

**Kenora District Services Board
Minutes of the Social Housing Committee Meeting
Held in Dryden at the KDSB Board Room on 211 Princess Street
On September 17, 2007 starting at 1.00 pm**

Attendance:

Present:

Jack McKenzie, Chair

Garry Parkes

Sten Lif, CAO

Adrian De Porto, Director of Housing Services

Regrets:

Joyce Timpson

The minutes were recorded by Adrian De Porto

1. Call to Order:

- 1.1. The meeting was called to order at 1pm. by the chair Jack McKenzie on September 17, 2007.

2. Approval of Agenda:

2.1. Additions or Deletions to the Agenda:

- 2.1.1. **8.2** Making Kenora Home
- 2.1.2. **6.2.2** Tony Eshmade Request
- 2.1.3. **6.4.2** Ministers letter re HARS
- 2.2. The agenda was approved with amendments through resolution number SHC 2007-14

3. Disclosure of Interest and the General nature Thereof

- 3.1. There was no conflict of interest declared.

4. Delegations and Deputations

- 4.1. There were no formal delegations.

5. Minutes of Previous Meetings

- 5.1. The minutes of the August 23, 2007 were reviewed for additions, deletions and or corrections.

5.2. The minutes were approved as amended by Resolution number SHC-2007-15.

6. Unfinished Business

6.1. KDHC Update

6.1.1. Run off insurance is being sought,

6.1.2. The KDHC lawyer with respect to dissolution was provided a copy of the resignation letter for Tracy McFtridge and asked what the next steps were for dissolution.

6.2. Parkview

6.2.1. The Parkview construction remains on Schedule and on budget. Regular meetings are occurring with the contractor and tenants.

6.2.2. A. F. Eshmade had written a letter to the CAO requesting consideration into increasing the consulting fee to be \$10,000 greater than the previously negotiated amount. The reasons sighted included the fee was based on the budgeted amount of \$2.2 million estimation of the cost of the contract. The actual cost of the contract is \$2.489 million. In addition the increase in fees was requested due to the large number of on site conditions for both the mechanical and structural engineer that were not anticipated in the contract. The committee has denied this request and a letter is to be sent to A. F. Eshmade.

6.3. Minaki

6.3.1. The committee was informed that one property has been sold in Minaki. The property sold was 9 Railway Street and the listed price was \$114,900 and the amount accepted by staff was \$115,400. The committee is recommending that the KDSB accept this offer and close the deal.

6.3.2. The committee was informed that the soil testing results for lot 116 had just been received. There is one of seven test holes that has a slightly higher lead content than is allowed by provincial legislation and that remediation work has been recommended. This does slow the process of selling this property as it is to be included with the sale of lots 115 and 113. Staff is to investigate options and report back to the committee.

6.3.3. The Director of Housing is to amend the resolution that listed 1 and 2 Pine Street as units declared surplus. The listing is to read 1 Rusell and 2 Pine.

6.3.4. The Real Estate Agent states there has been further interest by two parties on the remaining units on Railway Street.

6.4. HARS and Home Ownership Funds

6.4.1. The conversion of HARS and Home Ownership funds in the amount of \$224, 000 was not approved by the Minister.

6.4.2. A letter was received from Minister Geritson stating that the two proposals put forward by KDSB for use of surplus HARS and Home Ownership funds was rejected because it fell outside of the allowable mandate of the Affordable Housing Program

7. Business:

7.1. 2008 Budget:

7.1.1. Information was provided to the committee regarding the 2008 budget. Following are the highlights of the discussion:

7.1.1.1. The Non –profit increase is legislated. There is a new subsidy formula enacted under the Regulation that will be effective for 2008. The Director of Finance has just received the information and has not yet had the opportunity to determine what effect it will have on the 2008 Budget.

7.1.1.2. The Rent Supplement program has a negligible increase which was attained by dropping a unit.

7.1.1.3. The Administration budget increase is due to regular increase such as collective agreement, 3 percent increase in salary/wages, and expected increases in such areas as telephone, and office expenses. There is one enhancement in this area, that being; a lobby fund in the amount of \$25,000 was added.

7.1.1.4. The Building Maintenance Expenses have a number of regular expenses attributed to inflationary pressures. In addition however is a new preventative maintenance program in the amount of \$153,299 which is being recommended to be implemented over a three year period with the 2008 amount to be \$63,496. The preventative maintenance program is aimed at increasing the life of the asset, making it more reliable and reducing potential insurance and risk claims. One of the enhancement requests was that of cutting grass in town houses of tenants in the summer time. This enhancement was rejected

by the committee. Not considered an enhancement is the large increase in Janitorial Expense. An addition amount of \$20,000 is being requested for the hiring of casual staff to cover off staff during sick days and vacation time which is increasing due to length of service.

7.1.1.5. Utilities have been increased based on best practice.

7.1.1.6. Taxes Insurance and Debentures have been increased based upon best practice. Please note the debenture cost for Parkview has not been included in this estimate.

7.1.1.7. The capital budget has been left at the same level as last year, however the move out painting cost is to be moved to building expenditures and some value is to be put into the family units in Red lake to make them more energy efficient.

7.1.1.8. Revenues from rent are slightly down from 2007 based upon fewer market tenants. It should be noted however that rent income is expected to increase in projects where elevator-lifts are being installed.

7.1.1.9. Reserves are to be same as last year. It is to be noted however that \$30,000 is to be ear marked as an insurance deductible account with the funds being drawn from the Operating Reserve. This has the effect of being cost neutral to the tax base.

7.1.1.10. The committee has requested that the Housing Director consider placing funds in the budget for assistance.

7.1.2. The Housing director is to put together a summary of the budget for presentation to the Committee in the First week in October at which time the committee will consider a recommendation to the Finance Committee. In addition the Housing Director will be the person delivering the 2008 budget to the Finance Committee on October 15, 2007.

8. Other Business

8.1. Housing Director's Report

8.1.1. The director discussed the July - 2007 Housing Directors Report. Comments are as follows:

8.1.1.1. The financial material for July 31, 2007 were presented with the following comments:

8.1.1.1.1. For the most part the actual figures were below budget. The one notable exception is that of Move Out Painting which is expected to be expended by late September or Mid October. If this is to come to fruition then funds will have to be identified for use in this area because the SHRA requires units to be occupied if there are applicants.

8.1.1.2. The Performance figure comments were as follows for August 30, 2007. Revenue remains ahead of budget and ahead of August 30, 2006. Arrears for current tenants have increased due mainly to two staff being on vacation. Former tenant arrears however decreased slightly from July to August. Applications continue to increase with a purge expected in September 2007. Vacancies continue to be around the 40 mark. The turnovers for August were consistent with other months. Market renters were down from pervious months due to less market renters in Ear Falls.

8.1.1.3. Rent Supplement. The required unit has been located, the landlord informed and tenant transferred in order to reduce the cost of the Rent Supplement Program to within program guidelines.

8.2. Making Kenora Home

8.2.1. Rory MacMillan has been requested to sit on a committee as a KDSB representative. After some discussion the CSO was requested to get more information as to the terms of reference for this committee for presentation to the Social Housing Committee at a latter date.

9. Recommendations: None

10. Adjournment

10.1. The meeting was adjourned by the chair at 4.30 pm.

Minutes Approved by Committee: *October 16, 2007*

Moved By: *Garry Parkes*

Seconded By: *Joyce Timpson*