

Sunset Villa Association Longer-Term Vision

'Change what you can, accept what you cannot and manage the difference with the longer term view in mind'.

- Period:** Next 5 years and beyond
- Property:** 7150 Concession 1, Puslinch, ON N0B 2J0
- Mission:** Provide a way forward to sustain the long-term viability of the Sunset Villa Association ("Sunset Villa") in terms of relevance and economics.
- Method:** The Sunset Villa Planning Committee ("SVPC") is tasked with putting forth recommendations that will look at all aspects of the Danish Canadian Club of Southern Ontario and Sunset Villa, a non-profit organization, on behalf of its membership. These recommendations will be submitted to the Board of Directors for review by the fall of 2019 with a view to present the recommendations for membership input over the summer of 2019. Implementation slated for FY2020.
- Scope:** The Longer-Term Vision will address mandate, organizational administration, infrastructure, membership, volunteers, residences, facilities and member benefits. The level of input will be broad with the aim of establishing a basis for further development of these individual aspects. Recommendations will be proposed on a 'when and if' financial footing that does not risk the status quo. As well, they will seek to respect the existing stakeholders while providing an impetus for building membership under changing demographics.
- Mandate:** The original driving force was for Danes and those with a strong Danish connection (marriage, etc.) to have a place to connect in Southern Ontario and share experiences, heritage, culture and social interaction in a new country. Additionally, housing for Danes were to be provided for those retiring. This is still the mandate, but in the intervening 70 years this segment is waning (reduced immigration, aging membership). While the current percentage of "Danish and Danish-linked" members remains high, this pool to draw future members from is facing ever-decreasing numbers. It has resulted in stagnant membership growth that ebbs and flows from year to year., although high at the moment.
- Overview:** The preservation of the Danish heritage in Southern Ontario will form the underlying basis for these recommendations and build on the cultural and social aspects of Danish life that sustains this heritage and its appeal. The Sunset Villa experience going forward seeks to validate the original purpose by presenting who and what we are to a wider demographic. It honours the Danes who paved the way, took the chance to come to Canada and added a Danish element to this part of the world. *"We are Danes in Canada"*

All components/aspects should satisfy a need of the Sunset Villa experience. Otherwise, it should be phased out. The Sunset Villa experience should reflect Danish life – simple, clean, organized, fair, egalitarian, socially responsible, environmentally conscientious, small, artistic, deep history, Danish artifacts and symbols, achievements, positive world impact, one of the happiest countries in the world, understated, humanitarian, picturesque, and more.

Organizational Structure:

Sunset Villa Association is incorporated as a non-share capital corporation under the Ontario Corporations Act. It is a non-profit corporation without charitable status. It is organized under a volunteer Board of Directors with volunteer members making up various committees that allows the organization to operate. In the next two years, ONCA (Ontario Non-profit Corporations Act) will be revised with additional requirements impacting Sunset Villa.

There is no paid staff and decreasing volunteer numbers are putting significant strain on those who remain. The SVPC has recommended for Board approval the hiring of a part-time administrative manager with the view of turning this position into full-time. A job description will cover all aspects of the full-time position. The initial funding recommended is \$1,000 per month for the part-time position. This is to be reviewed in 90 days.

The Board's function should be to provide oversight and approval. Due to a lack of volunteers to head up various committees, Board members are acting as Committee heads as well. It also acts as landlord which is untenable. All this has resulted in unmanageable workloads for a volunteer role.

Zoning and Bylaws:

Sunset Villa is subject to Puslinch zoning bylaws, which are under the umbrella of the Wellington Official Plan – which in turn is under the Ontario Official Plan. The Sunset Villa property is designated as A4, or Agricultural. More specifically it is designated as A-SP6, or Secondary Agricultural zoning with "Site Specific" allowing for the following uses: restaurant, hall for meetings and banquets, travel trailer park containing a maximum of 75 seasonal tourist trailers, home for the aged, rest home, shooting range, accessory uses for the above and a recreational designation. A new simpler A, Agricultural designation is awaiting implementation.

The intent of the Official Plan is to control urban densification in Ontario (greater massing in urban centres) and to alleviate infrastructure pressures (roads, transportation problems, resulting emissions, etc.) by having people *'Live, Work,*

Play' in the same area. The aim is to direct growth to settled areas and protect agricultural, green space and wooded areas.

The province's Green Belt Plan covers 1/3 of the SV property, and the Growth Plan for the Golden Horseshoe (2017) covers 2/3. In both cases, the objective is to prevent development of property in this area. At a meeting with the County of Wellington Planning and Development Department by the Sunset Villa Planning Committee it was suggested that we should meet with both of these Authorities to gain further insight about the Longer-Term Vision implications. This will happen in due course.

Sunset Villa has reasonable flexibility under the current zoning due to its eclectic components which are unique in the area. The various uses evolved over time in an era when zoning mattered less. We were encouraged to work within our existing zoning and not apply for re-zoning. The Longer-Term Vision respects and welcomes that in its uniqueness.

Infrastructure:

The infrastructure consists of various buildings, roadways, parking lots, lawns, wells, sewer and septic systems. This provides function for various uses including commercial, residential and recreational. The state of repairs is wide ranging from barely adequate for purpose to fit for purpose. Various regulations apply to Sunset Villa in this regard including fire, structural codes, safety, environmental, landlord and tenant. Repairs and maintenance are a constant focus of the Board and member volunteers but lacks a current assessment including deferred maintenance. This prevents longer term planning resulting in some shock at times that can tax financial planning/budgeting.

The SVPC has recommended that a structural Property Condition Assessment ("PCA") be completed by a competent third-party professional company. This has been done and we are waiting for the final report. Quotes for consideration are being sought for Board recommendation. The PCA will establish a baseline that should be reviewed annually allowing for updated budgeting and compliance.

The current infrastructure has issues that affect the potential membership levels. The main well can temporarily run dry. The number of washrooms is insufficient.

Membership:

The current memberships are 500 comprising of about 750+ members. Realising that the current infrastructure provides limitations to membership, the maximum number of members for the next 5 years should be limited to 1,000. At that time, the operations should be reviewed with an eye to increasing memberships.

Further, additional levels of membership that are non-voting classes must be established to increase participation and funding including corporate and associate classes.

Corporate sponsorship can have a significant impact on the financial well-being and enjoyment of Sunset Villa. A corporate “membership” should be established to encourage donations and participation at various events. These could include Danish companies in Canada or Canadian companies with an interest in Denmark. The Danish Place is already doing this with an aquavit distiller in Canada wishing to promote its product.

Associate memberships are non-voting memberships for people wishing to support Sunset Villa beyond its natural catchment area. The natural catchment area is an area where members can be considered to be involved on a regular basis. That is to attend events, volunteer, act as Board members and enjoy all the benefits that are the backbone of the Association. The catchment area is defined as approximately 100 km (1-hour drive) from Sunset Villa. Exceptions obviously exist and can be made by the Membership Review Committee. This Committee vets all new memberships for acceptability to the Sunset Villa Association under defined criteria.

Online voting for meetings should be set up through a third-party vendor to encourage greater participation and fairer representation of input. It is the opinion of legal counsel that By-law Number 1 restricts the manner of member participation and voting in meetings, and that Sunset Villa cannot make use of the new OCA section 125.1 to allow for electronic voting without first passing a by-law amendment. As such, the SVPC has recommended the AGM should include the adoption of a new bylaw permitting electronic, online voting and notification.

Bylaw changes being made will allow the use of more electronic communication such as email to provide notifications and allow voting online for Members. This is in addition to, not as a replacement, of existing methods now available.

The changes are being made to:

1. encourage greater Member participation in Sunset Villa – attendance at the AGM is consistently low. This means that the wider views of the Membership are under-represented. This will engage Members who cannot attend to have their say in the affairs of Sunset Villa
2. increase Member renewals – every year a number of Members fail to renew their membership, meaning just to keep membership revenues even with the prior year a catch up is required. It is a fact that when Members feel greater involvement through such things as voting and involvement with the operations

there is not only greater membership retention rates, but also greater volunteering – another issue that is of constant focus at Sunset Villa

3. attract new members – as the membership ages it is of critical importance that Sunset Villa remains relevant to an increasingly younger demographic. This will be the generation that carries Sunset Villa forward. We have to engage with these potential new members in the manner they are comfortable with. That includes the internet, email and social media. They typically vote with their thumbs.

4. reduce costs – it is expensive to handle affairs such as the AGM by mail alone. This will reduce many of the Members who agree to receive notifications and documentation by email. Those who prefer regular mail will continue to do so.

Volunteers:

Sunset Villa is short of active members and cannot keep up with all the jobs that need doing. To get to there, the organization must nurture and sustain a volunteer culture and develop a volunteer strategy.

Volunteer Culture: It is important that everyone understands that volunteering at Sunset Villa is something you do because you wish to be an active member of a community – a community whose members share languages, traditions, norms, customs, arts, history or other elements that offer people identity.

Members want Sunset Villa to succeed, however, it is not always clear to them how they can help. While people may respond to one-off requests for help posted in The Bulletin, a better system is needed.

Volunteer Strategy I: Volunteers need direction. Even the best of intentions can fail if people don't work together.

First off, Sunset Villa should appoint a volunteer coordinator to keep track of what needs to be done, who does what, etc. This position is critical. The coordinator will understand the mission of Sunset Villa and help to set priorities. S/he reports to the Board.

Where does Sunset Villa find volunteers? While all SV members are encouraged to participate as volunteers, the organization can also connect with high schools and various volunteer websites. Many people are interested in volunteering outdoors. Witness the waiting list for volunteers at Guelph University's Arboretum.

Volunteer Strategy II: Volunteer Canada talks about a spectrum of volunteer engagement, ranging from being informed to assuming leadership. At Sunset Villa there's a need for people across the spectrum. New members may feel most comfortable contributing to specific tasks – eg cleaning up the front lawn after Constitution Day. Others may be involved in ongoing activities, eg events planning

and communication. Others again are prepared to assume leadership positions, eg as board members who help Sunset Villa achieve its mission and stay on budget.

All volunteer roles are essential to building a strong and connected community. Even if everyone is considered a volunteer at Sunset Villa, it is important that active volunteers are celebrated.

The volunteer experience should be enhanced with inducements such as an Annual Volunteer Appreciation Lunch, free lunch at The Danish Place for every 10 'events' volunteered, awards, certificates, etc.

Volunteer Strategy III: The following Standards of Practice for Volunteer Involvement are from Volunteer Canada. They are included here to illustrate some of the matters that organizations consider when they hire volunteers.

Risk Management - Risk management procedures are in place to assess, manage and/ or mitigate potential risks to the volunteers, the organization, its clients, staff, members and participants that may result from the delivery of a volunteer-led program or service. Applicable Health and Safety protocols are followed. Each volunteer role is assessed for level of risk as part of the screening process.

Screening - The organization has a clearly communicated and transparent screening process in place. It is aligned with the risk management approach and consistently applied across the organization. This may involve a Vulnerable Sector Check when vulnerable populations are involved. See Volunteer Canada's 10 Steps of Screening.

Orientation and Training - Volunteers receive an orientation to the organization including the policies and practices appropriate to each role. Each volunteer also receives training specific to their role and their individual needs. A waiver can be included in the orientation package. Proper identification including name badges and tee shirts to signify their status will be part of the orientation and use.

Support and Supervision - Volunteers receive the level of support and supervision required for the role and are provided with regular opportunities to give and receive feedback.

Recognition - The organization acknowledges the contributions of volunteers using a range of recognition tools and activities that reflect the needs of the volunteer. The value and impact of volunteer contributions are understood and acknowledged within the organization and communicated to the volunteer. (See Volunteer Canada's 2013 Volunteer Recognition Study and PREB.)

Volunteering should be a stand-alone endeavour without credit or like-in-kind compensation to offset other financial commitments to Sunset Villa. Otherwise, it

taints and minimizes what volunteering is all about. Some get 'compensation' while others do not.

Residential Units:

The underlying rationale for the apartments is and has always been that they are a part of the original mandate of Sunset Villa Association.

1. The August 23, 1950 Letters Patent state (as one of its purposes) Sunset Villa Association (is)....." *for the following purposes and objects: that is to say to procure and operate a home or living quarters for aged people of Danish descent or intermarriage who wish to retire because of age or other reasons*".

2. This was amended slightly by Supplementary Letters Patent on May 2 2006 to read *"the establishment and maintenance of non profit residential accommodation primarily for people of Danish descent or intermarriage for the purposes of establishing a retirement community for people retiring due to age or other reasons"*.

3. Bylaw # 5 of April 2013 addressed *"expected periods of vacancy"* of apartments by saying the Board may consider month to month rental for temporary tenants.

4. A 2007 letter from counsel recommended that tenant agreements should be by contract with the tenant, not by bylaw. Bylaws are the governance documents of the Corporation.

5. The 1950 Letters Patent also state:

"And it is further ordained and declared that the said Corporation shall be carried on without the purpose or gain for its members and that any profits or other accretions to the Corporation shall be used in promoting its objects"

While it is felt that the apartments are no longer economically viable and have outlived their mandate in many respects, it is interesting to note that the current tenant profile seems to fit the mandate, at least from the perspective of retired Danish (and/or Danish-linked) seniors in large part. However, a means test is absolutely necessary. It is not a lottery where you get lucky and live at half market rent irrespective of means.

The Canadian social system utilizes similar means testing in similar programs and tax incentives/credits. The social assistance programs in Canada 2019 is significantly better than Canada 1950, Sunset Villa's inception. Also, the number of Danes and related Danes is dramatically decreasing. The mandate has outlived

its purpose. However, if there are a truly deserving members under the following revised criteria, the program will continue to be available.

Besides mandate, the other drivers/issues that impact the residential units:

1. to be operated on a non-profit basis
2. Corporation profits shall be used in promoting its objects
3. no means test for tenants
4. all membership now eligible to apply (Danes and non-Danes)
5. current rents are \$500 per month (vs. estimated \$900 per month market rate)
6. not all units are rented to “mandated tenants” with vacancies being let out on month-to-month tenancies to the general public to enhance revenue.
7. the state of deferred maintenance and cap/ex projections are to be determined

A few observations about the impact of the current system:

1. the mandate does not speak to rental amount
2. the mandate does not speak to priority of applicants based on any criteria
3. the only requirement for the general public to qualify for an apartment is to join Sunset Villa for under a \$100 per year
4. the current tenant ages are such that the existing leases may last up to 10 years in some cases
5. the future of the apartment program beyond existing leases is ambiguous, at least as originally envisioned – a vision still emotionally held onto by some members
6. current operating surpluses may be a result of substandard repairs and maintenance, as well as deferred cap/ex.

Recommendations that should be instituted to ensure fairness and viability of the residential program:

1. the existing “mandated-tenants” should have their leases honoured, but with reasonable rent increases as permitted

2. units that become vacant should be withdrawn from the program for the simple reason that the program is unworkable and unfair. Unworkable in that the current structure is just subsidized housing for anyone underwritten by Sunset Villa Membership. The original mandate was never to provide a subsidized housing complex for seniors in general. Unfair in that the rents are not rationalized, geared to income or indeed based on need. This program is rife for abuse. There would probably be membership pushback if the true circumstances of the situation were better understood.
3. ideally units should be repurposed for commercial and presentation venues including Sunset Villa admin office, event space, third-party tenants that reflect a Sunset Villa need
4. existing tenants should be relocated from units 4 – 6 to units 7 – 10 as the opportunity arises with any reasonable inducements
5. units 4 – 6 are the face of Sunset Villa and are uniquely situated to maximize value for the membership in this regard (repurposing under a Longer Term Vision).
6. the default rent has now been established as market rent (assumed at \$900 to \$1,000 per month currently, subject to a Letter of Opinion).
7. the existing waiting list should be on notice that the program may not have available units in the near term or mid-term as units may be repurposed. The waiting list should not be perceived as a promise. The sooner we put that to bed, the less hassle we will be subjected to.
8. further, they should be advised that the rental rates have been set at market rates. These rates may be mitigated by a subsidy dependent on a means test. This test will set a rental rate of 30% of income (based on the last 3 years of combined household income as per income tax assessments) with a min. rental rate of \$700/month subject to change without notice. In addition, a net worth statement will be required in determining acceptability into the program.
9. all subsidies will be paid out of a trust (Danish Trust) to offset the rent and not from general revenues. People wishing to support the program can make contributions ear-marked for 'housing' directly to the trust. In the event there is a shortfall for housing in the trust, the Board can assess whether the Association will contribute from general revenues.
10. The base rent can remain high; if the person starts working or no longer qualifies for the subsidy, we can reduce the subsidy (but we can never increase rent if we don't have the trust)

11. subsidies and/or rebates can be raised through donations, grants, fundraisers, etc. This may make the program a little more tolerable and fairer to the membership given fewer and fewer original envisioned tenants are available. And it highlights what is happening under the program in a way the current situation does not.

12. any vacancies could be utilized as meeting areas, presentation areas or revenue earners such as AirBnB while waiting to be repurposed.

13. the current lease format has to be reviewed and updated to reflect the above

Campgrounds:

There are 60 trailer lots with about 60% of the occupants with Danish heritage. Current fees are approximately \$1,140 per year (excl. HST). The overall appearance of the trailer site is cluttered with little continuity or Danish-influenced aesthetics. In many respects it looks like what it is - a dated trailer park – and not one that contributes to the Sunset Villa appeal and experience. Further, fees have been kept below market rates due to a perceived notion that the occupants have been a significant source of volunteering – the lifeblood of Sunset Villa.

In order to be an integral part of the future and satisfy a need of Sunset Villa, several changes are recommended. They include:

1. establish some basic architectural standards to enhance appeal and promote a Danish lifestyle and culture.

2. raise the rental rates to better reflect market rates which are currently in the \$2000 - \$3,000 per year subject to offset for such things as a swimming pool, other amenities not offered, but adjusted for what Sunset Villa has that cannot be duplicated.

3. the rental rates for 2020 should be increased by \$160 per year and thereafter at \$250 per year until \$2,050 per year is reached. Any rent increases thereafter should be predicated on an increase of amenities such as a pool.

4. all leases and renewals going forward should include the Code of Conduct as part of the Campground Rules and Regulations, restrictions on subletting, sale of units, architectural controls, maintenance standards, no permanent structures and the provision that units in 15 years or older cannot be sold and must be removed when a leaseholder does not renew.

5. volunteering as a means of lowering fees is not sustainable and is not fairly applied. It is hard to quantify. Further, it is not really volunteering, but rather 'payment in kind'. Only some 'volunteer', but all trailer campers benefit from

lowered rents. This amounts to a rebate for campers paid by the general membership. If campers wish to volunteer as do other members without benefit of say, lowered fees, they should. And it is hoped they would continue to do so as they are the main beneficiaries of the Sunset Villa experience.

5. fees raised through rental increases can be used in part to offset maintenance of the grounds through hired summer students, etc.

6. a portion, say 50%, of campground fee increases over the next 5 years should be set aside to fund a swimming pool. This will show a commitment from the people who will be the main beneficiaries of such an amenity. And will kickstart fundraisers from the rest of the Membership which is where the bulk of the financing will come from.

Facilities, Amenities and Benefits:

A recap of the current offering and potential:

Restaurant - The Danish Place is a point of pride at Sunset Villa. The restaurant was revived in 2018 and is now run by the children of the previous owners. It has been upgraded with due respect to the history of Sunset Villa as well as contemporary Danish design. A role model for how Sunset Villa can evolve, the restaurant bridges Danish and Canadian culture and is unmatched in Southern Ontario.

Gift shop - The gift shop attached to the restaurant offers small items and memorabilia that are reminiscent of Denmark. Many of these are hand-crafted and donated by Members.

The Dome - The old barn with a tarp for a roof serves as a multi-faceted venue – Nordic market, dinners and dances. As an indoor/outdoor space with great potential - a new permanent roof is needed and the kitchen has to be upgraded. The setting is perfect for weddings and other events that could generate revenue for Sunset Villa with its beautiful location in the rural tranquility of Southern Ontario. The Dome could also host environmental expos, educational conferences, or retreats.

Similarly, the garage next to the Dome could be re-purposed as a wellness centre. Members could gather for tai chi or other healthy group activities in the Dome.

A dedicated fundraising campaign is in the planning stage by the Planning Committee to fund a new dome roof: *'Raise the Roof at Sunset Villa'*.

There are many proposals for new amenities that build on the existing amenities while enhancing the long-term vision of Sunset Villa including:

- swimming pool – a need of younger families, visiting grandchildren and everyone else.
- rope climbing – an increasingly popular activity
- ice rink - the pond could be used when the ice is frozen or an area flooded
- hiking trails already exist but more can be done to maintain them and develop more. A pay-as-you-go box would enforce the understanding that this is private property.
- campsites with wooden camping platforms.
- yurts could be rented out under the same terms as campsites.
- bicycle paths on the Sunset Villa property and beyond could be developed and promoted
- green space – more use of the lawn amphitheatre and stage with summer theatre performances and similar.
- museum – a tribute to the founders and history of Sunset Villa and to the Danish values that guide the organization. An online museum could be part of the Sunset Villa website where members could contribute stories, pictures and memories of times gone by or of current times.
- venues for speakers of various subject matter. For example, talks about how to create Danish “hygge,” Danish cooperative movements, reusable energy initiatives
- a centre for conveying Danish values which are highly regarded in Canada.
- a “kolonihave” or community garden

Membership benefits need to be promoted and solidified as having value. Presentation of proof of membership should be a requirement at functions that charge fees. This will increase revenues from those who are not members while encouraging new members to sign up.

Membership fees may need to be raised in an attempt to recognize the value of Sunset Villa. Currently it is in the ‘donation’ range which is just a feel-good amount that doesn’t really encourage further participation. This is evident in the renewal rates in the following year and the commitment to volunteer. Increasing the fees will force people to amortize the cost through participation. Further, it will require that we provide value. That is the goal of the Longer-Term Vision. The following annual membership fees (prorated to the next nearest quarter) are suggested:

Full family membership -	\$200
Associate family membership -	\$150
Full single membership -	\$100
Associate single membership -	\$75
Corporate membership -	\$500

There are many inducements, discounts and incentives that can be offered to members to create further value. Promoted properly at membership drives will mitigate fee increases.

Financial Forecasts and Projections:

The various components of the Longer-Term Vision await final pricing or projected pricing, most notably the recommendations of the Property Condition Assessment. Forecasts and projections will be part of the final submission to the Board for consideration. Further, they will be released to the Membership as received. The current financial status of Sunset Villa will form the starting point of these forecasts.

Timeline: Once this Phase One has been adopted, a Phase Two will begin to establish thresholds and milestones over the next 5 years and beyond. Phase Two will add the details, set up committees and continue the research.

Membership Input: These recommendations should be posted on the Sunset Villa website Members Section when finalized for comments, suggestions, and critique over the summer months. They should be made online addressed to planning.sunsetvilla@outlook.com or the response page on the website with the subject: Longer-Term Vision. Additionally, comments can be mailed to:
Sunset Villa Association
7150 Concession 1, Puslinch, ON, N0B 2J0

Information sessions could be planned. We welcome all submissions.

In Summary:

The Sunset Villa Planning Committee submits the foregoing under the terms of its Mission – to provide a way forward to sustain the long-term viability of the Sunset Villa Association in terms of relevance and economics. We encourage the adoption of the recommendations in a viably feasible manner as to be established in Phase Two.

In order to promote the implementation of this report the Committee requests \$2,500 to produce media content reflecting this longer-term vision. This will be used for a variety of purposes – attracting new members - corporate and general, as a facility introduction, education for existing members, attracting volunteers, off-site presentations, etc.

Dated: April 28, 2019