

**THE AGENCY FOR COOPERATIVE HOUSING – L'AGENCE DES
COOPÉRATIVES D'HABITATION**

**MINUTES
BOARD OF DIRECTORS TELECONFERENCE
July 29, 2005**

1. CALL TO ORDER

The teleconference convened on July 29, 2005 at 11:30 a.m.

Present were:

Ray Hession
Peter Crawford
Carol Davis
Stuart Thomas
Barb Millsap

constituting a quorum of the Board. Jill Kelly had given her regrets, being unable to attend.

Also present were Alexandra Wilson, of CHF Canada, Laird Hunter, legal counsel, and Melanie Clement, taking minutes.

Ray Hession chaired the meeting.

2. APPROVAL OF AGENDA

The directors approved the agenda as circulated.

3. PENSION PLAN AND GROUP BENEFITS

As The Agency will be hiring its first employees as of October, Alexandra Wilson recommended that The Agency establish a defined-contribution pension plan for its employees with the Co-operative Superannuation Society, a multi-employer pension plan serving Canadian co-operatives. Alexandra reported that the plan is of long standing, has enjoyed a very low expense ratio and good returns, and is financially sound. The Co-operative Housing Federation of Canada participates in the plan. Alexandra noted that the recommended employer contribution rate of

7% was as budgeted in the operating budget upon which CMHC's fee to The Agency was based.

Alexandra further recommended that The Agency join the group benefits plan established by CHF Canada for its employees and its members and associates with The Co-operators. She advised that participation in the CHF Canada plan would provide a range of benefits comparable to those available to CHF Canada's own employees, on competitive terms. She advised that CHF Canada manages the plan on its members' behalf, including handling annual premium negotiations, which would reduce the administrative cost of the plan to The Agency. (Alexandra had previously disclosed to the Board her position as a director of The Co-operators Group.)

M/S/C Stuart Thomas/Barb Millsap

BE IT RESOLVED THAT The Agency make application to join the Co-operative Superannuation Society (CSS) and to establish a defined-contribution plan for its employees with CSS;

BE IT FURTHER RESOLVED THAT the employer contribution rate for the agency plan be established at 7% of employee gross regular earnings.

M/S/C Barb Millsap/Peter Crawford

BE IT RESOLVED THAT The Agency enrol in the group benefits plan established by the Co-operative Housing Federation of Canada for its and its members' and affiliates' employees with Co-operative Life Insurance Company.

4. COMPENSATION MANAGEMENT

Alexandra Wilson reported that the Agency budget for the development of an initial salary scale was \$25,000 and that she was in negotiations with the Hay Group, a very large firm that provides compensation management and related services across the globe, for their services. She advised that an advantage of using Hay's proprietary job evaluation system is that the employer can readily sustain the system, going back to the Hay Group only for periodic checks of salaries against the marketplace. The Hay Group maintains a very large database of salaries for jobs evaluated on its system. Several directors indicated their familiarity with the firm and its excellent reputation.

M/S/C Peter Crawford/Barb Millsap

BE IT RESOLVED THAT The Agency authorize Alexandra Wilson to engage the services of the Hay Group Ltd. in establishing a job evaluation and performance-based compensation management system for The Agency, provided the total cost of the services does not exceed \$25,000.

5. SCHEDULES TO CMHC AGREEMENT

Alexandra Wilson informed the Board that CHF Canada was working with CMHC to finalize several schedules to the Agency's agreement with CMHC. She reported on progress to date and proposed that the Board authorize the President, Ray Hession, to approve the final form of the schedules on its behalf.

M/S/C Carol Davis/Peter Crawford

BE IT RESOLVED THAT the President be authorized to approve the final form of the schedules to the Agency's agreement with Canada Mortgage and Housing Corporation.

6. PERMANENT OFFICE SPACE

Directors heard that the help of a broker had been engaged with the search for suitable office space in Ottawa for the Agency's support centre. Several spaces had been looked at to date. Alexandra Wilson advised that she would like to put in an offer to lease at 190 O'Connor Street, a building currently being refurbished that will offer Class "B" office space. She indicated that a full turnkey arrangement would be required for the leasehold improvements, with the landlord assuming the full risk of any cost overruns, as The Agency has no capital funds.

The Board expressed concern that the term of the lease not extend beyond the term of the initial CMHC agreement and that no binding agreement be signed before The Agency can be reasonably sure that operating funds from CMHC will be forthcoming.

Laird Hunter excused himself from the meeting at this time.

M/S/C Barb Millsap/Peter Crawford

BE IT RESOLVED THAT the Board authorize the leasing of office premises in Ottawa sufficient to accommodate the number of employees The Agency expects to employ in Ottawa, for a term ending not later than April 30, 2010 and at a total cost in the first year not to exceed \$30 a square foot, including base rent, operating costs and amortization of leasehold improvements.

7. OTHER BUSINESS

The Board requested that future expense reimbursements and expense per diem and honoraria payments be accompanied by an explanation.

8. CEO's EMPLOYMENT AGREEMENT

The Board met in camera for this item, with only board members present. The President advised the secretary following the meeting that the following motion had been adopted:

BE IT RESOLVED THAT the President be authorized to make an offer of employment as The Agency's chief executive officer to Alexandra Wilson based on the terms set out in the draft employment agreement presented and that the President be authorized to approve the final form of the agreement based on the draft with such changes as the Board may deem necessary.

CERTIFIED to be the minutes of a teleconference of the Board of Directors of The Agency for Co-operative Housing – L'agence des coopératives d'habitation held on July 29, 2005.

Ray Hession, Chairperson

Melanie Clement, Recording Secretary