

Sunnyhill Housing Co-operative

787 – 3rd Street N.W.
Calgary, AB T2N 1P1
Phone/Fax: 403-270-8405

NOTICE OF ANNUAL GENERAL MEETING

Sunnyhill Housing Co-operative invites you to attend

SUNDAY JUNE 28, 2020

2:00PM – 4:00PM

ZOOM - https://us02web.zoom.us/meeting/register/tZMud-6tqzwoH91M-bY8Z0c671FukskwVhN_

The purpose of this meeting will be...

1. To approve past meeting minutes:
 - a. April 26, 2020 budget meeting
 - b. June 7th general meeting minutes
2. To receive a presentation of the Audited Financial Statements
3. To approve Auditor
4. To receive Committee Reports
5. Beginning the follow up to the June 7th General Meeting: Election of new Board Members

Thank you

Hope to see you there!

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AGENDA

- 2:00 Call to order
- 2:05 Opening remarks and introductions
- 2:15 Approval of Proposed Agenda
- 2:20 Approval of meeting minutes:
- April 26, 2020 Budget vote meeting
 - June 7, 2020 General meeting
- 2:30 Presentation of the Audited Financial Statements by Anda Frusescu
- 2:50 MOTION:
From the Board of Directors, Ben Arkell (Treasurer) moves that the Audited Financial Statements presented today by the offices of Anda Frusescu be accepted as a real and true presentation of Sunnyhill Housing Cooperation Ltd. Financials for the year ending December 31, 2019.
- Motion Discussion
 - Motion Vote
- 2:55 Call for Motion to appoint Anda Frusescu 2020 Auditor
- 3:00 Committee Reports:
- Report from the Board of Directors - forthcoming
 - Buildings Committee
 - Communication Committee
 - Education Committee
 - Finance Committee
 - Grounds Committee
 - Member Selection Committee
 - Planning and Development Committee

- Social Committee

3:40 Beginning the follow up to the June 7th General Meeting: Board Election

MOTION:

Sarah Reimer (Chair) moves that there be 7 directors on the Board of Directors for the 2020 – 2021 year.

Stepping down:

- Richard Harrison (Vice-Chair)
- Coeur Riley (Secretary)

Terms ending:

- Sarah Reimer (Chair)
- Ben Arkell (Treasurer)
- Sarah Stephens (Director)

There are 7 vacant positions on the Board

ELECTION PROCESS AS FOLLOWS:

- 1) Nominations - Please refer to the eligibility criteria in the bylaws, Section 12 (attached)
- 2) A few words from nominees on what they can offer to the position of Board Director and where they see the Co-op going
- 3) Vote
- 4) Vote count/Announcement of new Board members

CALL FOR MOTION TO ADJOURN

Eligibility to run for the Board

12.4 Eligibility

- a) Any Member in good standing can serve as a Director. Only one registered shareholder from any Member household can serve at a time
- b) A Member who is party to a contract for profit with Sunnyhill can be a Director only with the approval of a general meeting. The decision will be made by ordinary resolution

12.5 Disqualification of Directors and vacating the office of Director

A person is disqualified from becoming or continuing as a Director if that person:

- a) Is not an individual
- b) Is under 18 years of age
- c) Is an individual who:
 - a. Is a represented adult as defined in the Adult Guardianship and Trusteeship Act or is the subject of a certificate of incapacity that is in effect under the Public Trustee Act
 - b. Is a formal patient as defined in the Mental Health Act
 - c. Is the subject of an order under the Mentally Incapacitated Persons Act (RSA 1970 c232)
 - d. Has been found to be a person of unsound mind by a court elsewhere than in Alberta;
- d) Has the status of bankrupt

Please be advised that nominees will be required say a few words on what they can offer to the position of Board Director and where they see the Co-op going Please be advised that nominees will be required say a few words on what they can offer to the position of Board Director and where they see the Co-op going. This process will happen after nominations but before the vote.

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ROBERTS RULES ON BASIC MOTIONS

Even though it's the nature of meetings to have more said than done, Robert's Rules helps keep things on track by requiring that no discussion be undertaken until somebody proposes an idea for action. It's through *motions* that everything your group ever accomplishes gets its start. The length of time you discuss something and the ultimate decision your group makes are both based on your members' use and understanding of the nature of the different types of motions, their relationships to each other, and how the different motions are best used as your tools for effective decision-making.

REMEMBER:

Until a motion is made, seconded, and stated by the chair, no discussion is in order. This rule of "motion before discussion" saves valuable meeting time. When you start off with a definite proposal — "I move that . . ." — your group discusses the motion's merits and all the details necessary to make a decision. And during the discussion, you and the other members are free to alter your motion as much as necessary before reaching the final decision. This process is much more productive than just starting off jabbering about some vague idea hoping to work it out as you go, and then getting around to making a motion summarizing what you think you may have just proposed.

- A **main motion** introduces a new subject for discussion and action. A main motion says: Let's do this about that. The main motion is the starting point on the way to making a group decision.
- **Secondary motions** offer different approaches to consider in the discussion of the main motion. A secondary motion says: Let's do that this way. Secondary motions fall into one of the three classes:
 - **Subsidiary motions** apply directly to a pending main motion (or pending secondary motion) and help the group arrive at a final decision on the main motion. A *subsidiary motion* says: Let's do this along with the main motion.

For example, the motion to *Refer* the main motion to a committee. You use it when you don't want to spend all night talking about something that could be done at another time by people who are interested in working out the details.
 - **Privileged motions** deal with things relating to the comfort of the assembly or other situations so important they may interrupt pending business and must be decided immediately by the chair or by the members without debate. A *privileged motion* says: Let's do this even though there is a pending main motion.
 - **Incidental motions** are motions that generally deal with procedures and help process other motions. An *incidental motion* says: Let's do this to better handle the pending motion. You use incidental motions to help the group go about conducting its business in meetings.
- A restorative motion seeks to put things back to where they were. A restorative motion says: Let's undo this and maybe do that instead.

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GENERAL MEETING – BUDGET VOTE

Sunday April 26, 2020 2:00pm – 4:00pm

Location:

ZOOM – Web-conferencing

Zoom link - [https://us02web.zoom.us/meeting/register/
upErduytpjkoGtAt0NVmL9AQY4m4uh-lq7Ne](https://us02web.zoom.us/join/https://us02web.zoom.us/meeting/register/upErduytpjkoGtAt0NVmL9AQY4m4uh-lq7Ne)

MEETING MINUTES

Attended: Kiarra Spenst (2), Kevin Chaney (4), Chris Taylor (8), Ben Arkell (10), Nathan Erickson (12), Lisa Rouleau (18), Richard Harrison (18), MD Islam (20), Philip Cox (22), Yvonne Sabraw (22), Heidi Mithaug-Cook (26), Anna Barrett (26), Sarah Reimer (30), Debbie Willis (34), Pamela Boyd (36), Dillon Jakovac (38), Mollie Mithaug-Cook (38), Tyla Cosgrove (44), Marion Gauzer (734), Jacky Durrie (738), David Broadhead (744), Jean Pierre Dandurand (747), Sarah Stephens (748), Don McCabe (755), Brenda Morgan (764), Jane Roberts (767), Rose Ing (768), Peter Clyne (771), Cindy Schnee (801), David Sargent (801), Mia Rushton (803), Eric Moschopedis (803), Mike Whittington (807), Rachel Rose (807), Jenny Tzanakos (813), Coeur Riley (823), Belle Auld (825), Robert Bott (837), Helen Wirrell (839), Sabine Schlichting (841), Cristian Badea-Hasasian (843), Mark Terrell (849)

Regrets: Heather Stewart (28)

1. Call to order at 2:10pm
2. Opening remarks and introductions:
 - a. Introductions and brief explanation of how to navigate ZOOM
3. Approval of Agenda:
 - a. M/S/C Helen/Philip
4. Approval of February 19, 2020 Budget Discussion Meeting minutes:
 - a. M/S/C Eric/Jane

5. Budget vote for 2020 -- Note that there are 3 options outlined, -8%, -4% and 0%

a. Questions:

1. Line 137 is unclear

a. Planning and Development already approved money is removed

2. Line 131 needs to show the 2020 spend

3. If we reduce by 8% it will take us 3-4 years to get back to the 2019 budget numbers

4. Because of income reduction, where can we find realistic savings? Grounds is an example where Members can take on lawn care in the common area

5. Planning and Development should be spending all their budget this year

6. There is currently a Board working group looking into the landscaping contracts and looking for reductions

7. 8% reduction, have we done anything as a Co-op about how much our Members will actually need?

a. Not yet. Income and Residency information forms are due May 1st and that will give a better understanding

8. Can we consider revising subsidy surcharge to address Member's hardships?

a. Decreasing the housing charges is an easier/quicker process than changing the subsidy policies

9. It is not a good time to look into changing the subsidy policies

10. The unemployment rate is rising but we do not know what is going to happen going forward

11. People are having their salaries cut this year

12. Is the wall fix still scheduled to happen given the work P&D has carried out?

a. It is in the budget, yes

13. We are in negotiations and facing applications that will depend on our current and projected revenues. Reducing the housing charge

this year could pose difficulties and complications going forward. I am also concerned that an 8% reduction this year could require an 11% increase next year, however, I agree this is a unique situation

14. A housing charge decrease would provide a blanket solution to all units. The subsidy/surcharge system would allow for targeted need, so I think that would work better. There is a risk of not addressing the deferred maintenance, as that will leave us with a depressed asset and trying to re-finance or buy land. That being said, I see a role for SHC in supporting people, in addition to government supports. So the 0% and -4% solution appeal to me

15. A 11% increase would be after an 8% reduction so not an increase from where we are today

16. Maybe we can go with whichever reduction is voted in but there can be a volunteer list for people wanting to maintain their current housing charges

a. This would involve a policy change

b. If people volunteer to remain the same that might result in an unfair increase next year for those people

17. Remember that -8% is a \$194,000 surplus. What will we do with that?

18. Is the -8% going to be enough of a reduction for Members that have reduced income?

19. This budget is a best guess situation. Changes in the budget can be made at a later time if required

20. If we are not sure what the future looks like, it is a good time to save now 0 or -4% would be best

21. If a surge in subsidy requests overwhelmed the subsidy/surcharge system, could there be an emergency budget adjustment in fall to further reduce housing charges

a. Yes

22. Can we draft the grounds motion now?

a. Not ready yet, needs more discussion. We have an AGM coming up that it could be discussed at, if ready

23. Lisa called the question

6. MOTION: Ben Arkell, Treasurer for the SHC Board of Directors moves that membership approve an **8 (%) decrease** as the budget for 2020 for Sunnyhill Housing Co-op.

a. M/S/DEFEATED Ben/Sarah Reimer

7. MOTION: Coeur Riley moves that membership approve a **4 (%) decrease** as the budget for 2020 for Sunnyhill Housing Co-op.

a. M/S/C Coeur/Philip

8. NOTICE OF MOTION: Eric Moschopedis for P&D:

Whereas Article 19 of our land lease with the City of Calgary gives SHC the opportunity to purchase our land at the conclusion of our lease.

and whereas, on June 14, 2019 membership directed that Urban Matters would provide support and management to SHC regarding lease negotiations with the City of Calgary.

Building on article 19 of the lease and that resolution, Planning and Development moves that:

SHC enter into negotiations with the City of Calgary regarding

1. A long term lease of our land from the City or
2. Purchase of our land from the City or
3. Other arrangements with the City to secure long term use of our land.

Urban Matters will support and manage this process on behalf of SHC.

This motion authorizes SHC and Urban Matters negotiation with the City of Calgary. The motion does not authorize SHC to enter into an agreement for land purchase or use.

It is further noted that any agreement proposed between the City of Calgary and Sunnyhill as a result of such negotiations requires explicit membership approval by special resolution to be entered into.

a. M/S/C Eric/Ben

9. Adjournment: 3:53pm

Respectfully submitted by Andrea Bergen

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787 Third Street NW
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General Meeting Minutes

Sunday, June 7, 2020

2:00pm – 4:00pm

ZOOM LINK – [https://us02web.zoom.us/meeting/register/tZ0td-isqz8oHNflecA48Q3Ab-f8yU-wvfNI](https://us02web.zoom.us/join/https://us02web.zoom.us/meeting/register/tZ0td-isqz8oHNflecA48Q3Ab-f8yU-wvfNI)

Attended: Andrea Bergen (Office Coordinator), Kiarra Spenst (2), Mahlah Hansen (10), Ben Arkell (10), Richard Harrison (18), Lisa Rouleau (18), Philip Cox (22), Yvonne Sabraw (22), Dorrie Derbowka (24), Heidi Mithaug-Cook (26), Anna Barrett (26), Sarah Reimer (30), Vivienne Livingstone (32), Debbie Willis (34), Pamela Boyd (36), Mollie Mithaug-Cook (38), Dillon Jakovac (38), Aurica Bondoc (42), Tyla Cosgrove (44), Marion Gauzer (734), Bonnie Robinson (740), David Broadhead (744), Sarah Stephens (748), Don McCabe (755), Sarah McCabe (755), Rita Fields (762), Brenda Morgan (764), Jane Roberts (767), Peter Clyne (771), Gabriela Laszlo (783), Cindy Schnee (801), Eric Moschopedis (803), Mia Rushton (803), Buzz Viberg (805), Rachel Rose (807), Mike Whittington (807), Brenda Willman (809), Jenny Tzanakos (813), Jaime Muneoka (815), Sherry Kozak (817), Janice Way (819), Herta Fidler (821), Coeur Riley (823), Belle Auld (825), Bob Bott (837), Helen Wirrell (839), Sabine Schlichting (841), Mark Terrell (849), Ann-Marie L'Arrivee (849)

Special guest: Carol Daw, Mediator

Call to order by Richard Harrison: 2:10pm

Reading of agenda by Richard Harrison

Rachel Rose read the meeting preamble by Richard Harrison and Rachel Rose (attached)

Approval of proposed agenda as amended:

- Amendment – remove item #1 from Carol's stages of mediation and change it to "Reading of the letter from concerned members and the invitation of others to speak so that members can add to the issues". Item #1 will be Identification and clarification of the issues
- Some members felt that they would have liked to have a copy of the concerned members letter before the meeting for background

Carol Daw introduced herself and outlined the below listed stages of mediation:

- Carol has been asked to come today to help mediate the issues that were raised by some members at the Co-op
- Carol's goal as a mediator is as an unbiased 3rd party is to help the parties to hear and understand one another. It is key for everyone to listen well; listen to understand, not listen to agree.
- Goal is to move to resolution of the issues that have been raised
- Rules of the meeting:1) ensure everyone is respectful of each other. 2) Be assertive, not aggressive. 3) everyone given the opportunity to say what they want to say, while being mindful of the time
- Remember that we are all just people that are trying our best with the skills that we are given to work towards a common goal

Reading of the letter from concerned members as well as use a speakers list to give other members a chance to voice their concerns:

Rachel Rose read the letter regarding members concerns (attached)

1. Identification and clarification of the issues:

- e. Members concerns from speakers list:
 1. The current by-laws and polices are not clear about roles/ responsibilities. Needs a clear summary
 2. New members are confused as they are not supplied with current by-laws and policies when they move in
 3. Members are not being involved in the by-law/policy revisions. Feedback makes members feel involved
 4. How the Board implements policies and procedures
 5. There is a feeling that by-laws and policies have been weaponized

6. We need to establish or re-establish in our by-laws what kind of Board we have
7. The role of the Property Manager has to be discussed as a membership. As well as role with the Board and role with Committees
8. Congratulations to whomever drafted the letter that Rachel Rose read, it's very inclusive
9. How committees communicate with the Board/Board communicate with the committees
10. Board liaisons are needed again
11. The Board currently has Board contacts (liaisons) however they do not sit in at committee meetings
12. Request to have a statement of facts. Would like to have a record of where members felt decisions were not correctly made by the Board and committees
13. Sarah Reimer read a prepared statement addressing some of the issues (attached)
14. Clarification that the food forest disruption started as a member complaint
15. Is the Zoom chat going to be included in the meeting minutes?
 1. Yes
16. There have been censorship accusations in regards to the Sunnyhill Facebook page. It has been difficult because it's not clear if posts are made by individual members or as a person of authority
17. Members have been commenting on the current Board stepping down. Would like to see this possibility acknowledged
18. If Board orders committees what to do, that's managing, however that's not their role. It's governance that they should be involved with. SACHA runs workshops on this

19. Members were hoping to hear from grounds committee about the specifics of their decision
20. Concerns from previous grounds committee:
21. Communication was lost when there was no longer an active Board member that sat on the committee
22. Communication is broken and needs to be repaired
23. Grounds committee has always had a good relationship with the Board until this current Board
24. What the facts are is not as important as the tone, manner, respect and feelings
25. Active Board liaison would be helpful

1. Ensuring mutual understanding of the issues:

- b. Carol Daw identified what she thinks the issues are that have come from the letter:
 - a. Board governance
 - b. Committee system – consultation between Board/Committees/ Members
 - c. Board overreach (decision making) – What is the role of the Board/Committees/Property Manager?
- a. Members identified what they think the main issues are:
 1. How decisions are made re: rules and are they done respectfully
 2. Board transparency
 3. Improved communications between Board and committee members
 4. Why the Board did not address the grounds resignation

5. Brainstorming possible resolutions to issues itemized:

- b. The committee chair-people should be elected at the AGM every year

- c. The Board should have 1 member sit on each committee instead of just being a contact (liaison)
- d. Allowing committees their authority they are allowed to have
- e. Steps to rebuild confidence and trust in the Board
- f. Need an investigation into where things went wrong, strike a committee and get facts
- g. A good place to start is with the 3 points that were outlined in the letter that Rachel Rose had read at the beginning of this meeting and follow up at the AGM:
 - 1. Transparency between the Board and the Membership
 - 2. Improved communication between committees, the Board and the Membership
 - 3. Intentional steps to rebuild confidence and trust in the Board
- h. Should the Board have a group e-mail that is used so that members can e-mail the Board directly instead of going through the office?
- i. Yvonne Sabraw offered to develop a process for documenting decisions that were made or will be made. Even just monthly updates from each committee, and posting their minutes. Is there still a sign in the office that says "Do I have the authority to do what I am about to do"? I remember referring to this frequently during buildings meetings in the office
- j. Strike committee/task force to hear complaints, like a TRC, should be non-Board, unlimited, any grievance heard
- k. We need to clean the wound before we can move forward
- l. Make some action items that address the issues? i.e. looking closely at our current by-laws and ensuring that they provide clarity regarding roles/responsibilities; mediation between the committee and the Board; etc.
- m. Working group to review by-laws/policies. Get approved copy A.S.A.P.
- n. Part of the discussion going forward must include member involvement and participation

- o. Committee members need the recognition from the Board that we are all volunteers who try to do our best with the sometimes-limited expertise that we have. Basically, we have to assume leadership and make decisions and perhaps we need further education about how to be effective in our specific committees
- p. Can Board members attend committee meetings rather than the other way around? This would feel more collegial than one committee member meeting with the Board
- q. We currently have a grant application going in to the city for funds to do a deep engagement re: our social infrastructure
- r. A Member retreat would be a wonderful way to get closure, healing and best way forward. Along with getting to know new neighbours and improve communications.
- s. Suggest re-elect the Board to give a fresh start and so that we can ensure the democratic voice is heard? It feels fairly clear that members are concerned and don't have faith. Perhaps a re-election would help cleanse this and move forward. Good governance would not oppose to hearing the members and would have no problem stepping down to allow for opportunity or perhaps being re-voted in.
- t. Fresh start is a good idea, maybe even a short-term Board that is replaced by a new governance format?
- u. It's important going forward to reflect on the words abuse and bullying and that it's not just a matter of tone
- v. Does not think electing a new Board will solve this issue. The issue is deeper than that and a new Board will face the same challenges
- w. Fears that the call for the Board to resign is itself being weaponized
- x. We need a forum like truth and reconciliation for safe recording of grievances.
- y. All committee chairs meet with the Board chair once a month on a Zoom meeting so that everyone knows what's going on
- z. Policy has been a barrier instead of a guideline. The way that it is being used is strictly as a can and can't. The philosophy behind them is to protect us. They have been weaponized

aa. Discussion of resolutions raised:

bb. A Board retreat to discuss the above noted items would be a good idea

cc. Better communications

dd. Tone, respect and Board behaviour are the main issues. Hurt hasn't really been talked about enough in this meeting. Instilling confidence in this Board is important

ee. Education regarding by-laws and policies

ff. Seek agreement on possible resolution(s):

gg. Find a mechanism to which tone can be addressed

hh. Board to follow up at the AGM

ii. Election reform – Committee chairs to be elected at AGM, and must provide details on how they can be beneficial and where they see the Co-op going at election time

jj. Instilling confidence in the Board is priority

kk. Moving forward:

ll. Can we design a method for people to share “going forward” suggestions and present at AGM?

mm. Put on the AGM agenda that we explore the possibility of creating a committee or task force to explore the amendment of the by-laws where the by-laws would become a tool in these circumstances instead of a weapon and the by-laws would cover those circumstances where personality comes into play and we can rely on the by-laws as a tool.

nn. Lack of respect and tonal issues must be addressed. The conversation today didn't acknowledge the hurt that people feel

oo. Complete by-law/policy revisions

pp. Board have a direct email address for Members to contact the Board directly. Archived conversations would be available for the next Board

qq. Board to plan a retreat to fully discuss the outcome of this meeting

rr. The Board asks that Membership understands that they need time to reflect on the outcome of this meeting as a whole. They have heard what Members are saying

ss. There is a disconnect between the guiding documents that we follow and what is actual practice. Guiding documents need to reflect what we actually do and care about. Communication needs to happen so that the Board knows what Members wants and needs are

Final words from Carol – It's not all about black and white and bylaws and policies, it's also about people's feels and important for them to feel heard. Communication must be respectful. This has been step 1 in a process that she hopes we will continue with

Adjournment: 4:35pm

Respectfully submitted by Andrea Bergen

As the Facilitators of this meeting we just to take a few moments to outline the context and spirit in which this meeting has come together. The resignation of the Grounds committee was the catalyst for this meeting however the request was to explore the broader underlying issues. As such, we will find that this meeting will cover broader more wide-reaching issues as the discussion unfolds.

Early on we knew that we needed to have the support of an outside mediator to ensure that the conversation was productive, cooperative and generative in its outcome. We reached out to SACHA and are thankful to have Carol Daw as our mediator today. In a few moments she will outline her role and the content of the agenda in greater depth so that we are all clear about how this mediation process will unfold.

We acknowledge that there are many big feelings, questions and important concerns that people are experiencing right now. Our hope is that this virtual space we are sharing here together can be a safe place for all our feelings to be heard and listened to with respect and patience.

We also recognize that this meeting is just this first step of a larger process. We likely won't reach a place of clarity at the end of this meeting but rather have started the work of bringing people together so that we can care for, and heal, the social fabric that is at the very core of the coop. The goal of this process is to support people to once again trust and collaborate in good faith.

Long-time member Yvonne Sabraw has some wise words that perhaps summarize this special meeting and its placement in the broader context of life in Sunnyhill. She says:

“Co-op meetings are an absolutely essential part of our community’s democratic process and participating in this process is what we all signed up for when we became members. Meetings can appear messy and at times painful. They can be confusing, and we know that we need to do better at educating our members about how SHC meetings work. This one is an unusual meeting, following a process outlined in our Bylaws, made by special request from members to address a specific issue. So, as this meeting unfolds, please keep in mind that it is not a typical General Meeting, but it is very much deeply rooted in the grassroots level democracy and community-building that is the essence of SHC.”

Background notes for June 7 SHC general meeting

Introductory note from Bob Bott

Several current and former members of the Grounds, Planning and Development, and Communications committees, as well as individual members, asked me to summarize the concerns about the Board, governance, and the committee system that led up to the mass resignation of the Grounds members April 6. That resignation is the proposed subject of the June 7 general meeting, but the concerns are much broader and need to be addressed to restore co-operation and harmony.

I have been a member of Grounds since I moved into Sunnyhill in 2002, and I have been on Planning and Development since its origin as the Vision 2020 Task Force around 2008, so I have had a front-row seat during the recent conflicts. I have also observed over the years the strengths and weaknesses of our systems of governance and management.

However, these notes are not just my own observations and opinions. They are based equally on what I have heard and read from other members. Some have reviewed and helped to edit this document, and they have added their signatures to it. Others are welcome to add their signatures or add their own commentary.

The Grounds resignations

The mass resignation of Grounds members in April was to protest the long string of edicts issued by the Board that seemed to undermine every action and decision that we made. The last straw was the announcement, without consultation, that the Board would take over part of our budget for a particular ice-clearing task. We simply could not stand to spend yet another meeting discussing the Board's demands rather than the plans and projects we wanted to pursue for the benefit of the co-op.

The breakdown in trust and communications between Grounds and the Board began soon after the election of the current chair and directors. Instead of conveying member concerns and complaints to the committee, the Board often chose to adjudicate matters itself and hand down its judgements in legalistic missives. Committee members described some of the interactions as inquisitions.

Grounds has long been one of the most active and engaged committees in the co-op. Members joined and stayed because it was immensely satisfying to maintain and improve our shared environment and quality of life. You could actually do things, whether planting shrubs or pulling weeds or distributing mulch under trees. We consulted experts and researched products and practices. We looked after equipment in the tool shed. We also managed contractors for lawn care, snow clearing, pruning, and irrigation, and sometimes we undertook other projects such as paving, waste collection, and signage. We tried to fulfill our responsibilities and stay within budget. At the time of our dissolution, we were interviewing possible alternatives to Curbside for our lawn maintenance and snow clearing.

We may have become over-confident, and we may have dismissed some member concerns without sufficient explanation or accommodation. These issues were legitimate subjects for discussion and compromise. Instead, the Board simply dismissed our experience and expertise and handed down its rulings. These interventions broke down relationships and communication between the committee and

the membership. In the case of the Food Forest Pilot Project, we had to call a special general meeting to get approval for the project. Some committee members felt the Board's behaviour amounted to

harassment. When this acrimony continued through the winter, we unanimously agreed that we could not take it anymore.

Grounds was not alone in its desire to resign and end the confrontations.

Governance and management

We have since heard from members of at least three other committees about what they consider "aggressive, condescending, and bullying behaviour" by the Board and specifically the chair. This lack of respect for fellow co-op members is unacceptable. Communications committee has experienced stress and turmoil caused by a Board member's behaviour. Members of Planning and Development have considered resigning several times because of the uncooperative behaviours of the board. Buildings committee has experienced conflict due to micro-management. One-bedroom members have felt disrespected by Board members' cavalier attitudes towards their probable displacement. We have seen Board members quit. Some members have actively investigated moving from Sunnyhill altogether. This is all deeply concerning.

Some of this problem may just be a clash of personalities, and some is undoubtedly due to misunderstandings and miscommunications. However, there are also structural issues that need to be addressed.

The Board has overall responsibility for governance and finances of the co-op. Historically, the committees have then handled the management of the areas within their member-approved mandates and budgets. Until recently, one director also sat on each of the major committees and provided liaison to and from the Board. One other significant change has been the hiring of a professional manager, who took over some responsibilities of Buildings, arguably our most important committee.

The Board and committees provide important means for members to fulfill their responsibility to participate in the operation and decisions of the co-op (which we all agreed to do when we joined). If we do not have active and effective committees, most of the membership will be left out and subject to the whims of the Board and its dominant personalities. Such a situation is contrary to co-operative principles.

Quoting from one committee member: "Trying to work with this Board has been difficult, confusing, and emotionally exhausting. I have stayed the course because I am dedicated to the membership and work to serve them. Our directors have a moral obligation to lead our cooperative and to represent the membership. The aggressive and abusive behaviour exhibited time and again is not representative of Sunnyhill Housing Cooperative, nor is it leadership. We are a generous, trusting, and kind community. We are not suspicious, accusatory, and mean spirited."

Recommendations

Sunnyhill is a 42-year-old housing co-op with a strong history of community. We are caring, considerate, and cooperative. The last year has exposed the cracks in the foundation of our community.

As we move to secure the long-term future of the co-op by purchasing the land, rehabilitating our buildings, and potentially constructing new housing, it is beholden on us, the membership, to establish a

solid social and organizational infrastructure that the co-op will need to remain kind, affordable, and cooperative. We cannot do to our community what we have done to our physical infrastructure—defer dealing with it until we are further in crisis.

As a membership we need to learn from what has occurred. This is an opportunity for reflection. It is also the time for us to ask what kind of housing co-op we want to be tomorrow, five years from now, and 50 years into the future.

What SHC needs now is leadership that works with the community and eschews power grabs-- leadership that brings members together around common goals, leads us through difficult decision making, and works to strengthen our community relationships.

We need a Board that trusts and works collaboratively with committees. We need a Board that is transparent about its decision making, confines its activities to membership needs, not personal agendas, and shows respect towards the membership. We need a Board that is future-focused and can plant seeds today for tomorrow's harvest.

For today's meeting we are recommending that we focus on some major themes to help guide our discussions:

1. Transparency between the Board and the membership
2. Improved communication between Committees, the Board and the membership
3. Intentional steps to rebuild confidence and trust in the Board

Signed,

Bob Bott 837
David Broadhead 744
Cindy Schnee 801
Eric Moschopedis 803
Pam Boyd 36
Anonymous
Janice Way 819
Don McCabe 755
Helen Wirrell 839
Bonnie Robinson 740
Dorrie Derbowka 24
Mike Whittington 807
Sarah McCabe, 755
Sharmeen Ajmal, 751
Mia Rushton, 803
Kris Wenzel 34
David Sargent 801

When I first saw Rachel's article in the newsletter, I wanted to sign the petition myself because I truly believe that open dialogue of the deeper issues affecting the co-op will be the most effective means by which they can be addressed, but hesitated due to 'optics' of also being the board chair. I was on the cusp of informing the rest of the board of my decision to join the petition, when the completed request was presented. So thank you Rachel for starting the conversation and to all the signatories who brought it about.

There is a vast difference between the role of the board and the personalities of the individuals that serve or the resulting group dynamic. I am not a 'board', I am not a 'role', I am a person, a concerned co-op member, neighbour and friend, as we all are.

The orientation to the board, and the SACHA led board course emphasised that a director's main responsibility is to ensure the co-op operates according to the member agreed bylaws and policies. Phil's parting words to the current board were an admonition to focus on and influence the process and to leave the outcome up to the members. That has been my beacon and guiding light this past year as chair. My understanding is that as board director I represent the interests and concerns of a diverse population, and not simply those whose opinions reflect my own. In my time as a director and as chair, I have endeavoured to diligently represent this diversity. I believe that a co-op isn't about only like-minded people living together but about diverse people working to understand each other, especially when our ideas diverge, to create a community that accurately reflects the whole, to bravely create a more just and sustainable society than we see modeled anywhere else.

My main concerns in the co-op are systemic rather than personal- there is great confusion about our organisational structure and related responsibilities, and accountability. This is further complicated by lack of transparency in communication, in all directions- from board, from property manager, from committees, from members. There is also confusion around agreed processes and frustration with the pace of work completion, especially when it is slowed when parties are required, possibly quite late in the day, to adhere to these processes. And of course, in all dealings, there are personal and emotional interactions and ramifications which affect both what happens and the perception of those events. Communicating too much or too little can have unfortunate outcomes, and I'm sure we all struggle with maintaining the right balance. But personally, I will answer any direct question about my performance, decisions or understandings, without prejudice.

The current tension is not the result of one event, issue or indeed year, but about an accumulation of issues over time, their intersection and growth. It is about different people having different understandings of what various roles and responsibilities entail, of differing information and of multiple people being hurt and frustrated about different things and not feeling or having the freedom to speak openly and be heard authentically, of fear of reprisal ... this is the natural result of people with all these differences attempting to live together cooperatively; this is not the first nor the last time that misunderstanding will cause the community to feel stretched, but then to come together, reevaluate and be faced with difficult conversations and choices.

The current situation is also about change management, about the speed of change and about adjusting to the dynamic reality that is cooperative living; In 2019, the composition of the board changed dramatically, and the resultant group dynamic and process, although ahistorical, was well-intentioned, supported by education provided by SACHA, and we believed supported by the collective will of the membership. But even positive change that comes too quickly can have negative results.

I believe that the first step to moving forward is a re-commitment to and understanding of common ground, a recommitment to a process of dialogue that invites all members to be heard,

to work with members and ideas that challenge us and to welcome scrutiny as a tool to sharpen a blade, so that we can move forward truly unified. This will require active member engagement- and all members, committees and the board will need to foster both a willingness to speak hard truths/ critiques and to hear and accept them. To value each other's contribution even when we disagree with it; to honour the right of each person to hold dissenting opinions and the humility to accept that our understanding / vision is not the one right way.

Log, rock, river, ice flow- the rock is not wrong for being immovable, the river is not wrong for flowing, the log is not wrong for floating along, and the ice is not to blame for riding the waves, crashing into the rock, breaking, and/or getting caught up with the logs to create a backlog, but the backlog can be dangerous, and yet if any one element were removed, the ecology of the river is destroyed. When we learn to value what each element adds to the mix and allow the warmth of vulnerability

We can see individual people/ committees like these elements, and with that, we can agree that all parties have valuable information and insight to share, but it can also become tricky if we fall into personality politics. I suggest that the analogy be used to visualise our core tenets- what is the rock that is immovable in our community? Is that an understanding or agreement that remains unchanged regardless of who joins? What is the river that moves things along? Is that our organisational structure, communication, relationship - 3 elementary molecules bound together? What about the logs and ice flows that sometimes get tangled together, break or melt or get carried off by beavers, but either way, look much different at the end than they did at the beginning? Are these our plans and policies? If any one part is removed or disregarded, we all lose.

If we are honest with ourselves, we would admit that most of us have both hurt people with our choices and been hurt by others choices and been failed by an imperfect system. While this meeting may be insufficient to deal with all personal hurts and still address the systemic challenges, both aspects need to be examined bc both pieces contributed to the issue. We will see that we all have not treated others as we would want to be treated, we all have been motivated by selfish ambition, and while it might feel safe to point finger and apportion blame, we all need to be prepared to be evaluated with the same level of scrutiny; That does not deny the need for personal responsibility, but if we are able to separate the systemic challenges from persons, hopefully we can improve the system and repair personal relationships.

I, for one, am prepared to reveal the decision making process behind any board decision that I participated in. If my personal position or preferences are asked for, I will reveal them as well, in the interests of transparency; I believe that i acted impartially, but I am willing for the membership to assess and analyse my process, research and method and will submit to a membership decision about whether I, individually or as a part of the board, was unduly biased, or self-interested, at fault in part or in whole of each and every decision membership wishes to examine.

Thank you for your patience.

Handwritten signature

SUNNYHILL HOUSING CO-OPERATIVE LTD.

FINANCIAL STATEMENTS

DECEMBER 31, 2019

SUNNYHILL HOUSING CO-OPERATIVE LTD.

DECEMBER 31, 2019

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Anda Frusescu Professional Corporation
Chartered Professional Accountant

Suite 006, 4616 Valiant Drive NW
Calgary, Alberta
T3A 0X9
Phone: 403-618-1277
Email: andaf@hotmail.ca

INDEPENDENT AUDITOR'S REPORT

To the Members of
Sunnyhill Housing Co-operative Ltd.

Opinion

I have audited the financial statements of Sunnyhill Housing Co-operative Ltd, which comprise the statement of financial position as at December 31, 2019, and the statement of retained earnings, statement of operations, statement of restricted net assets, statement of unit funds, and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Co-operative as at December 31, 2019, and its results of operations and its cash flows for the year then ended in accordance with Canadian Accounting standards for Not-For-Profit organizations.

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Co-operative in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter - Basis of Accounting and Restriction on Use

I draw attention on Note 1 to the financial statements, which describes the basis of accounting. The financial statements are prepared to assist the Co-operative to comply with the Canadian Accounting standards for Not-For-Profit organizations. As a result, the financial statements may not be suitable for another purpose. My opinion is not modified in respect of this matter. My report is intended solely for the members of Sunnyhill Housing Co-operative Ltd. and should not be used by parties other than the members of the Sunnyhill Housing Co-operative Ltd.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management and Those Charged with Governance are responsible for the preparation and fair presentation of these financial statements in accordance with Canadian Accounting standards for Not-For-Profit organizations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management and Those Charged with Governance are responsible for assessing the Co-operative's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Co-operative or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance are responsible for overseeing the Co-operative's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Co-operative's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Co-operative's ability to continue as going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Co-operative to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Calgary, Alberta
April 14, 2020

Anda Truseanu Prof. Corp.
CHARTERED PROFESSIONAL ACCOUNTANT

SUNNYHILL HOUSING CO-OPERATIVE LTD.

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2019

	<u>2019</u>	<u>2018</u>
ASSETS		
CURRENT		
Cash and cash equivalent	\$ 833,536	\$ 685,528
Accounts receivable	215	683
Prepaid expenses	<u>5,269</u>	<u>1,786</u>
	<u>839,020</u>	<u>687,997</u>
RESTRICTED CASH		
Replacement Reserve (NOTE 2)	<u>307,730</u>	<u>264,786</u>
CAPITAL ASSETS (NOTE 3)	<u>1,569,305</u>	<u>1,640,071</u>
	<u>\$ 2,716,055</u>	<u>\$ 2,592,854</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 41,304	\$ 14,600
Mastercard payable (NOTE 9)	894	-
Accrued interest payable	5,218	3,952
Current portion of long term debt	<u>58,000</u>	<u>60,000</u>
	<u>105,416</u>	<u>78,552</u>
DEFERRED REVENUES	6,216	6,216
DEFERRED FEDERAL GRANT (NOTE 5)	56,686	62,870
LONG TERM DEBT (NOTE 6)	<u>1,670,407</u>	<u>1,727,550</u>
	<u>1,733,309</u>	<u>1,796,636</u>
	<u>1,838,725</u>	<u>1,875,188</u>
SHAREHOLDERS' EQUITY		
SHARE CAPITAL (NOTE 7)	79,200	78,981
SUBSIDY RESERVE	13,274	13,851
RESTRICTED NET ASSETS	307,730	264,786
UNIT FUND (NOTE 8)	36,258	37,944
RETAINED EARNINGS	<u>440,868</u>	<u>322,104</u>
	<u>877,330</u>	<u>717,666</u>
	<u>\$ 2,716,055</u>	<u>\$ 2,592,854</u>

APPROVED BY THE BOARD:

Director

Director

SUNNYHILL HOUSING CO-OPERATIVE LTD.

STATEMENT OF RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>2019</u>	<u>2018</u>
RETAINED EARNINGS, beginning of year	\$ 322,104	\$ 281,422
Excess of revenues over expenses	<u>208,139</u>	<u>129,740</u>
EQUITY AVAILABLE FOR ALLOCATION	<u>530,243</u>	<u>411,162</u>
Transfer to replacement reserve	<u>72,275</u>	<u>72,275</u>
Transfer to unit fund	<u>17,100</u>	<u>16,783</u>
	<u>89,375</u>	<u>89,058</u>
RETAINED EARNINGS, end of year	\$ <u>440,868</u>	\$ <u>322,104</u>

SUNNYHILL HOUSING CO-OPERATIVE LTD.

STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>2019</u>	<u>2018</u>
REVENUES		
Economic housing charges	\$ 763,818	\$ 744,620
Vacancy	-	(1,340)
Federal Grant (NOTE 5)	6,184	6,184
Interest revenues	12,147	6,497
Grants	3,500	-
Other revenues	<u>2,680</u>	<u>2,200</u>
TOTAL REVENUES	<u>788,329</u>	<u>758,161</u>
EXPENSES		
PROPERTY EXPENSES		
Interest on long-term debt	75,914	99,301
Property taxes	57,624	76,987
Utilities and waste removal	67,523	25,692
Amortization	71,494	94,716
Insurance	21,437	30,008
Planning and Development	<u>48,819</u>	<u>31,089</u>
	<u>342,811</u>	<u>357,793</u>
BUILDING EXPENSE		
Repair & maintenance	46,244	56,442
Plumbing	<u>6,871</u>	<u>10,427</u>
	<u>53,115</u>	<u>66,869</u>
GROUNDS EXPENSE		
Grounds pest control	303	8
Grounds-contingency	469	1,470
Grounds maintenance	48,068	59,775
Repairs & supplies	<u>12,180</u>	<u>4,247</u>
	<u>61,020</u>	<u>65,500</u>
ADMINISTRATIVE EXPENSE		
Office coordinator & bookkeeper	85,048	84,498
Conference & workshops	399	5,235
Office supplies & equipment	11,891	11,859
Membership dues	8,737	7,896
Meetings, board & committees	9,342	7,835
Audit fees	7,827	6,884
Legal fees	<u>-</u>	<u>14,052</u>
	<u>123,244</u>	<u>138,259</u>
TOTAL EXPENSES	<u>580,190</u>	<u>628,421</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 208,139</u>	<u>\$ 129,740</u>

SUNNYHILL HOUSING CO-OPERATIVE LTD.

**STATEMENT OF RESTRICTED NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>2019</u>	<u>2018</u>
BALANCE, beginning of year	\$ 264,786	\$ 251,402
Transfers from operations	<u>72,275</u>	<u>72,275</u>
EXPENSES	<u>337,061</u>	<u>323,677</u>
Appliance replacement	2,884	1,043
Cupboards	-	23,350
Bathrooms	18,447	18,207
Bathroom vanity replacement	738	1,385
Hot water tank	3,674	3,668
Toilet replacement	777	1,242
Washer & Dryer	-	2,595
Flooring/Carpet	<u>16,492</u>	<u>20,830</u>
	<u>43,012</u>	<u>72,320</u>
	<u>294,049</u>	<u>251,357</u>
Interest on restricted assets	<u>13,681</u>	<u>13,429</u>
TOTAL RESTRICTED NET ASSETS, end of year	<u>\$ 307,730</u>	<u>\$ 264,786</u>

SUNNYHILL HOUSING CO-OPERATIVE LTD.

STATEMENT OF UNIT FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>2019</u>	<u>2018</u>
UNIT FUND, beginning of year (NOTE 8)	\$ 37,944	\$ 41,763
Transfers from operations	<u>17,100</u>	<u>16,783</u>
	<u>55,044</u>	<u>58,546</u>
EXPENSES		
Appliance repairs	240	1,233
Carpet cleaning	779	76
Doors, locks & windows	3,378	3,670
Electrical	570	2,074
General improvements	4,612	5,963
Paint	3,142	2,073
Plumbing services	1,114	987
Supplies	<u>4,951</u>	<u>4,526</u>
	<u>18,786</u>	<u>20,602</u>
UNIT FUND, end of year	<u>\$ 36,258</u>	<u>\$ 37,944</u>

SUNNYHILL HOUSING CO-OPERATIVE LTD.

**STATEMENT OF CASH FLOW
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>2019</u>	<u>2018</u>
CASH FLOW FROM/(TO) OPERATING		
Cash received from members	769,889	743,318
Interest received	12,147	19,926
Cash payments to suppliers for goods and services	(469,199)	(497,053)
Cash payments for interest	<u>(75,914)</u>	<u>(99,301)</u>
	<u>236,923</u>	<u>166,890</u>
CASH FLOW FROM/(TO) FINANCING ACTIVITIES		
Repayment of long term debt	<u>(59,144)</u>	<u>(94,716)</u>
Increase in share capital	<u>2,960</u>	<u>3,996</u>
Redemption of share capital	<u>(2,742)</u>	<u>(3,707)</u>
Mortgage proceed	<u>-</u>	<u>147,480</u>
	<u>(58,926)</u>	<u>53,053</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Replacement reserve fund interest	13,681	-
Addition to capital assets	<u>(726)</u>	<u>-</u>
	<u>12,955</u>	<u>-</u>
INCREASE IN CASH	190,952	219,943
CASH, beginning of year	<u>950,314</u>	<u>730,371</u>
CASH, end of year	<u>\$ 1,141,266</u>	<u>\$ 950,314</u>
 Represented by:		
General Account	\$ 833,536	\$ 685,528
Restricted cash	307,730	264,786
	<u>\$ 1,141,266</u>	<u>\$ 950,314</u>

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Organization

The Co-operative was incorporated under the Alberta Co-operative Association Act on October 6, 1975 for the purpose of promoting the interests of Co-operative members. Funding was provided by the Canada Mortgage and Housing Corporation under section 34.18 of the National Housing Act.

On September 1st, 2018 the mortgage was moved to First Calgary Financial, and the mortgage with Canada Mortgage Housing Corporation, was discharged.

(b) Changes in accounting policies

Starting January 1, 2019 the Co-operative's accounting policies and the standards of its disclosure are in accordance with the recommendations of the Canadian accounting standard for not-for-profit organizations.

Previously, the accounting policies were in accordance with CMHC rules, related to the acquisition of capital or permanent assets, other than significant non-replacement assets, were expensed against the related funding and are not reported on the balance sheet, and the amortization of the capital assets to equal the annual principal mortgage payment.

(c) Capital assets

The capital assets are depreciated at the following rates:

Housing project	4% per year on the declining balance
Appliances and Equipment	20% per year on the declining balance
Land lease	4% per year on the declining balance
Leasehold improvements	4% per year on the declining balance
Computer equipment	55% per year on the declining balance

(d) Non-profit organization

The Co-operative is a non-profit organization and is not subject to income taxes.

(e) Revenue recognition

Economic housing charges are recorded at the beginning of each month when rents are due. The Co-operative is using the restricted fund method of accounting.

(f) Contributed services

A significant portion of the Co-operative's work is dependent upon the contribution of volunteers, in particular the Board and committees. These services are not normally purchased by the Co-operative and due to the difficulty in determining their fair value, volunteer services are not recognized in these financial statements.

(g) Measurement of financial instruments

Financial assets measured at amortized cost include cash, accounts receivable and fixed income investments.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

(h) Transaction costs

Transactions costs are recognized in the statement of operations in the period incurred, except for financial instruments that will be subsequently measured at amortized cost.

SUNNYHILL HOUSING CO-OPERATIVE LTD.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Management estimates

The preparation of these financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expense during the current period. All estimates are reviewed periodically and adjustments are made to the statement of operations as appropriate in the year they become known.

(j) Cash and cash equivalent

Cash and cash equivalent include internally and externally restricted cash held in Canadian financial institutions.

2. REPLACEMENT RESERVE

The replacement reserve fund account was established in accordance with the Canada Mortgage and Housing Corporation operating agreement. The deposits are held in the bank account for the purpose of fully funding the reserves allocated by the Co-operative. As at September 1st 2018, the mortgage with CMHC was replaced with a mortgage from First Calgary Financial.

	<u>2019</u>	<u>2018</u>
Replacement Reserve	<u>\$ 307,730</u>	<u>\$ 264,786</u>
	<u>\$ 307,730</u>	<u>\$ 264,786</u>

3. CAPITAL ASSETS

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net 2019</u>	<u>Net 2018</u>
Appliances	\$ 51,309	\$ 22,857	\$ 28,452	\$ 35,565
Office Equipment	729	201	528	-
Housing Project	2,446,724	1,076,771	1,369,953	1,427,035
Land lease	339,820	230,184	109,636	114,204
Leasehold improvements	210,275	149,539	60,736	63,267
Equipment	<u>7,530</u>	<u>7,530</u>	<u>-</u>	<u>-</u>
	<u>\$ 3,056,387</u>	<u>\$ 1,487,082</u>	<u>\$ 1,569,305</u>	<u>\$ 1,640,071</u>

4. SUBSIDIES PAYABLE

An economic rent sufficient to meet all costs of the Co-operative is determined annually and approved by the board of directors. Each member's housing charge is adjusted by surcharges or subsidies wholly dependant on the individual member's income.

Subsidies are received from the members to cover the difference between economic rent and the member charges.

	<u>2019</u>	<u>2018</u>
Surcharges accumulated in excess of subsidies, beginning of year	<u>\$ 13,851</u>	<u>\$ 15,330</u>
Net surcharges collected and paid during the year	<u>(577)</u>	<u>(1,479)</u>
Net accumulated surcharges	<u>\$ 13,274</u>	<u>\$ 13,851</u>

SUNNYHILL HOUSING CO-OPERATIVE LTD.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2019

5. DEFERRED FEDERAL GRANT

The federal government has contributed \$309,199 to the Canada Mortgage and Housing Corporation for the Co-operative, representing approximately 10% of the original capital cost of the housing project. The grant has been deferred and is amortized into income on a straight line basis over 50 years.

	<u>2019</u>	<u>2018</u>
Original federal capital grant	\$ 309,199	\$ 309,199
Less: accumulated amortization	<u>252,513</u>	<u>246,329</u>
Unamortized portion of grant	<u>\$ 56,686</u>	<u>\$ 62,870</u>

6. LONG-TERM DEBT

The Co-operative has currently a mortgage with First Calgary Financial. The mortgage amount on December 31, 2019 was \$1,728,407. Installments of \$11,149.34 are due monthly which include interest of 4.24%, compounded semi-annually. The mortgage is secured by the Co-operative's housing project and appliance capital assets with a carrying value of \$1,569,306. The mortgage is scheduled to expire on September 1, 2038. The current mortgage is closed for the next five years, with a maturity date on September 1, 2023.

	<u>2019</u>	<u>2018</u>
<i>First Calgary</i> CMHC Mortgage outstanding (including accrued interest)	\$ 1,733,625	\$ 63,952
Less: estimated current portion	<u>58,000</u>	<u>60,000</u>
Total Long Term Debt	<u>\$ 1,675,625</u>	<u>\$ 3,952</u>

The estimated principal repayment of the mortgage is as follows:

2020	\$ 58,000	
2021	58,000	
2022	58,000	
2023	58,000	
2024	<u>58,000</u>	
		290,000
remainder		<u>1,443,625</u>
		<u>\$ 1,733,625</u>

SUNNYHILL HOUSING CO-OPERATIVE LTD.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2019

7. SHARE CAPITAL

The Co-operative is authorized to issue an unlimited number of shares at par values determined by a meeting of the general membership. Shareholders are entitled to vote at a rate of one vote per unit. The number of shares issued at their relative par values and the housing units represented by the shares is as follows:

PERIOD	PAR VALUE	UNITS	2019			2018	
			SHARES	VALUE	SHARES	VALUE	
Mar 82	1.0000	-	-	\$ -	-	\$ -	
Feb '86-Mar '87	1.2260	1	700	858	700	858	
Apr '87-Jan '90	1.2615	5	3,400	4,290	4,400	5,551	
Feb '90-May '91	1.3435	1	700	940	700	940	
Jun '91-Aug '92	1.4100	-	-	-	-	-	
Jul '93- Dec '17	1.4800	59	49,400	73,112	48,400	71,632	
		<u>66</u>	<u>54,200</u>	<u>\$ 79,200</u>	<u>54,200</u>	<u>\$ 78,981</u>	

8. UNIT FUND

The unit fund was established by the Co-operative to allocate money to each individual unit for minor repairs and upkeep expenses not covered by replacement reserve funds. This allocation is funded by monies from the general operating account.

9. MASTERCARD

The Co-operative has a mastercard with First Calgary Financial, with a credit limit of \$5,000 and an annual interest rate of 19.90%.

10. FINANCIAL INSTRUMENTS

Sunnyhill is exposed to various risks through its financial instruments. The exposure to the risks associated with financial instruments that have the potential to affect its operating and financial performance are managed in accordance with the Risk Management Policy. The objective of the policy is to reduce volatility in cash flow and earnings. The Board of Directors monitors compliance with risk management policies and reviews risk management policies on an annual basis.

a) Credit risk

Sunnyhill is exposed to credit risk resulting from the possibility that parties may default on their financial obligations, or if there is a concentration of transactions carried on with the same party. Management follows a program of credit evaluation of customers and a limit of the amount of credit extended.

b) Liquidity risk

Liquidity risk is the risk that Sunnyhill will not be able to meet a demand for cash or fund its obligations as they come due. Liquidity requirements are met by preparing and monitoring forecasts of cash flows from operations and maintaining a line of credit.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2019

10. FINANCIAL INSTRUMENTS (CONTINUED)

c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency risk and interest rate risk.

d) Interest rate risk

Interest rate risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate due to changes in market interest rates.

e) Changes in risk

There have been no changes in the Sunnyhill's risk exposure from the prior year.

Finance Committee AGM report

The SHC Finance Committee has had a relatively quiet year. The budget planning went well, and we were happy to see the Board recommend a 4% decrease in housing charges, due to the Covid-19 pandemic, and its impact on many of our members.

There are no projects pending for the committee, until we are asked to help out with upcoming planning for the building envelope, and/or long-term planning for the future of SHC.

The committee is currently made up of Ben Arkell (Treasurer), Kevin Chaney, Meagan Synnott, Irtiza Ajmal, and Jane Roberts (current Chair). As the current Chair, I am very grateful for the expertise my fellow committee members bring to the table.

Respectfully submitted,
Jane

Grounds Committee Annual Report from April 2019 to April 2020

1. Permaculture project – Food forest was approved by members and planted in September 2019. A great day was had by all who participated. Jenny created an amazing video of the experience. Report was completed by Grounds Committee and funds from Tree Canada received. Still need to create a sign. All plants have survived (though the Gogi Berry didn't look like it was going to make it). Chicken wire placed around bushes to protect from hares.
2. Tree pruning – we did a walk-around in June 2019 to access our pruning needs. Some of the big spruce trees touching power lines were pruned by EnMax. Other trees were pruned as per member requests and our discretion. Removal of one older spruce deferred (tree looks healthier this year, so far).
3. Clean up of mud in common area by catch basin– committee tried to figure out what to do about this. Dale was going to see what he could do, but nothing happened. Still needs to be done.
4. Hedge fiasco – Arborist found more fireblight than they were told about originally and they cut it all out. Members weren't notified properly, so Grounds sent an apology. And Grounds created #5 below.
5. We created a notice template for **Grounds work** and sent to the board. Pending.
6. Tool Shed – one of our members did an inventory of the shed. Removed or repaired broken items. Reorganized and tidied up shed.
7. Circle Garden – one of our members weeded the entire circle garden and then collected free mulch from the community garden to spread under it.
8. General weeding – in garden beds by office and in common areas.
9. Wildlife – There are no bats living in the house, but it is a good location (except that pole moves - maybe we can stabilize it somehow). Also the "landing" needs to be straightened out. Solutions are to have some bat guano to smear on it.
10. Curbside – We are working with Curbside to reduce waste, increase mulch and reduce blower use. We contacted Curbside several times during the winter to indicate especially icy areas of the co-op. Thanks to members who communicated with us re ice problems in their areas. Board wanted some way to track when Curbside comes and what they are doing. We gave them a calendar (to be kept in mail box) to keep track.
11. We received three quotes for landscaping/snow removal from Curbside, Yardworx and Green Dream. Board decided to stick with Curbside for this summer. We recommend Green Dream:

- a. - Green Dream is the current contractor for Sarcee Meadows and provided the most detailed presentation. They appear to be a progressive, full-service company and were receptive to our comments and requests. They are more environmentally conscious (e.g., 2-inch grass cut), use a bobcat instead of a truck for parking lot ploughing, a sand-salt mix instead of gravel for traction, etc. Direct comparison is difficult, but the costs in their proposal look close to what we've been paying Curbside. Green Dream would be the first choice unless we want to keep Curbside for one more year or see if costs could be cut substantially by trying Yardworx for a year.
12. Recycling/Compost – We submitted recommendation for 2 - 2 yard compost bins (1 for 3rd street by the garage and 1 for 4th street enclosure). The board denied.
13. Potential Members meeting – Grounds committee participated in this (2 members).
14. Playground – we continued to look for a certified inspector to check over the playground. We closed the playground as soon as the City of Calgary closed all playgrounds.
15. Communication - Minutes from each monthly meeting were sent to the board, and we tried to submit something to the newsletter each month.
16. Budget – We submitted our budget on time, and it was approved by the membership
17. The Grounds Committee members resigned en masse on April 6, 2020, and Yvonne Sabraw has recruited new members for the committee. One of the old members gave the new ones orientation on a walk-through June 15.

Written collectively and submitted by The Grounds Committee

Member Selection Annual Report, April 1, 2019 - March 31, 2020

The Member Selection Committee consists of Marzena Czarnecka, Sarah Stephens, Lisa Rouleau, Jaime Muneoka, Laura Doram with Susan Russell as chair. Our board liaison is Richard Harrison.

Currently, the one and three bedroom waitlists are open and the two bedroom list is closed.

Member Selection facilitated move-ins for the following two - 3 bedroom units during the period of April 2019 to March 2020:

- #763, for August 1, 2019
- #775 for October 1, 2019

Member Selection holds meetings as move-outs are announced or projects arise and meetings are arranged to accommodate committee member's schedules. When a move-out happens, Member Selection contacts prospective members on the associated waitlist, schedules and conducts interviews, completes reference checks and organizes and conducts walk-throughs of the available unit. When this process is complete the committee writes up a recommendation(s) for the SHC Board of Directors and waits for their approval before offering the unit to potential members. The committee also takes responsibility for facilitating internal transfers, managing the three waitlists and interviewing adult children of current members who are interested in becoming SHC members. When a unit becomes available, committee members must work within a fairly tight time line to avoid any vacancy in SHC as well as give potential members enough time to provide sufficient notice to their current landlord. Anyone interested in joining the Member Selection Committee can telephone one of the current members to get on our email list and participate in setting the date of the next meeting.

Susan Russell on behalf of the Member Selection Committee

Planning and Development 2019/2020 Report

Planning and Development has been extremely busy over the last year. Beginning in spring 2019 we began vetting potential consultants to move the rehabilitation, new build, and land negotiations forward. The membership settled on Urban Matters and allocated \$200,000 in spending toward these efforts. Planning and Development received \$25,000 in funding from CMHC's Preservation Seed Funding program. These funds will be paid to Sunnyhill in the 2020 fiscal year.

Working with Urban Matters P and D moved quickly to devise and complete a Phase 1 process. This process began last July and was completed later in the Fall. Phase 1 included several important studies and engagement activities:

- Accessibility Study
- Asset Management Plan
- Schematic Designs for townhomes
- Sustainability Opportunities
- Engagement with Membership and external stakeholders including City of Calgary Affordable Housing

With these studies in hand, Urban Matters was able to make some clear recommendations as to the direction the co-op can move in. The recommendations that were supported by Membership included:

- Retrofit existing townhouses
- Purchase Land from City of Calgary
- Create new aging in place accessible housing

In early 2020 Planning and Development worked with Urban Matters to plot out the Phase 2 and Phase 3 processes. We are currently working our way through Phase 2. Phase 2 and 3 will carry forward into fall 2020. The work we will undertake includes:

- Energy Audit
- Piling inspection
- Further engagement internally and externally
- Preparation of a base Pro-forma
- Conduct a needs assessment
- Work with MODA to do design schematics for a potential new building
- Hire a cost consultant
- Site Assessment
- Capital Budgeting
- Partnership Opportunities
- Development Recommendations

Other things we have done:

- Created a specific page on the website with updates and communications about P and D's activities
- Initiated a succession planning process based on recommendations in our Asset Management Plan
- Applied for funding through the City of Calgary's Home Program Grant to assist with the first phases of Succession Planning
- Applied to the Canadian Federation of Municipalities Municipal Green Fund "Planning" Program valued at \$25,000. After our application was viewed by a program officer, we were asked to upgrade our application to the Study component of the program. This allows us to received up to 50% of all eligible expenses for phase 2 and 3, approximately \$100,000.
 - The program stipulates that a new building be net zero ready. This will require us to hire a sustainability consultant at the cost of \$15,000
 - Additionally, we have asked for funds to hire an engineering consultant to look at our ice build up as part of our accessibility work. Cost \$7500
 - This grant can be paired with CMHC's funding programs, so it is advantageous for us to meet their sustainability requirements.
 - We will come back to membership with a fiscal update after the AGM

Sunnyhill Social Committee Final Report 2019

The Social Committee continued to refine the new leadership model created in 2018 to support planning and frontline support for each event. Members of the committee each determine an event that they were the 'lead' for along with events they 'seconded.' This allowed for members to take more ownership of events that they were interested in and also supported committee members to use their time and energy more efficiently. We learned a lot switching to this model and plan to continue on for 2020 using the same approach.

Thank you to Gabriella, Dorrie, James, Bonnie, Kiara, Tyla & Ren for their contributions for the year! The Social Committee successfully delivered 11 events in 2019 within budget, as well as welcomed new members by taking over this role from the Member Involvement Committee.

The Social committee integrated a few new events aiming to deliver one event per month throughout the year. We didn't always reach this goal because of wavering interest however having something each month and a schedule created in advance proved to be an easier way to increase communication and awareness. Attendance at each event was solid for the most part, and we hope to see it continue to build as we work towards better communication and more routine offerings.

Events offered in 2019 were:

- Jan: Skating Party (low attendance)
- Feb: Valentines Craft Potluck
- March: Pub Night
- April: Spring Fling Potluck At HSCA
- June: Fire Pit Night
- July: Stampede Breakfast
- August: Co-op 40th Birthday Party
- September: Fire Pit Night
- October: Halloween
- November: Board Games Social
- December: Holiday Dinner

On the horizon for 2020 is fine tuning our leadership model as well as continuing to offer one event each month. We are always working to communicate in more meaningful ways and have worked to utilize the newsletter and Facebook. We will also continue to look at the roles and distinctions between Member Involvement Committee and Social as well as engage members in more meaningful ways as a means of building social capital in the co-op.

Given the challenges brought on by Covid-19 we have already been required to change/adapt our plans due to social distancing requirements. We are already making plans to readjust our 2020 planning to find new innovative ways to keep members connected. Stay tuned!

Buildings Committee Report to: Sunnyhill Housing Co-op Annual General Meeting, 2020

Dear Members:

The Buildings Committee is composed of Members of Sunnyhill Housing Co-operative along with the Office Co-ordinator. It is the Office Coordinator who provides P.O.s for work done by Co-op contractors when Members need work done in their units. When the Office Coordinator is not in the office Members can find Emergency Contacts on the SHC phone list.

The Office Coordinator oversees the required maintenance of the Co-op. While all Co-op Members are responsible for their individual units, this committee oversees and appoints administrators for capital replacements (such as replacement of water heaters, roof replacement, kitchens, baths etc.). The Buildings Committee works to see that quotes are collected, a competent Contractor is selected, and ensuring that work gets done at Sunnyhill.

Committee Activities

During this fiscal year we accomplished and monitored:

- 2 units changed hands in the fiscal year 2019. Each unit is typically inspected three times by the Office Coordinator and representatives of the Buildings Committee.
- 3 units got complete washroom renovations in the fiscal year 2019.
- 2 units got complete flooring replacement, and one unit had the flooring on their stairs replaced in the fiscal year 2019.
- Annual furnace inspections revealed that minimal repairs were needed, and no replacements were required.
- Worked to prepare and present the updated Buildings Committee policy which has not been approved by Membership yet

Upcoming Activities

In the coming year the Buildings Committee has a list of items to be discussed, decided and implemented.

- The Buildings Committee looks forward to being able to spend on kitchen cupboards repairs in order to improve kitchens without the major cost of a full kitchen replacement.
- Also included in the budget for the year are the usual break/fix/repair/replace for plumbing, electrical, fridges, stoves washer and dryer sets for the one-bedroom units as well as furnaces and hot water tanks.

- The budget for the year includes five bathroom renovations, two kitchen renovations and two flooring replacements. The Office Coordinator and the Buildings Committee are working to coordinate these improvements.
- The budget for the year includes the replacement of 39 hot water tanks. The Buildings Committee is coordinating with Planning and Development on this item with regards to additional grant applications.
- The building committee will continually work with our service providers to provide the most value and quality of work.

Many thanks are owed to the Building Committee members for their service during the past year.

Jacky Durrie, Aurica Bondoc, Sabine Schlichting, Nathan Erickson and our committee helpers- Simon Evans (IPM), and finally our hard-working Office Coordinator, Andrea Bergen.

Co-operatively submitted by

The Building Committee

2019 Annual Report
Communications Committee

Committee Members

Mia Rushton, Chair; Website team
Marion Gauzer, Website team
Vivienne Livingstone, Facebook team
Sharmeen Ajmal, Website team; Facebook team
Sarah McCabe, Facebook team
Karol Garner, Delivery
Jennifer Peters, Delivery

A new Planning & Development blog was added in July 2019. This was in response to Members' requests for more regular communication about the redevelopment project. Between July 2019 and December 2019, 12 updates were shared.

At their May 22nd meeting, the Board passed a motion that states "Membership on the Sunnyhill Facebook page is restricted to current Members of the Co-op only for security reasons". As a result, the Sunnyhill Facebook group membership was purged of all users who were not current co-op members. Membership and activity in this group is monitored regularly by the group admins.

Communications worked with the Office Coordinator on behalf of Member Selection to open the waitlists for 1, 2, and 3 bedroom units at various points over the year. The website was also updated to reflect the new application fee of \$20 (up from \$10).

Sunnyhill Voice Access	2019	2018	2017
# of units with website logins	59	57	54
# of members with website logins	73	69	64
# of units receiving paper communications	13	12	13

2019 Annual Report
Communications Committee

Website Use

PAGE NAME	PAGEVIEWS 2019	PAGEVIEWS 2018	PAGEVIEWS 2017
HOME	3,313	3,413	2,903
WHAT IS COOPERATIVE HOUSING	1,251	479	322
WHO WE ARE	1,169	1,103	1,044
THE UNITS & GROUNDS	1,002	942	855
SUNNYHILL VOICE	826	965	612
FAQ	626	523	438
1 BEDROOM APPLICATION	547	566	374
2 BEDROOM APPLICATION	636	614	620
3 BEDROOM APPLICATION	661	681	807
PLANNING & DEVELOPMENT (added July 2019)	70	-	-

Education Committee report on activities between April 1/19- March 31/20

This year the Education Committee consists of Rose Ing, Chris Taylor, Peter Clyne and Belle Auld.

We facilitated several educational components at General Meetings and submitted a half dozen or so articles to the Sunnyhill newsletter. Additionally, we were pleased to assist the Grounds Committee by providing information posters for all our garbage enclosures. We held a Potential Member Orientation (PMO). Details below.

Educational presentations at GMs

- Response to questions re: Blue Planet recycling

Newsletter articles included information on topics such as:

- Recycling, composting, garbage
 - Sacha Education Event “Everything You Need to Know about Coop Finances”
 - Lead Water Pipes Testing
- And more

PMO

- Booked Nov. 6/19 and Nov. 10/19
- A very successful turnout with 50 prospective members attending
- A big thank you to all of the committee members who helped make this a success

Feedback/suggestions for future PMO's:

- In the letter that goes out to prospective members, include information about the format of the orientation – round tables, approx. 1.5 hours, bring questions
- Remind committee members who said they will attend. 1 – 2 days in advance
- Remind committee members to bring one page of info (which we keep for the next year)
- Find out what the shares cost and include this info
- Make sure all tables move
- Suggestions for improvement from attendees' evaluations:
- Each co-op member share one thing they love about living in the coop
- Include group introductions

We are always open to ideas for future educational workshops, articles and events.

Submitted by Chris Taylor