

## Residential Operations 2008 Budget Document

### Section I. Existing Services and Service Levels:

The division provides direct program delivery to Peel Living residents, in the following areas:

- Operations provide property management services to 70 Peel Living buildings and supervision of 80 site staff.
- Resident Services provides frontline customer service contact to Peel Living residents, including applicant offers of accommodation on vacant units and action on non rent and rental arrears through applications to the Landlord and Tenant Board.
- Maintenance oversees preventative maintenance contracts regarding cost and quality, and ensures compliance with the Ontario Fire Code.

#### Key initiatives in 2007 included:

- Added three Resident Services Representatives on contract basis to improve resident access, staff follow-up and action. Added a second Supervisor to provide additional oversight to Tenant Placement, Rent Collection and administrative unit.

### Section II. Resources to Deliver 2007 Services:

Current \$'000	2006 Actual	2007 Budget	2007 Projection	2007 Variance Under/(Over)
<b>Total Expenditures</b>	\$6,122	\$7,177	\$7,177	\$0
<b>Total Revenue</b>	\$6,182	\$6,864	\$7,177	(\$313)
<b>Net Cost (Revenue)</b>	(\$60)	\$313	\$0	(\$313)
<b>FTE</b>	46	47	47	0

#### 2007 Budget:

For 2007, the Residential Operations division has a complement of 47, a net current budget of \$0.3 million.

The capital plan for Residential Operations is reported in the Peel Living budget documents.

#### 2007 Projection:

The division is forecasting to come in \$0.3 million under budget. This is a result of increased recoveries from Peel Living to reflect the change in oversight due to the split of Property Management into two divisions: Residential and Commercial.

#### Outputs / Outcomes

Outputs/Outcomes for the division are reported in the Peel Living budget.

### **Section III. Performance Measurement/Benchmarking:**

Both Social Housing Services Corporation (SHSC) and Ontario Non Profit Housing Association are working to populate a SHSC data base created in 2006 to identify best practices and allow comparisons to be made by providers. Peel Living is committed to participation in this work and this is a first step towards performance management in the sector.

### **Section IV. 2008 Base Pressures:**

#### *Annualization:*

Residential Operations had annualization pressures of \$0.02 million from 2007's approved current budget.

#### *Cost of Living Increase/Inflation:*

The base pressures are increasing by \$0.3 million, primarily related to inflationary increases in the area of Salary and Wages due to cost of living and normal staff progression through the salary ranges. Increases are identified in Appendix I.

### **Section V. Cost Mitigation Through Efficiencies and Recoveries:**

#### *Efficiencies:*

- Improvements to rent calculation process and clarify lead roles/responsibilities between Resident Services and Finance completed in house and implemented October 1, 2007. Use of consultant at estimated \$0.05 million cost not needed.
- Expected increase in Landlord and Tenant Board hearings as result of new *Residential Tenancies Act* (RTA). Act changes did not occur to extent predicted and savings of \$0.03 million resulted.
- Reduction in overtime costs due to staff increase and use of compressed hour options resulted in savings of \$0.02 million.
- Redeployment of costs to reflect Department organizational changes to remove Commercial Facility charges reduced costs by \$0.03 million.

#### *Recoveries:*

Budgeted recoveries from Peel Living will be increasing by \$0.5 million. An increase of \$0.3 million results from the separation of Residential and Commercial Property Management into two separate divisions and \$0.2 million is due to changes in base costs.

### **Section VI. Challenges and Emerging Trends:**

Cumulative impacts of changing resident characteristics due to housing low income residents and special priority households since provincial *Social Housing Reform Act* enacted in 2001 are creating building, resident and community concerns at several sites.

**Section VII. 2008 Program Pressures – Current:**

*Growth:*

- Expansion of one staff in Fire and Safety area due to growth in portfolio, addition of five Ontario Works shelters and transitional facilities and provision of property management service by this division, for a cost of \$0.1 million.
- Expansion of three contract Resident Services Representatives to respond to customer complaints about slow responsiveness to calls for service and follow up action, for a cost of \$0.2 million.
- Cost of \$0.03 million to conduct electrical and mechanical systems inspection and audit to confirm state of systems at shelter facilities.

*Service Demand:*

- All resident calls to Resident Service Representative to be answered by Corporate Call Centre (CCC) estimated to start in mid February 2008. Internal charge of \$0.1 million for CCC to hire three operators to handle call volumes. Change delivers a live operator response answered on average in 20 seconds to directly increase customer service and responsiveness.
- Consultants cost to prepare a Managed Competition process for a competitive bid for private sector property management of three Peel living sites and cost of \$0.1 million.
- Cost for youth oriented employment pilot and engaging in troubled youth and community initiatives at cost of \$0.03 million.

*Other Pressures:*

Transfer of one full-time equivalent (FTE) from Finance to Resident Services due to restructure of rent calculation to improve process, results in cost of \$0.06 million.

Assumption of property management from Commercial Property of Peel Youth Village results in facility costs being recorded directly on Peel Living.

There will be a net increase to recoveries of \$0.5 million from Peel Living for new pressures.

**Section VIII. 2008 Program Pressures – Capital:**

There are no capital pressures in the Residential Operations division. All projects requested are reported under Peel Living.

**Section IX. 2008 Summary:**

<b>Budget Summary \$'000s</b>	<b>2007 Budget</b>	<b>2007 Projection</b>	<b>2008 Proposed</b>	<b>2009 Forecast</b>	<b>2010 Forecast</b>
<b>Current Budget – Total Expenditures</b>	<b>\$7,177</b>	<b>\$7,177</b>	<b>\$7,894</b>	<b>\$8,191</b>	<b>\$8,555</b>
<b>Current Budget – Total Revenue</b>	<b>(\$6,864)</b>	<b>(\$7,177)</b>	<b>(\$7,894)</b>	<b>(\$8,191)</b>	<b>(\$8,555)</b>
<b>Current Budget – Net Cost</b>	<b>\$313</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>FTE</b>	<b>47</b>	<b>47</b>	<b>48</b>	<b>49</b>	<b>51</b>
<b>Capital Carry Forward from prior year</b>					
			<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>New Capital</b>					
			<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total Capital Available</b>					
			<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Forecasted Capital Spending</b>					
			<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

***Future Outlook:***

2009 and 2010 Current Budget:

The program continues to face inflation pressures which will increase the current budget at a three per cent minimum over the next couple of years.

2009-2017 Capital Plan:

There are no capital pressures in the Residential Operations division. All projects requested by the division are reported under Peel Living.

***Service Level Contract for 2008:***

Resources:

The 2008 Current Budget for Residential Operations has a total expenditure of \$7.9 million and a net expenditure of \$0 million, with a net decrease of \$0.3 million from 2007 budget.

One additional FTE is requested for a total of 48 FTEs.

Outputs/Outcomes:

Outputs/Outcomes for the division are reported in Peel Living budget documentation.

**Section X. Pressures not included in 2008 Budget**

There are no pressures not included in 2008 Budget.

**Appendices:**

- Appendix I**      **2008 Current Pressures**
- Appendix II**    **2008 Capital Overview – N/A**
- Appendix III**   **Existing Capital Project List – N/A**
- Appendix IV**    **2008 New Capital Detail – N/A**
- Appendix V**     **Ten Year Capital Plan – N/A**
- Appendix VI**    **Performance Measures/Benchmarks – N/A**
- Appendix VII**   **Staffing Information**
- Appendix VIII** **User Fees – N/A**

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**APPENDIX I  
RESIDENTIAL OPERATIONS  
2008 CURRENT PRESSURES (\$'000)**

	Residential Operations		
	Total Expenditures	Total Revenue	Net Cost
<b>2007 Revised Cost of Service</b>	<b>7,177</b>	<b>6,864</b>	<b>313</b>
<b>Annualizations - Section IV</b>			
1. Salaries and Wages (2007 salary gapping on new FTE)	16	-	16
<i>Subtotal</i>	16	-	16
<b>Cost of Living Increase/Inflation - Section IV</b>			
1. Salaries and Wages	242	-	242
2. Non-salary inflationary changes	91	-	91
<i>Subtotal</i>	333	-	333
<b>Efficiencies - Section V</b>			
1. Reduction in consultant costs (RCSR process review completed; new project re: Superintendent Training Review)	(50)	-	(50)
2. Reduction in anticipated number of TPA applications	(30)	-	(30)
3. Reduction in overtime costs as a result of additional staff and compressed work week pilot	(20)	-	(20)
4. Changes in internal charge allocations as a result of re-alignment	(30)	-	(30)
5. Miscellaneous administrative efficiencies	(34)	-	(34)
<i>Subtotal</i>	(165)	-	(165)
<b>Recoveries - Section V</b>			
1. External Recovery adjustment relating to split of Property Management division into Residential and Commercial	-	306	(306)
2. External Recovery Changes for Base Changes	-	185	(185)
<i>Subtotal</i>	-	491	(491)
<b>2008 Base Changes</b>	<b>185</b>	<b>491</b>	<b>(306)</b>
<b>Growth - Section VII</b>			
1. Costs associated with new requests for 3 Resident Service Representatives (Contract) and 1 Fire Safety Coordinator (new FTE Request)	287	-	287
2. Increase in consultant costs due to newly acquired management of OW shelters (thermo scanning, electrical/mechanical inspections, and contract technical specifications)	25	-	25
<i>Subtotal</i>	312	-	312
<b>Service Demand - Section VII</b>			
1. Corporate Call Centre support of Tier 1 calls	140	-	140
2. Increase in consultant costs to review competitive bidding	120	-	120
3. Strategies for youth (i.e. St. Leonard's meetings)	25	-	25
<i>Subtotal</i>	285	-	285
<b>Subsidy and Fee Changes - Section VII - N/A</b>			
1.	-	-	-
<i>Subtotal</i>	-	-	-
<b>Other - Section VII</b>			
1. Transfer in of one FTE from Housing as a result of change in process ownership	55	-	55
2. Assumption of management for Peel Youth Village from Commercial Property Mgmt resulting in maintenance costs being recorded directly on Peel Living	(118)	-	(118)
3. External Recovery Changes for New Pressures	-	540	(540)
<i>Subtotal</i>	(64)	540	(604)
<b>2008 New Pressures</b>	<b>533</b>	<b>540</b>	<b>(7)</b>
<b>Total 2008 Pressures</b>	<b>718</b>	<b>1,031</b>	<b>(313)</b>
<b>2008 Recommended Cost of Service</b>	<b>7,894</b>	<b>7,894</b>	<b>-</b>

**APPENDIX VII  
RESIDENTIAL OPERATIONS  
STAFFING INFORMATION**

Program	2007 Complement	Change Request for 2008	2008 Council Approved
Residential Operations	47.0	1.0	48.0
<b>TOTAL Residential Operations</b>	<b>47.0</b>	<b>1.0</b>	<b>48.0</b>

**Change Request for 2008 Commentary**

The Residential Fire Safety Coordinator (FSC) is responsible for maintaining the fire and life safety system for 70 Peel Living buildings; with the addition of 3 Shelters previously covered by the Commercial FSC, the large portfolio needs to be supported by more than one person. With an additional FSC the portfolio could be split, resulting in improved service safeguarding Peel Living's assets as well as the tenants from Fire Safety hazards [+1 FTE]