

## Report FR-SS-22-15

**To:** Chair Burley and Members of the Social Services Committee  
**From:** Mary Lou Spicer, Deputy Director of Finance  
 Anne Marie Shaw, Director of Housing  
**Meeting Date:** July 15, 2015  
**Subject:** **Housing Financial Update and Year End Projection as of May 31, 2015**  
**Status:** Recommendation adopted by Committee as presented per resolution SSC69-15; Endorsed by County Council August 4, 2015 per Resolution CC114-15;

### Recommendation

**THAT Report FR-SS-22-15 regarding a Financial Update and Year-End Projection as of May 31, 2015 for the Housing Department be received for information.**

### Background

The purpose of this report is to provide members of the Social Services Committee with a financial update for the Housing Department based upon financial statements as of May 31, 2015.

### Summary

This report is based upon May 2015 financial statements as well as having taken into account known expenses that have been incurred since that time as well as calculating best estimates for the remainder of the year.

<b>Summary of Projected Housing Year-End Surplus/(Deficit)</b>	<b>Projected Year-End Surplus/(Deficit)</b>
Housing Operating Budget	(\$59,600)
Housing Programs	\$0
Investment in Affordable Housing	\$0
Non Profit Housing	\$0
Housing Capital Budget	\$0
Total	(\$59,600)

## *Housing Operating Budget*

Based upon the May financial statements, it is expected that a small shortfall of \$59,600 may exist in the operating budget at year-end. The greatest challenge in predicting a year-end position for the housing operating budget continues to be utility costs; for most buildings four months' invoices had been received at the time the financial statements were reviewed. Hydro costs are difficult to predict due to significant fluctuations in the charge for global adjustment and a lack of control over energy consumption in the family unit properties. At this point, it is anticipated that the combined budgets for heat, hydro and water are sufficient, as more invoices are received, this projection will be refined.

Revenue from tenants totaled \$15,700 less than budget for the first five months of the year; if this trend continues the shortfall will total approximately \$37,700 by the end of the year. Property management staff is working with the goal of keeping building maintenance costs within budget while ensuring residents have a properly maintained and safe environment in which to live. The cost of rehabilitating units at vacancy will remain a budgetary pressure as floor replacement, clean up and repairs occur in more units. The year-to-date budget for this work totals \$99,400 as compared to the actual amount spent of \$97,300 at the time the financial statements were reviewed. The 2015 budget for this line was increased by \$60,200 to \$238,600 based on the five year average of 2009-2013 costs totaling \$243,000. Staff is monitoring the costs and is optimistic that this budget is sufficient for the remainder of the year.

Any savings from the budget for property taxes cannot be determined at this time until final billings have been received. It is expected that expenditures will remain within budget and staff is hopeful that savings will exist that may be used to offset other budget lines.

The cost of snow removal also continues to be a challenge with the cost for the first four months of the year totaling \$122,900 and this leaves \$23,200 available for the remainder of the year. If the costs for November and December align with the five year average for the same period, a budget shortfall of \$21,900 will result at year-end.

## *Housing Programs*

The Housing programs budget includes Rental and Supportive Housing subsidy to Owen Sound Municipal Non Profit, Delivering Opportunities to Ontario Renters (DOOR) for one affordable housing project that is not fully complete in Durham and funds repaid under the previous Home Ownership Program. These programs do not have a levy requirement and therefore will not generate a surplus or deficit at year-end.

### *Investment in Affordable Housing (IAH)*

Similar to the Housing Programs budgets, the IAH Programs are 100% Ministry funded and program intake winds down once funds available for the year are committed to applicants.

### *Non Profit Housing*

The financial statements to May 31 reflects a small surplus totaling \$18,200 and the budget for this program is considered sufficient for the remainder of the year.

### *Housing Capital Budget*

The capital program has been adjusted in order to provide funding for several capital projects that came in over budget or alternately, staff recommended the project be deferred and rebudgeted due to insufficient funds. The capital budget has benefited from \$23,000 in work to insulate family housing units that was done instead under the EcoFit program at no cost to Grey County. These funds have been used to offset over expenditures in other capital projects. After taking into consideration savings in awarded projects, the capital budget is at a break-even point. This does not reflect the tender for the Alpha Street Improvements (HDR-SS-15-15) that will be discussed at the July 15, 2015 committee meeting as the tender had not closed at the time of writing this report.

## **Financial / Staffing / Legal / Information Technology Considerations**

As of the end of May, the review of the actual to budget projects that the Housing department will have an operating budget shortfall of approximately \$59,600 at year-end. At this point, the capital budget is at a break-even point.

Staff will continue to monitor the financial statements; financial projections will be updated and presented to the Social Services Committee later this year.

## **Link to Strategic Goals / Priorities**

The analysis of current financial statements compared to the approved budget is a key mechanism to ensure Council's goals of ensuring financial sustainability and ongoing public accountability are maintained.

## **Attachments - none**

Respectfully submitted by,

Mary Lou Spicer, Deputy Director of Finance

Anne Marie Shaw, Director of Housing

Director Sign Off: *Kevin Weppler, Director of Finance*