Peterborough Housing Corporation
Board of Directors
Tuesday, September 12th, 2023 – 5:30PM
Hunt Terraces, Meeting Room #112,
555 Bonaccord Street, Peterborough, ON

“We respectfully acknowledge that we are on the traditional territory of the Mississauga Anishinaabeg. We offer our gratitude to the First Nations for their care for, and teachings about, our earth and our relations. May we honour those teachings.”

Agenda

Closed Session – 5:30 p.m.

1. Closed Session
    a) Resolution to meet in Closed Session
    b) Confirmation of Closed Minutes
        i. Closed Session Board Meeting, June 28, 2023
        ii. Closed Session Board Meeting, May 24, 2023, Attendance Correction
    c) Presentations
        i. Jayson Phelps, Phelps Group
        - Confidential Report 2023-024, CEO Recruitment
        - Personal matters about an identified individual
        ii. John Ewart, Ewart O’Dwyer
        - Confidential Report 2023-025 – Architect Services
        - Advice that is subject to solicitor client privilege, including communications necessary for that purpose

Open Session – 6:00 p.m.

2. Call to Order

3. Approval of Agenda

4. Conflict of Interest

5. Presentations
    a) Laridae, Danielle Rocheleau and Brittney Patton
        - Report 2023-026 – Communication Strategy & Rebranding Exercise

6. Report of Closed Session

7. Information from Staff

8. Confirmation of Minutes
    a) Open Session Board Meeting, June 28, 2023
    b) Open Session Board Meeting, May 24, 2023, Attendance Correction

9. Operational Reports
    a) Report 2023-028 – 2023 Q2 Operating & Capital Results
    b) Report 2023-029 – 2023 Q2 Reporting Obligations

10. Committee Reports
    a) Finance, Audit & Administrative Committee
        i. Report 2023-027 – 2024 Operating & Capital Budget
        ii. Report 2023-031 – Appointment of the Auditor
        iii. Report 2023-032 – Hunt Terraces – Financial Update
    b) Governance, Human Resources & Strategy Committee
        i. Report 2023-030 – Board Meetings – Regular and Closed Agenda, Minutes and Supporting Reports

11. Adjournment

Peterborough Housing Corporation

Report 2023-026

Meeting Date: September 12, 2023

Meeting Time: 5:30 p.m.

Meeting Place: Hunt Terraces, Meeting Room #112
555 Bonaccord Street, Peterborough

Subject: Communication Strategy and Rebranding Exercise

Author Name and Title: Hope Lee, CEO

Recommendation(s):

Resolved That Report 2023-026, "Communication Strategy and Rebranding Exercise", be received;

That the presentation by Laridae Communications Inc. be received;

That Director _________________ is appointed to the Communications Strategy and Rebranding Exercise Steering Committee; and

That upon completion of the project Laridae Communications Inc. will present the comprehensive communication strategy and PHC's refreshed branding.

Hope Lee

Chief Executive Officer

Background:

PHC's strategic plan was developed in 2018/19 and adopted by the Board in early 2019. It has a five year commitment period ending in 2024.

It was built on three strategic directions with several commitments within each strategic direction.

Strategic direction 3. Strengthening Our Relationships included the following two commitments:

Communications: Improving the clarity and consistency of our communications with external stakeholders, and the general public, through the development and execution of an annual communications strategy. By improving the telling of our corporate story, we will increase clarity around expectations, roles, and resources, and enhance PHC's reputation.

Branding: Exploring a branding and name refresh to reflect and communicate the corporation's current mandate and future goals.

In addition, PHC's first engagement survey earlier this year included several comments from staff that although communications was improving it could still be enhanced and be made more consistent and clearer, particularly interdepartmental communication.

PHC has engaged Laridae, who also assisted with the development of the strategic plan, in to:

1. Develop a comprehensive communication plan that guides communication activities, both internally and externally, over the next few years; and
2. Facilitate conversations and stakeholder engagement around a branding refresh, to ensure that PHC is positioning itself in the community in a way that aligns with its mission, stakeholders and the broader community.

This will be completed by:

1. Creating a steering committee made up of a wide range of roles across the levels and breadth of the organization to bring different perspectives to the table. This committee will meet at set intervals throughout the process and will serve as champions.
2. Engage stakeholders both internal and external to learn how our current brand is perceived.
3. Develop a brand framework and brand language.
4. Build a communication strategy that includes clear, actionable steps to building strong communications.

Rationale:

Several staff, from different departments and levels of the organization have been selected through a request for them to participate on the steering committee. PHC has also engaged a tenant representative for the steering committee.

This report requests a board member also participates on the steering committee.

The steering committee will meet four times during the project (September 2023 to February 2024), with each meeting facilitated by Laridae, as follows:

- Meeting #1 (September/October) – Kick off meeting to introduce the project and workplan, approve the committee Terms of Reference, gather input for stakeholder engagement, receive initial training on branding and begin initial discussion (1.5 hours)
- Meeting #2 (November) – feedback results of engagement phase and begin to test branding language (1.5 hours)
- Meeting #3 (January) – brand platform workshop and creative brief (1.5 hours)
- Meeting #4 (January) – final meeting to finalize brand elements and give shape to the communications strategy (3 hours).

At the conclusion of the project, Laridae will return to present the strategy and the results of the rebranding.

Other Alternatives Considered:

None.

Alignment to Strategic Priority Areas

This report directly aligns with Strategic direction 3. Strengthening Our Relationships included the following two commitments:

Communications: Improving the clarity and consistency of our communications with external stakeholders, and the general public, through the development and execution of an annual communications strategy. By improving the telling of our corporate story, we will increase clarity around expectations, roles, and resources, and enhance PHC's reputation.

Branding: Exploring a branding and name refresh to reflect and communicate the corporation's current mandate and future goals.

Financial Considerations:

PHC's approved budget includes funds for consultants to assist with projects such as this communication and rebranding.

Laridae was engaged, based on their experience and local presence, as well as their previous interactions with PHC and our stakeholders as part of the strategic plan.

PHC's purchasing limits do not require a competitive process for materials or services that fall under $50,000. The total fees for this project are $29,825 plus HST. This cost will be absorbed within the approved budget.

Consultations:

None.

Attachments:

None.

Board Meeting Minutes, Peterborough Housing Corporation
Open Session

Date: Wednesday, June 28th, 2023 – 5:30PM
Location: Hunt Terraces, 555 Bonaccord Street, Peterborough, ON

Present:	Keith Riel	Chair
	Alex Bierk	Vice-Chair
	Andrew Beamer	Member
	Matthew Graham	Member
	Jeff Leal	Member
	Sheldon Laidman	Board Advisor
	Rebecca Morgan-Quin	Board Advisor
	Hope Lee	CEO, PHC/Board Secretary
	Jenna Cullon	Recording Secretary
Staff:	Travis Doak	Director of Operations
	Sondra Fitzgerald	Director of Corporate Services
Guest:	Will Pearson	Peterborough Currents

Keith Riel, Chair, PHC Board, called the meeting to order at 5:30 p.m.

1. Approval of Agenda

On a motion by Alex Bierk, seconded by Andrew Beamer and carried unanimously, it was **RESOLVED** to approve the agenda for the June 28th, PHC Board Meeting.

2. Conflict of Interest

The Chair requested that Board members declare any conflict of interest at this time. None were declared.

3. No Delegation

4. Confirmation of Minutes

a) Open Session Board Meeting, May 24, 2023

On a motion by Jeff Leal, seconded by Alex Bierk and carried unanimously, it was **RESOLVED** that the minutes for the May 24, 2023, Open Session Board Meeting, be confirmed and accepted on the condition that a correction is made to properly reflect Jeff Leal's attendance.

5. **Operational Reports**
   a) Report 2023-018 – CEO Update Report
   b) Report 2023-019 – 2023 Board Tour of Properties – Overview
   c) Report 2023-020 – 2023 Q1 KPI Report
   d) Report 2023-021 – 2023 Engagement Survey Results
   e) Report 2023-022 – Strategic Plan, Operational Actions for 2023/24
   f) Report 2023-023 – 2022 Annual Report

On a motion by Jeff Leal, seconded by Alex Bierk and carried unanimously, it was **RESOLVED THAT**

Report 2023-018, "CEO Update, Report 2023-019, "2023 Board Tour of Properties - Overview" be received for information purposes.

Report 2023-019, "2023 Board Tour of Properties - Overview", be received for information purposes.

Report 2023-020, "Quarterly Key Performance Indicator (KPI) Report" be received for information purposes.

Report 2023-021, "Engagement Survey Results and Next Steps", be received for information purposes.

Report 2023-022, "Strategic Plan 2023-24 Operational Workplans", be received for information and discussion purposes.

Report 2023-023, "2022 Annual Report", be received; and

That the 2022 Annual Report, included as Attachment A, be approved, and provided to the Shareholder at the Annual General Meeting.

6. **Committee Reports**
   a) Finance, Audit & Administrative Committee
      i. No report
   b) Governance, Human Resources & Strategy Committee
      i. No report

Will Pearson, Peterborough Currents left the meeting at 5:45 p.m.

7. **Closed Session**

8. **Report of Closed Session**

On a motion by Jeff Leal, seconded by Matthew Graham and carried unanimously, it was **RESOLVED** to move out of **OPEN SESSION** and into **CLOSED SESSION**.

On a motion by Andrew Beamer, seconded by Matthew Graham, carried unanimously, it was **RESOLVED** to move out of **CLOSED SESSION** and into **OPEN SESSION**.

9. Adjournment

With there being no further business, the June 28, 2023 Board Meeting, was adjourned on a motion by Jeff Leal, seconded by Andrew Beamer, carried unanimously at 6:30pm.

Keith Riel	Hope Lee
Chair	CEO/Board Secretary
Peterborough Housing Corporation	Peterborough Housing Corporation

Peterborough Housing Corporation 2001

Board Meeting Minutes, Peterborough Housing Corporation
Open Session

Date: Wednesday, May 24th, 2023 – 5:30PM
Location: Hunt Terraces, 555 Bonaccord Street, Peterborough, ON

Present:	Keith Riel	Chair
	Alex Bierk	Vice -Chair
	Andrew Beamer	Member
	Matthew Graham	Member
	Sheldon Laidman	Board Advisor
	Rebecca Morgan-Quin	Board Advisor
	Hope Lee	CEO, PHC/Board Secretary
	Jenna Cullon	Recording Secretary
Staff:	Travis Doak	Director of Operations
	Sondra Fitzgerald	Director of Corporate Services
Regrets:	Jeff Leal	Member

Keith Riel, Chair, PHC Board, called the meeting to order at 5:30 p.m.

1. Approval of Agenda

On a motion by Matthew Graham, seconded by Andrew Beamer and carried unanimously, it was **RESOLVED** to approve the agenda for the May 24th, PHC Board Meeting.

2. Conflict of Interest

The Chair requested that Board members declare any conflict of interest at this time. None were declared.

3. No Delegation

4. Confirmation of Minutes

a) Open Session Board Meeting, March 22, 2023

On a motion by Alex Bierk, seconded by Matthew Graham and carried unanimously, it was **RESOLVED** that the minutes for the March 22, 2023, Open Session Board Meeting, be confirmed and accepted.

5. **Operational Reports**
    a) Report 2023-013 – CEO Update Report

On a motion by Andrew Beamer, seconded by Matthew Graham and carried unanimously

RESOLVED that Report 2023-013, "CEO Update", be received for information purposes.

6. **Financial Reports**
    a) Report 2023-014 – 2023 Q1 Operating & Capital Results (Jan-Mar)
    b) Report 2023-015 – 2023 Q1 Reporting Obligations (as at Mar 31st)

On a motion by Matthew Graham, seconded by Andrew Beamer and carried unanimously

RESOLVED that Report 2023-014, "2023 Q1 Operating & Capital Results", be received for information purposes;

RESOLVED that Report 2023-015, "Reporting Obligations", be received for information.

7. **Committee Reports**
    a) Finance, Audit & Administrative Committee
        i. Report 2023-016 – 2022 Financial Statements & Investment Report

On a motion by Alex Bierk, seconded by Andrew Beamer and carried unanimously

RESOLVED that Report 2023-016, "2022 Audited Financial Statements and Investment Report", be received.

That the 2022 Audited Financial Statements, detailed in Attachment A, be approved; and

That the 2022 Investment Report, detailed in Attachment B, be received for information purposes.

    b) Governance, Human Resources & Strategy Committee
        i. No report

8. **Closed Session**

9. **Report of Closed Session**

On a motion by Alex Bierk, seconded by Matthew Graham and carried unanimously, it was **RESOLVED** to move out of **OPEN SESSION** and into **CLOSED SESSION**.

On a motion by Matthew Graham, seconded by Alex Bierk, carried unanimously, it was **RESOLVED** to move out of **CLOSED SESSION** and into **OPEN SESSION**.

10. Adjournment

With there being no further business, the May 24, 2023 Board Meeting, was adjourned on a motion by Matthew Graham, seconded by Andrew Beamer, carried unanimously at 6:30pm.

Keith Riel	Hope Lee
Chair	CEO/Board Secretary
Peterborough Housing Corporation	Peterborough Housing Corporation

Peterborough Housing Corporation

Report 2023-028

Meeting Date: September 12, 2023

Meeting Time: 5:30 p.m.

Meeting Place: Hunt Terraces, Meeting Room #112,
555 Bonaccord Street, Peterborough

Subject: 2023 Q2 Operating Results

Author Name and Title: Sondra Fitzgerald, Director, Corporate Services

---

Recommendation(s):

Resolved That Report 2023-028, "2023 Q2 Operating Results", be received for information purposes.

Sondra Fitzgerald

Director, Corporate Services

Background:

This report represents the second quarter results for Peterborough Housing Corporation (PHC). This includes Community Housing, Anishnawbe, Affordable Housing Portfolio, Spruce Corners and Sunshine Homes. Attachments A, B, C, D and E to this report provides the operating activity for these portfolios.

Rationale:

This report reviews the first two quarters operating results of the Corporation. At the end of the second quarter of 2022, the expenditures should represent approximately 50% of the total annual budgeted amounts. While some items are over/under, on average, the overall expenditures represent 50.5% of the annual budgeted amounts for the first quarter.

Other Alternatives Considered:

None.

Alignment to Strategic Priority Areas

This report aligns with the strategic focus of the following commitment within the Strategic Plan:

Serving our Clients & Community

Our core business practices will ensure PHC is strong and sustainable for years to come. This includes maintaining the highest financial and resource management.

Financial Considerations:

This is an information report only and provides explanations on the variances between the actual and budgeted figures for the period ending June 30, 2023.

Consultations:

None

Attachments:

Attachment “A”–PHC–Community Housing Operating Results at June 30, 2023

Attachment “B”–PHC–Anishnawbe Operating Results at June 30, 2023

Attachment “C”–PHC–Affordable Housing Portfolio Results at June 30, 2023

Attachment “D”–PHC–Spruce Corners Results at June 30, 2023

Attachment “E”–PHC–Sunshine Homes Results at June 30, 2023

Attachment “A” Note Explanations

1. Total Revenue from Operations is $110,600 higher than budgeted due to higher than anticipated tenant charges ($55,800), investment, and interest income ($134,000). However, this is offset by rental revenue being under budget by $50,800 which is directly related to declining RGI rents with tenants having lower income. Note that the tenant charges relate primarily to maintenance and move out charges which will likely be written off. PHC still continues collection efforts and former tenants are placed on the Provincial Arrears Database.

2. Total Subsidies are $70,500 less than budgeted as we are underspent in Rent Supplement. The Rent Supplement administration will transition to the Service Manager in March 2024. As the program is under review, there have been no additional rent supplement units added under the current programs.

3. Salaries, Wages and Benefits are showing $74,300 over budget to date, with the offset by the subsidy received of $40,000 for the Housing Support worker, which is included in the subsidy line. This budget line also includes an accrual for staff vacation time of $56,000. For the first part of the year, it is higher as staff have not taken a significant amount of vacation and they are also utilizing 2022 vacation time carried over.

4. Materials and Services are $189,800 over budget to date and $161,100 higher than in 2022. In general, due to inflationary pressures, PHC is experiencing increased costs in all areas to maintain our portfolio. Operationally, the primary areas that are impacted are:

   - Move Out Repairs $17,100
   - Window Maintenance/Repair $13,300
   - Biohazard Remediation $26,400
   - Pest Control $ 8,800
   - Snow Removal $97,000
   - Electrical $13,100
   - Life Safety Systems $21,900
   - Plumbing $ 9,800

These are offset by other costs that are under budget to date;

- Roofing $12,100
- Elevators $ 5,900
- Equipment $ 3,500
- Heating & Ventilation $ 7,600

Staff continue to monitor costs closely to the overall budget and investigating potential savings where possible. In addition, once the full complement of weekend staff is in place, it is expected to see cost savings by having staff complete work instead of contractors.

5. Utilities are under budget by $94,900 which can primarily be attributed to the Provincial electricity rebate programs. It is expected that the rebate program will continue for the foreseeable future.

6. The Capital Fund is showing a surplus of $223,100. This is due to the timing of planned capital projects being completed. We have experienced staff turnover which has impacted this timing. Projects are now being rolled out and planned funds will be committed throughout the remainder of the year.

Attachment "B" Note Explanations

1. Total Revenue from Operations is lower than budgeted by $3,300 due to vacancy for a unit turnover that was in extremely poor condition.

2. Services are $2,200 over budget. This can be attributed to the change in how the allocation of administrative costs are done.

3. Materials and Services are $15,600 over budget. This can be directly attributed to refurbishment costs associated a unit turnover that was in extremely poor condition requiring extensive work.

Attachment "C" Note Explanations

1. Total Revenue from Operations is lower than budgeted by $637,400. This can be directly attributed to rental vacancy loss in the residential units and an over estimation of commercial room rental revenue at Hunt Terraces. When the budget was prepared, it was anticipated that we would be fully occupied by March 1, 2023. Due to unforeseen construction delays and working with community partners through the initial selection process has delayed occupancy. The forecasted vacancy loss for the year is $678,700. This vacancy loss will be offset by the use of the Rent Supplement Reserve (just over $700,000) which was approved by the City. PHC has

been working closely with the City and community partners and it is anticipated that the building will be fully occupied by the end of 2023.

2. Other Revenue is over budget which can be directly attributed to one time funding of $125,000 received from the City for the purchase of furniture and fixtures at Hunt Terraces.

3. Services are $66,700 over budget. This can primarily be attributed to the marketing costs and food services costs at Hunt Terraces. PHC contracted Stoneguide Realty to assist with the lease up of the market units; this was not reflected in the 2023 budget as this decision was made after the budget process. In addition, due to the slower than anticipated occupancy, PHC has a fee for service contract with Nutra Foods until the building is fully occupied at which time the contract will change to a profit/loss model. PHC also had appraisals done for properties that either did not have one or the existing appraisal was outdated.

4. Materials and Services are $181,000 over budget to date. As noted above, in general, due to inflationary pressures, PHC is also experiencing increased costs in all areas to maintain our Affordable Housing portfolio. Operationally, the primary areas impacted are:

• Flooring repairs	$ 7,900
• Window maintenance	$10,000
• Locksmithing (Hunt Terraces	$ 7,500
• Elevators (Anson House)	$23,000
• Equipment Repair	$16,855
• Disability modifications	$ 4,200
• Heating and Ventilation	$ 5,600
• Grounds Maintenance	$ 8,600
• Snow Removal	$97,000
• Life Safety (deficiencies)	$16,900

Staff continue to monitor costs closely to the overall budget and investigating potential savings where possible. In addition, once the full complement of weekend staff is in place, it is expected to see cost savings by having staff complete some of the work instead of contractors.

5. Major Costs are under budget by $448,000. This can be attributed to the fact that the mortgages for Malcolm Court and Hunt Terraces were not finalized by the end of the second quarter while the budget reflects mortgage payments for both properties. The mortgages were finalized in August.

6. Reserve allocation is under budget by $25,000. This can be attributed to reserves being established in the 2023 budget process for new and existing properties that did not have a reserve allocation. These will be set up and funded as budgeted.

7. Capital Expenditures represents the purchase of furniture and equipment for Hunt Terraces funded by the City as noted above.

Attachment “D” Note Explanations

1. Total Revenue from Operations is under budget by $5,900. This can be attributed to vacancy loss and lower than anticipated rental and meal revenue. It has been a challenge at times to find residents that meet the criteria for Spruce Corners.
2. Total subsidies are over budget by $16,300. This can be attributed to the one-time lump sum reserve allocation from the Ministry of Health.

3. Materials and Services are over budget by $9,500. This can be attributed to costs associated with repairing the generator and higher than anticipated snow removal costs associated with the renewal of the snow contract.

4. The reserve allocation is over budget by $17,000. PHC received a one-time lump sum reserve allocation from the Ministry of Health for the 2023-2024 fiscal year.

Attachment “E” Note Explanations

1. Total Revenue from Operations is higher than budgeted by $38,135 due to higher than anticipated rental revenue and chargebacks of $5,900 which will likely be written off.

2. Materials and Services overall are on budget to date. Staff continue to monitor costs closely to the overall budget and investigating potential savings where possible. In addition, once the full complement of weekend staff is in place, it is expected to see cost savings by having staff complete work instead of contractors.

3. Utilities are $2,500 over budget. This can primarily be attributed to water costs. Tenants are responsible for their own utilities in this community. However, if they default on their water bill and Peterborough Utilities is unable to collect, PHC as the landlord is responsible for these costs. We then charge this cost back to the tenant and Resident Services works with

the tenant on a repayment plan. These costs would be offset by recoveries.

4. Reserve expenditures are comprised of flooring, mold abatement, and appliance replacement.

PETERBOROUGH HOUSING CORPORATION-FINANCIAL REPORT - PERIOD ENDING JUNE 30, 2023

	PTD Actual	PTD Budget	Capital-YTD	Rent Supplement YTD (1)	2023 Operating YTD	2022 Operating YTD	Total All Funds YTD Actual	YTD Budget	Year-to-Date Variance	Annual Budget	% YTD Budget Recd/Spent
REVENUE											**JUNE 50%**
TOTAL REVENUE FROM OPERATIONS	2,425,824	2,315,235			2,425,824	2,248,638	2,425,824	2,315,235	110,589	4,630,469	52.39%
TOTAL SUBSIDIES	2,611,427	2,721,498	451,239	651,939	1,508,249	1,500,360	2,611,427	2,681,988	-70,560	5,442,995	47.98%
TOTAL REVENUE	5,037,251	5,036,732	451,239	651,939	3,934,073	3,748,998	5,037,251	4,997,222	40,029	10,073,464	**50.01%**
EXPENSES											
TOTAL CORPORATE COSTS - Net of Amortization	8,687	8,710			8,687	7,125	8,687	8,710	23	17,420	**49.87%**
SALARIES & WAGES	834,842	695,455			834,842	789,960	834,842	695,455	-139,387	1,390,911	60.02%
EMPLOYEE BENEFITS	251,528	276,452			251,528	228,012	251,528	276,452	24,924	552,903	45.49%
TOTAL SALARIES,WAGES & BENEFITS	1,086,370	971,907			1,086,370	1,017,972	1,086,370	971,907	-114,463	1,943,814	**55.89%**
TOTAL TRANSPORTATION/COMMUNICATION	49,053	47,350			49,053	39,530	49,053	47,350	-1,703	94,700	**51.80%**
TOTAL SERVICES	249,930	245,915			249,930	241,349	249,930	245,915	-4,014	491,831	**50.82%**
TOTAL SUPPLIES & EQUIPMENT	78,776	80,450			78,776	53,656	78,776	80,450	1,674	160,900	**48.96%**
Current Year Capital Costs	211,590	451,239	228,090				228,090	451,239	223,149		
TOTAL CAPITAL COSTS	211,590	451,239	228,090				228,090	451,239	223,149	902,477	Current Year Budget
Capital Asset additions					0	0	0				
TOTAL OPERATING MATERIALS & SERVICES	944,461	716,117			905,961	744,815	905,961	716,117	-189,845	1,373,900	**65.94%**
TOTAL UTILITIES	874,085	968,982			874,085	886,220	874,085	968,982	94,897	1,742,866	**50.15%**
TOTAL MAJOR COSTS (Property Taxes, Interest)	818,534	826,487			818,534	819,712	818,534	826,487	7,952	1,652,973	**49.52%**
Regular Rent Supplement	440,014	512,748		440,014			440,014	512,748	72,734	1,025,496	**42.91%**
Strong Communities Rent Supplement	158,446	168,300		158,446			158,446	168,300	9,854	336,600	**47.07%**
IAH Rent Supplement	46,211	47,736		46,211			46,211	47,736	1,525	95,472	**48.40%**
Flood Rent Supplement	12,309	12,155		12,309			12,309	12,155	-155	24,309	**50.64%**
TOTAL RENT SUPPLEMENT PROGRAM	656,980	740,939		656,980			656,980	740,939	83,958	1,481,877	**44.33%**
TOTAL EXPENSES	4,978,466	5,058,095	228,090	656,980	4,071,396	3,810,379	4,956,466	5,058,095	101,628	9,862,758	**50.25%**
TOTAL NET PROFIT/(LOSS) BEFORE UNDERNOTED ITEMS:			**223,149**	**-5,041**	**-137,323**	**-61,381**	**80,785**				
Grants Other							**174,997**				
Proceeds on property sales							**367,986**				
Amortization - net					**-59,135**	**-63,308**	**-59,135**				
TOTAL NET PROFIT/(LOSS)			**223,149**	**-5,041**	**-196,458**	**-124,689**	**564,632**				
2023 Opening Reserves (per financial statements)			**3,925,950**	**1,909,923**	**45,869**		**5,881,742**				
Reserve JUNE 2023			**4,149,099**	**1,904,882**	**-150,589**		**5,962,527**				

Legend

- **On/under budget**
- **Slightly over budget**
- **Over budget - watch closely**
- **Action Required**
- **Over budget with explanation**
- **Under/On budget but YTD budget higher than target %**

(1) Includes Regular Rent Supplement, Strong Communities Rent Supplement, Flood Rent Supplement, and IAH Rent Supplement

Reserve - Opening Capital Uncommitted	3,925,950
Current Year Budget to Date unspent (overspent):	223,149
Capital Reserve MARCH 2022	4,149,099

PETERBOROUGH HOUSING CORPORATION ANISHNAWBE
FINANCIAL REPORT FOR THE PERIOD ENDING JUNE 30, 2023

	ANISHNAWBE	
	PTD Actual	**PTD Budget**
REVENUE		
TOTAL REVENUE FROM OPERATIONS	16,459	20,000
SUBSIDIES	37,500	38,063
TOTAL REVENUE	53,959	58,063
EXPENSES		
SALARIES & WAGES	2,917	4,051
EMPLOYEE BENEFITS	822	800
TOTAL SALARIES,WAGES & BENEFITS	3,739	4,851
TOTAL SERVICES	4,562	2,294
TOTAL MATERIALS & SERVICES OPERATING	27,959	12,400
TOTAL UTILITIES	9,484	10,250
TOTAL MAJOR COSTS	24,225	23,885
TOTAL EXPENSES	69,969	53,680
TOTAL NET PROFIT (LOSS) BEFORE UNDERNOTED ITEMS	**-16,011**	**4,383**
Amortization	**4,938**	**4,938**
NET PROFIT FROM OPERATIONS	**-11,073**	**9,321**
Reserve/Capital Allocation	7,500	7,613
SURPLUS (DEFICIT) AFTER RESERVE/CAPITAL ALLOCATION	-18,573	1,708
Reserve Expenditures - Furnace	2,573	-

PETERBOROUGH HOUSING CORPORATION AHP PROPERTIES - FINANCIAL REPORT
PERIOD ENDING JUNE 30, 2023

	ALL AHP PROPERTIES	
	YTD Actual	YTD Budget
REVENUE		
TOTAL REVENUE FROM OPERATIONS	1,668,869	2,306,227
OTHER REVENUE	137,771	26,796
TOTAL REVENUE	1,806,639	2,333,023
EXPENSES		
CORPORATE COSTS	6,427	7,765
SALARIES,WAGES & BENEFITS	432,285	430,745
TRANSPORTATION/COMMUNICATION	5,312	5,806
SERVICES	202,059	123,507
SUPPLIES & EQUIPMENT	6,520	2,284
OPERATING MATERIALS & SERVICES	497,009	315,797
UTILITIES	328,331	351,430
MAJOR COSTS	1,398,648	1,846,189
TOTAL EXPENSES	2,876,591	3,083,523
TOTAL NET PROFIT/(LOSS) BEFORE UNDERNOTED ITEMS:	**-1,069,951**	**-750,500**
Amortization - net	**708,003**	**708,002**
TOTAL NET PROFIT/(LOSS) FROM OPERATIONS	**-361,949**	**-42,498**
Reserve Allocation	28,560	53,549
SURPLUS/(DEFICIT) AFTER RESERVE ALLOCATION	-390,509	-96,048
Capital Expenditures	130,925	-

PETERBOROUGH HOUSING CORPORATION SPRUCE CORNERS SUPPORTIVE HOUSING
FINANCIAL REPORT FOR THE PERIOD ENDING JUNE 30, 2023

	Spruce Corners	
	PTD Actual	PTD Budget
REVENUE		
TOTAL REVENUE FROM OPERATIONS	38,795	44,705
SUBSIDIES	44,639	28,386
TOTAL REVENUE	83,434	73,091
EXPENSES		
TOTAL CORPORATE COSTS	24	38
SALARIES & WAGES	10,496	10,072
EMPLOYEE BENEFITS	2,326	2,516
TOTAL SALARIES,WAGES & BENEFITS	12,822	12,588
TOTAL TRANSPORTATION/COMMUNICATION	417	455
TOTAL SERVICES	19,921	20,867
TOTAL MATERIALS & SERVICES OPERATING	23,917	14,462
TOTAL UTILITIES	7,657	7,519
TOTAL MAJOR COSTS	26,536	26,606
TOTAL EXPENSES	91,295	82,534
TOTAL NET PROFIT (LOSS) BEFORE UNDERNOTED ITEMS	-7,861	-9,443
Amortization	10,816	10,816
NET PROFIT (LOSS) FROM OPERATIONS	2,955	1,373
Reserve Allocation	17,860	860
SURPLUS (DEFICIT) AFTER RESERVE ALLOCATION	-14,905	. 513
Reserve Expenditures	-	-

PETERBOROUGH HOUSING CORPORATION SUNSHINE HOMES

FINANCIAL REPORT FOR THE PERIOD ENDING JUNE 30, 2023

	Sunshine Homes	
	PTD Actual	**PTD Budget**
REVENUE		
TOTAL REVENUE FROM OPERATIONS	310,936	266,580
SUBSIDIES	375,876	375,877
TOTAL REVENUE	686,812	642,457
EXPENSES		
TOTAL CORPORATE COSTS	96	240
SALARIES & WAGES	64,172	83,256
EMPLOYEE BENEFITS	18,091	23,472
TOTAL SALARIES,WAGES & BENEFITS	82,262	106,728
TOTAL TRANSPORTATION/COMMUNICATION	337	-
TOTAL SERVICES	18,967	28,974
TOTAL SUPPLIES & EQUIPMENT	2,141	-
TOTAL MATERIALS & SERVICES OPERATING	87,667	86,508
TOTAL UTILITIES	16,400	13,926
TOTAL MAJOR COSTS	428,535	431,590
TOTAL EXPENSES	636,405	667,966
TOTAL NET PROFIT (LOSS) BEFORE UNDERNOTED ITEMS	50,407	-25,509
Amortization	61,690	61,690
NET PROFIT (LOSS) FROM OPERATIONS	112,098	36,181
Reserve Allocation	42,786	42,786
SURPLUS (DEFICIT) AFTER RESERVE ALLOCATION	69,312	-6,605
Reserve Expenditures	**25,491**	**-**

Reserve expenditures include flooring, appliances mould abatement

Peterborough Housing Corporation

Report 2023-029

Meeting Date: September 12, 2023

Meeting Time: 5:30 p.m.

Meeting Place: Hunt Terraces, Meeting Room #112,
555 Bonaccord Street, Peterborough

Subject: Reporting Obligations

Author Name and Title: Sondra Fitzgerald, Director Corporate Services

Recommendation(s):

Resolved That Report 2023-029, "Reporting Obligations", be received for information.

Sondra Fitzgerald

Director, Corporate Services

Background:

Peterborough Housing Corporation (PHC) is required to meet certain statutory financial obligations. This report represents the required statutory financial reporting obligations for PHC.

Rationale:

This report confirms to the Board that PHC is meeting all its' statutory financial reporting obligations.

Other Alternatives Considered:

Not Applicable

Alignment to Strategic Priority Areas

This report aligns with the strategic focus of the following commitment within the Strategic Plan:

Serving our Clients & Community

Our core business practices will ensure PHC is strong and sustainable for years to come. This includes maintaining the highest financial and resource management.

Financial Considerations:

This is an information report only and provides confirmation of statutory financial reporting obligations.

Consultations:

None

Attachments:

Attachment A: Reporting Obligations

To the Board of Directors:

We confirm that as at September 6, 2023, the following reporting obligations have been met.

Director's Liability & Property Insurance: Insurance approved, pending receipt of invoice
(Policy covers the period of November 1, 2022 – November 30, 2023)

Remittance Date: October 20, 2022 Paid ✔

Group Benefits Insurance:

Remittance Date: September 1, 2023 Paid ✔

Harmonized Sales Taxes:

Remittance Date: August 24, 2023 Filed ✔

Property Taxes:

Remittance Date: July 31, 2023 Paid ✔
(Next Remittance Date – September 29, 2023)

Payroll (including source deductions of CPP, EI, Income Tax, EHT):

Transmission Date to RBC: August 25, 2023 PP#18, 2023 Transmitted ✔
Using Easypay Payroll System (Covering up to August 30, 2023)

WSIB: No regular filing required as PHC is a Schedule 2 employer. Invoices paid as received.

OMERS:

Remittance Date: August 21, 2023 (Online Payment Release Date) Paid ✔
(Covering up to July 19, 2023)

Union Dues:

Remittance Date: August 24, 2023 Paid ✔
(Covering up to August 2, 2023)

Sondra Fitzgerald September 6, 2023

Per: Sondra Fitzgerald ***Date***
Director, Corporate Services

Office Suite, 526 McDonnel Street, Peterborough, Ontario K9H 0A6
Tel: (705) 742-0439 Fax: (705) 742-1404

Peterborough Housing Corporation

Report 2023-027

Meeting Date: September 12, 2023

Meeting Time: 5:30 p.m.

Meeting Place: Hunt Terraces, Meeting Room #112
555 Bonaccord Street, Peterborough

Subject: Proposed 2024 Operating & Capital Budget – Entire Portfolio

Author Name and Title: Hope Lee, CEO

Recommendation(s):

Resolved That Report 2023-027, "Proposed 2024 Operating & Capital Budget", be received;

That the following recommendations of the Governance, Human Resources, and Strategy Committee, are adopted by the Board:

> **That** the CEO be directed to recommend the proposed portfolio-based model, outlined in Report FAA-001 to the City;
>
> **That** the proposed model to maximize revenue, outlined in Report FAA-001 is implemented;
>
> **That** staff are authorized to draw down capital reserves to an upset limit of $3,450,000 in order to maximize CMHC capital funding, outlined in Report FAA-001; and
>
> **That** the 2024 operating & capital budget, outlined in Report FAA-001 is approved.

That the CEO is directed to request operating subsidy in the amount of $**$3,857,269** in order to support the 2024 portfolio based model and capital subsidy in the amount of **$2,044,780** from the City to maximize CMHC capital funding; and

That the CEO reports back to the Board with any 2024 operating or capital budget amendments based on the City approvals.

Hope Lee

Chief Executive Officer

Background:

Moving towards a portfolio-based budget:

PHC's housing stock falls within one of the following program areas, each of which have separate budgets and different funding models. In addition, PHC has been administering various rent supplement programs on the City's behalf.

Table 1

Program Area	Number of Units	Funding Model
Community Housing (formerly referred to as Social Housing)	773	City is legislated to provide sufficient funding to maintain the housing projects in a satisfactory state of repair and fit for occupancy and to make the units available to eligible households
Sunshine Homes	110	City is legislated provide a subsidy as determined using the formula set out in the Housing Services Act.
Anishnawbe	5	City is legislated provide a subsidy as determined using the formula set out in the Housing Services Act.
Spruce Corners	8	Funded through the Ministry of Health (MOH) based on a funding formula.
Affordable Housing	369	There is no requirement for the City to provide funding. There is an expectation that the projects will be self-sustaining.

During the 2023 budget process, the CEO recommended that for 2024, PHC move towards a portfolio budget process. This would allow all program budgets to happen simultaneously and together. In the past, staff created and presented budgets separately to the Board based on the program areas in Table 1. Working with a portfolio budget would provide for efficiencies, consistency between properties and assist PHC and the City to understand PHC overall. PHC's financial system would still provide the ability to pull individual property or program data for reporting purposes.

Spruce Corners is and will continue to be separated from the balance of the portfolio. This project is funded by the MOH, using a provincial formula. It is not reliant on municipal subsidy and PHC will continue to ensure it remains this way.

PHC and the City are in the process of transferring administration of the rent supplement programs to the City as of March 31st, 2024 (communicated to the Board in May through Report 2023-017). The revenue and expenses for the rent supplement program will become part of the portfolio-based budget, for the first quarter of 2024 at which time it will transfer and will no longer be part of PHC's budget.

A detailed review of all revenue and expense lines has been completed by PHC staff in order to propose a base subsidy amount for this portfolio model. The subsidy amount is based on the combined needs of each property, no matter which program area they are currently identified under. The intention is that the City would apply a percentage increase to the base subsidy annually, as part of its budget process. PHC would manage any overall surplus or deficits internally either increasing or drawing down its operating reserve. Both parties will know what to expect year over year from each other.

In addition to the detailed review to establish the base subsidy, staff have completed future year forecasting to identify any potential impacts from the proposed model. Increases to both revenues and expenses have been applied. Table 2 illustrates the subsidy amount required per year and the amount of subsidy anticipated by the City (2024 base amount plus annual increase). The forecast shows that year over year there is a surplus generated with a 1.5% increase.

Table 2

	2024	2025	2026	2027	2028	2029
Subsidy Amount (based on need)	$3,854,799	$3,896,456	$3,843,094	$3,856,132	$3,804,108	$3,782,050
2024 Base Subsidy (+1.5% 2025-29)	$3,857,269	$3,915,128	$3,973,855	$4,033,463	$4,093,965	$4,155,374
Annual Surplus/Deficit	$2,470	$18,672	$130,761	$177,331	$289,857	$373,324

PHC would be managing overall surplus and deficits internally through an operating reserve. That reserve would be established initially using PHC's accumulated surplus. The majority of this surplus was accumulated from the affordable housing properties as a result of allocations of staff wages and capital reserve allocations being understated over several years. The surplus was reported in the 2021 financial statements to be $2.3 million. In 2022 it was reduced to $1.7 million to offset deficits in the affordable housing properties. Another reduction is anticipated in 2023, again attributed to offsetting deficits in the affordable housing portfolio. Based on a portfolio-based budget and subsidy, the accumulated surplus should start to increase year over year as illustrated in Table 3 (based on the forecasted model shown in Table 2).

Table 3

2022 Ending Balance	2023 Ending Balance	2024 Ending Balance	2025 Ending Balance	2026 Ending Balance	2027 Ending Balance	2028 Ending Balance	2029 Ending Balance
$1,776,500	$1,341,375	$1,341,375	$1,305,047	$1,380,258	$1,501,206	$1,733,833	$2,049,070

<u>Preparing affordable housing properties to transfer to the Peterborough Housing Municipal Services Corporation (PHMSC)</u>

In 2021 the City recommended the creation of a Municipal Services Corporation (MSC) which would hold new affordable housing assets relieving the debt from the City. The PHMSC's first assets were intended to be PHC's newer affordable housing properties, particularly its newest property on Bonaccord, since these properties had debt which was consolidated into the City due to the fact that the City is PHC's shareholder. It was anticipated that these assets would also assist the new PHMSC to secure further financing to use for new developments.

A more detailed analysis of PHC's affordable properties and the exercise of securing financing for Bonaccord revealed that:

1. Transferring PHC's affordable housing properties more immediately wasn't an option (as explained below); and
2. Given its new standing, PHMSC wasn't able to secure financing.

The existing debt attached to PHC's affordable properties include terms and conditions that limit paying it out before a renewal or maturity as well as the option to transfer. In both cases, the terms and conditions would need to be amended, at the sole discretion of RBC, and fees/charges would apply. This makes the next renewal point, the best option to explore a transfer. As the renewal point is approaching for a property, it will be critical for the City to assist or undertake the refinancing process in order to ensure every option is explored to maximize the potential for transfer to the MSC. For example, the City assisted more recently with 553 Bonaccord, securing an IO debenture which is a flexible financing tool with the ability to pay off early without penalties and is not registered on title of any specific property. In most cases, the municipality is also able to achieve lower interest rates. Table 4 provides a summary of renewal dates. Some properties have more than one mortgage and in most cases, there is still a remaining balance that will need to be refinanced.

Table 4					
Property	**Outstanding Amount (Sept 2023)**	**Interest Rate**	**Next Renewal Date**	**Amount Left to Finance at Renewal**	**Maturity Date**
Woollen Mill	$1,643,545	3.01%	July 2027	$983,195	July 2032
River Ridge	$1,086,849	2.19%	April 2026	$736,577	April 2031
Anson House (1st mtg)	$1,356,025	2.89%	June 2031	$1,185,977	June 2061
Anson House (2nd mtg)	$345,556	2.91%	April 2026	$309,999	March 2043
Saunders Court (1st mtg)	$1,564,644	2.98%	June 2031	$1,368,435	June 2061
Saunders Court (2nd mtg)	$422,544	2.91%	April 2026	$389,577	April 2043
Saunders Court (3rd mtg)	$714,280	2.78%	Sept 2031	$0	Sept 2031
Trailview Terrace (1st mtg)	$2,440,268	5.46%	June 2045	$0	June 2045
Trailview Terrace (2nd mtg)	$882,936	3.22%	Jan 2030	$0	Jan 2030
Bradburn House	$647,537	2.64%	Oct 2026	$514,306	Oct 2036
Home Grown Homes – Antrim	$156,069	2.99%	Aug 2026	$136,021	Aug 2041
Home Grown Homes - Edinburg	$331,819	2.99%	Aug 2026	$289,073	Aug 2041
Gerow Place	$3,657,520	2.75%	April 2027	$3,456,261	April 2062
Malcolm Court	$6,500,000	4.69%	Aug 2053	$0	Aug 2053
Hunt Terraces	$19,090,900	3.84%	Aug 2033	$17,540,255	Aug 2073

Maximizing revenue while balancing the needs of the business with the needs of the customer

While PHC provides the majority of its housing for low to modest income households it must balance keeping those rents affordable to its households while respecting its business needs and the limitations of its funder. PHC's primary funder is the City which in turn relies on taxpayers and a relatively low tax base. PHC must ensure it is efficient, prudent and that it also maximizes it revenues where it is able to do so.

In 2023 as part of the budget process, the Board approved increases to its community housing units including an annual process of:

1. Ensuring the maximum rent for a unit is 100% of the CMHC average market rent for the service area; and
2. Ensuring the annual rental guideline increase is applied.

As part of the detailed review of the affordable housing properties, maximizing rents starting in 2024 is recommended. These properties were built under funding programs which set rents at 80% of the CMHC average market rent. However, most of the properties have units with rent below 80%. This is challenging these properties as they do not have sufficient revenue to offset expenses, which is the expectation under the affordable housing model.

Table 5 provides a summary.

Table 5										
	Woollen Mill	**River Ridge**	**Anson House**	**Saunders Court**	**Trailview Terrace**	**Bradburn House**	**Home Grown Homes**	**Gerow Place**	**Malcolm Court**	**Hunt Terraces**
2023 AMR	74%	87%	74%	60%	59%	64%	71%	76%	72%	134%

PHC has limited options to work towards maximizing these revenues based on requirements within the Residential Tenancies Act. Rent control limits the ability to increase rents in units built before Nov 15, 2018, to:

1. As the unit vacates; and
2. The annual rent guideline increase

It is estimated that it could take as long as 10 years to bring most buildings to an 80% average based on increases at turnover and applying the annual guideline increase.

Gerow and Malcolm are exempt from rent control as they were built after November 15th, 2018. Maximizing rents in these two buildings could be done in less than 5 years. Gerow has an added advantage as 12 of its 24 units are full market and therefore could increase to 100% of AMR (or more). In order to minimize impacts on the tenants, the increases would be phased in. Table 6 illustrates how the increase would be phased, the financial impact to the tenant and additional revenue to PHC.

Table 6							
Gerow Place - Havelock							
	Current Average Rent	**Maximum Rent based CMHC**	**Monthly Increase ($)**	**Monthly Increase (%)**	**Phased In Period**	**Phase in Monthly Increase for Tenant**	**Additional Annual Income for PHC each Phase in Year**
One bedroom affordable (12 units)	$774	$872	$98	13%	2 years	$49	$7,056
One bedroom market (12 units)	$910	$1,090	$180	20%	4 years	$45	$6,480
							$13,536
Malcolm Court – 553 Bonaccord							
	Current Average Rent	**Maximum Rent based CMHC**	**Monthly Increase ($)**	**Monthly Increase (%)**	**Phased In Period**	**Phase in Monthly Increase for Tenant**	**Additional Annual Income for PHC each Phase in Year**
Bachelor (2 units)	$635	$698	$63	10%	1 year	$63	$1,512
One bedroom (14 units)	$763	$872	$109	$14%	2 years	$54.50	$9,156
Two bedroom (7 units)	$893	$1,071	$178	20%	3 years	$59.33	$4,983
Two bedroom (4 units)	$915	$1,071	$156	17%	3 years	$52	$2,496
Three bedroom (3 units)	$1,097	$1,214	$117	11%	2 years	$58.50	$2,106
							$20,253

If these increases are not implemented, additional subsidy will be required.

Maximizing Canada Mortgage and Housing Corporation (CMHC) capital funding

At its September 2022 meeting, the Board adopted a five-year capital plan based on the needs of the portfolio. Up to this point in time, PHC completed capital projects based on the level of capital subsidy the City provided annually and the availability of capital reserves. The November report identified an increase in the City's capital subsidy to meet the actual capital needs. A direction of that report included staff working with the City to increase the investment allocation. Shortly after this plan was adopted, CMHC approached PHC with a funding opportunity which included a quick turnaround time to apply. The funding provided 30 cents on the dollar for eligible capital projects (energy efficiency and accessibility) completed over a three-year time period ending March 31, 2026. PHC applied and received grant funding in the amount of $3.45M. The funding will allow PHC to accelerate projects from the 5-year plan to maximize the funding. It will also require PHC to contribute a significant amount of its capital reserve and for the City to increase its investment allocation for 2024/2025. If the City is unable to increase its investment allocation, PHC will not be able to fully utilize the $3.45M in CMHC funding.

Table 7 illustrates the level of investments from PHC and the City required to maximize the entire amount of CMHC funding. It assumes that the City is able to double their regular annual investment ($902,477 for 2023). It also assumes that PHC will draw down its capital reserves significantly, leaving approximately $500,000 at the end of the 3 years.

Table 7 – Maximizing CMHC Funding				
	2024	**2025**	**2026**	**Total**
Capital Cost based on Need	$5,921,114	$4,823,329	$1,154,802	$11,899,245
PHC Contribution from Reserves	$2,100,000	$1,350,000	$0	$3,450,000
CMHC Contribution (30 cents on the dollar)	$1,776,334	$1,446,999	$226,667	$3,450,000
City Subsidy Allocation	$2,044,780	$2,026,330	$928,135	$4,999,245

Table 8 assumes that the City will fund based on previous years. It includes the same draw down on PHC capital reserves and reduces the amount of CMHC funding. The capital costs have been reduced so are no longer reflective of need.

Table 8 – City Subsidy based on previous years				
	2024	**2025**	**2026**	**Total**
Capital Costs	$4,330,000	$3,300,000	$1,400,000	$9,030,000
PHC Contribution from Reserves	$2,100,000	$1,350,000	$0	$3,450,000
CMHC Contribution (30 cents on the dollar)	$1,299,000	$990,000	$420,000	$2,709,000
City Subsidy Allocation	$931,000	$960,000	$980,000	$2,871,000

Rationale:

Operating:

Table 9 provides a description of budget lines as well as an explanation of any variance. The lines and numbers correspond with those identified in Attachment A. These lines are a roll up of the majority categories.

Table 9			
Revenue			
Name	**Number**	**Description**	**Variance**
Residential Rental Income	1	Rent payments received from tenants or on behalf of tenants.	7% increase is the result of a 2.5% rent control guideline increase across all units, annual increases to bring Gerow & Malcolm to maximum rents as shown in Table 6 and maximizing rents in other affordable units upon turnover based on 10% of the portfolio
Commercial Rental Income	2	Rent payment received from commercial tenants	26% decrease is a result of the 2023 revenue for meetings rooms at 555 Bonaccord being overstated
Misc Revenue Sources	3	Combination of revenue other than rent received from tenants (parking, laundry, etc) and investment income	309% increase is a result of the revenue for meal plans at 555 Bonaccord. PHC collects this revenue from the tenants in order to pay the food services provider. The offsetting expense is found in Administrative Services.
Municipal Subsidy – Operating	4	Subsidy received from the City to assist with expenses not offset by rent or other revenue.	0% increase is a result of PHC completing a detailed review and establishing a portfolio-based subsidy. The subsidy will address the needs of the entire portfolio including the affordable housing properties. The 0% is based on the approved subsidy for 2023 for Community Housing, Sunshine Homes and Anishnawbe. The subsidy savings from the mortgage for Sunshine being paid off in early 2024 offsets the need for any additional subsidy required to address deficits in the affordable housing properties.

Table 9			
Revenue			
Name	**Number**	**Description**	**Variance**
Property Management Agreements	5	Admin fees received to manage other properties	57% decrease is the result of changes to the property management function for one organization in 2024.
Transfer To/From Operating Reserves	6	Accumulated surplus from the affordable housing properties as a result of allocations of staff wages and capital reserve allocations being understated over several years	The 100% decrease is a result of portfolio-based budgets and relying on municipal subsidy. In prior years affordable housing deficits would be recovered from this reserve.
Rent Supplement	7	PHC administers rent supplement units on behalf of the City. This is the funding that City provides PHC to pay the landlords and administer the program.	61% decrease is result of the transfer of the program to the City in Q2 2024.
Vacancy Loss	8	While vacancy loss is not a revenue it is a deduction from gross revenues in order to accurately state net revenue. Vacancy loss is the loss of revenue between when a tenant moves out and PHC is able to occupy that unit again. It is typically the time it takes to restore the unit between tenancies.	23% increase is a result of adjusting the vacancy loss for Bonaccord based on CMHC requirements
Expenses			
Name	**Number**	**Description**	**Variance**
Corporate Services	9	Includes bank service charges, NSF fees and interest on last month rent deposits	4% increase is primarily related to interest on last month rent with the addition of 85 units at Bonaccord
Salaries, Wages & Benefits	10	Includes all staff wages and benefits, including health and OMERS	17% increase is a combination of wage increases as a result of collective bargaining (phased in increase for all custodian and maintenance staff to maintain internal equity), step increases, 3% increase

Table 9			
Revenue			
Name	**Number**	**Description**	**Variance**
			for bargaining unit staff and 2% increase for non-union staff and the addition of an HR Manager position in 2023. It also includes wages and benefits for the two new weekend positions created as a result of bargaining, which is offset in Expense Line 13 (approved by the Board in November 2023)
Transportation & Communication	11	Includes all communication related charges for office phones, staff cell devices, internet, etc as well as any lines in buildings directly (enterphone, elevator, etc)	8% increase is primarily related to services for 555 Bonaccord
Administrative Services	12	Includes office rent, legal costs, audit expense, insurance, office supplies, staff development, any consultant fees, and other admin related contracts.	38% increase is primarily related to payments to the food services contact at 555 Bonaccord, the majority of which is offset in Revenue Line 3 through the payments received from tenants for the meal packages.
Building – Materials and Services	13	All day-to-day operational expenses related to maintaining the properties including the grounds, buildings, and units	9% increase is primarily related to market conditions and a general increase in costs. A reduction of contracted services as a result of introducing a weekend custodian and maintenance repair position has been incorporated.
Transfer to Capital Replacement Reserves	14	Any mandatory requirements to transfer a certain amount, typically based on percentage of revenue, to a reserve to cover future capital costs, as required through funding or financing agreements	15% increase is primarily related to the addition and requirement of a capital reserve allocation at 555 Bonaccord.

Table 9			
Revenue			
Name	**Number**	**Description**	**Variance**
Utilities	15	Includes utilities provided to the properties including hydro, gas, and water	The zero percentage increase to this line considers that PHC continues to experience savings on hydro through provincial programs, saving to gas based on our pooled program through Housing Services Corporation as well as anticipated saving as a result of energy projects possible through the CMHC capital funding
Property Tax	16	Property tax payments to the City and County	2% increase is combination of adjustments to more accurately reflect newer buildings which are now officially assessed by MPAC as well as anticipated municipal increases based on budget discussions.
Rent Supplement	17	PHC makes monthly payments to landlords. This amount is recovered through the City as shown in Revenue Line 7. This program will transfer to the City in Q2 2024.	77% decrease is based on the program transferring from PHC to the City in Q2 2024
Debt Expense	18	Principal and interest mortgage payments primarily related to the newer affordable housing properties.	10% decrease reflects adjustments to the Bonaccord estimates as well as the Sunshine mortgage being paid off in the Spring of 2024.

Other Alternatives Considered:

While PHC could continue with the status quo, reporting through various program areas, this is not recommended by staff.

Alignment to Strategic Priority Areas

This report aligns with the strategic focus of the following commitment within the Strategic Plan:

<u>Serving Our Clients and Community</u>
Finance and Resources: Maintaining the highest financial and resource management practices, to ensure that our community can rely on us for its future needs, including compliance with all legislative and code requirements.
Capital Assets: Ensuring that our asset management strategies remain current. We will plan for future enhancements to existing properties in order to increase marketability, sustainability, and energy efficiency. We will continue to make strategic and prudent investments of capital reserves.

Financial Considerations:

Staff have developed the proposed 2024 budget based on the overall needs of the portfolio for both operating and capital. An exercise in due diligence included forecasting for the next 20 years for operating and the next 3 years for capital. It ensures that PHC operates as a prudent business understanding the needs of its customers. While it strives to maximize revenues, it does so realizing the low to moderate incomes of our customers. PHC will manage expenses ensuring that there is consistency across the portfolio, that units are kept in good condition and that adequate staffing resources are present. Table 10 provides a summary of the 2024 budget.

Table 10	
Operating	
Total Net Project Revenue	$15,229,902
Total Project Expenses	$15,227,432
Capital	
Total Project Expenses	$5,921,114
Total Funding, Reserves & Subsidy	$5,921,114

<u>Operating Subsidy Request to the City</u>

Based on need and the entire portfolio, PHC would require the same operating subsidy as the City approved for 2023 in 2024 (formerly assigned to Community Housing, Sunshine & Anishnawbe) **$3,857,269**. This translates to an annual subsidy cost per unit of $3,056.

This subsidy level is based on several decision points:

- The Board and City adopts the portfolio model
- The City agrees that its subsidy can be applied to affordable housing properties
- The City continues to provide the same amount of subsidy, previously received for Sunshine Homes, even though the legislated funding model permits them to reduce subsidy when the mortgage is paid off in 2024

- The Board approves the strategy to increase rents in the affordable housing properties

Capital Subsidy Request to the City

Based on need and maximizing the CMHC funding, PHC would require **$2,044,780** in capital subsidy for 2024. This reflects an increase of $1,142,303 above the approved 2023 amount ($902,477).

If the City's approved capital subsidy is something less, it will impact the projects PHC is anticipating completing. Table 11 provides a summary of types of projects that would not be completed. Since the CMHC funding is centered around energy efficiency for the most part, each project not completed will also limit PHC's ability to reduce operating costs. This would be saving both in utility lines, but also in materials and services as day-to-day repairs on some of these elements significantly reduce.

Table 11	
Infrastructure Category	**Examples**
Mechanical	Elevators, Furnaces, Water heaters, Make Up Air Units
Electrical	Main Electrical Service and Distribution
Building Envelope	Exterior walls, windows, doors and window replacement
Exterior Property	Exterior lighting or safety

Consultations:

Director of Corporate Services, PHC
Director of Operations, PHC
Director of Social Services, City of Peterborough
Housing Manager, City of Peterborough
Corporate Financial Analyst, City of Peterborough

Attachments:

Attachment A 2024 Operating Budget Detail

Project Revenue (Per Year)	Portfolio Total							
	2023 Budget	2023 YTD (June)	2023 Variance ($)	2023 Variance (%)	2024 Budget	Budget Variance ($)	Budget Variance (%)	Table 9 Number
	Annual	Annual	Annual	Annual	Annual	Annual	Annual	
Residential Rental Income	$ 9,031,930	$ 4,013,469	$ 5,018,461	56%	$ 9,700,658	$ 668,728	7%	1
Commercial Rental Income	$ 582,392	$ 139,145	$ 443,247	76%	$ 430,741	$ (151,651)	-26%	2
Gross Rental Income	**$ 9,614,322**	**$ 4,152,614**	**$ 5,461,708**	**57%**	**$ 10,131,399**	**$ 517,077**	**5%**	
Other Sources of Revenue								
Misc Revenue Sources	$ 185,234	$ 269,974	$ (84,740)	-46%	$ 758,372	$ 573,137	309%	3
Municipal Subsidy - Operating	$ 3,857,269	$ 1,820,236	$ 2,037,033	53%	$ 3,857,269	$ -	0%	4
Property Management Agreements	$ 126,500	$ 32,083	$ 94,417	75%	$ 54,000	$ (72,500)	-57%	5
Transfer To/From Operating Reserves	$ 435,125	$ 521,468	$ (86,343)	-20%	$ -	$ (435,125)	-100%	6
Rent Supplement	$ 1,445,000	$ 753,328	$ 691,672	48%	$ 567,528	$ (877,472)	-61%	7
Gross Project Revenue	**$ 15,663,450**	**$ 7,549,703**	**$ 8,113,747**	**52%**	**$ 15,368,567**	**$ (294,883)**	**-2%**	
Minus Vacancy Loss - Residential	$ 112,610	$ 50,800	$ 61,810	55%	$ 138,666	$ 26,056	23%	8
Net Project Revenue	**$ 15,550,840**	**$ 7,498,903**	**$ 8,051,937**	**52%**	**$ 15,229,902**	**$ (320,939)**	**-2%**	
Project Expenses (per year)								
	Annual	Annual	Annual	Annual	Annual	Annual	Annual	Table 9 Number
Corporate Costs	$ 23,270	$ 9,983	$ 13,287	57%	$ 24,128	$ 858	4%	9
Salaries, Wages & Benefits	$ 3,075,731	$ 1,604,656	$ 1,471,075	48%	$ 3,603,711	$ 527,980	17%	10
Transportation & Communication	$ 110,883	$ 54,701	$ 56,182	51%	$ 119,630	$ 8,747	8%	11
Administrative Services	$ 962,265	$ 562,954	$ 399,311	41%	$ 1,323,658	$ 361,393	38%	12
Building - Materials and Services Expense	$ 2,103,200	$ 1,540,330	$ 562,870	27%	$ 2,300,221	$ 197,021	9%	13
Transfer to Capital Replacement Reserves	$ 265,850	$ 78,846	$ 187,004	70%	$ 305,719	$ 39,869	15%	14
Utilities	$ 2,477,338	$ 1,228,300	$ 1,249,038	50%	$ 2,484,382	$ 7,044	0%	15
Property Tax	$ 2,304,540	$ 1,102,484	$ 1,202,056	52%	$ 2,358,691	$ 54,151	2%	16
Rent Supplement	$ 1,481,877	$ 656,980	$ 824,897	56%	$ 335,868	$ (1,146,009)	-77%	17
Existing Debt Expense	$ 2,629,579	$ 821,388	$ 1,808,191	69%	$ 2,371,423	$ (258,156)	-10%	18
Total: Project Expenses	**$ 15,434,533**	**$ 7,660,622**	**$ 7,773,911**	**50%**	**$ 15,227,432**	**$ (207,101)**	**-1%**	
Annual Surplus (shortfall)	**$ 116,308**	**$ (161,719)**			**$ 2,470**			

Peterborough Housing Corporation

Report 2023-031

Meeting Date: September 12, 2023

Meeting Time: 5:30 P.M.

Meeting Place: Hunt Terraces, Meeting Room #112,
555 Bonaccord Street, Peterborough

Subject: Appointment of Auditors

Author Name and Title: Sondra Fitzgerald, Director Corporate Services

Recommendation(s):

Resolved That Report 2023-031, "Appointment of Auditor", be received;

That the following recommendations of the Finance, Audit and Administration Committee are adopted by the Board:

> **That** PHC appoint Baker Tilly LLP as the Corporation's auditors for the term of 2023 – 2027 based on the details provided in Report 2023-031.

Sondra Fitzgerald

Director, Corporate Services

Background:

As a requirement of PHC's Shareholder Direction, we are required to have the same auditors as our shareholder, the City. Baker Tilly KDN LLP have provided audit services to PHC since 2009.

Rationale:

The contract term for audit services ended December 31, 2022. The City issued an RFP for audit services which included PHC in the spring of 2023. As a result of this competitive process, Baker Tilly KDN LLP was reappointed as the auditors for the term of 2023-2027 with the option to extend the term for an additional 5 years, 2028-2033.

PHC will have its own contract with Baker Tilly. The fees negotiated are as follows:

2023	$30,000
2024	$30,900
2025-2027	Increase not to exceed 3%

Other Alternatives Considered:

None

Alignment to Strategic Priority Areas:

This report aligns with the strategic focus of the following commitment within the Strategic Plan:

Serving our Clients & Community

Our core business practices will ensure PHC is strong and sustainable for years to come. This includes maintaining the highest financial and resource management.

Financial Considerations:

The annual budget for 2023 and 2024 will accommodate the contracted audit fees and subsequent budgets will reflect increases that are not greater than 3%.

Consultations:

Director of Finance, City of Peterborough

Attachments:

None

Peterborough Housing Corporation

Report 2023-032

Meeting Date: September 12, 2023

Meeting Time: 5:30 p.m.

Meeting Place: Hunt Terraces, Meeting Room #112
555 Bonaccord Street, Peterborough

Subject: Hunt Terraces Update

Author Name and Title: Hope Lee, CEO

Recommendation(s):

Resolved That Report 2023-032, "Hunt Terraces Update", be received for information.

Hope Lee

Chief Executive Officer

Background:

This report provides an update on activities related to PHC's newest property, Hunt Terraces, 555 Bonaccord (555) including:

- Details of the CMHC financing, now finalized;
- Cash flow details related to vacancy loss; and
- The transfer of rent geared to income units between 555 and other community housing buildings
- Occupancy as at September 6, 2023

This information was provided and received by the Finance, Audit and Administration Committee at their meeting on September 6, 2023. Additional information, discussed or requested by the committee, has been included.

Rationale:

CMHC Financing

On August 3rd, the transaction with CMHC closed. This included a contribution amount of $736,724 and long-term financing in the amount of $19,090,900. On August 17th, $19,627,145 was received (CMHC recovered an outstanding Seed Funding loan amount). The interest rate was locked in at 3.84%, just slightly higher than anticipated (3.74%). This is 50-year financing, with the first renewal occurring in 10 years. The entire funding amount was transferred to the City in order to pay the remaining balance of the construction financing.

Cash Flow Assistance

As PHC continues to work and adjust occupancy strategies, it does experience vacancy loss. Without all units filled, there is not sufficient revenue to offset expenses, especially now with the financing in place and mortgage payments becoming a monthly expense.

In order to give PHC more time to work on occupancy strategies with various partners, the City approved a request from PHC to utilize the rent supplement reserve. This reserve has grown over the last several years as a result of underspending, particularly in rent supplement programs that were scheduled to end soon. Although PHC holds the reserve, it only administered the program for the City using funds received through the City, therefore this is really the City's reserve. The reserve balance is just over $700,000.

The City has approved PHC to draw down on this reserve until the building is fully occupied.

This will ensure that building accounts for 100% of its anticipated revenue for 2023. Table 1 illustrates the amount of vacancy loss and reserve contributions based on actuals to Q2 (to June 30) and forecasts for Q3 & Q4.

Table 1				
	Q1 & Q2 Actual*	**Q3 Actual****	**Q4 Forecast*****	**Totals**
2023 Budgeted Rent	$559,134	$279,567	$279,567	$1,118,268
2023 Rent Received	$54,051	$138,567	$246,951	$439,569
2023 Vacancy Loss	-$505,083	-$141,000	-$32,616	-$678,699
2023 Reserve Contribution	$505,083	$141,000	$32,616	$678,699
2023 Rent Revenue Shortfall	$0	$0	$0	$0
*budget anticipated occupancy starting in Feb, actual occupancy started in April				
**62% occupied				
***75% occupied in Oct, 90% in Nov, 100% in Dec				

<u>Transfer of RGI units from Community Housing properties</u>

There are 20 assisted living units which are still not occupied, primarily due to the higher rent in these units (80% of the CMHC average rent for seniors assisted housing or $2,191). This CMHC category and subsequent rent was established as initially VON and PRHC felt that some seniors would have higher incomes and would not qualify for the lower rents. These units have health dollars attached to them with services provided through VON.

Through discussions with VON, PHC and the City, it was agreed that tenants already living in PHC buildings would benefit from the amenities of a building like 555 (support services, meals, etc). VON and PHC has since identified a number of households who would be eligible.

In order to make the units affordable, realizing the identified households are in receipt of rent geared to income in their current locations, the City has approved PHC to transfer 20 units from its 100% RGI properties to 555. The units in the 100% RGI properties will become market units (based on 100% of the current CMHC AMR or $1,090) and the 20 units at 555 will have rent supplement available attached to them. The City will provide a rent supplement in the 20 units at 555. The 80% of the CMHC average rent for seniors assisted housing or $2,191 will continue to be the market rent for the units at 555 resulting in no negative implications on the financial model.

This provides several benefits:

- The transferred tenants will have access to services without any financial impact;
- The health dollars will remain at 555 as originally intended;
- The financial model for 555 is not impacted;

- PHC has the ability to start introducing market rent units into previously 100% RGI communities; and
- The City could access the market units created in the communities for the BNPL, adding them as inventory to the system and providing a housing benefit to the household

Occupancy as at September 6, 2023

Table 2 provides a summary of the unit size, rents, number & percentage assigned or occupied and the target population.

Table 2

Bedroom Size	Monthly Rent	Rent Supplement	Total No. of Units	No. of Units Assigned or Occupied as at Sept 6	Percentage of Units Assigned or Occupied as at Sept 6	Target Population
1 bedroom	$764	no	15	15	100%	PRHC - ALC patients
1 bedroom	$764	no	15	15	100%	VON - Community Wait List
1 bedroom	$2,191	yes	20	2	10%	Individuals at Brock Mission or Transferring from other PHC Properties who are also eligble for VON supports
1 bedroom	$764	no	10	10	100%	BNPL who have been transitionally housed for a period time
1 bedroom	$2,200	no	10	10	100%	open market currently marketted through Stoneguide
2 bedroom	$959	no	5	5	100%	PHC internal transfer or CWL, seniors who qualify for 2 beds and supports
2 bedroom	$2,500	no	5	1	20%	open market currently marketted through Stoneguide
2 bedroom	$2,800	no	5	3	60%	open market currently marketted through Stoneguide
			85	**61**	**72%**	

Other Alternatives Considered:

None.

Alignment to Strategic Priority Areas

This report aligns with the strategic focus of the following commitment within the Strategic Plan:

Serving Our Clients and Community
Finance and Resources: Maintaining the highest financial and resource management practices, to ensure that our community can rely on us for its future needs, including compliance with all legislative and code requirements.

Financial Considerations:

The City's assistance with cash flow and the transferring of rent geared to income through rent supplements will result in a financially viable property which will not experience any negative cash flow in 2023 and will create annual surpluses year over year.

Consultations:

None.

Attachments:

None.

Peterborough Housing Corporation

Report 2023-030

Meeting Date: September 12th, 2023

Meeting Time: 5:30 p.m.

Meeting Place: Hunt Terraces, Meeting Room #112
555 Bonaccord Street, Peterborough

Subject: Board Meetings – Regular and Closed Agenda, Minutes and Supporting Reports

Author Name and Title: Hope Lee, CEO

Recommendation(s):

Resolved That Report 2023-030, "Board Meetings – Regular and Closed Agenda, Minutes and Supporting Reports", be received; and

That based on the recommendation of the Governance, Human Resources and Strategy Committee the Board adopts meeting guidelines as outlined in this report starting immediately with the September 12th meeting including but not limited to making all open session meetings and related materials available publicly and establishing criteria for closed session items.

Hope Lee

Chief Executive Officer

Background:

PHC is a local housing corporation established by the provincial government at the time when housing responsibilities transferred to municipalities (2001). PHC is governed by the Business Corporation Act and the Housing Services Act. The Housing Services Act states that local housing corporations are not a local board of the municipality, nor are they governed by the Municipal Act. The municipality, the City of Peterborough is the sole shareholder and there is a Shareholder Direction that sets out terms and responsibilities of each party.

The legislation that governs PHC, the Shareholder Direction and Bylaws contain no requirements related to the transparency of board meetings or related documents. Until more recently, there wasn't much interest by the media and little information was provided publicly other than the annual general meeting materials which take place during a City Council meeting.

In May 2022 several amendments to the Shareholder Direction and Bylaws were recommended by the CEO. Since these amendments also considered a different board composition, all amendments including those related to board meetings were paused.

It was recommended to the Governance, HR, and Strategy Committee at their August meeting that the Board adopt meeting guidelines outside of those more official amendments to the Shareholder Direction and Bylaws. There is more interest in PHC lately particularly related to the redevelopment of certain properties. It is advantageous for PHC to provide more information publicly.

The Governance, HR, and Strategy recommend the Board adopt guidelines as outlined in this report. These guidelines would become effective as of this meeting.

Rationale:

Regular (Open) and Closed Meetings

1. Except as provided in item 2, all meetings of the Board and its Committees shall be open to the public.

2. A meeting or part of a meeting may be closed to the public if the subject matter being considered is:
    a. The security of the property of the Corporation;
    b. Personal matters about an identified individual including an employee;
    c. A proposed or pending acquisition or disposition of land by the Corporation;
    d. Labour relations or employee negotiations;

   e. Litigation or potential litigation, including matters before administrative tribunals, affecting the Corporation;
   f. Advice that is subject to solicitor-client privilege, including communications necessary for that purpose;
   g. Any other matter Peterborough City Council would be permitted to discuss at a meeting or part of a meeting that is closed to the public under the Municipal Act; or
   h. A request under the Freedom of Information and Protection of Privacy Act.

3. Attendance at the closed meeting of the Board or of a committee of the Board is at the sole discretion of the Board. Any and all information obtained at a closed meeting shall be treated as confidential by any and all persons in attendance.

4. Attendance at regular (open) meetings of the Board or of a committee of the Board will be open to the public.

5. The Board shall by the end of November approve its annual meeting schedule for the next year unless otherwise directed by the Board.

6. The CEO, in consultation with the Chair, may cancel or reschedule any meetings if the circumstance require.

7. The annual regular meeting schedule and any changes shall be made available on the PHC Website.

<u>Agenda, Minutes and Supporting Reports</u>

1. No later than one week prior to each meeting, the CEO shall prepare a draft agenda. Decisions on the inclusion or exclusion of items will be made by the Chair.

2. No less than three business days before the meeting, the regular (open) agenda, closed agenda, minutes of past meetings and supporting reports will be circulated to the Directors, Officers, Advisors, and the Director of Operations.

3. Closed supporting reports dealing with any staff matters will be circulated to the Directors only, unless otherwise directed by the Chair.

4. No less than two business days, a copy of the regular (open) agenda, minutes of past meetings and supporting reports will be posted on the PHC Website.

Other Alternatives Considered:

None

Alignment to Strategic Priority Areas

This report directly aligns with Strategic Priority Area – Strengthening Our Relationships and our commitment to improve the consistency of our communications with stakeholders and the public.

Financial Considerations:

There are no financial implications to this report.

Consultations:

Governance, HR, and Strategy Committee

Attachments:

None