

2024 September 6

Evan Spencer, Councillor, Ward 12
Chair of Audit Committee
City of Calgary
PO Box 2100, Station M, #8001
Calgary AB T2P 2M5

Dear Mr. Spencer,

**RE: SILVERA FOR SENIORS,
ANNUAL REPORT, GOVERNANCE AND FINANCIAL INSIGHT**

In response to your letter on behalf of the City of Calgary's Audit Committee dated April 2, 2024, please find below responses to the questions that were identified by the Audit Committee with respect to Silvera for Seniors board governance, financial and performance reporting, environmental, social and governance practices, risk management, and talent and culture insights from 2023.

We look forward to attending the meeting on September 19, 2024, presenting to and answering any questions that the Audit Committee may have.

Financial and Performance Reporting

1. Please provide a brief summary of the following information for your organization:

(a) Key strategy initiatives and financial highlights for 2023;

*Silvera for Seniors ("Silvera" or the "Organization") operates 1,808 suites in three portfolios, **Municipal Lodges**, Seniors Self-contained apartments and Mixed Income properties.*

- ***Municipal Lodges – 779 suites in seven supportive living lodges (three daily meals, housekeeping, active aging programs and 24-hour staffing) that are managed in accordance with the Ministerial Order. Operating deficiencies and capital maintenance and capital reserve funding for this program are the responsibility of the City of Calgary. Priority is given to those seniors most in need of housing and supports and a per resident subsidy is provided by the Government of Alberta through the Lodge Assistance Program for low-income residents that qualify.***
- *Seniors Self-contained apartments – 499 self-contained suites (independent living) in sixteen buildings owned by the Government of Alberta established to provide affordable housing to low- and modest-income Alberta seniors based on priority ranking scores. These self-contained suites are managed in accordance with the Ministerial Order (no funding obligation for the City of Calgary), for a fee which is*

determined on a cost reimbursement basis. These operations are not included in Silvera's Financial Statements.

- *Silvera Mixed Income – 530 suites that are a mix of non-market (155) and below-market (158) affordable units intended to house low-to-modest income seniors, and 217 competitive mid-market housing units (including 92 supportive living suites) targeted to range of middle-income seniors. Assets within this portfolio are owned by Silvera and the City of Calgary and Government of Alberta have no funding obligation towards the assets within this portfolio. It should be noted that this portfolio is intended to provide housing options to a broad range of potential residents while contributing to the financial stability of Silvera's entire operations and contains the following two asset types:*
 - *Mixed Affordable Housing – Buildings that contain a range of affordable housing units (rent restricted non-market and below-market housing units), whereby rents do not exceed average market rent for Calgary as established by CMHC.*
 - *Mixed Market Housing – Buildings that contains competitive market housing units with rents that align with current mid-market pricing comparisons, and potentially some rent-restricted below-market units (typically does not exceed more than 50% of the units contained in the building).*

For the year ended December 31, 2023, Silvera increased annual occupancy in the Municipal Lodge program by 3% to 91% (87% in 2022). This increase in the Municipal Lodge program was due to more seniors considering supportive living (government subsidized) as demand for affordable housing continues to increase due to inflationary rental rate pressures making housing less affordable for many seniors, and the waning of negative stigma related to supportive living (congregate environments) environments because of the COVID 19 pandemic.

Silvera's Mixed Income portfolio occupancy also increased to 88% from 73% in 2022 due to the lease up of new properties within the portfolio that were brought online in 2021 and 2022 including Vista Apartments (120 suite Rapid Housing Project hotel conversion in northeast Calgary with non-market apartment units targeted towards the most vulnerable seniors), Westview Residence West (82 suite mixed income property where 25 suites are designated as below-market affordable apartment units) and the reopening of Westview Town Suites (92 mid-market supportive living suites).

With the inclusion of the 47 units in the community of Livingston that Silvera began construction on in 2023, Silvera has increased its number of housing units within its mixed income portfolio by 249 since 2021, adding 249 net new mixed income units to Calgary's housing market and increasing the number of housing units under Silvera management by 16% during this period.

The Organization uses a number of key performance indicators (“KPIs”) to assess performance with earnings before interest, tax, depreciation and amortization used to assess financial performance (“EBITDA”).

Municipal Lodge EBITDA was \$891,000 in 2023 compared to \$1,473,000 in 2022 as increases in rent, occupancy and the Municipal Grant were offset by inflationary pressures and a reduction in COVID 19 funding from the Government of Alberta. Inflationary pressures included higher utilities, maintenance, insurance, food and employee compensation costs. In 2023 Silvera increased employee compensation striving for a target of P50 as a compensation benchmark to reduce turnover which was impeding the organization's ability to attract and maintain a stable workforce and make strategic progress.

Mixed Income EBITDA was \$656,000 in 2023 compared to the prior year loss of \$451,000 as the execution of Silvera's Mixed Income strategy continued with the addition and lease up of Vista Apartments, Westview Residence West and Westview Town Suites. Silvera's strategy is to grow its Mixed Income portfolio by leveraging aging assets and available government funding to increase housing options, service capacity and improve long-term financial stability of the Organization. By operating and maximizing the Mixed Income portfolio Silvera is striving to minimize taxpayer costs and support the general housing needs with this portfolio of housing.

Key initiatives in 2023 included:

- *Targeting workforce stability through turnover rate reduction by targeting a P50 compensation structure for all employees. This began in the last four-year City of Calgary funding cycle with support through the Ministerial Order combined with the Province's COVID 19 funding. In 2023 and through the first half of 2024, turnover rates have been reduced as compensation has been adjusted closer to the P50 target. Improving workforce stability, attracting staff and limiting the loss of key personnel is critical to the execution of Silvera's longer term strategy.*
- *Creating a sustainable Mixed Income portfolio through growth of our mixed market and mixed affordable housing assets, including the lease up of Vista Apartments (mixed affordable), Westview Residence West (mixed-market) and strong market positioning of Westview Town Suites (mixed-market). A key to the success of the Mixed Income portfolio is retaining high occupancy by ensuring customer satisfaction levels are maintained across the organization. The Organization generated positive EBITDA in 2023 from the Mixed Income portfolio and an overall organization resident satisfaction score of 94%.*
- *Continuing to grow affordable housing options in the City of Calgary by breaking ground on a 47-suite mixed affordable independent living apartment building in the northeast community of Livingston. Funding partnerships with the City of Calgary, Government of Alberta and Federal Government (Rapid Housing Program – 35 non-market units) and the Government of Alberta (Affordable Housing Partnership Program – 12 below-market units) were established to construct this building, which began occupancy in the spring of 2024 and is now fully occupied. Silvera has the ability to add an additional 16 below-market suites to the building (development ready) upon securing additional government funding.*
- *Arlene Adamson, Chief Executive Officer of Silvera chosen to co-chair the Government of Alberta's Municipal Lodge program review which occurred in the first half of 2024. The review explored ways to improve the Municipal Lodge system's efficiency and sustainability into the future.*

- *Executing on the Government of Alberta's Stronger Foundations asset transfer program with the land transfer of the Shawnessy Municipal Lodge site to Silvera. This will support future development by increasing site density through the addition of an independent living building and additional supportive living (lodge) suites to the site.*
- *Continued to execute on the Capital Lifecycle maintenance program funded by the City of Calgary for the Municipal Lodge assets.*
- *Executed the sale of two vacant lots in Bridgeland with the goal of providing more housing for Calgarians supporting the area redevelopment plan. The proceeds for the land sale will allow Silvera to invest in more seniors housing to grow its Mixed Income portfolio.*

(b) Disclosure controls and procedures; and

Silvera does not have 'formal' disclosure controls and procedures in place but does have effective controls and processes over the review and disclosure of financial information as well as other materials that are disseminated outside of the organization. The financial information review process requires all financial information to be reviewed by the executive team prior to being provided to the Finance and Risk Management Committee ("FRMC") for review and approval. The FRMC is a subcommittee of the Board of Directors and is responsible for the oversight of financial information and risk. Once approved by the FRMC, the materials are provided to the Board of Directors for review and approval. Once approved by the Board, they are distributed as required to external parties.

For all other items that are disseminated outside of the organization the requirement is for the leader of the respective area and the Chief Executive Officer to sign off prior to the item being released.

Silvera is assessing further formalizing its disclosure process including executive certification of financial materials.

(c) Internal control over financial reporting.

Silvera's internal control activities are designed and in place but are not documented or tested for effectiveness. The preventative internal controls are complemented by a strong culture of management oversight, involvement in the day-to-day operations of the organization and formal reviews.

In 2020 Silvera implemented Yardi which is a property management enterprise resource planning system which has helped standardize and automate internal controls across the organization. In 2024 the Organization is in the process of implementing Workzoom, an HRIS (human resources information system) which will strengthen internal controls around the organization's human capital, further strengthening the internal control environment.

Silvera is continuing to evolve its technology footprint from both an efficiency perspective and automating processes and related internal controls.

2. Please provide the most recent management letter including management responses as appropriate.

Appendix A – Auditor Results Package 2023 - Disclosed confidentially and to be discussed in camera at the Audit Committee meeting.

Environmental, Social & Governance Practices

3. How has the board integrated environmental, social factors and metrics into its 2024 planning, and beyond?

The Organization's social mandate is focused on ensuring every senior has a safe affordable place to live their best lives. In carrying this out, Silvera's management team and Board of Directors use KPIs to assess organizational performance inclusive of strategic imperatives which focus on the Silvera's social mandate. Some of these metrics include resident engagement and satisfaction, occupancy targets, resident transitions to higher level of care and staff satisfaction. Through policy and procedures as well as ongoing mandatory training, Silvera is committed to ensuring all employees, residents and volunteers and contractors have a safe, respectful workplace. Employee education and recognition supports positive culture that is values-driven to foster staff engagement in delivering to our purpose.

Potential environmental initiatives are integrated into Silvera's assessment of capital maintenance and renewal ("CMR") projects. As part of planning/scoping these projects, energy audits are utilized to determine what energy conservation measures (ECMs) could be integrated into the project cost effectively, including the installation of lighting controls in common areas, utilization of drought-resistant vegetation and xeriscaping landscaping practices, replacing freon-containing (i.e. R22) mechanical equipment to comply with the Montreal Protocol, and installation of automatic window shades to appropriately control the passive solar heat gain in a building.

Silvera is interested in advancing energy/emission reduction and supplier initiatives which have a positive financial impact on the organization. Advancing the goal of reducing the environmental footprint in Silvera's new buildings has been a priority, aligning design and construction with updated building codes and standards. With the increasing operational cost pressures, including utilities, food, supplies and maintenance costs, Silvera is focused on investing in ways to reduce these cost burdens through potential implementation of solar panels, LED lighting, motion detection, individual metering of suites, attention to supply chain and local options, etc.

However, beyond the implementation of strong recycling protocols in the government's aging assets, Silvera's ability to advance additional environmental initiatives is limited due to funding availability. It is worth noting that as an affordable housing provider Silvera is faced with the challenge of trying to advance work that will reduce its overall greenhouse gas emission footprint with limited financial resources, and without additional funding would find it difficult to divert the scarce financial resources for our core social mandate of providing and growing safe affordable housing options for seniors. Silvera has an obligation to direct its limited financial resources to the highest CMR priorities to meet this mandate, irrespective of whether these priorities reduce Silvera's environmental footprint or not. While Silvera recognizes both the importance of the reducing our environmental footprint beyond what is legally required, the reality is that significant and impactful progress in this area remains unachievable for Silvera without a significant financial investment from government into this priority.

4. City Council declared a climate emergency in 2021 November. Please indicate the status of your target setting and net-zero emissions by 2050.

Silvera does not have targets for net zero emissions, achieving this would require significant financial investment from government. See response to question 3.

5. What initiatives are currently in progress to improve the efficiency of your processes (e.g. sustainable operations, key performance indicators and relevance of the organization in the future)?

Silvera's organizational culture is based on innovation and continuous improvement. Key initiatives underway in 2024 to improve organizational efficiency and process improvements include:

- Silvera has undertaken a focus to invest in IT and systems that will support operational efficiencies specifically: A) The implementation of a HRIS - Workzoom. Silvera's most significant cost is human capital which comprises greater than 50% of the Organization's expenses. The implementation of Workzoom will improve reporting, analytics and internal controls over Silvera's most significant expenditure. B) Adoption of Modern Workplace and SharePoint across the organization. This is designed to move the Organization to the cloud improving security and the access ability for employees.*
- Silvera is highly committed to maintaining a skilled and stable workforce, which means we must invest in our employees by ensuring our salaries and wages remain competitive and that they have access to opportunities to build knowledge and capacity. The seniors service sector is complex and demands staff to be fluent in working with an ever-changing aging resident and in a highly regulated environment. Today's operation also must be current in technology in order to manage this dynamic business, legislative and funder reporting requirements.*
- Working with CBI Health and the Government of Alberta to move to a 24/7 Homecare model in the supportive living lodges. This is designed to allow residents to remain in a supportive lodge setting longer, preventing premature movement to higher level of care where the costs to house a resident are significantly higher, and the resident's ability to remain as independent as possible and live their best life is negatively impacted.*
- Silvera is optimizing efficiency across all the portfolios we manage, operate, and own by ensuring the highest possible occupancy is achieved and by investing in capital maintenance to ensure buildings remain safe and suites are rent-ready. Not only does this meet our social mandate to make safe and affordable housing available to Calgary seniors who need it, but to maximize rent revenue and create a stable financial structure.*
- Growing our mixed income housing portfolio reflects Silvera's commitment to not only contribute to addressing the current housing crisis in Calgary, but to also strengthen the financial and operating performance across the entire housing portfolio that Silvera manages, operates, and owns. By increasing the number of total units under management, Silvera will be able to reduce the administrative cost burden per door across each of its portfolios. Much of this growth is targeted towards increasing the number of independent living options, with a desired target*

of having a 3:1 independent living to supportive living ratio (currently approximately a 1:1 ratio. Not only will increasing the number of independent living units under Silvera management drive per unit operating efficiencies across all portfolios, the higher (IL:SL) ratio will also make for more efficient and smoother transitions for seniors along the continuum of seniors housing.

- *Silvera for many years has leveraged purchasing power under its Complete Purchasing Agreement to manage costs, and mitigated energy costs under agreements with 8760 saving significant costs to our residents and both levels of government. Through the Complete Purchasing agreement Silvera leverages food and supply purchases to mitigate costs and maximize operating funds/spend. Silvera is in the process of assessing its purchasing processes and the Complete Purchasing agreement to ensure it is maximizing the benefits offered.*

6. Are there any regulatory or market changes that impacted the business approach in 2023 and would they be relevant to share publicly with the Audit Committee?

The organization dealt with significant changes to the Social Housing Accommodation Regulation (SHAR) effective Jan. 1, 2023 with an implementation deadline of July 1, 2023. This required all waitlisted applicants to be re-scored according to new criteria. The new prioritization model consisted of a simplified point-scoring system that intentionally prioritizes target population groups identified in the Government of Alberta's Stronger Foundations strategy who, in addition to those with low income, face barriers to accessing affordable housing.

7. Do you have updates on your organization's risks and opportunities for privacy and information security?

Silvera uses a third party outsourced information technology ("IT") organization to support its IT requirements. In 2023 Silvera moved from oversight of its IT environment from the outsourced vendor to a dedicated Senior Manager position within the organization. The senior manager worked with the IT provider to assess the IT infrastructure to ensure that it was being appropriately secured and monitored. As part of the Organization's initiatives in 2024 it is completing a project to move from on premise servers to Office 365 using SharePoint continuing to reduce its security exposure.

All employees are required annually to complete an annual course which addresses the legislative requirements with respect to freedom and protection of information under provincial legislation.

Board Governance

8. A brief outline of your organization's governance structure including board committees, term lengths and limits, skills matrix detailing financial expertise and experience required, evaluation, succession, and recruitment planning for all positions.

Attachment I - *Silvera is governed under the Ministerial Order H:022/2022.*

The Organization is governed by a Board of Directors ("Board") comprised of thirteen members appointed by City Council, of which includes two City representatives. The Silvera governance

structure was assessed against the Government of Alberta's Stronger Foundations plan priority for good governance and met or exceeded the requirements.

The maximum board term length is nine years, consisting of three, three-year terms.

The Board structure is made up of the Board of Directors and three standing committees: the Finance and Risk Management Committee, Governance Committee, and Capital Growth Committee. Each standing committee is chaired by a board member and includes at minimum a second board representative (supporting a chair succession strategy) and community volunteer members. The Board has established, through the Governance Committee, terms of reference for the establishment of a Service Advisory Committee.

The Board is selected, nominated, and appointed by way of Silvera's established skills-based process with broad public recruitment, advertising publicly to support attracting both skill and diversity, interview and select individuals for nomination for appointment by City Council to the board.

Silvera's board manual includes policies (bylaws), processes and tools for board and standing committee recruitment, orientation, evaluation, and development.

The Board approves a policy for the recruitment of board members, and board committee members including non-Board committee members ("voluntary" committee members), as recommended by the Governance Committee. The Chair of the Governance Committee seeks input from other committee chairs and the Board Chair to determine skills matrix, diversity, equality, inclusion and recruitment needs for both the board and committee positions.

The board member selection process complies with the Ministerial Order as amended from time to time, and as supplemented by board policy herein.

The Board has approved as a priority, that new board members be selected from the members of the standing committees in place in support of board skills matrix succession planning after having served time in such committee, as recommended by the Governance Committee.

The board-approved recruitment policy, including application of a board-approved experience and skills matrix applies to all candidates: board member, board committee member and voluntary committee member.

Attachment II - Board & Subcommittees Skills Matrix (template)

Board and committee members complete the skills matrix at application. The Governance Committee would then complete a gap analysis aligned to the skills matrix in order to provide input and direction to the recruitment program. The key skills are:

- *Relevant Professional Experience – Board/committee members or candidates have experience in or knowledge of a meaningful combination of general business competencies; Governance; Legal/Regulatory; Financial; Debt and Investment expertise, Risk Management; Human Resources; Housing and Seniors (Gerontology); Service Knowledge; Land Development; Public Relations.*

- *External & Contextual Experience – Board/committee members or candidates have relevant knowledge of or experience in the external environment & context impacting Silvera planning and operations. Key focus areas such as Government Relations; Public Policy; Community, DEI and ESG, Industry and Stakeholder Relations.*
- *Personal Effectiveness Experience - specific and relevant attributes of personal effectiveness were identified for Silvera board/committee members that were seen as critical to overall board effectiveness. Including: Leadership/Teamwork; Strategic Thinking/Planning; Critical Thinking; Committee/Board Leadership & Chair Experience, as well as advocacy and time commitment. As part of the interview process, the Board also seeks diversity and gender balance.*

9. Specific to your organization's board committees:

- (a) What is the frequency of review of the compositions and terms of reference, and are there any recent changes to the committee(s) charter(s) or terms of reference?

Committee compositions and terms of reference are reviewed annually at a minimum, reflect staggered terms of appointment and are included in each committee's and the Governance Committee's annual workplans.

There were minor changes made to committee terms of reference in 2023, as well as the addition of standing committee annual mandate letters, which focus annual deliverables that reflect the strategic priorities, over and above the process of producing the yearly work plan.

- (b) What frequency does the board's governance committee regularly assess board composition to ensure the board has the requisite skills, competencies, diversity and independence to provide the oversight required by the organization (e.g. financial, legal and risk oversight)?

The Board and Governance Committee annually reviews board composition, conducts a skills assessment, completes annual committee evaluations, assesses diversity representation, attendance and succession (to inform ongoing recruitment), as well as orientation. Quarterly educational requirements are also assessed and attended to. The Governance Committee and committee chairs provide ongoing monitoring of the Board and members' execution of the Duty of Care, fiduciary responsibility, enterprise risk oversight and corporate regulatory compliance reporting. Additionally, the Board Chair and committee chairs meet monthly to discuss opportunities to improve governance, ensure cross-committee collaboration and best practices to bring to the Board.

- (c) Specific to your organization's Audit Committee, what is the current composition of the membership, including relevant financial experience? What is your Audit Committee's 2024 Work Plan?

Attachment III - The FRMC 2024 Work Plan

Enterprise Risk Management

10. What are your organization's principal risks?

*Disclosed confidentially and to be discussed in camera at the Audit Committee meeting.
The chart below summarizes the current risks.*

Risk Name	Likelihood	Impact	Trend	Description	Current Strategies & Controls
1. Access to capital funding	5	5	↑	Unable to obtain sufficient funding for capital development.	<ul style="list-style-type: none"> • Work with Lodge funders to establish a reserve. • Work with different levels of government to look for opportunities to fund affordable housing projects. • Work with private partners (Bridgeland, Livingston, Glamorgan). • Work with the capital growth committee to identify and secure sources of equity. • Improve Mixed Income sustainability to support increased debt capacity. • Attract donor funding to support affordable housing development. • Key controls include actual to budget/forecast monthly reporting, the capital development review and approval process, quarterly reviews of management goals.
2. Mixed income portfolio sustainability	4	5	↑	The Mixed Income portfolio is unable to generate sufficient cash flow to cover operating costs, debt repayments, interest, a maintenance reserve, and capital for the portfolio.	<ul style="list-style-type: none"> • Advocacy and financial reporting to funders • Increase occupancy through marketing and sales efforts. • Optimize rent structures. • Optimize cost structure. • Key controls include actual to budget/forecast monthly reporting. • Weekly sales funnel reviews.
3. Consolidation and acquisitions	4	4	→	Inability to consummate a merger or consolidation opportunity.	<ul style="list-style-type: none"> • Develop a deal package including transaction presentation and due diligence artifacts. • Establish a list of key targets and a detailed plan for execution. • Work with governments developing the environment for support of a proposed transaction. • Key controls include regular project updates against plan.
4. Loss of key personnel at the executive	4	4	→	Unanticipated loss and limited career laddering for key people could lead	<ul style="list-style-type: none"> • Ensure compensation packages achieve competitive at a P50

Risk Name	Likelihood	Impact	Trend	Description	Current Strategies & Controls
<i>and senior management levels</i>				<i>to loss of capacity, key knowledge exiting prematurely, and risk of public or government confidence in Silvera.</i>	<i>target and competitive benefits.</i> <ul style="list-style-type: none"> • <i>Advocate for funding support to address the gap to our competitors of improving benefits, pension and salary.</i> • <i>Develop replacement/succession plans for key management roles.</i> • <i>Key controls include the annual compensation review process, regular touchdowns, exit interviews for departure root causes, succession plans and a development path.</i>
<i>5. Third-party Negotiated Contracts</i>	4	4	↓	<i>Employees seek third-party representation to bargain employment contracts.</i>	<ul style="list-style-type: none"> • <i>Training for management on understanding union organizing and certification process.</i> • <i>Continue performance management including monthly touchdowns.</i> • <i>Ensuring competitive compensation packages at a P50 target.</i> • <i>Maintain formal and informal recognition, and team building.</i> • <i>Continue to provide employees total reward statements so they understand the full Silvera compensation and benefits package.</i> • <i>Maintain key controls for the annual compensation review process, reviewing turnover ratios monthly, exit interviews and continuous employee communication through touch downs and performance management.</i>

Appendix B – The comprehensive 2023 Enterprise Risk Assessment - Disclosed confidentially and to be discussed in camera at the Audit Committee meeting.

11. What risk management policies and procedures are in place to manage these risks, including internal controls that are in place to manage risk such as information technology and other systems?

See Question 10 response.

Silvera has both Board policies to ensure oversight and risk management, and organizational policies including FOIP, authorities, position controls and approvals, job offers, IT access, inventory tracking, contract management, etc.

12. How are the principal risks oversight assigned, tracked, and monitored by the board including the method(s) and frequency used by the board to continually review the risks, controls, risk response strategies and disclosure?

Silvera's Enterprise Risk Program ("ERP") and review is conducted annually as part of the annual planning cycle and reported quarterly through the Board committees to the Board. The FRMC, as part of the terms of reference of the committee, are tasked with overseeing Silvera's risk assessment process.

Management reports quarterly to the FRMC (and all other standing committees) and Board on the ERP adjusting risks taking into consideration work towards mitigating the risk, internal and external factors. Managements report includes identification of emerging risks, position accountability, metrics associated with each risk, progress towards risk mitigation, internal controls and strategies in place and being deployed to mitigate the risk.

13. Are there any results of regulatory or internal/external business assessments that assure the effective management of the principal risks as addressed in your presentation?

Silvera is highly regulated with reporting requirements set out at all levels, quarterly reporting to the Board as summarized on the Corporate Compliance Report (attached) and with multiple audits including health and safety, COR, Accommodation/Housing standards, annual financial audits, and special audits as required.

Attachment IV – Corporate Compliance Report (template)

Talent and Culture

14. Have there been any significant changes to your organization's executive leadership?

In August 2024, Arlene Adamson announced after 13 years that she would be stepping back from her role as Chief Executive Officer of Silvera for health reasons. The Board of Directors has initiated a search for her replacement and Arlene has committed to support a smooth transition for an incoming CEO.

15. How are the board's diversity goals included in your organization's corporate governance framework to ensure diversity is promoted for the board, executive and organization?

As referenced in question 8 above, the Board's diversity is addressed through the annual assessment of the Skills Matrix, and recruitment and term succession. Silvera ensures recruitment in various outlets to attract a diverse Board e.g.: Institute of Corporate Directors (ICD), Genesis Centre, DirectHer Network, Volunteer Calgary, Business in Calgary, Calgary Law Society, CPA and Calgary Herald. We have training that supports staff awareness e.g. Truth and Reconciliation, ESL, flexibility in cultural holiday as Silvera has a highly diverse workforce.

16. Is there regular reporting on your organizations' ethics and compliance with corporate policies to the Board?

Silvera has a robust training program requiring employees to complete a set number of training modules that address both ethics and significant Organizational policies. Compliance is tracked and reported to the Board of Directors as one of the organization's KPIs.

17. What mechanisms are in place to support the concerns of management and employees?

Silvera's is committed to providing an inclusive living and working environment free of discrimination and harassment consistent with the principles outlined in Alberta Human Rights Legislation. Silvera supports delivering services and a workplace that respects dignity, self-worth, and the human rights of every person. This encompasses residents, employees (regardless of their classification of employment type, volunteers, contractors, and other stakeholders) and any other stakeholder.

In addition to formal policies around harassment and discrimination, a culture of open communication throughout the Organization, the Organization has a whistleblower program in place. Silvera's whistleblower program includes a formal policy for theft, fraud, corruption, and non-compliant activities and a direct line to the FRMC/Chair. Activities are reported on at every FRMC meeting.

In addition to the formal Whistleblower program all employees attend an orientation program which highlights the policies and reporting process. The Organization also has in place mandatory training annually on workplace harassment which is required to be taken by all staff.

18. Describe the board's compensation strategy including retention and morale; pay ratios; transparency; views of the shareholder and stakeholders; and long-term pay strategy and objectives.

Management reports to the Board annually on the organization's compensation strategy, outlining the goals, risks, and progress on KPIs and annual targets. Silvera has made progress in reducing staff turnover, as well as advancing to P50 goal for staff compensation and benefits. All compensation is benchmarked to Silvera's competitive market and assessed annually. As well with our hourly staff Silvera is striving to achieve a living wage across all of its positions. Until adequate funding levels are supported, Silvera's compensation and benefit levels will continue to be a primary focus and a major workforce stability risk.

Staff in key positions are reflected as a risk item in the enterprise risk assessment and reporting along with wage, benefit and cost of living pressures. Staff engagement surveys and evaluation show that staff engagement levels are high, however Silvera has found that some employees are working more than one job given increases in the cost of living, and we also have an aging workforce. Silvera is monitoring and has assessed the cost impact should its lodge workforce become unionized.

Attachment V - Presentation to the City of Calgary Audit Committee - September 19, 2024

If you have any additional questions or require clarity on the answers provided prior to the September 19, 2024, City of Calgary Audit Committee meeting, please don't hesitate to contact me at your earliest convenience.

Sincerely,

Arlene Adamson
Chief Executive Officer
Silvera for Seniors

cc. Councillor Terry Wong
Doug Ng, Board Chair Silvera for Seniors
Bruce Stewart, Treasurer and Chair FRMC
Lori Kerr, Manager, Major Partners