procedures

CCHC is developing a full policies and procedures manual that includes the following sections:

1. Corporate Administration
2. Governance
3. Program Administration
4. Financial Administration
5. Human Resources

The documentation and formalization of financial management policies was identified as a priority by the Managing Director given that the auditor identified it as an area for improvement.

When complete, Financial Management Policies and Procedures are anticipated to consist of the following statements of policy and procedure (SPP):

SPP 4.01	Financial Management Primer
SPP 4.02	Revenues
SPP 4.03	Expenses
SPP 4.04	Assets
SPP 4.05	Cash Management
SPP 4.06	Budgets, Forecast and Reporting

Presented for approval are SPP 4.01 Financial Management Primer and SPP 4.05 Cash Management. The remaining four policies are anticipated to be presented for approval in November and December of this year.

Capital Reserve Fund

SPP 4.05 Cash Management refers to the establishment and maintenance of an unrestricted Operating Reserve and a restricted Capital Reserve Fund. CCHC currently has two term deposits, an Operating GIC and a restricted GIC that serve similar purposes.

As of December 31, 2010, the balances of the term deposits totaled \$457,403:

\$ 200,110	Bow Valley Credit Union: Operating GIC
\$ 257,293	Bow Valley Credit Union: Restricted GIC

As of December 31, 2010, CCHC net assets as per the audited financial statements consisted of the following amounts:

\$ 940,681	Equity in tangible capital assets
\$ 422,546	Restricted surplus
\$ 56,110	Unrestricted surplus

It was observed that the restricted GIC was significantly lower than the restricted surplus in the audited financial statements, which prompted the Managing Director to review audited financial statements and motions from 2001 to 2010 in order to reconcile the amounts.

DISCUSSION:

1. Financial Policies and Procedures

Financial management policies, procedures and controls ensure that the organization makes the most effective use of its funds, is protected from undue financial risks, and is safeguarded against fraud and theft. This is important for the Board to provide assurance to its members and exercise prudent stewardship of its funds.

SPP 4.01 is a primer that presents fundamentals for non-accountants.

SPP 4.05 details cash management policies and procedures which are intended to address the four key reasons to manage cash, each of which requires a different process and policy:

- 1 To have sufficient cash on hand to pay bills and discharge obligations as they arise
- 2 To have extra cash available for emergencies or unusual needs
- 3 To minimize the amount of cash tied up in inventories and accounts receivable
- 4 To invest excess cash profitably and securely

The policies and procedures are designed to provide clear direction to the Board and staff, but allow staff some flexibility in procedure.

ALTERNATIVES

- 1) Approve the statements of policy and procedures as presented
- 2) Not approve the statements of policy and procedures as presented and provide further direction to the Managing Director
- 3) Defer a decision until all financial management policies and procedures are complete.

2. Capital Reserve Fund

The cash management policy refers to the establishment and maintenance of an unrestricted Operating Reserve and a restricted Capital Reserve Fund. CCHC currently has two term deposits, an Operating GIC and a restricted GIC that serve similar purposes.

The review of audited financial statements and motions from 2001 to 2010 suggests that it was not always clear as to why some surpluses were restricted and how those funds were to be handled from a cash management perspective.

It is understood that the general approach to be taken was that surplus cash from development

activities and/or general contributions was intended to be used as working capital for future PAH projects, while cash and revenues association to operations and program administration was intended to be used as operating capital.

Based on the understanding above, as of December 31, 2010, the Capital Reserve Fund should have totaled \$370,878 based on the following contributions:

Summary of Capital Reserve Fund contributions, disbursements, amounts owing and cash balance as of December 31, 2010

Contributions		
Land Lease – MHCH	\$ 362,000	
Coyote Ridge	\$ 371,788	
Town of Canmore Loan: TSMV	\$ 162,500	
Total Contributions		\$ 896,288
Disbursements		
Invested in future housing devt (TSMV Lot 39)	\$ 525,410	
Total Disbursements		\$ 525,410
Total Capital Reserve Fund		\$ 370,878
Amounts Owing to Capital Reserve Fund		
Amounts Owing by MHCH	\$ 9,584	
Prepaid Deposits – Coyote Ridge	\$ 20,000	
Less: Total Owing to Capital Reserve Fund		\$ 29,584
Total Cash Restricted for Capital Reserve Fund		\$ 341,294

The cash would be allocated from the Restricted GIC of \$ 257,293 (\$ 257,293 as of September 30, 2011) and \$84,001 from the Operational GIC of \$ 200,110 (\$ 228,910 as of September 30, 2011).

The establishment of a capital reserve of \$370,878 would mean that CCHC would have an unrestricted surplus of \$ 107,778 as of December 31, 2010.

ALTERNATIVES:

- 1) Approve a \$370,878 CCHC Capital Reserve Fund as of December 31, 2010 consisting of \$341,294 cash and \$29,584 owing.
- 2) Not approve the Capital Reserve Fund as presented and provide further direction to the Managing Director.
- 3) Defer a decision until all financial management policies and procedures are complete.

ATTACHMENTS: SPP 4.01 Financial Management Primer
SPP 4.05 Cash Management Primer

Prepared by: Jennifer Bisley, Managing Director
Prepared on: October 6, 2011