

Trochu Housing Corporation
Regular Meeting at Town of Trochu Administrative Office, Trochu AB
Monday, November 10, 2025, from 4:30 pm - 5:30 pm

Agenda

Board Directors: Richard Hoppins, Barry Kletke, Paula Kowalchuk, Chris Reeds,
Ken King, Dave Nelson, Ron Zook

Alternate Board Directors: Laura Lee Machell-Cunningham, Carl Peterson

Board Officers: Jamie Collins, Secretary/Treasurer, Sam Smalldon, President

Invited Guests: Scott Baerg, Covenant Health, Ginny Walker, St. Mary's Foundation, Lyle Nelson,
Trochu Seniors Housing Society

1. APPROVAL OF AGENDA (Barry)
2. APPROVAL OF MINUTES (Barry)
 - a. Minutes from the Regular Meeting of September 15, 2025
3. BUSINESS ARISING FROM THE MINUTES (Barry/Sam)
 - a. Government Relations – Minister, MP, and MLA Update
 - b. CMHC Capital Funding Application Status Update
 - c. THC GST Registration as a Municipality Update
 - d. Construction Budget and Project Schedule Update
 - e. Covenant/St. Mary's Chapel Proposal
 - f. Life Lease Marketing Update
 - g. Business Planning Updates
 - h. THC Capital Fundraising Campaign
 - i. 2026 THC 2nd Annual Golf Classic Committee
4. EXECUTIVE REPORT (Sam) – distributed with agenda
5. NEW BUSINESS (Sam)
 - a. Draft Q3 2025 THC Financial Report
 - b. Covenant Health Update
6. IN CAMERA SESSION (Barry)
 - a. Covenant Partnership Agreement
7. PENDING MATTERS (Sam)
 - a. THC Municipal Controlled Corporation (MCC) Application
8. KEY MESSAGES (Sam)
9. NEXT MEETING (Barry)
 - a. Regular Board meeting Monday, January 12, 2026, 4:00-5:00 pm (Barry)
10. ADJOURNMENT (Barry)

Trochu Housing Corporation Meeting
Regular Meeting
Monday September 15th, 2025 4:00 PM
Town of Trochu Administrative Office, Trochu, AB
Minutes

Directors Present: Carl Peterson, Paula Kowalchuk, Barry Kletke, Ken King
Directors Absent: Chris Reeds, Ron Zook
Alternate Directors Present: Jaime Martel, Wade Christie arrive at 4:07 PM

Management Present: Jamie Collins, Sam Smalldon
Recording Secretary: Jamie Collins

Guests: Trochu Housing Society Representative: Audrey Nelson
St. Mary's Foundation Representative: Ginny Walker
Covenant Health Representative: Scott Baerg

The Chair, Barry Kletke, called the meeting to order at 4:00 pm.

1. Approval of Agenda

Vice Chair Paula Kowalchuk made the motion to approve the agenda as presented.

CARRIED

2. Approval of Minutes

a. Minutes from the Regular Meeting of July 14th, 2025

Director Carl Peterson made the motion to approve the Regular Meeting of July 14th, 2025, Minutes.

CARRIED

b. Minutes from the Special Meeting of August 13th, 2025

Director Ken King made the motion to approve the Special Meeting on August 13th, 2025, Minutes.

CARRIED

3. Business Arising from the Minutes

a. Government Relations

New MP and MLA. We will work toward building relationships with new representatives. We will continue the conversation about CMHC funding with these new representatives and Minister Nixon.

b. CMHC Capital Funding

Sam and Barry drew up a letter and sent it to the new MP to make another appeal to get this funding.

c. THC GST Registration as Municipality

CRA has acknowledged that they received our package and came back with two questions, which have been answered. Finally, we are moving forward on this issue.

d. Construction Budget and Project Schedule

Sam updated the Board that the THC construction project is continuing within budget and on schedule.

e. Business Planning Update

Working with Covenant Health on a contract for operations and health care delivery. Scott shared that the transition from Alberta Health to Assisted Living has been a challenge. Once this transition is complete, the division of beds will occur, but it is expected to take some time; this affects the completion of the health care delivery contract.

f. Contract Reviews and Updates

Sam updated that we are continuing to work on establishing a partnership and an operating agreement with Covenant Health. An access agreement with the Government of Alberta will also need to be put in place. Sam is working with Scott on revenue sharing and costs/day.

g. Operations and Program Planning Update

Continuing to work on this with Scott and Covenant Health.

h. THC Capital Fundraising Campaign

We met with Kneehill County and are awaiting a response. We continue to make lists of more prospects and organize meetings, and have reached out to St. Mary's Foundation for a meeting to discuss areas of cooperation.

i. Life Lease Marketing Update

Continue to market Life Leases online and in the paper. We had one refund, leaving 17 of 18 sold.

4. Executive Report

This was discussed, and questions were answered.

5. New Business

a. Covenant/St. Mary's Chapel Proposal

Scott Baerg presented on opening the conversation regarding a chapel space in the new facility. He discussed the two adjoining multipurpose rooms and proposed on behalf of Covenant Health that one be designated as a chapel for people of all faiths to gather. There could be no expected structural changes; a meeting with the architect would be required to clarify how the dividing wall can be redesigned. Items from the current chapel could be moved over.

Vice Chair Paula Kowalchuk made the motion to approve Covenant Health's request to designate one of the multi-purpose rooms a chapel for people of all faiths, and if any costs need to be incurred, the Trochu Housing Board must be consulted for approval.

CARRIED

b. Life Lease AC Changes, Windows, and Facility Outdoor Amenities

Paula presented a list of questions regarding the Life Lease units, inquiring if venting could be installed for window AC units, if there would be gas hookups on the patio of the common space

and inquired about the window height. Sam confirmed that there is a gas hookup on the common space patio, explained that the window height could not be changed and will take the AC question to the architects for discussion.

c. Draft Q2 2025 Financial Report

Sam presented the financial report, and there were no questions.

d. 2026 Operating and Capital Budget Assumptions

Sam outlined the budget assumptions to the board.

e. 2026 THC 2nd Annual Golf Classic Committee

Sam presented a case that forming a planning committee would be helpful for this event.

Director Carl Peterson made the motion to get Sam to form a planning committee for the THC 2nd Annual Golf Classic Committee.

CARRIED

6. Closed Session

Director Jaime Martel made the motion to move into closed session @ 4:47 PM.

CARRIED

Scott Baerg, Ginny Walker, and Audrey Nelson exited the meeting @ 4:47 PM. Jamie Collins and Sam Smalldon remained in attendance to provide information to the board.

Director Jaime Martel made the motion to move out of closed session @ 5:21 PM.

CARRIED

7. Pending Matters

a. Municipal Controlled Corporation (MCC) Application

This is not something we are considering pursuing currently.

8. Key Messages

The key messages remain the same.

a. Meeting with Covenant to propose a Partnership Agreement

b. Construction Progressing on budget and on schedule

We will work on getting a bigger presence on the Town of Trochu website.

9. Next Meeting

a. Board AGM Monday, November 10th, 2025, 4:00 PM

b. Regular Board Meeting, Monday, November 10th, 2025, 4:30 PM

10. Adjournment

The meeting was adjourned at 5:25 PM.

THC Executive Board Report
November 10, 2025

Note - Minutes of recent Board meetings are attached to the draft Board agenda packages.

Activities Underway

1. Project capital grants
 - a) CCCP Capital Grant - \$11.5 Million; The funding agreement has now been signed. We have already received the first 50% grant advance upon signing the agreement, and the next 40% advance once the project is at 50% completion, expected to be near the end of the first quarter in 2026. We have received 100% final clearance from Alberta CCCP for the final drawings, and we have received a formal letter of commitment from AHS. We have made our regular quarterly financial report for the project to date as of September 30, 2025.
 - b) AAHP Capital Grant - \$9.5 Million; The funding agreement has now been signed. We received a 10% grant advance upon signing the funding agreement. The next advance will be based on construction progress to 30% of the project completion, which is expected to occur early in November 2025. We have filed our quarterly financial reports for the project to date as of September 30, 2025.
 - c) CMHC Capital Grant – We have once again applied for \$2.8 million in capital funding. This application was previously denied due to a lack of grant funding. There is a new Affordable Housing stream of funding, and we were told CMHC would reconsider if we reapply under the new terms. History and details are contained in prior reports. At this time, this grant is not part of the project funding for the approved budget, so this funding has been replaced by borrowing until this new application is adjudicated.
2. Government relations – Alberta Ministers, MP, and MLA
We have received full support from the Alberta Minister of Health, the Alberta Minister of Seniors, Community and Social Services, the Alberta Minister of Municipal Affairs, our past and current MLAs and our past and current MPs. Our past MP had advocated for us in Ottawa with the Federal Minister of Housing. Discussion are current with the Mayor of Trochu, MP and MLA in further discussion on any possible funding solutions.
3. New AHS structure – made initially public in a press release on November 8, 2023; the new division, called Assisted Living, was announced recently, and it commenced its work on April 1, 2025. The new structure for health care delivery in Alberta has begun to be effective September 2, 2025, but as yet, nothing new has been identified, and we continue to work with Assisted Living, AHS and Covenant Health on the care program. This program is for the 40 units of 24x7 care and Home Care for any resident in the other units of the project, if they are eligible Home Care clients. We received a formal letter of commitment from AHS for the 40 units, and this commitment letter was also signed by both THC and Covenant Health.
4. Project management structure
The organization for the THC project is broken down into four essential roles.
 - a) Owner’s Representative (OR) – President of THC, Sam Smalldon
 - b) Project Manager (PM) – This is a professional project manager who should oversee the project and the work of both the Architect and Construction Manager on behalf of the Owner’s Representative and the Board. This would be under contract, and we currently have PM duties shared by Wayne Milaney and Brian Antonsen.

- c) Architectural Design – Arcadis, as the Architect will plan, design and monitor the building construction under contract as per the RFP bid competition.
 - d) Construction Management – Shunda Consulting and Construction Management Ltd is the Construction Manager and will support the planning and construction of the building. We have a Stipulated Fixed Price of CCDC 5B with Supplementary Conditions now that the detailed design is completed and the final building permit is issued. Construction project insurance (course of construction and wrap-up coverage) and bonding have been undertaken by Shunda, as our prime contractor. The approved project budget is \$45 million, of which \$37 million is now the Stipulated Fixed Price contract and includes a \$0.7 million contingency to be managed by the Owner’s Representative on behalf of the Board.
5. Detailed design process (completed)

The detailed design process involving 25-30 people started on February 15, 2024 and is now concluded with IFC drawings (final). A “value engineering” process was done prior to the finalized building design and final building permits have been received. Preliminary IFC final drawings were tendered as of November 29, 2024, and we signed a Stipulated Fixed Price contract with Shunda for \$37 Million within the total approved project budget of \$45 Million, as mentioned above. The most recent request for a Chapel is being considered and integrated into the previously completed IFC drawings, subject to the Board’s approval of any potential costs.
 6. Project planning and construction budget

A final proposed project budget for \$45 million was approved on March 31, 2025 and was subject to approval of the Kneehill County bylaw on April 8, 2025 and signing of the ATB Offer for Borrowing, both of which occurred. A Stipulated Fixed Price CCDC 5B contract was signed with Shunda, and the full approved project budget is attached in the appendix to this report.
 7. Project Construction

Site work for construction continues with footings and foundations now completed. Framing has now started and has been completed for Phases 1 and 3. Bi-weekly site meetings occur, with inspection and oversight reports issued for construction design from Arcadis and construction progress by Shunda. We have a cost consultant to monitor the progress for assurance of the bank financing (ATB) and the THC Board, and the Town. Copies of the cost consultant reports are to the Board separately, upon request. Progress payments have continued on a regular monthly basis, and each progress payment receives certification by Arcadis for work progress, including a check to ensure THC has a clean title before the release of construction payments. At this point, all is progressing smoothly. We receive certifications from Arcadis, and oversight by our Project Managers to ensure we are sticking to the design; we receive updated construction schedules from Shunda to ensure we are on schedule, and our cost consultant reports ensure are available for our bank draws and for our Board to ensure we are on budget.
 8. Business case, accounting and pricing updates

The business case is being updated for the approved capital budget and operating cost estimates. The capital cost is known at \$45 million, but the operating costs must be updated during negotiation with Covenant Health to ensure viability based on expected costs to operate. Our borrowing commitments and pricing adjustments will be reviewed at the same time. Resident pricing will need to keep prices as low as possible but permit the business case to remain viable. THC is still awaiting approval for its GST exemption and designation as a municipality from CRA for the project. Until that time, all costs are being paid through THC, including the GST, until THC is GST-exempt. At this time, we would be eligible for a 50% rebate/exemption, but we wish to get the full 100% exemption.

9. Project fundraising

A capital campaign for at least \$2M was been launched in a silent phase in April 2025 with an official announcement to be made at the November 15, 2025 Trochu Seniors Housing Society Gala. The 1st Annual THC Golf Classic, held June 12, 2025 at the Trochu Golf and Country Club, raised \$14,500. The campaign is actively reaching out to all surrounding area Municipalities, corporations and community organizations for support in the fundraising. A Campaign fundraising advisory committee has been organized and meets bi-weekly to support the Campaign.

10. Life Lease marketing

Advertising continues for vacant life lease units and for developing a waitlist, so occupancy is maximized when we open. We currently have all 18 life lease agreements sold, with a few inquiries from those interested, so we will now start to cultivate a wait list. We understand there could be a few refund requests for health or other factors before the facility opens, but we expect to continue marketing to maintain full occupancy. The objective is to be full or at capacity when we open, with a waitlist.

11. Public consultation processes

- Town of Trochu ratepayers – consultation completed.
- Community advisory engagement and feedback – the last consultation with the Community Advisory Group was held on June 10, 2025, to update the Community on our progress
- Two project site tours have been provided, the latest was on October 15, 2025.
- Life lease residents – A meeting with the Life Lease residents group, who have signed agreements, was held on March 31, 2025. Another meeting of the Life Lease residents group is expected soon to review options for colours, materials and appliances.
- Trochu Seniors Housing Society (TSHS)– As THC president, I continue to attend monthly meetings to keep them posted. THC is working with TSHS for fundraising for furniture and equipment. TSHS is applying for Charitable Registration status with the Canada Revenue Agency.
- St. Mary's Foundation – THC is working with Covenant Health and the St. Mary's Foundation Board on fundraising for furniture and equipment.

12. Borrowing and agreements

- Town of Trochu borrowing bylaws – THC borrowing from Town – bylaw completed and agreement to be drafted and signed soon.
- Borrowing bylaw and agreement with Kneehill County – received second and third readings for interest rate and other date changes was held April 8, 2025. The agreement between Kneehill County and the Town of Trochu is now updated and signed.
- The borrowing offer from ATB has been approved and signed.
- Partnership with Covenant Health – We have received a letter with a quasi-guarantee for operating borrowing, we have an approved Memorandum of Understanding to be signed, and are negotiating a Partnership Agreement which will include an Operating Agreement based on programming with Covenant Health.
- Town of Trochu debt ratios – the Alberta Minister of Municipal Affairs has provided the Town of Trochu with borrowing permission through the Ministerial Order.

13. Pending matters – none at present

14. Key messages – Project on schedule and on budget, and construction progressing smoothly.

15. Next meeting - Regular Board meeting Monday, January 12, 2026, 4:00-5:00 pm

Trochu Housing Corporation Project Cash Flow and Budgets

Monday, July 14, 2025

	2024 Draft Budget	2024 Forecast	2025 Estimate	2026 Estimate	2027 Estimate	Total Estimated Project Budget
Purpose/Use of Funds	Planning	Construction	Construction	Construction	Construction	
Architectural Design Consultant	\$1,701,250	\$41,015	\$134,060	\$133,508	\$80,215	\$2,090,048
Construction Management	\$110,000	\$131,700	\$526,800	\$526,800	\$131,700	\$1,427,000
Project Management	\$83,333	\$41,667	\$166,667	\$166,667	\$41,666	\$500,000
Owner's Representative	\$83,333	\$41,667	\$166,667	\$166,667	\$41,667	\$500,000
Project Planning*	\$350,000	\$0	\$0	\$0	\$257,953	\$607,953
Legal	\$15,000	\$10,000	\$10,000	\$10,000	\$5,000	\$50,000
Accounting	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$25,000
Quantity Surveyor	\$0	\$15,000	\$30,000	\$30,000	\$25,000	\$100,000
Project Site	\$0	\$1,500,000	\$0	\$0	\$0	\$1,500,000
Construction *****	\$0	\$3,700,000	\$14,800,000	\$14,800,000	\$3,700,000	\$37,000,000
Commissioning *****	\$0	\$0	\$0	\$0	\$0	\$0
Interest	\$25,000	\$0	\$225,000	\$650,000	\$300,000	\$1,200,000
GST Paid ***	\$150,000	\$200,000	\$850,000	\$850,000	\$200,000	\$2,250,000
GST Received***	(\$150,000)	(\$200,000)	(\$850,000)	(\$850,000)	(\$200,000)	(\$2,250,000)
Total Use of Funds	\$2,372,917	\$5,486,048	\$16,064,193	\$16,488,641	\$4,588,201	\$45,000,000
Cumulative Use of Funding	\$2,372,917	\$7,858,965	\$23,923,158	\$40,411,799	\$45,000,000	
Source of Funding						
AH - CCCP Capital Grant	\$0	\$5,750,000	\$4,600,000	\$0	\$1,150,000	\$11,500,000
AB Seniors - AAHP Capital Grant	\$0	\$950,000	\$2,850,000	\$3,800,000	\$1,900,000	\$9,500,000
CMHC - Seed and Capital Grant****	\$0	\$0	\$0	\$0	\$0	\$0
Life Lease Deposits	\$0	\$0	\$400,000	\$0	\$3,600,000	\$4,000,000
Donations *****	\$0	\$0	\$0	\$0	\$0	\$0
Borrowing**	\$2,372,917	(\$2,463,952)	\$5,319,193	\$16,833,641	(\$2,061,799)	\$20,000,000
Total Sources of Funds	\$2,372,917	\$4,236,048	\$13,169,193	\$20,633,641	\$4,588,201	\$45,000,000
Cumulative Source of Funding	\$2,372,917	\$6,608,965	\$19,778,158	\$40,411,799	\$45,000,000	
Net Funding excess/(shortfall)	\$0	\$1,250,000	\$4,145,000	\$0	\$0	

* Most of these costs have already been spent up front

** Borrowing guaranteed by Kneehill County up to \$20M for up to 5 years and up to \$20M Take out guarantee by Covenant.

** Borrowing in 2024 for Planning within Town Debt Ratio; Borrowing in 2025-2027 with permission by Ministerial Order

*** GST is considered budget neutral.

**** CMHC Funding no longer assumed to be part of project funding.

***** Options include contingency at 5% of construction and Guaranteed Maximum Price (GMP) contract.

***** Commissioning and Fund Raising not included.

Financial Statements of

TROCHU HOUSING CORPORATION

For the Quarter ended September 30, 2025

(unaudited)

DRAFT

TROCHU HOUSING CORPORATION

(unaudited)

For the Qaurter ended September 30, 2025

Table of Contents

Financial Statements:

Statement of Financial Position	1
Statement of Operations	2
Statement of Net Assets	3
Notes to the Financial Statements	4

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TROCHU HOUSING CORPORATION

Statement of Financial Position

(unaudited)

As at

	30-Sep-25	31-Dec-24
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 11,434	\$ 47,553
Restricted Cash - Note 3	400,847	406,925
GST receivable	258,034	-
	670,315	454,478
Long term assets		
Land	1,500,000	-
Capital Assets - work in progress - Note 4	11,914,205	2,121,355
TOTAL ASSETS	14,084,520	2,575,833
LIABILITIES AND EQUITY		
Current liabilities:		
Due to (from) Municipality	883,544	2,100,826
Long term liabilities		
Due to Municipality	60,000	60,000
Unamortized deferred capital contributions	6,700,000	-
ATB Loan	5,410,818	-
Holdbacks payable	646,772	-
Life Lease deposits plus earned interest - Note 5	400,847	406,925
Total liabilities	14,101,981	2,567,751
Equity attributable to the Owner of the Company		
Unrestricted Net Assets	(17,461)	8,082
Total Net Assets	(17,461)	8,082
TOTAL LIABILITIES AND EQUITY	\$ 14,084,520	\$ 2,575,833

Approved on behalf of the Board,

TROCHU HOUSING CORPORATION

Statement of Operations

(unaudited)

For the period ended

	9 months September 30, 2025	12 months December 31, 2024
Revenue and Other Income:		
Interest income	\$ 13,450	\$ 2,414
Golf tournament revenue	24,716	-
	<u>38,166</u>	<u>2,414</u>
Golf tournament expenses	16,563	-
Advertising	14,158	-
Insurance	10,419	-
Accounting fees	6,961	-
Legal	5,906	359
Professional fees	4,711	-
Rentals	4,097	-
Bank charges	406	50
Memberships	170	-
Meals	136	-
Postage	106	-
Administrative and office	76	-
	<u>\$ 63,709</u>	<u>\$ 409</u>
Excess (Deficiency) of revenue over expenditures	<u>\$ (25,543)</u>	<u>\$ 2,005</u>

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TROCHU HOUSING CORPORATION

Statement of Net Assets

(unaudited)

For the 9 months ended September 30, 2025

	Total 2025	Total 2024
Net assets, beginning of year	8,082	6,077
Excess (Deficiency) of revenue over expenditures	(25,543)	2,005
	<u>\$ (17,461)</u>	<u>\$ 8,082</u>

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TROCHU HOUSING CORPORATION

Notes to the Financial Statements
(unaudited)

For the Quarter ended September 30, 2025

Notes:

1 Shares

This is a Canada not-for-profit, a municipal corporation, and a wholly owned subsidiary of the Town of Trochu. The share structure consists of:

Class	Type	Number
A	Voting	1
B	Non-Voting	0
C	Non-Voting	0

2 Loans

An interest free operating cash advance of \$60,000 was received from the Town of Trochu in January of 2019.

3 Restricted Cash

Deposits on life lease units were accepted in 2021. These funds have been deposited into a high-interest savings account and Guaranteed Investment Certificates at the ATB-Financial, Trochu Branch.

	30-Sep-25	31-Dec-24
Savings	36,791	6,867
GIC	364,056	400,058
Total	400,847	406,925

4 Capital Assets - work in progress

Work in progress is comprised of expenditures incurred to date relating to the construction of the new Supportive Living facility being constructed in Trochu.

	30-Sep-25	31-Dec-24
Opening Balance	2,121,355	-
Incurred prior to January 1, 2024	-	339,467
Current period expenditures	9,792,850	1,781,888
Ending Balance	11,914,205	2,121,355

5 Life Lease Deposits

Funds from life lease presale deposits and accrued interest (Deposits) are restricted by the organization for construction of the facility. Deposits plus interest are 100% refundable in the event the project does not proceed or the purchaser's circumstances change.

	30-Sep-25	31-Dec-24
Opening Balance	406,925	451,495
Interest	15,345	21,507
Refunds	(21,423)	(66,077)
Ending Balance	400,847	406,925