

Sept 15, 2025

Mayor Rick Champagne and Council  
East Ferris

I read with interest council's resolution 2025-208 made on Sept 9<sup>th</sup> regarding Castle Arms governance. I fully support your resolution and would like to add my thoughts regarding the governance of Castle Arms and the oversight provided by DNSSAB.

There are some concerns I have with the existing governance of Castle Arms. I only have access to North Bay Bylaw 2009-52 so I cannot speak to the adherence to other funding agreement conditions. Nor am I an expert in reading Financial Statements, but I assume after reading the 2023 and 2024 FS, there is millions of dollars of equity within Castle Arms and a significantly improving cash flow.

That equity and cash flow should return to the municipalities through DNSSAB and be used to address the housing crisis evident throughout the district. All of the municipalities represented on the Cassellholme board are also represented by DNSSAB and DNSSAB, having just undergone an operational review by KPMG, has identified the need to establish operational KPI's for both itself and the housing providers it has oversight responsibility for. This direction and oversight will ensure that as excess revenue increases, non-profit status will be protected by clearly defining what purpose reserves are being held for.

With housing dollars under extreme pressure that the current market has exerted, these KPI's will be critical to identify optimal processes, in addition to proper reporting procedures, in the provision of social housing. The North Bay Bylaw also contains eligibility requirements for those units under the agreement, but the existing tenant application does not require prospective tenants to provide any financial information. Without this information, one wonders how the eligibility requirements are maintained, and through which reports DNSSAB satisfies its oversight obligations.

The Bylaw also prohibits property ownership after tenancy begins, although the Service Manager can waive that restriction. In light of the continuing pressure on subsidized housing, it may be prudent for housing providers to advocate for either application of that section or a cap on tenant assets, like other DSSAB's have done.

Regardless, I think restoring the governance of Castle Arms to the structure that was in place when the assets were conceived and delivered, gives taxpayers much more comfort that control will continue to exist when the funding agreements and rental limits for new tenants expire.

The social improvements relied upon by those proponents of private ownership as support for a change in governance, are better suited to a tenants association and/or a senior social group and let the Board concentrate on the efficient, effective management of the buildings and landlord obligations under the Residential Tenancies Act.

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