

Fiscal Plan

Presentation to

Housing York Inc. Board

(refer to item E.1)

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Purpose

- Overview of the long-term fiscal plan
- Seeking board approval
 - Changes to reserves
 - New Operating Surplus Policy
 - Allocation of Retained Earnings
 - Updated Investment Policy

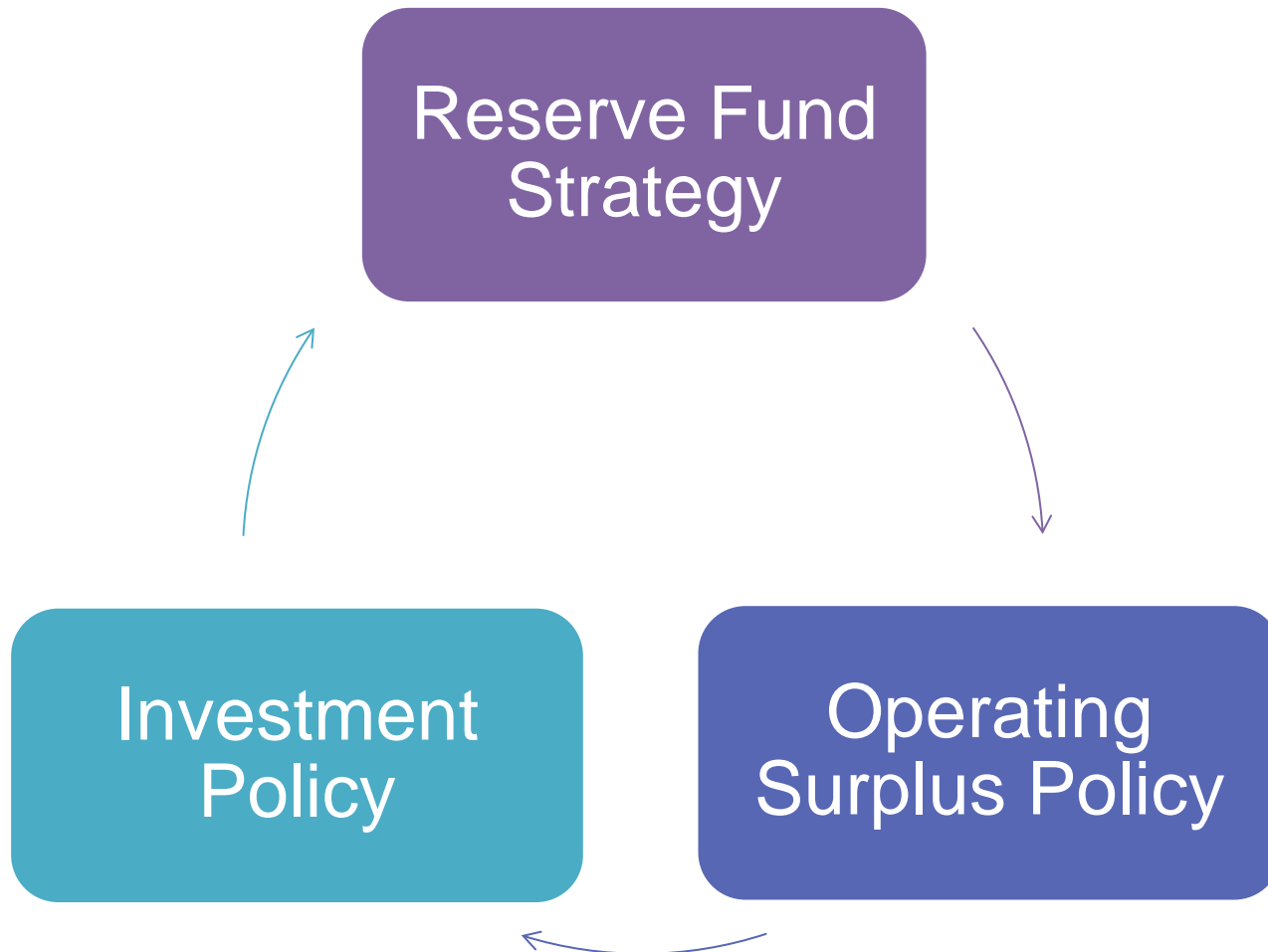
Housing York Inc.'s 2017 to 2020 Plan



Build long-term financial sustainability

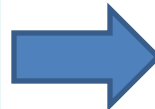
Actions	2017	2018	2019
Develop and implement a consolidated long-term financial plan			
• Develop a consolidated reserve fund strategy	●		
• Develop a policy that sets targets for retained earnings		●	
• Update the investment policy			●

Elements of the Fiscal Plan



Reserve Fund Strategy – Proposed Reserves

Current	Proposed
Capital Repair and Replacement	Capital Repair and Replacement (Repurposed)
Insurance	Insurance
Operations	Operations (Repurposed)
Shelter Furniture Replacement	Emergency Housing
Emergency Power Plant Project	Working Capital
	Strategic Initiatives



Reserve Fund Strategy – Capital Repair and Replacement



Public Housing

- No reserve
- Annual subsidy request



Provincial Reform

- Reserve depleted in 2017
- Annual subsidy request



Regional Housing

- Growing reserve
- No subsidy

Reserve Fund Strategy – Capital Repair and Replacement



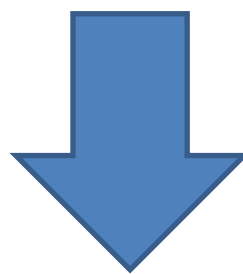
Public Housing



Provincial Reform

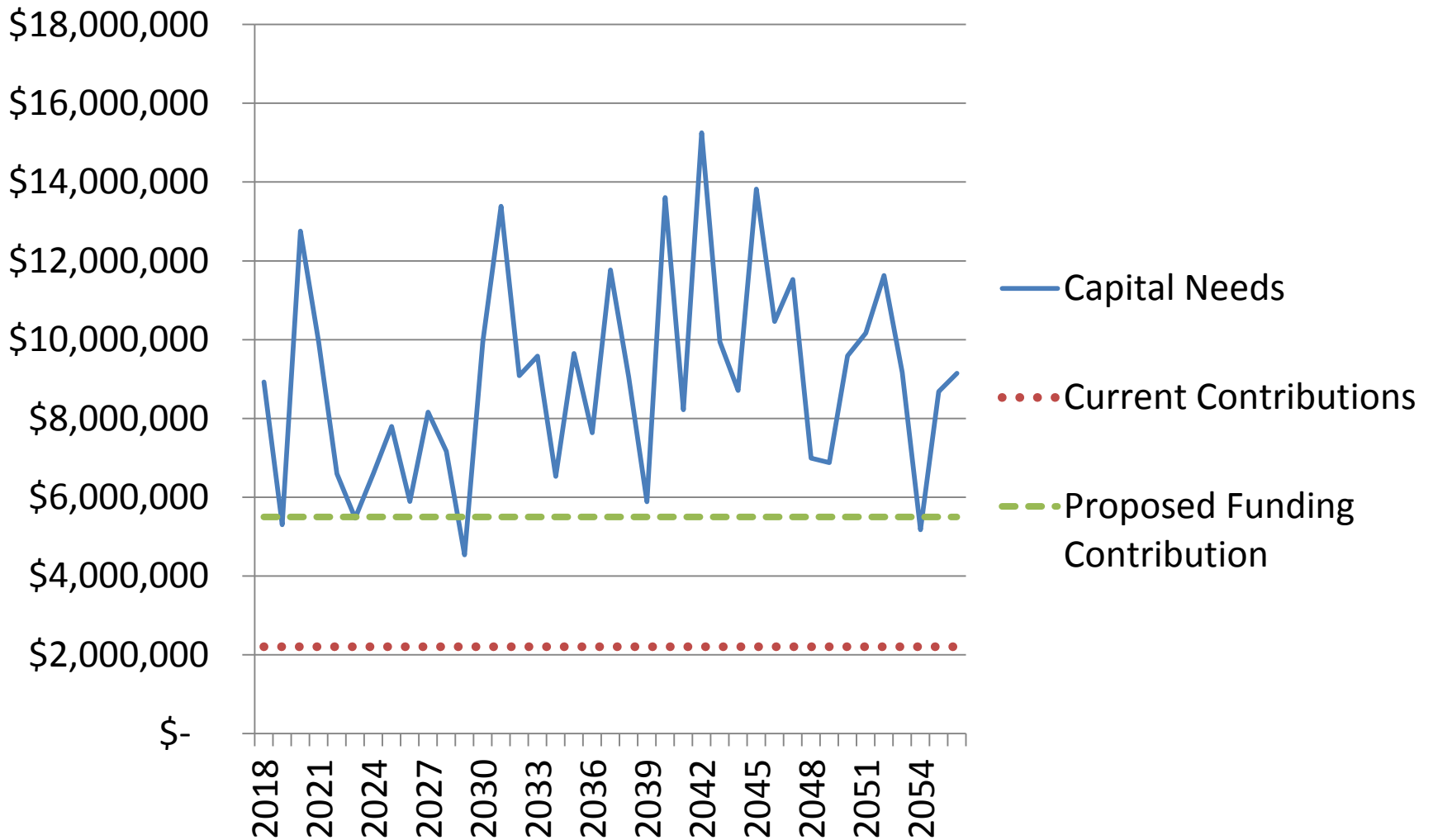


Regional Housing



**Capital Repair and Replacement
Reserve**

Reserve Fund Strategy – Capital Repairs



Operating Surplus Policy

- Establishes a priority framework for the allocation of operating surpluses

Contribution Priority Order	Allocation
1. Capital Repair and Replacement	50% of surplus
2. Working Capital Reserve	\$3.5 million limit
3. Insurance Reserve	\$180,000 limit
4. Operations Reserve	\$500,000 limit
5. Strategic Initiatives Reserve	\$3.5 million limit

Operating Surplus Policy – Retained Earnings Allocation

Reserve Name	Projected Balance (December 31, 2017)	Limit	Transfer from Retained Earnings
Working Capital	\$0	\$3,500,000	\$3,500,000
Insurance	\$180,000	\$180,000	\$0
Operations	\$134,000	\$500,000	\$366,000
Strategic Initiatives	\$0	\$3,500,000	\$834,000
Total			\$4,700,000

Investment Policy

- Developed in partnership with the Region
- Establishes objectives, principles and guidelines for prudent investment of surplus operating funds and reserves
- Clarifies permitted instruments and assets in which the portfolio can be invested and the maximum allowable exposure for each
- Region as the Investment Manager

Thank you

