

2018 Budget Request



October 17, 2017



KLH
Housing
Corp.

We consistently aim for improvement

- Selling older homes in order to build new communities
- Adding more much needed affordable housing options
- Embracing Performance Management & Lean Six Sigma
 - Improving resources
 - Improving process
- Prioritizing Energy Efficiency
 - Programs, incentives and rebates
 - Capital projects

Make the right move

Selling Older Homes

- Overall approval to sell our 64 single and semi detached units
- Sales started in 2014
- Net sale proceeds used toward specific new communities

Year	Number Sold	Average Sale
2014	7	\$155,714
2015	18	\$155,444
2016	7	\$187,849
2017	4	\$232,250

Make the right move

Single Homes built in the 1950's



Semi Detached Homes built in the 1960's



Building New Communities

Occupancy Year	Location	Total # of Units	# Replacing Sales	Net New Units
2013	Haliburton (WP Phase 1)	24	0	24
2015	Lindsay (Devan Court)	29	18	11
2017	Minden (Pinegrove Place)	12	0	12
2018	Lindsay (Flynn Gardens)	16	9	7
2018	Lindsay (Bond by the River)	12	9	3
2019	Lindsay (Housing & Office Space)	24	0	24
2019	Haliburton (WP Phase 2)	12	0	12
		129	36	93

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4977 County Rd. 21, Haliburton, 2013



1 Devan, Lindsay 2015



57 Parkside, Minden 2017



Improving Resources

- 2015
 - Following a vacancy in May, blended two positions (Maintenance Supervisor, Capital Projects blended into Manager, Building & Property – Housing)
 - Annualized savings of approximately \$89,000
 - Resulted in better coordination between operating and capital without impact to either program

Improving Resources

- 2016
 - Following a Facility Maintenance position vacancy in November, replaced with contracted services
 - Annualized saving of approximately \$32,000
 - Utilized City's existing cleaning contract

Improving Resources

- 2017
 - Contracted services versus hiring a part time facilities maintenance position to cover new property in Minden
 - Annualized expense of \$15,600 versus staffing cost of approximately \$27,000

Improving Process

- Changes to overtime expense
 - 2015 change to on call system
 - Calls directed to managers versus union staff
 - Eliminated standby expense
 - Decreased volume of times staff attend a call
 - 2016 change to weather call outs
 - Level of service established for snow
 - Manager makes call whether staff go out

Year	2013	2014	2015	2016
Overtime Expense	\$47,419	\$31,320	\$13,590	\$7,744

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Improving Process

- Restructured resources in order to have facilities maintenance staff working 7 days a week
- Restructured resources to maximize time at locations versus time spent driving to locations
- Assigned one staff to be a “move out specialist” in order to create consistency and reduce turnover time
- Purchased technology to improve how work is assigned and completed in the system

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Maintaining Our Older Communities

- KLHHC's portfolio is soon to total 734 units
 - New Energy Efficient Units, built on a self-sustaining model
 - Sale of older homes less efficient units (36 of possible 64 to date)
 - Largest portion of stock is within older apartment buildings which are less feasible to sell and which continue to cost more and more to operate
 - Majority of capital plan targets replacements that reduce operating costs and that focus on energy

Make the right move

71 Melbourne St., Lindsay, 1972



Make the right move

111 William St., Lindsay 1974



Make the right move

123 Need St., Bobcaygeon, 1975



Make the right move

8 James St., Omemee, 1976



20 Sussex St., Lindsay, 1976



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40 Francis St., Fenelon Falls, 1976



610 Mountain, Haliburton 1978



19 Hamilton St., Lindsay - 1982



92 Albert St., Lindsay, 1985



45 Durham St., Lindsay, 1986



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45 St. Patrick, Lindsay, 1991



48 St. Paul, Lindsay, 1991



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Participation in Energy Programs, Incentives & Rebates

- Hydro
 - Analysis for benefits between LAS program versus multi residential rebates available through standard time of use
 - Debt Retirement Charge exception equates to a \$38,000 savings annually
- Gas
 - Participating in Housing Service Corporation bulk program
- Green Saver Program (completed late 2015)
 - No charge replacement for energy efficient appliances, pipe wrap, shower heads, light bulbs
 - Estimated saving of \$40,000 annually

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Energy Efficiency

- Completed energy audit and implemented audit recommendations
- Monitor funding opportunities
- Monitor high utilities bills
 - Repair causes (dripping taps, toilet running, dirty filters)
 - Education tenants

Energy Efficiency – Capital Projects

- Changed common lighting to LED in early 2016, estimated annualized savings is \$20,000
- October 2016, Demtroy pilot (system to control wattage to electric baseboard heaters), estimated annualized saving is \$18,000, estimated one time rebate on capital expense of \$24,000
- Replaced 140 hot water heaters with new

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A Snap Shot of the Last Four Years

	2013	2014	2015	2016
Subsidy	\$2,617,535	\$2,517,168	\$2,628,901	\$2,628,901
Rental Revenue	\$2,937,346	\$3,014,196	\$3,113,318	\$3,369,384
Other Revenue	\$112,730	\$165,24	\$148,783	\$162,084
Micro Fit Revenue	\$18,480	\$16,337	\$18,644	\$18,929
Total Revenue	\$5,686,091	\$5,712,945	\$5,909,646	\$6,179,298
Administration	\$1,315,023	\$1,339,518	\$1,380,661	\$1,323,302
Bad Debt	\$27,661	\$30,086	\$53,194	\$10,835
Insurance	\$219,076	\$218,162	\$229,168	\$212,500
Maintenance	\$535,399	\$491,550	\$414,011	\$455,642
Municipal Taxes	\$868,979	\$894,557	\$917,467	\$944,691
Utilities	\$1,642,893	\$1,733,434	\$1,796,428	\$1,859,804
Mortgages & Debentures	\$777,623	\$823,087	\$822,043	\$819,463
Reserves	\$145,903	\$151,880	\$167,433	\$14,894
Total Expenses	\$5,532,557	\$5,682,274	\$5,780,405	\$5,641,132
Surplus	\$153,533	\$30,671	\$129,241	\$538,166

24 new units
added

Replaced 18 units,
added 11 new units

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Items that Contributed to the 2016 Surplus

- Administration:
 - Process review and improvements
- Utilities
 - Sale of older homes replaced with more energy efficient
 - Incentive programs
- Mortgage & Debenture
 - Timing of setting up debenture for Devan Court

Considerations Going Forward

- Hydro savings will continue with provincial announcements in 2017
- Continue to explore other efficiencies
- Continued variances from year to year as sales of older properties and the occupancy of new communities occur
 - Increases in rental revenue
 - New but lower expenses
- Updated Building Condition assessments underway in order to develop an Asset Management Plan in 2018

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2018 Budget Considerations

- Increased rental revenue as another 40 units are occupied in 2018
- New units are self sustaining model
- Impact of administrative improvements being made
 - Reduced number of positions, service level continued
- Impact of utility savings
 - Provincial direction to decrease hydro rates
 - Focus on energy saving projects, tenant education, etc
- End of mortgage for older property
- Ability to contribute toward the capital reserve, without an increase to the subsidy request
 - To contribute toward capital replacement projects in existing buildings
 - To contribute toward future new developments

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2018 Subsidy Request

- Board commitment to contribute \$150,000 of the 2016 surplus toward 2018 and 2019 in order to reduce the operating subsidy request to the City
- The 2018 subsidy request to the City (operating and capital combined) represents an overall decrease of \$623,344

2018 Operating Request to the City

	2015	2016	2017	2018	\$ Variance	% Variance
Operating Subsidy	\$2,628,901	\$2,628,901	\$2,728,895	\$1,917,050	-\$811,845	-70%
Capital Subsidy	\$931,883	\$839,946	\$732,057	\$920,558	\$188,501	22%
Total Subsidy	\$3,560,784	\$3,468,847	\$3,460,952	\$2,837,608	-\$623,344	-48%

	2015	2016	2017	2018
Number of Units	705	698	706	734

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Looking Ahead

- Continued development activities including regeneration and affordable housing funding opportunities
- Continued collaboration with partners to help support tenants with special needs
- Continued approach to improved performance

Thank You

Questions