

**Slocan Valley Seniors Housing Society
Special Meeting of the Board of Directors**

Tuesday, May 2, 2017

In Camera

Present: Sue Harder, Don Currie, Wilf Rimmer, Penny Tees, Sally Mackenzie, Paul Wilkinson, Lynnnda Moore, Ruth Hackett, Willie Harasemow, Mabel Kabatoff

Regrets: Rita Moir

Guests present: Eric Clough

Meeting called to order by Sally at 6:00pm

It was clarified that the purpose of the meeting was to gain further understanding about the process with BC Housing, debt service ratio, and to go through the operating agreement to determine areas needing clarification or further input.

Eric and Sally explained the overall framework of the funding envelop we are trying to access, including the process for qualifying for the first level, then the preliminary level and now for the final approval.

Wilf presented various scenarios with adjustments in vacancy rates, insurance costs, and rent levels to emphasize to the board the impact on debt service ratios and level of risk that these factors can create. The board also reviewed the comparative grid that Tamara had created using a 1.15 debt service ratio, 3 % vacancy rate, and various rent levels. General discussion ensued on all of this and the need to examine the budget lines for more understanding and comfort.

Operating agreement

The board went through the operating agreement section by section. Points needing follow-up included:

- Should the 40 year term be aligned with the 35 year mortgage, and the terms of the forgivable loan?
- On Default and Termination (8a,pg 10):
 - Does this align with the language in the loan document and does it apply if we fail to comply with the operating agreement or just the loan documents?
 - Does the 24 hour notice mean that the dispute resolution section doesn't apply?
- In Schedule B
 - B - Revenue and Expenses, the level of the "affordable market rent" is not defined (ie, the 90%)
 - D -1 Does the reference to increasing the # of units below affordable market rent mean to increase the actual number of units that exist, or the number of units with below market rent?
 - D - Can we reduce the mortgage with any surplus we accrue?
 - E -4 Need clarification re audited financial statements –will they require them as stated even if they are not funding them for the society?
- Schedule D - Check with Marsh regarding the insurance

Meeting adjourned at 9:00pm

Sally Mackenzie

Meeting chair

Penny Tees

Meeting Secretary