

Residential Operations – 2010 Budget Document

2010 RESIDENTIAL OPERATIONS

Budget Overview

Budget Summary \$'000s	2009 Budget	2009 Projection	2010 Proposed	09 vs 10 Variance	2011 Forecast	2012 Forecast
Current Budget – Total Expenditures	\$8,246	\$7,761	\$8,385	\$139	\$8,637	\$8,896
Current Budget – Total Revenue	\$8,246	\$7,761	\$8,385	\$139	\$8,637	\$8,896
Current Budget – Net Cost	NIL	NIL	NIL	NIL	NIL	NIL
FTE	41	41	41	0	41	41
New Capital			N/A	N/A		N/A

2010 BUDGET HIGHLIGHTS:

Current Budget

The proposed 2010 budget is \$8.4 million and a 2010 Net Budget is \$0. This is a \$0.1 million increase over 2009 budget. The main drivers to the budget changes are primarily related to inflationary increases in salaries and benefits.

Staffing

The 2010 approved staff complement level is 41.0 Full Time Equivalentents (FTEs) which represent the same level of approved staffing for 2009.

Capital

Not applicable

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Section I. Existing Services and Service Levels:

Residential Property Management within Human Services provides program delivery and building operations services to Peel Living residents, in the following areas:

- Property management oversight for 72 Peel Living buildings including supervision of 80 site staff
- Customer service contacts to Peel Living customers including applicant offers of accommodation on vacant units and actioning cases at the Landlord and Tenant Board
- Preventative maintenance oversees all building systems and equipment re: cost and quality and ensures compliance with the Ontario Fire Code

Key initiatives in 2009 included:

- Completed the rent up of the new Walker’s Road 27 senior citizen apartment addition to the existing building in record time.
- Reduced vacancy loss to deliver below budget results through creation of streamlined processes and procedures.
- Superintendents and cleaners moved to a five day week schedule (Monday to Friday) with alternate arrangements for weekends. The change from staff spread over a seven day schedule returns Peel Living to full staffing during the week and improved focus and attention to core building duties.

Section II. Resources to Deliver 2009 Services:

Current \$'000	2008 Actual	2009 Budget	2009 Projection	2009 Variance Under/(Over)
Total Expenditures	\$7,572	\$8,246	\$7,761	\$485
Total Revenue	\$7,572	\$8,246	\$7,761	\$485
Net Cost	\$0	\$0	\$0	\$0
FTE	48	41	41	0

2009 Budget:

For 2009, the Residential Property Management total operating budget was approved at \$8.2 million. The total costs are fully charged to Peel Living. The approved staff complement level is 41.0 FTE.

2009 Projection:

The division is expected to end 2009 with an under expenditure of \$0.5 million. This is primarily driven by lower overall operating expenditures, primarily in salaries and benefits and external contract costs.

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Section III. Performance Measurement/Benchmarking:

There is no recognized sector performance measurement in social housing. On a semi-annual basis, the Board receives a report on arrears control in relation to three other Ontario municipal social housing providers with Peel Living continually demonstrating the strongest arrears control record.

Peel Living is committed to achieving the Certified Rental Building Program designation recently introduced by the Federation of Rental Providers Ontario (FRPO) across the entire portfolio. Peel Living is the first social housing provider pursuing this certification.

Peel Living operates under provincial funding formulas established by the Ministry of Municipal Affairs and Housing. The formulas provide guidelines for operating costs which are indexed annually. Mortgages and property taxes are funded dollar-for-dollar.

Section IV. 2010 Base Pressures:

In 2010, Residential Operations will experience base pressures as detailed in Appendix I.

Cost of Living Increase/Inflation:

The base pressures are increasing by \$0.1 million over 2009 budget, primarily related to inflationary increases in the area of salary and benefits and normal staff progression through the salary ranges. The budget increases are fully recovered from Peel Living. Increases are identified in Appendix I.

Section V. Cost Mitigation Through Efficiencies and Recoveries:

Human Services Department Restructure

In June 2007, the Region of Peel was restructured to align corporate services, programs and supports to better serve a Common Purpose: *to enhance the trust and confidence of citizens in their regional government.*

The reorganization included consolidating key divisions of the Social Services and Housing and Property departments into a new Human Services department responsible for children's services; employment, financial and homelessness services; and social housing, including Peel Living.

A project team was formed to plan and implement the integration of these important programs and services, including provision of internal supports. Extensive consultation was undertaken with employees, clients, community partners and other stakeholders resulting in the development of the first Human Services Plan (2009-2011). The department's mandate is to: Plan, manage and deliver quality integrated human services and resources that invest in people to enable participation in the changing community and the economy.

A functional review was undertaken of every role in the department, resulting in a new service delivery model and an organizational structure to support the model.

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This new department will have seven divisions:

- Client and Community Access
- Client Relationships
- Directly Operated Childcare
- Facilities Management
- Service System Management
- Integrated Business Support
- Strategic Planning, Policy and Partnerships

When the transition project is completed within the next two years, it is forecasted that this change will bring about savings and efficiencies in how we do business. This means, we will be able to absorb anticipated growth within the existing staff group. While this won't be the case for social assistance because of an optimum caseload to worker ratio of 100:1, the capacity of many other service areas will be expanded. An example is the fact that only caseload related staffing increase are requested in the 2010 budget.

For full details, please refer to "Human Services Department Restructure" under Human Services Section.

Efficiencies:

The division has reduced the expenditures by \$0.2 million, in the areas of reduced legal costs as eviction prevention action with Ontario Works staff increases, savings on site staff costs due to a new five day work schedule and improvements to our HVAC tender monitoring. All capture the benefit of process change improvements. The recoveries from Peel Living will be reduced.

Section VI. Challenges and Emerging Trends:

Cumulative impacts of changing resident characteristics due to both provincial eligibility policies and a growth in levels of poverty in social housing and multi customer needs do create building, resident and community concerns at several sites.

Section VII. 2010 Program Pressures – Current:

Not Applicable

Section VIII. 2010 New Initiatives - Current:

Not Applicable

Section IX. 2010 Program Pressures – Capital:

There are no capital pressures in the Residential Operations division. All projects requested are reported under Peel Living and approved by the Board of Directors as part of the annual budget process.

Section X. Future Outlook:

Future Outlook:

2011 and 2012 Current Budget:

The program continues to face operational inflationary pressures which will increase the current budget at an estimated 3.0 per cent per annum over the next several years.

2011 - 2019 Capital Plan:

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

Section XI. Pressures not included in 2010 Budget

The Ministry of Municipal Affairs and Housing has announced consultation to develop an affordable housing strategy including the first review of the *Social Housing Reform Act (SHRA)* since enactment in 2001. The results may impact policy and key processes.

Appendices:

Appendix I	2010 Current Pressures
Appendix II	2010 Capital Overview – N/A
Appendix III	2010 New Capital Detail – N/A
Appendix IV	Ten Year Capital Plan – N/A
Appendix V	Output/Outcome Measures – N/A

APPENDIX I
RESIDENTIAL OPERATIONS
2010 CURRENT PRESSURES (\$'000)

	Residential Operations		
	Total Expenditures	Total Revenue	Net Cost
2009 Revised Cost of Services	8,246	8,246	-
Cost of Living Increase/Inflation - Section IV			
1. Residential operations base budget increase due to cost of living adjustments, primarily in salaries and benefits for existing staff	139	139	-
Sub Total	139	139	-
2010 Base Changes	139	139	-
Total 2010 Pressures	139	139	-
2010 Recommended Cost of Service	8,385	8,385	-