

Notice of Special Vestry

In compliance with Canon 6 and with the permission of
Bishop Riscylla Shaw, the Leadership team of
All Saints' Peterborough has called a Special meeting of Vestry on

Monday, December 13, 2021 ~ 7pm ~ via ZOOM

SECOND VESTRY MOTION RE: SALE OF TERRACES

On June 15, 2021 Special Vestry voted in favour of the following motion:

It is moved by the Leadership Team of All Saints' Peterborough, seconded by Graham Hart that the special vestry of All Saints' Peterborough agree in principle to the sale of the Terrace Rental Units - within the following parameters;

1. All 7 units will be sold together.
2. Preference will be given to purchasers who will extend the good work of affordable housing, allowing All Saints' the opportunity to transfer the remainder of the grant/loan received in 2013 through the City of Peterborough and the Peterborough Renovates program to the purchaser. If no preferred purchaser is found the sale will be opened to any purchaser.
3. The best possible price will be pursued.
4. The Leadership Team will seek final approval from vestry for the sale of the property.

Voting on motion: *(Draft June minutes are included below)*

Yes - 89% - 39 votes

No - 11% - 3 votes

Abstain - 0% - no one abstained

WHAT HAS BEEN ACCOMPLISHED

*A note about privacy. All documentation has been shared with the College of Bishops, and the Exec and Trust Committees. Details regarding who made the verbal offer, names of realtors, and the inspector, will not be shared with vestry.

The Leadership Team has been diligent in exploring opportunities for the sale of the Terraces - the following was done:

1. Three Opinions of Value were obtained and ranged from \$600,000 to \$1,500,000 - setting the price for the Terraces between \$900,000. ~ \$1,100,000.
2. An inspection of the property was done and shared with purchasers.
3. Many conversations and meetings were had, with potential purchasers, developers, and other interested parties, and lots of parishioners.
4. To date we have received two offers from two different purchasers.
 1. A verbal offer for \$735,000.00 was revised to a verbal offer of \$1,000,000 on Nov 26/21.
 2. And a written offer for \$1,000,000.00.
5. The Leadership team has been intentional about the best possible price while at the same time balancing our continued contribution to the affordable housing of the City of Peterborough, real estate fees, and repayment of the Peterborough Renovates loan.

CONTINUED LIABILITIES

The following is an update on the continued liabilities of the Terraces.

1. We have significant Pest problems this year (Rats and Cockroaches) these are not the fault of the tenants, it is a city-wide problem. However, we do have to manage it, and it costs money. This includes money spent to ensure these pests do not get into the Church building and the Parish Hall.
2. We were fortunate with the outcome of the fire in unit 329 earlier this year. The Youth Emergency Shelter (YES) accepted responsibility for the fire and agreed to pay for the restoration without going through insurance. The estimate from our insurance was 5 times the actual cost. Also, none of our tenants have tenant insurance. If the fire or any other major issue (electrical, plumbing, etc.) had occurred in one of the other 5 units, the cost would have been put through our insurance, and the result would be increased insurance rates.
3. We currently have a tenant who is approximately \$3,800 behind in utilities, and it is becoming increasingly difficult to collect, as All Saints' (as the land owner, and landlord) is being billed directly for the utilities for the unit by PUC.
4. 2 of the units currently occupied will require extensive renovation when vacated. A cost of \$15-20,000 per unit.

Updated chart

Year	Income	Expenses	Transfer to Operating	Maintenance Fund
2010	53,731	18,681	35,000	50
2011	55,197	15,644	37,500	2,053
2012	57,717	41,156	37,500	-20,939
2013	*239,576	203,902	23,990	11,684
2014	72,864	34,988	20,000	17,866
2015	56,712	26,958	27,635	2,119

Year	Income	Expenses	Transfer to Operating	Maintenance Fund
2016	64,551	24,791	29,760	10,000
2017	67,650	31,139	36,511	0
2018	68,828	34,357	24,475	10,000
2019	70,104	35,308	24,796	10,000
2020	65,211	41,990	22,546	675
Jan - Nov 27/21	*81,064	*37,703	18,750	24,611

* Year Peterborough Renovates forgivable loan was received.

* The 2021 income is overstated by \$7,830 due to a recovered rent liability. Also, insurance expenses have not been posted - this would add another \$10,000 to expenses.

MOTION

It is moved by the Leadership Team of All Saints' Peterborough, seconded by Graham Hart that the Special Vestry of All Saints' Peterborough agree to the following:

1. Sale of the 7 units known as the Terraces to One City Peterborough for the sale price of \$1,000,000.00.
2. That we agree to a 80/20% return from the Diocese. 80% All Saints' ~ 20% Diocese.
 1. Canon 6 requires 50% of all sale of surplus lands be given to the Diocese. The Leadership team provided a submission for 100% of the proceeds. It was denied. After many conversations and consultations the bishops are supporting a 80/20 split.
 2. Please note that this will not be official until the request passes through Executive and Trust Committees (Dec 2, 2021), and Diocesan Council (Dec 16, 2021).
3. In 2013 All Saints' received a forgivable loan from the City of Peterborough, under the Peterborough Renovates program. The loan has a balance of approximately \$84,000.00. As part of the sale, the total loan balance would be transferred to One City Peterborough. This has been confirmed by the City of Peterborough.
4. Currently 3 staff parking spaces and a corner of the Church office are included in the Terraces Land Deed. A required variance of the property line will be completed as part of the sale, adding the parking spaces and the corner of the church office onto the land deed of the Church building.

NEXT STEPS

WHAT DO WE DO WITH APPROXIMATELY \$800,000?

If approved the next steps for the leadership team, finance, and property committees will be to:

1. Invest the \$800,000 in an open GIC while we continue discussions about what to do with the funds.
2. Work with the Finance Committee (work that they have already begun) to develop an overall financial sustainability plan for All Saints'.
3. Present to the regular Vestry on Sunday, Feb 27th an update on the work of sustainability for All Saints'.

Respectfully submitted by the All Saints' leadership Team

The Rev. Samantha Caravan, Incumbent

Geoff Matthew, Incumbent's warden

Randy Pagett, People's warden

Trudi Farquhar, Deputy warden

Barry Greensides, Deputy warden

ZOOM link ~

<https://us02web.zoom.us/j/88180377456?pwd=M09jSzN1S1ZZSGJ2MlViK0pFRkZ3Zz09>

Meeting ID: 881 8037 7456

Passcode: 038403

DRAFT MINUTES ~ SPECIAL VESTRY JUNE 15, 2021

All Saints' Anglican Special Vestry Minutes - Tuesday, June 15th, 2021

Present: Pastor Samantha Caravan (no vote), Geoff Matthews, Barry Greensides, Marg Greensides, Randy Pagett, Diane Pagett, Trudi Farquhar, Suzanne McMillan, Cormac Culkeen, Shannon Culkeen, Sarah Cook, Russell Cook, Lois Cook, Nancy Marshall, Christine Slevan, Kevin Whitehorn, Curtis Bryan, Kim Bryan, Janice Sloan, Eric Sloan, Bunny Laing, Norma Jean Laing, Phil Lake, Sylvia Sutherland, Tammie Wickware, Cheryl Baker, Jeff Wickware, Andrew Park, Joanna Park, Brian Beckett, Mary Beckett, Rosemary Bruce, Judy Mills, Tracy Gemitti, Lloyd Hutchinson, David Dunn, Rose St. Thomas, Dianne McKay, Diana Lehman, Graham Hart, Karen Sadler, Mabel Mosher, Isabel Henniger

After a few questions regarding Zoom features, **Samantha opens in prayer.**

We were informed that we are hosing this special vestry with the bishop's knowledge and permission, with only one topic - the possibility of selling 'The Terraces'

Samantha goes over a few guidelines for the vestry meeting operation

Geoff Matthews gives presentation regarding the Terraces - including an executive summary and recent issues.

Highlights include:

- The property includes 7 houses (known of the "Terraces") in which All Saint's has been providing affordable housing
- Until 2019 we were caring for the Terraces - it become too much work to maintain
- Guardian property Management now manages the Terraces - they help collect rent, and arrange for maintenance
- Still significant time and requirements from the leadership team towards the Terraces
- There has been a declining income from the Terraces, and the expectation of significant work required sometime within the next 5 to 10 years, such as fire code and electrical upgrades
- Insurance has risen 44.5% and taxes have risen 12.4%
- At the 2021 budget meeting - it was suggested to sell the Terraces - Geoff mentions that this has also come up in the past
- Youth Emergency Shelter (YES) has rental units - a recent fire that occurred in March 2021 brought forth the complexity of liability and being a landlord.
- The real estate market is currently favouring sellers.

A chart was shown to support the financial aspects of The Terraces - which highlights the a maintenance fund that was established to maintain needed repairs for the Terraces.

As can be seen by the following chart, contributions to the maintenance fund and transfers to the operating fund of the church have declined while expenses have increased.

Year	Income	Expenses	Transfer to Operating	Maintenance Fund
2010	53,731	18,681	35,000	50
2011	55,197	15,644	37,500	2,053
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2018	68,828	34,357	24,475	10,000
2019	70,104	35,308	24,796	10,000
2020	65,211	41,990	22,546	675
Jan - Apr 2021	24,595	*216,988	6,250	1,357

*1See point 2 of Motion.

*2This year we have already spent \$9,500 in maintenance to repair tree roots that affected the plumbing of a unit. It is expected that we will spend an additional \$10 - \$15k dollars on repairs in 2021, bringing expenses to between \$55 - 60k. These expenses are not related to the fire in unit 329.

- Real estate agents were approached to give an opinion of value - not official market
- in last 10 years - take a look back expenses are starting to eat way at the revenue
- This year spent \$9500 - tree root problem to check the plumbing
- When we have someone leave is usually \$10,000 to \$15,000 - and these expenses will only continue to go up
- Wardens will provide full transparent consideration of any offers
- A portion of the process would be invested to replace the annual income realized by the sale of Terraces (approx. \$25,000) - expected to come down in few years

Next steps if we vote to move forward:

- Approach buyers
 - Works with diocese Canon 6
 - Ensure parishioner have had an opportunity to voice their support or concern
 - Come back to Vestry for final vote
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- If there is interest in someone buying The Terraces - we would bring offer back to Vestry and we would have another vote

Reading of the Motion:

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3. The best possible price will be pursued.
4. The Leadership Team will seek final approval from vestry for the sale of the property.

Parameter #2 is explained in more detail - new heating and upgrade the Terraces have been done with the grant from the City of Peterborough. We will not have to pay back the grant if we keep it for low income housing. However, if they sell to a private developer - then we would have to pay back loan.

Samantha states the motion is on the floor, and that this is our opportunity to ask questions:

Cheryl Baker

- *How much is market value?*

A: They have not been accessed by a professional - but Realtors think value is somewhere around \$800,000 to \$1.1 million.

- When you are pricing commercial unit - the rent plays a factor in the sale price
- Our rents are \$580-990/month - rental income is quite low - which will affect the sale price

- *Is it being sold as low income?*

A: If they were empty they would sell for more, but we can't evict

- *How much goes to the diocese?*

A: According to Canon 6, The diocese is entitled to 50%, but we will be applying for the opportunity to retain 100% of the purchase. We may get a value closer to 80% of the sale.

Sylvia Sutherland - *The motion seemed preference will be given to purchaser - best possible price will be pursued. Sylvia feels this is as seems like a counter indicator.*

A: first - we are committed to best possible price - the rent will play a part in the valuing of the property.

- There are non-for-profit organizations who hold real estate to build there
- Developer could not by law evict the tenants. Therefore it is highly unlikely someone will want to buy as a rental property, as you can't evict the Tennant.

Phillip Lake - *Same idea/question as Sylvia - But also, if we sell it to low income again, Phillips is concerned about the cleanliness of The Terraces.*

A: It is not our goal to 'clean up' The Terraces. All Saints' can help the neighbourhood, however, not-for-profit agencies will have far better tools and resources for low income housing that would help the renters to find something more sustainable.

- the entire neighbourhood is in economic depressed - gentrification is at least 10 year away - if it gets here at all

Dianne MacKay - *suggested looking into a group such as Habitat for Humanity - where they have people come in and build up/repair/rebuild town houses - that would be well maintained after that*

A: We still can't evict the rental - can't vacate the premise for sale of property -

How fast is turnover for the rentals?

A: Not fast

Shannon Culkeen - *Clarifying question - Is the purpose of this motion to give the leadership permission, and to have discussion, to find answers and to get back to us?*

A: Yes.

Cheryl Baker - *We currently make revenue from the Terraces - where are we making up the current income?*

A: as has been answered on the website and the motion, leadership is committed to exploring other income stream

- Cheryl would like a plan

A: Once we know more about the revenue - the plans will be easier to be made to come up with revenue

- Say for Terraces - x count dollars money goes into short term investment while we figure out what to do with it

Jeff Wickware

- Similar question to Cheryl - quick math tells him that we wouldn't be able to replace the income - he feels that there will be a shortfall in income

A: Leadership feels that there will be a shortfall in any case, even if they keep The Terraces

Sylvia Sutherland - She agrees - as we look at the chart - and in the increase in taxes and insurance and costs - it seems eventually the expenses that will outweigh the income

A: Insurance is a significant increase for us - all of All Saints' insurance has gone up significantly. The diocese answers were both that there was a market correction - but we should settle back won't increase at that rate, and the second, that we are the church, only one insurance company will insure the Diocese of Toronto - Ecclesiastical - and rates have increase due to sexual misconduct committed by Anglican priests.

Sylvia Sutherland - Housing market is hot and may get warmer

Johanna Park - We do have a Reserve Fund for the Terraces of \$70,000. These funds would also be more proceeds should we sell the property, as we wouldn't need it for future repairs. Also, the fund is not enough currently to do repairs long term.

Sarah Cook - We should also focus the cost to the church not just being financial. We could put forth much more time and effort into the missional work for the neighbourhood if we didn't have the effort spent on the Terraces.

Tracy Gemitti - *What is the diocese turnaround time for the percentage owed to them*

A: We will know that when we have the second vestry and they will keep us up to date - share it as soon as we know

Judy Mills - *motion is just an exploration motion? If it's just exploratory, how are you going to be talking to perspective buyers?*

A: This is the framework in which we function, which is Canon 6 - on the website

We can't even have serious conversation with people about the Terraces until after tonight's decision. We will let the parish know as soon as we hear from the diocese. But the the other numbers we won't know until 2nd vestry, and if purchasers have to give permission to share that information with the parish.

The other difficult thing is that we have to negotiate with buyers and then come back to vestry, and then go back and finish the deal with them. It's a very convoluted process - leadership will tell us what they can tell us - they would have to go back to buyers with answers for the buyers.

Has it it been explored to engage with another property management if we aren't happy?

A: It's not that we aren't happy - they are the first point of contact. The reality of the responsibility and liability. It takes an enormous amount of wardens' time, as no property management can take all of our responsibly.

Geoff Matthews - Follow up - 11 years ago, the Terraces took up so much time, there was often then talk about 'Should we sell them?' Now coming back on as a warden last year, even with

property, he was amazed at how much still we talk about. It takes a lot of time - it eats a lot of time. We could be more doing more productive things.

Randy Pagett - in respect to Geoff's comments, they do take up a lot of time. But for Randy what really is an issue is the risk of liability with the Terraces. The fire had expenses covered by YES, but we may not be so lucky to have someone else pay for it.

Voting on motion:

Yes - 89% - 39 votes

No - 11% - 3 votes

Abstain - 0% - no one abstained

Thank you for your participation. The Wardens and Samantha will keep everyone informed as much as possible.

Thank you so much for your time this evening.

Minutes produced by Sarah Cook - Vestry Clerk.