



Garth Homer Society

18/19 Annual Review



Garth Homer
SOCIETY

A life, a home, and a place in the world

Message from the Board Chair

Fiscal 2019 was a very difficult year. In early April 2018, CLBC informed us that they were terminating our residential services contract on 30 days' notice. The termination meant the immediate loss of more than 50% of our revenue and an even higher percentage of our operating margin.

The impact on the organization has been substantial. As detailed in this year's finance report, in 2019, we had an operating deficit of more than \$700,000 on revenue of \$6.8 million. This is a financial burden that will take us years to work through. However, the impact is about much more than money.

First and foremost, was the toll taken on our clients and their families, and on our staff. Though we had only been operating our residential services for a few years when CLBC terminated the contract, many of the residents had already become a familiar and popular presence around GHS, meeting friends daily at the Garth Homer Centre and participating regularly in GHS programs like Artworks, LifeStreams Learning, and Supported Self-Employment. They continue to be missed by many here.

The transition was difficult for staff as well. Overall, we were forced to lay off about seventy direct service and supervisory staff. Happily, a

number were able to get immediate employment from the new provider, so they did not suffer a loss of income and many took the opportunity to apply for other jobs at GHS and have returned. It was extremely difficult for those still here to watch good friends and valued employees leave, and an anxious time for all as the possibility of further contract losses hung over GHS for much of the year.

Second, was the damage done to our reputation by the termination and by the way it was communicated. At the time of the contract termination by CLBC, we were exploring new and innovative service opportunities with other government funders. As soon as the termination was announced, all exploration and interest came to a grinding halt and our relationships were broken. Nor have they yet been restored. It is difficult to fault the other funders for this, for they had very limited information and it was simply and naturally prudent of them to hold off until the air was cleared. However, I believe that the reputational damage has set our progress and development back by several years after a long stretch of steady growth and program innovation. I am pleased to report, however, that GHS's standing with families in the community has for the most part not changed. We are still seeing steady demand for our services and it is certainly our perception that GHS remains a preferred supplier. We continue to receive regular enquires from families about residential services. And as the CEO report shows, the last year saw solid progress across many of our programs.

For the members of our board, fiscal 2019 presented a serious test of mettle. It is difficult to sit through board meeting after board meeting digesting news of troubled finances and legal contention. However, I am very proud to report that your board members showed great resilience, commitment, fortitude, and even good cheer through the year as they supported and stood behind our management staff. In particular, I would like to commend the board for making and sticking to two tough, principled decisions that I believe have laid the ground for our recovery.

The first was the decision to engage highly experienced legal counsel to contest CLBC's actions and decisions. This was a tough call to make because of the expense, but a necessary call because we believed CLBC to be mistaken in its actions. In doing this, it has never been our aim to demonize CLBC or any of its employees who may have made decisions that we believed were ill-advised, or to make a public spectacle out of our conflict. It was simply to press, with the greatest skill at our disposal, for a fair and equitable resolution of our differences. In retrospect, the decision was a good one. By the end of the fiscal year, there was light at the end of the tunnel, and we are currently engaged in discussions with CLBC and their lawyers aimed at resolving our issues. More than anything, what is in the best interests of the people we serve is that we restore our good faith working relationship with our primary funder.

Second, the board decided from the outset to keep the senior management team intact, even though layoffs could have helped the fiscal outlook. I believe that the decision was made out of a deeply felt loyalty to key individuals who had shown such commitment to GHS and its vision for the future, as well as in practical recognition that we would likely need to grow the organization out of its difficulties. To do that, we would need the full breadth of skills and experience on the team. The approach has been working. As detailed on the CEO report, in the last year we have been able to continue to grow our community inclusion day services, expand our services to individuals requiring a high level of behavioural support, open a new fee-for-service residential facility, and make great progress in our LifeStreams Learning services.

There is no doubt that the challenges of the past year have tested the Board and staff in ways that we could never have envisioned. We are also very aware of the impact on our clients and families. I believe that it is a testament to all of us - to our commitment to each other and to our belief in the Garth Homer Society, that we have weathered this upheaval and are looking at brighter days to come.

On behalf of the Board I would like to thank Mitchell, the Management Team and all the staff for their vision, unwavering dedication and plain hard work. To our clients and families I can promise that we will continue to provide the exemplary services for which the Garth Homer Society is known and valued.

Together we will continue to be strong,
successful and forward thinking.

- Lynn Pollock, Board Chair

Message from the CEO

Despite difficulties, 2019 was a year with many positives for GHS operations and service delivery.

When we lost our residential services contract, we knew immediately that we would need to prioritize and plan carefully. While our residential contract accounted for more than 40% of our revenue at the time of its loss, it only served about 5% of the individuals and families we supported. Our very first priority therefore was to ensure the stability of our services for the more than two hundred families who continued to depend upon us. Achieving this was the sum of many small actions, such as the cutting of inessential costs and the liquidation of some assets, such as vehicles. All these actions had day-to-day impact for our service delivery teams, and I would like to thank them for the efforts they made throughout the year to adjust to sometimes difficult changes and to make sure that daily life for clients at GHS was never affected.

Though we were forced to make some cuts in staffing, we made the decision to keep all key management in place for service delivery, as noted in the Chair's report. More than anything this helped to ensure the continuity and stability of services. I am happy to report that even though the year presented unprecedented challenges to GHS, the individuals we continued to support were for the most part not affected by them.

In keeping the team together we were also laying the foundation for our future sustainability and growth. It has been a key part of GHS strategy for several years to invest in capacity for staff skills, program space, and service innovation ahead of any specific request for service. Our aim is to be available for people when they need us with a range of service options and choices. We continued the practice last year and were therefore able to continue the expansion of our day services, a trend that has now been running for several years. Both our Community Inclusion and our Learning and Employment services expanded substantially in the year.

The growth was important in part because it helped to take the edge off our financial losses. But we also continued to develop our services in ways that allowed us to meet the increasingly diverse needs of those we serve. One of the biggest changes came in the growth of services for individuals who need a high-level of behavioural support. Historically, such services were not a key part of GHS offerings. But as we have noted in other reports over the last few

years, we are increasingly serving individuals with autism spectrum disorder, and especially those among them with the highest needs. While this has become a factor in all our programs, it was most evident in the continued expansion of COSMOS, and the creation of MOZART, a program dedicated solely to providing 1:1 behaviour support. Over the year, through the rearrangement of our program spaces, we created new physical capacity at the Garth Homer Centre for this growth. This has allowed us to be responsive to families and individuals in an area of need for which community services are seriously lacking.

Our Learning and Employment Services were another area of tremendous development in the year. Focused primarily, but not exclusively, on those with more moderate needs, the aim of Learning and Employment is to increase the capacity and opportunity of participants for greater independence and employment through highly individualized and targeted learning. Even though our learning programs receive no funding from CLBC, they are very enthusiastically supported by local grant makers such as the United Way, the Victoria Foundation, the Telus Victoria Community Board, and Coast Capital. With their generous help, our program staff have been able to develop a rich portfolio of learning and experiential options for participants. These include - just for example - the CAYA communication project to support adults who require an augmentative or alternative communication system; a new social arts program aimed at helping those on the

autism spectrum build social and communication skills; and a new drama program facilitated in collaboration with local company Theatre SKAM and funded through the BC Arts Council. OPTIONS Independent Learning, which provides experiential learning focused on the development of well-rounded citizens, also continues to deepen and explore approaches to learning in partnership with LifeStreams. Also in the year and despite restraints, we were able to create a new supervisory position for our Supported Employment Services, thus ensuring that we have the capacity to transition learners to employment when they are ready.

Two other developments in the year merit special mention.

First, with patient support from BC Housing, to whom we are grateful, we were able to open Heron House, our new fee-for-service residential facility on Government Street in downtown Victoria. With space potentially for eleven residents, Heron House services are aimed mainly at older individuals with higher needs, often including health supports and support for dementia. The Heron House kitchen also provides the opportunity for participants in the CAT Cooking program to develop and apply their skills. We have had tremendously positive feedback from residents and families for Heron House services, and heavy demand from families for the service (and for the cooking of its professional chef!) Heron House is essentially a pilot program on a fee-for-service residential

model, but all the indications so far suggest that it is developing as a promising program model for the future.

And second but no less important, we were finally able to launch our long-planned but long-delayed family support program, with generous funding from the Cornerstone Community Services. It is still very early days for the program, but so far it is looking good.

Overall, the year was difficult in many ways, but it was not bleak. I would like to thank all the fabulous GHS service staff who kept their faith in the organization and our vision, and who worked hard and dug deep to maintain and improve our services, so that even if I was not able to deliver good news all the time, they were.

- Mitchell Temkin, CEO

Treasurer's Report

Financially speaking, fiscal 2019 was a year of tremendous contrasts for the Garth Homer Society, as well as a year of great difficulty.

On the downside, we concluded the year with a deficit of \$737,318 on revenue of just over \$6.8 million. This is in sharp contrast to our results in the previous year of a surplus of about \$128

thousand on revenue of \$9.5 million, representing a negative turn of \$2.7 million in revenue and almost \$900 thousand on the bottom line. These changes arose subsequent to the loss of our residential services contract with CLBC, which the latter terminated on 30 days' notice at the beginning of May, just one month into the new fiscal year. In 2018, residential services accounted for 44% of our total revenue.

While the losses for the year partially reflect increased operating expenses, which would have been expected in any case, for the most part they comprise three large areas of cost. The first is direct costs associated with the contract termination, such as the costs generated by staff reductions. We are still negotiating over what should be included in these amounts with CLBC, who will ultimately reimburse them, but they had not yet been reimbursed at year end. The second is legal costs incurred in contesting CLBC's actions, both in the conduct of their instructional review and in terminating the contract. These totalled almost \$238,000. And third, there are management and rental costs which the board strategically determined to maintain despite the loss of revenue, in the longer-term expectation that they would allow us to grow our other services as a way of mitigating our losses, maintain the stability and quality of services for the more than 200 families we continue to serve, and support continuing service innovation and development.

As a result of this strategic approach, and despite the gloomy results, things were already starting

to look up by year end, as it became apparent that we would be able to conclude some sort of settlement with CLBC and that we would be able to maintain the stability of services. On the upside, and the face of great financial difficulty, in 2019 we continued the pattern of growth and diversification of our Community Inclusion day service and in our Learning and Employment services. Revenue for Community Inclusion grew by 8% in the year, while revenue for Learning and Employment grew by 12%, reflecting I believe both the continued focus of staff on our strategic direction, and the continued confidence in GHS of the community.

- *Sandra Sparanese, Treasurer*

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