

Board of Directors Meeting Agenda

**August 18, 2011
5:30 pm – 8:00 pm
CCHC Boardroom**

1. Approval of Agenda
2. Approval of June 23, 2011 Minutes
3. Business Arising from Minutes
4. Committee Reports
 - a. Executive Committee: quarterly financial report for information
 - b. Communication Committee: verbal report
 - c. PAH Demand Assessment Committee: verbal report
5. Report from Managing Director: for information
6. New Business
 - a. 2011/12 Board Recruitment Procedures
 - b. 2012 Business Plan
7. In Camera
 - a. Legal Issue
 - b. Intergovernmental Issue
 - c. Development Issue
8. Direction to Council
9. Next Board meeting dates:
 - a. September 22, 2011
 - b. October 20, 2011
10. 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
DRAFT FOR APPROVAL
Thursday, June 23, 2011
CCHC Boardroom

Board members in attendance:

John Borrowman
Karen Greene
Bob Kocian

Garth Lyon
Kimber Meister
Heather Schilling

Others in attendance:

Jennifer Bisley, Managing Director, CCHC;
Gary Buxton, Town of Canmore – CCHC Liaison

Regrets Cathy-Anne David, Brent Rosvold, Ed Russell

There being a quorum, Heather Schilling called the meeting to order at 5:32 pm.

1) Agenda Approval

Moved by Karen Greene to approve the agenda as presented.
Carried unanimously

2) Review and Approval of Minutes

Motion 2011.26

Moved by John Borrowman that the Board approve the Minutes of the May 19, 2011 Board meeting as presented.

Carried unanimously

3) Business Arising from Minutes: none

4) Committee Reports

- a) **Executive Committee:** Verbal update accepted for information
- b) **Communication Committee:** Verbal report accepted for information.
- c) **PAH Demand Assessment Committee:** Verbal report accepted for information.

5) Report from Managing Director:

Managing Director's Report presented, discussed and accepted for information.

6) New Business

None

7) In Camera

Moved by Bob Kocian to go in camera at 5:56pm. Carried.

a) **Development Issue**

Moved by Kimber Meister to come out of camera at 6:29pm. Carried.

Motion 2011.27

Moved by Karen Greene that CCHC provide a letter to Clay Cup Developers stating that CCHC supports grant applications that result in more affordable housing in Canmore.

Carried unanimously

Moved by Bob Kocian to go in camera at 6:31pm. Carried.

b) **Intergovernmental Issue**

c) **2012 Business Planning Working Session**

Moved by Bob Kocian to come out of camera at 8:19pm. Carried.

8) Direction to Council: none

9) Next Meeting Dates

a) Board Meetings: August and September, dates to be determined

b) Quarterly Shareholder Meeting: September, date to be determined

10) Motion to Adjourn

Moved by Garth Lyon to adjourn the meeting at 8:22pm

Carried.

4a CCHC Quarterly Financial Report

As of 30-Jun-11
Prepared 15-Jul-11

	30-Jun 2011		2011	2011	Adj YTD as % of Budget	NOTES
	YTD	Adjmt	Adj YTD	Budget		
Operating Revenues						
Town Contributions	\$ 125,000	0	\$ 125,000	\$ 250,000	50%	
PAH Admin Fees	10,739	0	10,739	31,250	34%	Two CR properties for sale 13996 admin fee
Interest	3,782	0	3,782	5,000	76%	
Other	0	0	0	0		
MHCH Lease Revenues	0	0	0	0		
Total Operating Revenues	\$ 139,520	0	\$ 139,520	\$ 286,250	49%	
Operating Expenses						
Advertising and Marketing	\$ 3,672		\$ 3,672	\$ 17,500	21%	Rebranding activities - to be completed
Bank Charges	84		84	200	42%	
Hosting - Meetings	695		695	2,500	28%	
Insurance	802		802	1,925	42%	
Meals and Entertainment	207		207	1,000	21%	
Office Services	2,279		2,279	6,500	35%	
Office Supplies	515		515	4,500	11%	Waiting for rebranding to order new supplies
Professional Fees	17,271	-10,405	6,866	15,000	46%	3000 audit fees less \$13405 in MHCH chargebacks
Professional Development	40		40	1,750	2%	
Resale Fees	4,709		4,709	17,500	27%	Consistent with low PAH admin fees
Salaries and Benefits	44,601	53,018	97,619	195,375	50%	
Telephone, Fax, Net	2,418		2,418	4,250	57%	
Travel, Conferences	0		0	2,500	0%	
Total Operating Expenses	\$ 77,295	42,613	\$ 119,908	\$ 270,500	44%	
Operating Surplus/Deficit	\$ 62,225	-42,613	\$ 19,612	\$ 15,750	125%	
Capital Costs						
Computer Equipment	0	1,754	1,754	2,000	88%	
PROJECT COSTS						
The Hector at Palliser Village						
Revenue	0	303,112	303,112	593,792	51%	to June 30
Operating Costs	0	-62,797	-62,797	-159,180	39%	
Financing and Reserves	0	-215,295	-215,295	-430,592	50%	
Net Surplus/Deficit	0	25,019	\$ 25,019	\$ 4,020	622%	
Owing to/from Town	0	-25,019	-25,019	-4,020	622%	
Cash Balance	\$ -	-	\$ 0	\$ 0	-	
Site 2A	0			0	-	
Coyote Ridge	1,754		1,754	0	-	Electrical inspections; final stonework - DCC issued
TSMV Lot 39	3,959		3,959	7,750	51%	
Palliser Lot 7	866		866	6,000	14%	Waiting for Signage invoice
Total Project Costs	\$ 6,579	0	\$ 6,579	\$ 13,750	48%	
NET CASH SURPLUS/DEFICIT	\$ 55,646	-42,613	\$ 13,033	\$ 0		
OTHER REVENUES/EXPENDITURES						
Housing Development						
Sales	211,262	0	211,262			MSC Sale in May; 3x5plex Fall 2011 possession
Cost of Goods Sold	-205,981	0	-205,981			Note:revenue budgeted under PAH Admin Fee
Revenue	5,281	0	\$ 5,281			Added into PAH Admin fee

BOARD MEETING DATE: August 18 2011

SUBJECT/TOPIC: **Managing Director’s Report**

PURPOSE: To update the Board on CCHC activities

HIGHLIGHTS

Activities in late June through to August included work with the Demand Committee on the PAH Development and Implementation Plan, finalizing the rebranding materials, summer outreach activities, business planning and HR .

PRIORITIES

1. Implementation Plan for Future PAH Development

- The PAH Demand Committee met in July to review specific sites, previous plans, and discuss options for future development. The Committee will report back to the Board at the August meeting.

2. Communication Strategy: Branding and Identity

- Rebranded marketing materials are designed and have been ordered. The launch of the new brand will take place once all materials are ready with a target of August 25.

MANDATE AND ACTIVITY HIGHLIGHTS

1. RESEARCH AND ADVICE

- Monitored monthly rental statistics
- Developed and implemented an online demand survey that is scheduled to be open as long as the Mountain Market operates for the year.

2. HOUSING PROGRAMS

PAH Program - Ownership

- The PAH List currently consists of 10 households. The decrease from 21 in June is due to the completion of the eligibility criteria confirmation process. Of the original 21 List members, 10 expressed continuing interest and confirmed their eligibility and 11 were removed from the List. Reasons to withdraw included the purchase of a market home, change in employment, and leaving the community. One new application was processed and one household was removed as they purchased a PAH property.

PAH Applicant Status as of Aug 10, 2011

OWN	YTD 2011	2010	2008/09	Total
PAH List	1	7	2	10
Purchased PAH	2	4	14	20
Not Approved	0	1	1	2
Withdrew	0	6	8	14
Total	3	18	25	45

- 1 x 3 bed PAH property SOLD by Owner at Coyote Ridge - \$336,000
- 1 x 2 bed new PAH property FOR SALE by Owner at Coyote Ridge - \$269,400

PAH Program - The Hector Rental

- Occupancy as of August 11, 2011 is 98% - 1 x 2 bedroom available.
- 8 applications were processed from June 16 – Aug 8
- The Rental Wait List consists of 5 households:
 - 1 x studio
 - 2 x 1 bedroom
 - 2 x 2 bedroom

The Hector at Palliser Village Occupancy Rate, 2011

Target	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
95%	90%	92%	90%	90%	100%	100%	98%	98%

PAH Applicant Status as of Aug 10, 2011

RENT	YTD 2011	2010	2008 /09	TOTAL
PAH List	5	0	0	6
Rented PAH	18	21	20	59
Ended Lease	0	9	24	33
Withdrew	13	15	33	61
Total	34	45	77	156

PAH Properties

The Hector at Palliser Village

- Deficiencies at The Hector are generally complete with the exception of tub drain inspections in one building. The Town is expected to sign off on as soon as the work has been inspected.
- The draft reserve fund plan has been reviewed. A meeting is scheduled for Aug 15 to review the revised and final version.

Coyote Ridge

- Attended AGM on July 14, 2011. The Board consists of 2 PAH Owners and the CCHC Managing Director. Issues to be addressed by the new Board include snow removal and siding repairs and maintenance.

Lot 39, Three Sisters Mountain Village

- Trespassing and parking remains an issue despite signage. There has been an increase in site visits and in communications with adjacent properties. Research has been conducted regarding options to address the issue including patrols, physical barriers to access, and parking bylaws for Lamphouse Neighborhood Association to adopt.

Lamphouse Neighborhood Association (Dyrgas Lane)

- Next Board meeting scheduled for Wed, Sept 14th at 7:00pm with the AGM scheduled for Wed, Nov 30th at 7:00pm.

3. COMMUNICATIONS

- Held July and August lunch information sessions on buying PAH.
- Weekly attendance at the Mountain Markets has significantly increased the number of inquiries handled by CCHC by about 50 monthly. It appears to be an excellent forum to increase awareness and acceptance of CCHC and PAH with the general public, promote our PAH lenders, respond to inquiries from prospective clients, and to connect with our existing clients.

PAH Inquiries

	Jan	Feb	Mar	Apr	May	Jun	Jul	Total
Rental	9	7	25	40	12	7	11	111
General PAH	4	7	7	11	5	7	8	49
Other	1	0	0	0	0	6	2	9
Info Sessions	3	4	2	5	1	3	4	22
Mountain Market						49	50	99
2011 Total	17	18	34	56	18	72	75	290
2010 Total	40	23	32	19	16	22	74	226

PERFORMANCE MEASURES as of Aug 11, 2011

1. Occupancy rate at The Hector:

Target:	98%
Leased:	100%

2. Number of Applications Approved as of Aug 11 2011:

	Approved	Target	Achieved
(1) General PAH Ownership	3	20	15%
(2) Palliser Village Rental	34	40	85%
TOTAL	37	60	62%

3. Customer Satisfaction Survey: reporting in December 2011.

Prepared by: Jennifer Bisley, Managing Director
 Prepared on: August 11, 2011

MEETING DATE: August 18, 2011

SUBJECT/TOPIC: 2011 CCHC Board Recruitment

PURPOSE: To approve the 2011 CCHC Board Recruitment Procedures and appoint the Board Nomination Committee

RECOMMENDATION:

That the CCHC Board:

- 1) Adopt the 2011 CCHC Board Recruitment Procedures as presented; and
- 2) Appoint two (2) members and the Managing Director to the Board Nomination Committee

BACKGROUND:

Each year CCHC undertakes board recruitment and puts forward a recommended slate of directors for appointment by Town Council as shareholder. Proposed 2011 board recruitment procedures are attached for approval.

DISCUSSION

None

ATTACHMENTS: 2011 CCHC Board Recruitment Procedures

Prepared by: Jennifer Bisley, Managing Director

Prepared on: August 10, 2011



6a Attachment 2011 Board Recruitment Procedures

Effective Date: August 18, 2011
Adopted by CCHC Resolution:

Appointment of Directors to the CCHC Board:

As CCHC shareholders, Town Council appoints all Directors to the CCHC Board. This is typically done during the Town's annual organizational meeting in October at the same time that Council appoints nominees to all Town committees.

The number of Directors shall never be less than three (3) or more than nine (9). Typically, shareholders have appointed up to seven (7) public members and two (2) Council member representatives.

The Board is not intended to be representative of community organizations, clients and other stakeholders; instead, it is an independent corporate board that governs and directs the organization. This requires very specific skill sets and knowledge related to CCHC and its activities. Accordingly, CCHC has its own recruitment process to identify and recommend public members for appointment.

Incumbent Board Members:

Board member appointments are for a one-year term only. At each annual general meeting, all Directors shall retire from office provided that, in default of an annual general meeting at which a successor is appointed, an incumbent Director shall remain in office until such successor is appointed.

A retiring Director is eligible for reappointment. This is done by stating their written intent to the Managing Director in an email or letter by the application deadline. The appointment must be approved by the Town at the time the other Directors are appointed.

Board Nomination Committee:

The Nomination Committee is an ad hoc committee appointed by the Board and is made up of two Board members and the Managing Director. The committee is responsible for overseeing the recruitment process, including advertising, interviews, and making a recommendation to the CCHC Board for the Board's consideration and endorsement. Once it has made its recommendation to the Board, the Committee is dissolved.

Board Member Requirements:

Board members should have knowledge of and skills in one or more areas of board governance (policy, finance, legal, program, personnel or advocacy) in addition to communications, marketing and problem solving skills.

Board members should also have relevant industry sector/skills in land/residential development, real estate sales, property management, mortgage/banking, law, accounting, and business administration.

Board members should be ordinarily resident in Canmore.

Board members should be able to meet an estimated 8-10 hour monthly time commitment, which may take place during the day and/or evenings on regular business days:

- Monthly Board meetings (2-3 hours plus 1 hour preparation)
- Committee meetings (2-3 hours monthly/bi-monthly)
- Quarterly shareholder meetings (2-3 hours quarterly)
- community events (as needed and as available)
- planning sessions (up to one day annually)

Board members must be aware that this is an unpaid volunteer position. The benefit to the member is the satisfaction of working toward improving the social well-being of the community, the opportunity to learn about housing issues and about non-profit board management.

Approved out-of-pocket expenses are reimbursed.

Interested applicants will be asked to provide the following information:

- Reasons for applying to CCHC Board
- Education and applicable experience
- Knowledge and skills they would bring to Board

Board Recruitment Timelines:

AUGUST:

1. Board determines skills and/or industry sector representation required at August Board meeting.
2. Board establishes an ad hoc Nomination Committee of two Board members plus Managing Director to oversee Board recruitment efforts at August Board meeting.
3. Courtesy notes sent to Board members advising of upcoming Board recruitment advertisements and confirm which Directors plan to continue on the Board.
4. Broad advertising campaign to the public and targeted to specific sectors to attract applicants in appropriate industries and with appropriate skills.
 - a) Newspaper advertising: Rocky Mountain Outlook, Canmore Leader
 - Advertising submission deadline is August 19th for ads to run on August 25th (note that cost is \$215 per Outlook ad)
 - b) Website and email distribution lists
 - c) Board member promotion through community organizations in which they are involved, ie. Rotary, BOWDA...
5. All prospective Board members must submit a written application within advertised deadlines. Recommended application deadline is **Thursday September 22nd, 2011**.

SEPTEMBER:

1. Following the application deadline, the Nomination Committee meets with all applicants individually in an informal “get to know you” interview (see Board Recruitment Interview Guide below).

OCTOBER:

1. The Nomination Committee makes its recommendation to the CCHC Board at the October Board meeting scheduled for October 20, 2011.
2. CCHC Board makes recommendations to Town Council for its consideration and approval at the Town’s Organizational meeting (expected to be October 25). CCHC will submit the names of all applicants with the list of nominees and rationale for its recommendation.
3. Note that the Town of Canmore undertakes advertising for all Town Board/Committee positions in October and may receive applications for the CCHC Board through this process. The Town will be asked to share any applications for review by the CCHC Board.
4. Public release surrounding Board appointments to be made by CCHC in addition to Town’s usual public announcement following Organizational Meeting.

NOVEMBER:

1. New Board members receive orientation and attend their first Board meeting in November/December.

Board Recruitment Interview Guide:

CCHC Introduction:

- Overview of CCHC organizational structure and guiding directives
- Description of CCHC strategies, projects and committees
- Description of skills required by the Board
- Overview of time requirements and confidentiality and conflict of interest expectations.

Candidate Questions

- What does PAH mean to you?
- What is your interest in community housing? Why do you want to be on this Board?
- What will your contribution be? Is there anything specific that you want to achieve?
- Are there any conflicts that you see between your life and CCHC?
- Any questions?

Closing:

- Advise applicants that CCHC will get back to them once Town Council has made the appointments following its organizational meeting in late October.

2012 CCHC Business Plan

Draft for review

Introduction

Canmore Community Housing Corporation (CCHC) is a non-profit municipal organization committed to the social sustainability of Canmore. Our vision is one where Canmore is known for the quality of life of its citizens. CCHC contributes to this by advancing community housing options.

Canmore has one of the highest costs of housing in Alberta. A gap exists between what Canmore residents and workers earn and the affordability of market housing. Our mission is to bridge that affordability gap with long-term options for the well-being of the community.

Our Corporation

CCHC was incorporated under the *Alberta Companies Act* in 2000 as an arms-length corporation to provide housing solutions for a healthy and balanced community. CCHC is wholly owned by the Town of Canmore.

A Board of Directors, appointed by Town Council, governs and provides direction to the Corporation. The Managing Director provides support to the Board and implements the business plan.

Our Mandate

CCHC manages housing programs, provides research and advice, and communicates on community housing matters

Community housing is defined broadly to include owned and rental initiatives above the level of social housing but below market housing along the housing continuum. It includes perpetually affordable housing (PAH) as defined in municipal policy.

PAH is an investment in community infrastructure by residents, businesses, developers, and local and provincial governments. This investment allows us to offer homes at below market purchase and rental prices. CCHC ensures that this investment and affordability is retained for the benefit of future Canmore permanent residents its programs.

Our Vision

Canmore is known for the quality of life of its citizens. CCHC contributes to this by advancing community housing options.

Our Mission

To bridge Canmore's housing affordability gap with long-term options for the well-being of the community.

Our Mandate

CCHC was established by the Town of Canmore in 2000 to provide housing solutions for a healthy and balanced community.

This will be realized through:

- Housing Programs <
- Research and Advice <
- Communications <

Our Values

- Leadership <
- Connectedness <
- Integrity <
- Accountability <

Our Priorities for 2012

The Board establishes priorities each year, driven by demand, building on our strengths, achievements and resources, and consistent with our values, mandate, mission and vision.

1. Develop a financial sustainability model

To sustain operations, projects and programs and to accommodate growth, a priority for CCHC is to develop a model to better understand financial sustainability at the project, program and organizational level. The model will need to contemplate CCHC's capacity to generate revenues from current and new projects, programs and operations, and the Town's capacity to provide financial support through the PAH Reserve Fund. It will also need to consider current and future capital expenditure required to maintain PAH properties.

The model would be applied to current and proposed projects, programs, and operational changes to understand the financial implications which will inform business decisions. With up to 1,000 affordable housing units and several thousand employee housing beds anticipated in the Town of Canmore *Comprehensive Housing Action Plan* (2011) at build out, it is important not to lose sight of long term sustainability.

2. Plan a PAH project

In 2010 CCHC undertook a strategic assessment of housing demand and lands available for future PAH development. In 2011, CCHC has assessed specific sites and is formulating general development and partnering guidelines. CCHC will be recommending sites and concepts for the next PAH projects for consideration by Council.

In 2012, CCHC will begin plan a PAH project. Recognizing its role as facilitator, CCHC will look to establish partnerships and secure internal and external sources of funding for proposal and project development as appropriate and as endorsed by Council.

Housing Programs

CCHC is to develop and administer programs to manage the inventory, sale and rental of community housing owned by CCHC and the Town of Canmore.

CCHC resources are primarily dedicated to developing and administering the Town of Canmore's perpetually affordable housing (PAH) programs. CCHC has created structures and procedures and is able to efficiently and effectively deliver a broad spectrum and flexible PAH Program in accordance with municipal requirements.

As of 2011, 44 ownership homes and 60 rental units at six developments were in the PAH Program administered by CCHC. Mountain Haven Cooperative Homes Ltd. (MHCHL) administers its own PAH Program with 44 units on land leased from CCHC.

PAH Program Overview

All households looking to rent or buy PAH must submit an application. CCHC verifies information to confirm eligibility in accordance with Town of Canmore policies. Approved households are placed on the PAH List to buy or rent. CCHC processes about 60 applications each year.

When a household buys a PAH property, they buy a condominium leasehold interest for up to one hundred years. CCHC retains the fee simple title and enters into a lease agreement with the buyer that sets out the terms and conditions of the PAH Program. When the PAH owner wants to sell their leasehold interest, they sell the remaining term of the lease to an eligible buyer of their choice within the maximum resale price. CCHC must consent to any resale. There are typically 6 to 8 sales each year.

The Hector at Palliser Village is a 60 unit rental property owned by the Town of Canmore and administered by CCHC. CCHC provides financial oversight, manages the property management contract, and provides advice to the Town where appropriate. CCHC includes revenue projections in its annual business plan, but revenues are reported in Town audited financial statements. Cash deficits are the responsibility of the Town of Canmore, which are budgeted to be offset by a transfer from the PAH Reserve Fund.

CCHC also administers a land lease with MHCHL, which consists of 32 equity and 12 non-equity units. Although the cooperative administers its own PAH Program, CCHC must consent to sales verifying that they are to eligible purchasers within the maximum resale price.

PAH Projects Overview

CCHC is responsible for maintaining properties designated for affordable housing development, including vacant Lot 7 at Palliser Village (owned by the Town) and vacant Lot 39 on Dyrkas Lane. CCHC also participates on condominium, neighbourhood association and resident boards and committees as appropriate.

2012 Activities

CCHC will develop a model for financial sustainability and continue to administer its programs and look for program innovations and efficiencies. CCHC will amend PAH leases as appropriate in its efforts to standardize the leasehold program. CCHC is assessing options to transfer ownership of The Hector and Lot 7 at Palliser Village to CCHC. Should Town Council decide to transfer ownership, it would likely take place in early 2012. CCHC will review the Hector rental rates in 2012, and will assess whether it is necessary and appropriate to request a rental rate change for 2013.

Research and Advice

CCHC is to research and provide advice on community housing policy, planning, development and the demand for such housing.

CCHC provides housing advice to the Town of Canmore as required and provides information to working partners including developers, lenders and realtors. Understanding community housing demand through research and knowledge of clients' needs, and understanding housing programs at an operational level, are fundamental to our ability to advise on appropriate strategies to meet that demand.

2012 Activities

CCHC will continue to monitor market rental and sales statistics, undertake surveys, and engage our clients and public through information and community events in order to understand demand, and to advise the Town as appropriate. CCHC will also determine an alternative income measure to the Core Needs Income Threshold (CNIT), which is used for provincially funded Canmore affordable housing projects (The Hector and MCHCL). Finally, in order to plan the next PAH project, CCHC will look to establish partnerships and secure internal and external sources of funding for proposal and project development as appropriate and as endorsed by Council.

Communications

CCHC is to promote, educate and communicate information on community housing through advocacy and partnerships.

CCHC connects with the community to educate the public, working partners, and clients about housing options and opportunities. CCHC also connects with decision-makers and working partners to educate them on local housing issues.

CCHC developed a communication plan in 2009 with specific strategies to meet different communication and business goals. In 2010 and 2011, organizational

development and identity was strengthened through a refresh of guiding directives and rebranding activities, and awareness of CCHC and its program was enhanced through outreach activities.

2012 Activities

CCHC will continue its outreach activities to engage the public and working partners and increase activities to engage PAH owners and provide them with relevant and useful information. CCHC will also advocate to the province to implement an alternative income measure to the Core Needs Income Threshold for Canmore affordable housing projects.

2012 Budget Implications

CCHC anticipates no significant changes to service levels in 2012 and has budgeted for a Town of Canmore contribution of \$250,000 for operating, a requisition that has not increased since 2008. This amount represents 87 percent of CCHC's total revenues. Resale administration fees and investment interest contribute the remaining 13 percent of revenues. .

CCHC includes revenue projections for The Hector in its annual business plan for information purposes only at this time. The Town, as owner of The Hector, must record the rental revenues in its statement of operations. Cash deficits are the responsibility of the Town of Canmore, which have been budgeted to be offset by a transfer from the PAH Reserve Fund. Should a transfer of ownership occur, it would not change budgeted revenues or expenditures, it would simply change the reporting requirements.

Summary: Priorities, Activities, Performance Measures

PRIORITIES

1. Develop a model for financial sustainability
2. Plan a PAH project

KEY ACTIVITIES

HOUSING PROGRAM

- | | |
|-----------------------------------------------------------------------------------------------------------------|---------|
| 1. Transfer ownership of The Hector and Lot 7 at Palliser Village to CCHC (conditional on approval by Council). | JANUARY |
| 2. Review rental rates and submit a request for changes as appropriate | JUNE |
| 3. Develop model for financial sustainability | OCTOBER |
| 4. Amend leases as appropriate | ONGOING |

RESEARCH AND ADVICE

- | | |
|----------------------------------------------------------------------------------------------------------------------------------------|---------|
| 1. Determine appropriate alternative income measure to the Core Needs Income Threshold (CNIT) for Canmore affordable housing projects. | APRIL |
| 2. Provide advice and explore partnerships and financing to plan the next PAH project. | ONGOING |

COMMUNICATIONS

- | | |
|--------------------------------------------------------------------------------------------------------|---------|
| 1. Advocate change in the income measure used by the province for Canmore affordable housing projects. | MAY |
| 2. PAH owner outreach | ONGOING |

PERFORMANCE MEASURES

PAH Program: Owned

- | | |
|------------------------------------------|-----------------------------|
| 1. Applications approved: | 20 |
| 2. Average days units held in inventory: | comparison to previous year |

PAH Program: Rental

- | | |
|---------------------------|-----|
| 1. Applications approved: | 45 |
| 2. Occupancy rate: | 95% |

Customer Satisfaction Survey: 90% satisfied

2012 CCHC Cash Budget

	2010 Actual	2011 Budget	2011 Estimated	2012 Budget	Notes
GENERAL REVENUES					
Town of Canmore Requisition	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	
Interest	7,397	5,000	7,564	7,250	
Other	1,777	-	1,232	-	
Total General Revenues	\$ 259,174	\$ 255,000	\$ 258,796	\$ 257,250	
GENERAL ADMINISTRATION					
Expenses					
Advertising & Marketing	\$ 13,833	\$ 17,500	\$ 12,500	\$ 12,500	
Bank Charges	128	200	200	200	
Board & Committee Meetings	1,349	2500	2000	2,250	
Insurance	1,734	1,925	1,604	1,925	
Meals and Entertainment	263	1,000	750	1,000	
Office Services	5,770	6,500	5,500	7,275	1
Office Supplies	3,115	4,500	4,500	4,575	
Professional Fees	9,153	15,000	20,000	20,000	2
Professional Development	850	1,750	2,000	3,000	3
Salaries and Benefits	185,258	195,375	195,375	206,150	4
Telephone, Fax, Net	4,015	4,250	4,825	4,875	
Travel, Conferences	424	2,500	750	2,250	3
Total Administration Expenses	\$ 225,890	\$ 253,000	\$ 250,004	\$ 266,000	
Capital Expenditures					
Computer Software	\$ 6,900	-	5,000	\$ -	
Computer Equipment	-	2,000	2,000	1,500	5
Leasehold Improvements	-	-	1,000	500	5
Total Capital Expenditures	\$ 6,900	\$ 2,000	\$ 8,000	\$ 2,000	
ADMINISTRATION SURPLUS/(DEFICIT)	\$ 26,384	\$ 0	\$ 792	\$ (10,750)	
PAH PROGRAM - SALES					
PAH Fees and Sales Revenues	\$ 27,967	\$ 31,250	\$ 25,000	\$ 31,250	
Resale Expenses	(22,792)	(17,500)	(12,500)	(17,500)	
PAH Program Surplus/(Deficit)	\$ 5,175	\$ 13,750	\$ 12,500	\$ 13,750	
PAH PROGRAM - THE HECTOR RENT					
Rental Revenue	\$ 526,436	\$ 605,000	\$ 606,250	\$ 593,792	6
Operating Costs	(128,854)	(160,000)	(160,638)	(165,976)	
Operating Surplus/Deficit	\$ 397,582	\$ 445,000	\$ 445,612	\$ 427,816	
Debt Servicing Costs	(438,209)	(475,666)	(405,590)	(405,590)	
Transfer (to)/from Hector Cap Reserve Fund	-	(22,870)	(40,022)	(28,000)	
Cash Surplus/(Deficit)	\$ (40,627)	\$ (53,536)	\$ -	\$ (5,774)	
Transfer (to)/from PAH Reserve Fund	40,627	53,536	-	5,774	
	\$ -	\$ -	\$ -	\$ -	
PAH PROJECT EXPENDITURES					
Palliser Lot 7 (Town owned)	(2,105)	(6,000)	(3,000)	(3,000)	7
Coyote Ridge	(9,205)	-	(1,754)	-	
TSMV Lot 39	(8,343)	(7,750)	(7,750)	(8,000)	8
Total Project Expenditures	\$ (19,653)	\$ (13,750)	\$ (12,504)	\$ (11,000)	
CASH SURPLUS/(DEFICIT)	\$ 11,906	\$ -	\$ 788	\$ (8,000)	
TRANSFER (TO)/FROM					
CCHC OPERATIONAL RESERVE	(11,906)	-	(788)	-	
CCHC CAPITAL RESERVE	-	-	-	8,000	8
CASH BALANCE	\$ (0)	\$ -	\$ -	\$ -	

2012 CCHC Cash Budget - Notes

1. Office services increase in 2012 to anticipate a change in payroll services. Currently, the service is provided by the Town of Canmore at no charge. However, the Town is unable to continue this service as required by CCHC. CCHC is currently assessing its options.
2. Professional fees anticipate an increase to the audit fee and to legal fees due to lease amendments and possible transfer of The Hector and Lot 7 at Palliser Village.
3. Professional development and travel have increased to reflect planning training to support staff in activities in sales administration and development in anticipation of planning a PAH project.
4. Salaries and benefits anticipate no significant change to service levels. The 6% increase reflects an increase in staffing from 2.4 to 2.5 full-time equivalents, a cost of living increase of 0.8%, an average performance increase of approximately 2%, and contract labour of \$5,000.
5. Capital expenditures include the purchase of a filing cabinet as a leasehold improvement and a CPU and colour printer under the category of computer hardware.
6. CCHC manages The Hector at Palliser Village on behalf of the Town of Canmore. Rental rates must remain at least 10% below market rates and any increases must be approved by the Province. In 2011, higher occupancy rates and lower debt servicing costs mean that CCHC expects a surplus that can be allocated to a building reserve fund for future repair and replacement costs. Until the reserve fund plan is finalized, CCHC has budgeted contributions of about 4-5% of total potential rental revenue. The five year cash flow statement (attached) provides more details.
7. Common expenses for Lot 7 at Palliser Lane reflect administration savings of CCHC management of the private road.
8. Project expenditures for Lot 39 at Dyrgas Lane in Three Sisters Mountain Village are costs associated with the Lamphouse Neighbourhood Association and its management of the private road. These costs are capitalized and are to be covered by CCHC funds restricted for future development.

THE HECTOR AT PALLISER VILLAGE

Cash Budget 2012-2016

Prepared Aug 15, 2011

		Actual (Jul-Dec) 2009	Actual 2010	Budget 2011 -2%	Projected 2011 -2%	2012 0%	2013 2%	Budget 2014 2%	2015 0%	2016 2%	Cumulative Total 2009 - 2016
Potential Rental Revenue	2.0%	238,970	637,545	625,044	625,044	625,044	637,545	650,296	650,296	663,302	4,064,739
Less Vacancy	5.0%	-113,573	-111,109	-31,252	-18,794	-31,252	-31,877	-32,515	-32,515	-33,165	- 371,635
Rental Revenue		\$ 125,397	526,436	593,792	606,250	593,792	605,668	617,781	617,781	630,137	\$ 4,323,241
Operating Costs											-
Insurance (paid by TOC)	2.0%	3,314	0	5,419	5,419	5,528	5,638	5,751	5,866	5,983	37,499
Property taxes		-	-	-	-	-	-	-	-	-	-
Management fee	Fixed	9,375	38,506	44,534	45,469	47,503	51,482	55,600	58,689	59,863	366,487
Maintenance and repair	2.0%	3,411	22,840	25,202	34,500	35,190	35,894	36,612	37,344	38,091	243,881
Utilities	4.0%	22,348	47,949	65,765	50,000	52,000	54,080	56,243	58,493	60,833	401,945
Landscaping/snow removal	2.0%	1,683	8,046	13,260	15,000	15,300	15,606	15,918	16,236	16,561	104,350
Security	2.0%	4,245	6,957	5,000	6,250	6,375	6,503	6,633	6,765	6,901	50,627
Other	2.0%	-380	4,557	4,000	4,000	4,080	4,162	4,245	4,330	4,416	29,410
Operating Costs		43,996	128,854	163,180	160,638	165,976	173,364	181,002	187,723	192,648	1,234,201
Operating Surplus/(Deficit)		\$ 81,401	397,582	430,612	445,612	427,816	432,304	436,779	430,058	437,489	\$ 3,089,040
Financing Interest		168,299	322,382	276,340	276,340	269,824	262,978	255,788	248,235	248,235	\$ 2,052,080
Surplus/(Deficit) before Capital Payments		\$ -86,898	75,200	154,271	169,272	157,992	169,325	180,992	181,823	189,254	\$ 1,036,960
Capital Payments - Investment											-
Debt Financing Principal		\$ 69,534	115,827	129,250	129,250	135,767	142,612	149,803	157,356	157,356	1,057,506
Building Reserve Fund		0	0	25,002	40,022	28,000	28,560	29,131	29,714	30,308	\$ 185,735
Total Capital Investment		\$ 69,534	115,827	154,252	169,272	163,767	171,172	178,934	187,070	187,664	\$ 1,243,241
NET CASH SURPLUS/(DEFICIT)		\$ -156,432	-40,627	19	-0	-5,775	-1,847	2,057	-5,247	1,590	\$ - 206,281
Transfer from/(to) PAH Reserve*		\$ 156,432	40,627	-19	0	5,775	1,847	-2,057	5,247	-1,590	\$ 206,281
Balanced Cash Budget		\$ 0	0	0	0	0	0	0	0	0	\$ -

NOTES:

Revenue

2011 revenues are projected to be higher than budgeted due to lower vacancy rates (average of 3% compared to 5%)

An assumed 5% vacancy rate for 2012 would create a cash deficit and require a 2-3% average rental increase

Note that any rental rate changes require approval by the Province and still need to meet affordability guidelines

A sensitivity analysis using a 7% vacancy rate added \$11,500 to the cash deficit; a 3% vacancy rate results in a small surplus

Operating Costs

Operating costs are budgeted to increase by 2.3% overall, due to increasing utility costs, higher than expected maintenance costs, and modest increases in the management fee

Project Financing

There are no changes expected to be made to the amortization schedule

Capital Payments

A reserve fund study is being finalized. As no funds have been set aside for capital replacement, it is recommended to dedicate any cash surpluses in 2011 to this fund

It is also recommended to follow the study and its suggested contributions in subsequent years to be able to pay for capital repairs and replacement.