

**Board of Directors Meeting Agenda**

CCHC Boardroom

January 21, 2015

1:00pm – 3:00pm

1. **Approval of Agenda**
2. **Approval of December 17 2014 Minutes**  
*Motion to approve the minutes as presented/amended*
3. **Business arising from minutes**
4. **Reports:**
  - a. **Managing Director's Report**  
*Motion to accept the report for information*
5. **New Business**
  - a. **Draft 2014 Trial Balance for Audit Purposes**  
*Motion to approve the draft 2014 Trial Balance as presented for audit purposes*  
*Motion to approve the transfer and restriction of \$34,427 for purposes of the Hector Building Reserve Fund.*
6. **In Camera Items**
  - a. Development Issue
  - b. Policy Issue
  - c. Legal Issue
  - d. Human Resource Issue
7. **Meeting adjournment**

*A majority of the Directors in office shall constitute a quorum. In the case of an equality of votes, the Chair shall be entitled to a second or casting vote.*

**Board of Directors Meeting Minutes**

Wednesday, December 17 2014  
CCHC Boardroom  
1:00pm-3:00pm

**Board Members in Attendance:** Cheryl Godefroy Camille Hemingson (1:44 pm)  
Bob Kocian Sean Krausert  
Garth Lyon Joanna McCallum  
Cathy Robinson Dan Sparks

**Others in Attendance:** Jennifer Bisley, Managing Director, CCHC  
Gary Buxton, Town Liaison to CCHC  
Alaric Fish, Manager of Planning, Town of Canmore  
Bob Ellard, Ellard Design Group, CCHC Consultant (1:25 pm)

**Regrets** Kimber Meister

There being a quorum, Cathy Robinson called the meeting to order at 1:04 pm.

**1) Agenda Approval**

Moved by Bob Kocian to approve the agenda as presented  
Carried unanimously

**2) Approval of Minutes**

**Motion 2014.56**

Moved by Garth Lyon to approve the Minutes of the November 19 2014 Board meeting as presented  
Carried unanimously

**3) Business Arising from Minutes: none**

**4) Reports**

a) Managing Director's Report

**Motion 2014.57**

Moved by Joanna McCallum to accept the Managing Director's Report for information  
Carried unanimously

**5) New Business:**

- a) Disposition of Personal Records

**Motion 2014.58**

Moved by Cheryl Godefroy to authorize the disposition of personal records of program applicants, who withdrew or were disqualified, as of December 17 2013. These records are to be securely disposed by physical destruction, with a certification of disposition created, and a record of the destruction maintained in a "Destroyed Records Index".

Carried unanimously

- b) 2015 Budget for Audit Purposes

**Motion 2014.59**

Moved by Sean Krausert to approve the 2015 budget adjusted for audit purposes as presented.

Carried unanimously.

- c) 2015 Cost of Living Allowance

**Motion 2014.60**

Moved by Garth Lyon to approve the 2015 Cost of Living Allowance of 2.6% for eligible employees.

Carried unanimously

*Bob Ellard entered the meeting at 1:25 pm*

**6) In Camera Items**

*Moved by Joanna McCallum to go in camera at 1:32 pm*

- a) Development Issue  
b) Development Issue  
c) Intergovernmental Issue

*Camille Hemingson entered the meeting at 1:44 pm*

*Bob Ellard left the meeting at 2:22 pm*

*Moved by Garth Lyon to come out of camera at 3:06 pm.*

**7) Motion to Adjourn**

Moved by Bob Kocian to adjourn the meeting at 3:07 pm

Carried unanimously

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Chair

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Managing Director

APPROVED January 21 2015 Motion 2015.01  
CANMORE COMMUNITY HOUSING CORPORATION



Canmore Community Housing Corporation

# For Information

**DATE OF MEETING:** December 17 2014 **Agenda Item: 4a**

**SUBJECT:** Managing Director’s Report

**RECOMMENDATION:** For information

## EXECUTIVE SUMMARY

The Managing Director’s Report summarizes activities relative to the Business Plan 2013-2015. This report refers to year-to-date activities in 2015.

## KEY STRATEGIES UPDATE

1. **Build new units and utilize existing market units to increase availability of affordable housing**
  - CCHC has secured funding and financing for phase one development of 32 rental units at 100 Dyrgas Lane and has initiated the construction phase. CCHC is now seeking funding and financing for phase two development which would see an additional 16 units.
  - Completed accessory suites report for purposes of informing municipal policy and bylaw.
2. **Innovative finance and housing programs to improve housing access**
  - Continue to communicate with the Town and Canmore Business and Tourism regarding staff/employee housing.
  - Initiated annual program review to recommend changes to policy and programs to better meet housing need and demand, including changes to eligibility criteria and alternate PAH models. Recommendations are expected to be presented at the March Board meeting.
3. **Improve organizational capacity to deliver programs and develop properties**
  - Continue governance review, with recommendations to be presented at the March Board meeting.

## OPERATIONS UPDATE

### APPLICATIONS AND WAIT LIST

	Ownership	Hector
Wait List:	19	20
Applications YTD:	1	3
Applications 2014:	14	54
Inquiries YTD:	n/a	n/a
Inquiries 2014:	105	324

	Ownership	Hector
Current Occupancy	100%	100%
Turnover YTD	0%	2% (1 unit)
Turnover 2014:	9% (4 sales)	40% (24 units)

## PROGRAM ADMINISTRATION

- > 2014 CPI to be released on January 23, 2015 which will be used to finalize PAH property values for municipal taxation purposes as of July 1, 2014. It also initiates the annual residency confirmation process for PAH owners which is scheduled for completion no later than mid-March.

## PROPERTY MANAGEMENT

- > Annual meeting with the property management company for the Hector to review annual preventative maintenance and capital repair requirements is scheduled for the first week of February.

## DYRGAS LANE DEVELOPMENT UPDATE

### Funding/Finance

- > CCHC received the \$1.7 million grant for purposes of construction.
- > Second and third reading of the loan guarantee bylaw for 25% of the \$4.1 million of debt financing took place on December 16th. There were no appeals so the Town can confirm that it may guarantee the loan.
- > The Managing Director is working to assemble funding for Phase 2 of the development.

### Construction

- > The Architect, Client Representative, Managing Director and Contractor have begun to meet on site and will continue to meet, at a minimum, biweekly.
- > A rental exemption was granted by the Province with respect to the new home warranty requirements on January 2<sup>nd</sup>.
- > The building permit was approved on January 13<sup>th</sup>
- > The site is fenced and tree removal began the week of January 12<sup>th</sup>. Tree removal is schedule to last approximately three weeks, including stump removal. This will be followed by deep servicing and rough grading in early February.
- > There have been several complaints regarding the noise. At this time, crews will be working daylight hours for safety reasons although it is noted that Bylaw 11-97 permits construction noise between 7:00 am to 10:00 pm Monday to Saturday. Construction noise is not permitted on Sundays and statutory holidays.
- > Lane access has been identified as an issue. It does not appear that construction vehicle access will be permitted by the Province by way of the emergency access lane at the bottom of Dyrgas Lane although the contractor will continue to pursue this option. Larger equipment and vehicles will use the road at off peak hours.
- > Parking on the lane is also an issue. An on-site parking lot for contractors' vehicles is to be established by January 16<sup>th</sup>.

## **Property and Program Management**

- > Occupancy of Phase 1 is planned for October/November 2015.
- > Eligibility criteria is scheduled to be approved as part of a broader eligibility criteria review in February/March 2015, with plans to be ready to receive applications no earlier than May 1, 2015 and no later than three months prior to scheduled occupancy.
- > An RFP for Property Management Services was originally scheduled to be posted in February 2015, but will be delayed to March 2015 due to delays in construction. The goal is to have a property management company in place at least six months prior to turnover.

## **GENERAL**

- > Completed year-end journal entries and preparing audit working papers
- > Completed Q4-2014 financial report (see below)
- > Completed 2014 rental statistics summary (see below)

## **Q4-2014 Financial Report**

Below is the preliminary financial report for the fourth quarter based on a preliminary draft of the trial balance, which still needed some adjustments, so the results are subject to change but not by any significant amount. Note that the 2014 budget amounts reflect the revised budget approved by the Board on October 24<sup>th</sup> (Motion 2014.46).

### **Administration:**

- > General revenues are on budget. This amount largely consists of the Town of Canmore contributions.
- > Administration expenditures remain below budget, due primarily to lower than budgeted professional fees (legal), and marketing costs.
- > The human resource expenditure budget for 2014 was revised. Due to staff turnover, an increase in staffing levels at the end of 2014, and the engagement of a human resource professional, the actual costs came in slightly above budget.

### **Hector:**

- > Hector budgeted revenues were increased due to high occupancy rates and low rental losses. Revenues at the end of the year were in line with the revised amount.
- > Hector expenditures were decreased due to lower maintenance costs, with expenditures to date remaining within budget, although utility costs increased significantly over the previous year.

### **Other Programs:**

- > Other program revenues are above budget due to rental revenues from a previously unsold condominium for 8 months. It also includes three sales of PAH homes.

## **Project Funding and Expenditures**

- > The revised Project revenue budget amount includes the \$1.7 million transfer from the town which was approved by Council in November 2014.
- > Project expenditures are below budget as the majority of construction costs will be incurred at the beginning of 2015.

# CCHC FINANCIAL REPORT Q4- 2014

As of December-31-14  
 Prepared January-16-15

	<b>Adjusted</b>	<b>Revised</b>	<b>Adj YTD as %</b>
	<b>YTD</b>	<b>BUDGET</b>	<b>of Budget</b>
	<b>2014</b>	<b>2014</b>	
Total General Revenues	\$ 301,674	\$ 301,440	100%
Human Resource Expenditures	\$ 213,093	\$ 209,894	102%
Administration Expenditures	\$ 75,397	\$ 85,407	88%
<b>SURPLUS/(DEFICIT) ADMINISTRATION</b>	<b>\$ 13,184</b>	<b>\$ 6,139</b>	<b>215%</b>
Hector Revenues	\$ 654,735	\$ 651,872	100%
Hector Expenses	\$ 566,900	\$ 575,471	99%
<b>SURPLUS/(DEFICIT) HECTOR</b>	<b>\$ 87,835</b>	<b>\$ 76,401</b>	<b>115%</b>
PAH Program Revenues	\$ 38,777	\$ 25,000	155%
PAH Program Expenditures	\$ 36,191	\$ 38,708	93%
<b>SURPLUS/(DEFICIT) OTHER PROGRAMS</b>	<b>\$ 2,585</b>	<b>-\$ 13,708</b>	<b>-19%</b>
Project Fund Revenues	\$ 1,708,146	\$ 1,708,756	100%
Total Project and Property Expenditures	\$ 224,327	\$ 1,193,122	19%
<b>SURPLUS/(DEFICIT) CAPITAL PROJECTS</b>	<b>\$ 1,483,819</b>	<b>\$ 515,634</b>	<b>288%</b>
<b>NET CASH SURPLUS/(DEFICIT)</b>	<b>\$ 1,552,996</b>	<b>\$ 584,466</b>	<b>266%</b>

## TRANSFER (TO)/FROM RESERVES

CCHC Capital Reserve Fund	-\$ 1,475,673	-\$ 506,877
CCHC Hector Reserve Fund	-\$ 35,273	-\$ 36,886
CCHC Operating Reserve Fund	-\$ 42,050	-\$ 40,703
Town PAH Reserve Fund	\$ -	-
<b>Total Transfers</b>	<b>-\$ 1,552,996</b>	<b>-\$ 584,467</b>

## RESERVE BALANCES

### CCHC Capital Reserve Fund

Opening Balance	\$ 649,852	\$ 649,852
Increase/(Decrease)	\$ 1,475,673	\$ 506,877
<b>Closing Balance</b>	<b>\$ 2,125,525</b>	<b>\$ 1,156,729</b>

### CCHC Operating Reserve Fund

Opening Balance	\$ 130,570	\$ 130,570
Increase/(Decrease)	\$ 42,050	\$ 40,703
<b>Closing Balance</b>	<b>\$ 172,620</b>	<b>\$ 171,273</b>

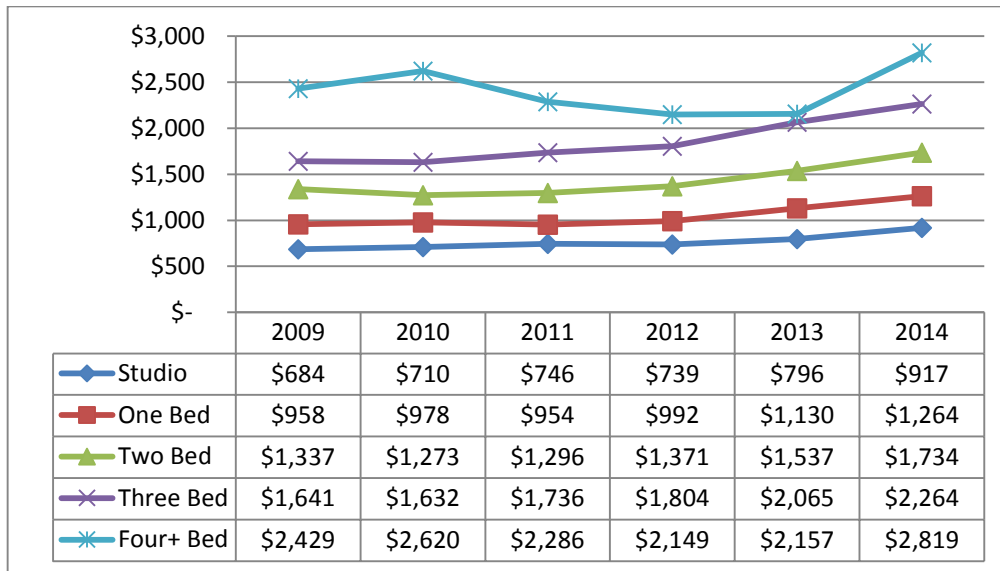
### The Hector Building Reserve

Opening Balance	\$ 82,052	\$ 82,052
Increase/(Decrease)	\$ 35,273	\$ 36,886
<b>Closing Balance</b>	<b>\$ 117,325</b>	<b>\$ 118,938</b>

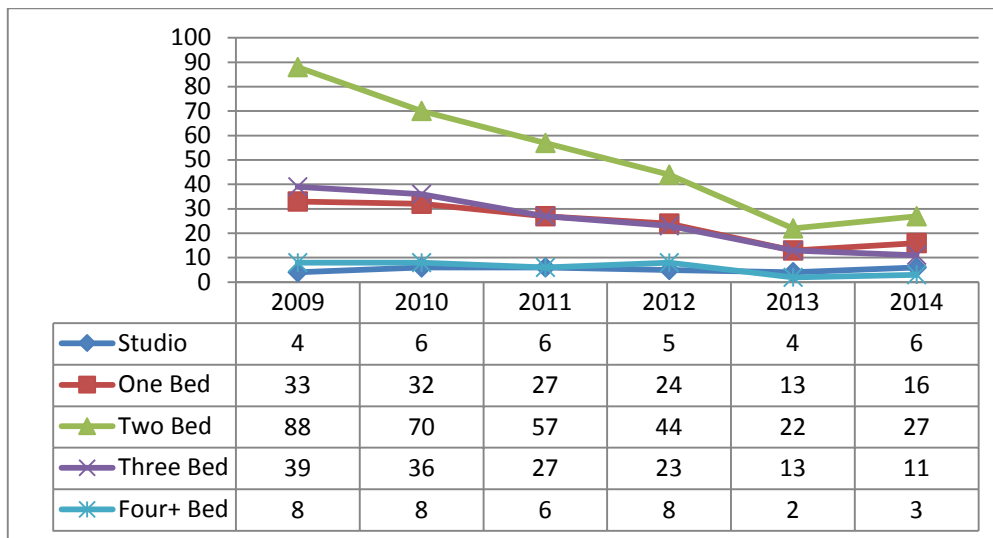
## 2014 Rental Statistics

CCHC continues to monitor rental statistics. Figures 1 and 2 provide a comparison of average monthly rents and availability by unit size between 2009 and 2014. Average monthly rents continue to climb for all unit types, increasing by the following percentages between 2013 and 2014: Studios 15.2%; one bedrooms 11.8%; two bedrooms 12.8%; three bedrooms 9.6%; and four+ bedrooms by 30.7%. Availability of units remain at low levels. It should be noted that an increasing number of units are being offered as fully furnished, which are not targeting or meeting the needs of permanent residents, and may contribute to higher rental rates.

**Figure 1 Canmore Average Market Rental Rates of Available Units, 2009-2014**



**Figure 2 Canmore Average Monthly Availability of Rental Units by Size, 2009-2014**



Prepared by: Jennifer Bisley, Managing Director  
 Prepared on: January 16, 2015





Canmore Community Housing Corporation

# Request for Decision

**DATE OF MEETING:** January 21, 2015 **Agenda Item:** 5a

**SUBJECT:** 2014 Draft Trial Balance for Audit purposes

**RECOMMENDATION:** That the Board:  
1) Approve the 2014 Trial Balance as presented for audit purposes.  
2) Approve the transfer and restriction of \$34,427 for purposes of the Hector Building Reserve Fund

## EXECUTIVE SUMMARY

Each January, the CCHC Board reviews the trial balance prior to approving it and authorizing the Managing Director to submit the trial balance to the CCHC auditor for annual audit purposes.

## PREVIOUS BOARD DIRECTION OR POLICY

Young Parkyn McNab LLP was appointed CCHC's auditor at the 2012 AGM. This appointment was confirmed at the 2013 and 2014 AGM.

## DISCUSSION

The unaudited financial statements include yearend adjustments/entries with the exception of amortization of office assets, which is calculated by the auditor. These adjustments include the following:

- Accrual of investment interest income
- Capitalization of carrying costs of undeveloped sites – Lot 39 at 100 Dyrkas Lane and Lot 7 on Palliser Lane.
- Recognition of bad debts
- Recording annual deferred lease revenue with respect to the land lease to Mountain Haven Cooperative Homes Ltd
- The Hector building depreciation
- Write-off of previously capitalized costs for Lot 39 at 100 Dyrkas Lane

At the time of writing of this briefing note, the bookkeeper had not completed all entries. The trial balance, balance sheet and income statement will be sent as soon as they are available.

## Fund Transfers

### *Hector Building Reserve Fund*

The Board is being asked to transfer and restrict \$34,427 from the Hector cash surplus to The Hector Building Reserve Fund for 2014.

CCHC policy is to transfer contributions to the Hector Reserve Fund from cash surpluses at The Hector as per the Reserve Fund Plan (Plan). CCHC policy does not require the rental surplus above the regular contribution to be allocated to the reserve fund. It also does not require the reserve fund to be fully funded for all future capital replacement requirements. The intent is to ensure that the Reserve Fund has at least the Cash Balance at the end of each year as called for by the Plan. The Plan anticipates a cash balance of \$117,203 at the end of 2014, a deficit of \$363,720 for future capital replacement requirements (excerpt attached).

Preliminary financial statements show the Hector generating a cash surplus of \$87,835 in 2014. A transfer of \$34,427 as budgeted would result in a balance of \$117,349.40 in the Fund, slightly higher than called for in the Plan. Alternatively, a transfer of \$34,305 would result in the projected Plan balance of \$117,203 for the end of 2014. These options are summarized in the table below.

THE HECTOR BUILDING RESERVE FUND TRANSFERS 2014					
	RF Plan	CCHC - Op1	Difference	CCHC - Op2	Difference
Opening Balance	\$ 82,062.00	\$ 82,052.04	-\$ 9.96	\$ 82,052.04	\$ 9.96
2014 Contributions			\$ -		\$ -
2014 Annual Reserve Fund Allocation	\$ 34,427.00	\$ 34,427.00	\$ -	\$ 34,305.13	\$ 121.87
2014 Interest Earned	\$ 2,462.00	\$ 845.83	-\$ 1,616.17	\$ 845.83	\$ 1,616.17
2014 Disbursements	-\$ 1,748.00	\$ -	\$ 1,748.00	\$ -	-\$ 1,748.00
Closing Balance	\$ 117,203.00	\$ 117,324.87	\$ 121.87	\$ 117,203.00	\$ -

**Other**

Restrictions for other reserve funds are typically done once audited financial statements have been completed. However, due to the interest in identifying funding for Phase 2 100 Dyrkas Lane, the Board may want to discuss the potential of restricting funds from the operating surplus or allocating an amount from the CCHC Capital reserve fund for these purposes.

**ALTERNATIVES ANALYSIS**

The Board may provide further direction to the Managing Director and/or Auditor.

**FINANCIAL IMPACTS**

None. Future decisions will be made with respect to reserve fund transfers.

**ATTACHMENTS:** Draft 2014 Trial Balance, Profit and Loss Stmt, and Balance Sheet (to follow)  
Excerpt from The Hector Reserve Fund Plan

Prepared by: Jennifer Bisley, Managing Director  
Prepared on: January 16, 2015

Attachment to 5a: Excerpt from Hector Reserve Fund

Projected Cash Flow

Hector Apartments Copyright © 2011 Budget Year End	Condominium Number		Projected Cash Flow																
	n/a		2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	
Budget Year End	December 31, 2011		Budget	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
<b>OPENING BALANCE</b>		0	40,000	24,100	51,175	82,062	117,203	117,759	147,581	165,948	213,902	252,176	263,824	210,523	242,569	309,542	413,180	487,950	
Net Number of Units	60																		
Reserve Fund Contributions			0	28,000	31,049	34,427	38,173	42,326	46,931	52,038	57,699	63,977	70,938	78,656	87,213	96,702	107,223	118,889	
Reserve Fund Interest Income	3.00%		0	723	1,536	2,462	3,516	3,533	4,427	4,978	6,417	7,565	7,915	6,316	7,277	9,286	12,395	14,638	
Special Assessment Amount	File 3472.R-1603		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
<b>TOTAL CASH RESOURCES</b>	Final		40,000	52,823	83,759	118,951	158,892	163,618	198,940	222,964	278,018	323,718	342,677	295,494	337,059	415,530	532,799	621,478	
<b>RESERVE COMPONENTS</b>	Remain Life	Current Replace	Future Replace																
<b>Building Exterior</b>	Span	Cost	Cost																
Siding: Fibre Cement Board	24	7,601	15,915	0															
Artificial Stone	24	5,721	11,979	0				772	772	773			896	896	895			1,038	
Wood Product Trim & Fascia	24	6,247	13,079	0				581	581	582			674	674	674			781	
Roof: Asphalt Shingles	23	99,500	196,372	0				635	635	635			736	736	736			853	
Unit Entrance Doors	28	66,000	151,003	0															
Unit Windows	28	158,600	362,865	0															
Unit Slider Doors	28	105,600	241,605	0															
Eavestroughs & Downspouts	28	14,000	32,031	0															
Balconies & Walkways Vinyl Membranes	18	99,100	168,711	0															
Balcony: Wood Railings	28	42,200	96,551	0															
Wood Railing Tops & Stairs: Painting	0	15,900	15,900	15,900															
Wood Trim & Railings: Painting	4	24,200	27,237	0				27,237							22,670				
Solar Panels	23	66,000	130,257	0										32,523					
<b>Building Interior</b>																			
Plumbing Fixtures	24	23,549	49,307	0															
Common Area Flooring: Vinyl Sheet	23	117,200	231,304	0				2,393	2,393	2,394			2,775	2,775	2,774			3,216	
Common Area Flooring: Carpet	10	34,800	46,768	0															
Cupboards	28	264,600	605,386	0									46,768						
Stoves	15	50,400	78,522	0															
Fridges	17	69,300	114,542	0														26,174	
Dishwashers	8	16,800	21,282	0															
Washers & Dryers	10	81,900	110,067	0															
<b>Mechanical Systems</b>																			
Plumbing, Heating & Venting Systems	24	39,359	82,410	0															
Heating System: Boilers	23	69,300	136,770	0				4,000	4,000	4,000			4,637	4,637	4,638			5,376	
Plumbing System: Water Heaters	8	13,200	16,721	0															
Plumbing System: HW Holding Tanks	18	19,800	33,708	0									16,721						
<b>Electrical Systems</b>																			
Interior Electrical Systems	24	7,877	16,493	0															
Interior Lighting	33	7,600	20,158	0				801	801	800			928	928	928			1,076	
Annunciator Panels	28	16,500	37,751	0															
Life Safety Systems	28	20,600	47,131	0															
<b>Site Improvements</b>																			
Non-Structural Concrete	24	11,084	23,207	0															
Asphalt Pavement	23	51,600	101,837	0				1,126	1,126	1,127			1,306	1,306	1,306			1,514	
Exterior Lighting: Building	28	11,900	27,226	0															
Exterior Lighting: Streetlights	28	24,200	55,368	0															
Wood Fencing	23	6,100	12,039	0															
Wood Fence Painting	5	1,800	2,087	0															
Miscellaneous Components	24	17,579	36,806	0				1,787	1,787	1,786			2,071	2,071	2,071			2,401	
*Contingencies	1	1,600	1,648	0				1,801	1,855	1,910	1,968	2,027	2,088	2,150	2,215	2,281	2,350	2,420	
<b>TOTAL EXPENDITURES</b>			15,900	1,648	1,697	1,748	41,133	16,037	32,992	9,062	25,842	59,894	132,154	52,926	27,517	2,350	44,849	44,922	
<b>CLOSING BALANCE</b>			24,100	51,175	82,062	117,203	117,759	147,581	165,948	213,902	252,176	263,824	210,523	242,569	309,542	413,180	487,950	576,556	
<b>CONTRIBUTION PAYABLE</b>																			
Current Year Contribution Required			0	28,000	31,049	34,427	38,173	42,326	46,931	52,038	57,699	63,977	70,938	78,656	87,213	96,702	107,223	118,889	
Prior Year Contribution Required		0	0	0	28,000	31,049	34,427	38,173	42,326	46,931	52,038	57,699	63,977	70,938	78,656	87,213	96,702	107,223	
Contribution Increase			0	28,000	3,049	3,378	3,746	4,153	4,605	5,106	5,662	6,278	6,961	7,718	8,558	9,489	10,521	11,666	
Average Increase Per Unit Per Month	60		\$0.00	\$38.89	\$4.24	\$4.69	\$5.20	\$5.77	\$6.40	\$7.09	\$7.86	\$8.72	\$9.67	\$10.72	\$11.89	\$13.18	\$14.61	\$16.20	
Long Term Stabilized Inflation Rate	3.00%																		
Long Term Stabilized Interest Rate	3.00%																		
0																			
* Contingency = 5% of the current annual average or 1% Current RF Requirements (whichever is the least)																			
<b>RESERVE FUND ANALYSIS</b>																			
Prior Year Reserve Requirement	160,197																		
Plus Interest Income																			
Plus Annual Reserve Fund Assessmt	100,656																		
Minus Total Expenditures																			
Reserve Fund Requirement	160,197	264,011	370,889	480,923	554,873	658,139	743,486	857,384	957,919	1,027,419	1,026,743	1,105,275	1,211,572	1,346,225	1,442,418	1,541,424			
<b>DEFICIENCY ANALYSIS</b>																			
Closing Balance	24,100	51,175	82,062	117,203	117,759	147,581	165,948	213,902	252,176	263,824	210,523	242,569	309,542	413,180	487,950	576,556			
Minus Reserve Fund Requirement	160,197	264,011	370,889	480,923	554,873	658,139	743,486	857,384	957,919	1,027,419	1,026,743	1,105,275	1,211,572	1,346,225	1,442,418	1,541,424			
Reserve Fund Surplus (Deficit)			-136,097	-212,936	-288,827	-363,720	-437,115	-508,557	-577,538	-643,482	-705,743	-763,594	-816,220	-862,707	-902,030	-933,044	-954,468	-964,868	