

Directors' Report

For the month of December 2023 and January 2024

1. Executive Director

Garden Court Flood

Throughout the month of December and early January, ServiceMaster felt confident that they would be finished the restoration of Garden Court by the end of January. Once work was completed, all final inspection reports (Fire Suppression System 3 Year Air Leakage Test/Fire Alarm System Verification/Electrical Permit Services Report) were to be forwarded to the Peace River Fire Department for review before the building could be cleared for occupancy.

On January 21, 2024, we received an update from ServiceMaster's Project Manager stating:

- The flooring and finishing carpentry was complete on the 3rd and 4th floor.
- Flooring on the 1st and 2nd floor was 95% complete. Overall, the 1st and 2nd floor were 90% complete.
- They had removed and replaced pipe insulation in the crawl space that had been damaged by the flood.
- Tenant content pack back that had been coordinated between ServiceMaster and the Insurance companies, or NPHF and the tenants (in the case of those tenants without insurance), was complete. Once contents were back in the suites, tenants were allowed into the building during the day to unpack their belongings.
- Telus was on site installing fibre optic in the building.
- The project was on track for target completion date by the end of January and a final walk through was scheduled with the Foundation for January 31, 2024.

The Foundation worked with Brownlee LLP to update the Tenancy Agreement for all new tenants to include a clause regarding the mandatory requirement to have tenant insurance. Additionally, they drafted an amendment to the Residential Tenancy Agreement for existing tenants, agreeing to the mandatory condition of obtaining tenant insurance, as the Foundation cannot change the terms of an existing lease agreement without the consent of the tenant.

Feeling confident that Garden Court would be cleared for occupancy, Administration worked on a draft communication to be distributed to tenants.

All reports had been forwarded to the Fire Department by the end of the day on January 30, 2024. We were cleared by the Peace River Fire Department for occupancy on the 31st, at which time we notified tenants that they were able to move back into their units on February 1, 2024.

Move in day went well. ServiceMaster remained on site to finish some last-minute items and Telus was available to help with fibre optic installations.







Capital Maintenance and Renewal (CMR)

Contracts for the following suite renewals have been approved by the Province:

- 1 unit at Greene Valley seniors' apartments in Peace River
- 1, 3-bedroom Community Housing unit in Manning
- 1 unit in Nampa Legion Manor seniors' apartments
- 2, 4-bedroom Community Housing units in Peace River

Work is expected to be completed by the end of March 2024, the Province's fiscal year-end.

At the end of December, the Foundation submitted an additional budget request for a 3-Bedroom unit requiring full mold and asbestos remediation. We are happy to report that it was approved. The project will be posted on Alberta Purchasing Connection once we have authorization from the Province to do so.

Asset Transfer

There have been no updates from the Province.

Nominal Sum Properties

No update to report.

Cadotte Lake Trailer

No update to report.

Westview Development

Please see items for information for meeting minutes.

Del-Air Lodge Redevelopment

LSM Lee's Sheet Metal has charged all the water systems; kitchen equipment has been installed; kitchen will be inspected on February 19, with move-in scheduled for the 20-26th; kitchen training for staff is being scheduled; humidifier has been installed, radiant panels are in place; emergency generator is up and running (some training has been provided to NPHF maintenance); the nurse call system installation is in progress; millwork and hardware is being installed; accessory installation is 80% complete; balancing of the air pressure in the new wing is scheduled next week – the Foundation has requested that they factor in the existing building when doing so.

Ongoing Inspections continue - Fire Marshall inspection found no issues.

Chandos is coordinating renovations with the Lodge Manager daily:

- Drains in the existing kitchen will be capped and NPHF is to take all salvageable equipment from the kitchen before demolition crew starts.
- Flooring is being installed in the existing dining room and is nearing completion.
- Work continues in the multipurpose room, and they hope to finish up early next week.
- Work on the new staff room in the existing Lodge will be starting.
- Extension of baseboard heat in the southeast corner of the existing dining room is being investigated.

A draft copy of Architectural and Electrical O&M have been submitted.

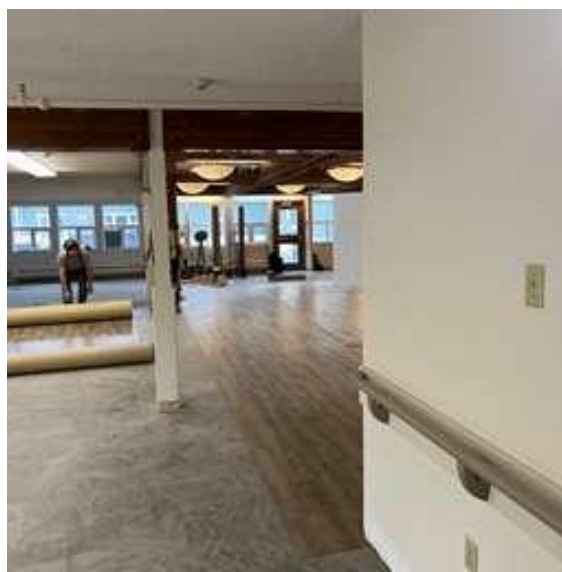
Spare Parts and Maintenance Material will be coordinated with NPHF for storage in the garage.

The Fire Alarm VI (Visual Inspection) will be completed by TWS. An updated schedule is being worked on.

Sink clearance in the new Home Care office previously was not adequate. JMAA and Chandos provided a solution to increase the clearance between the wall and sink to 1.5 m and that work has been completed.

Full turn-over has been moved to March 2024; there could be further delays as the original fire alarm monitors ordered last March have been recalled by the manufacturer and they had to be reordered.

Occupancy is estimated for May/June, 2024.





Regional Needs Assessment

Derek Weiss has submitted the first draft of the Supply and Demand Trending report for review. We have met to discuss the findings and to provide clarification where necessary.

Human Resources

I am pleased to formally announce that Angela Hounsell has accepted the Administrative Assistant opportunity at the Fairview Harvest Lodge, effective February 1, 2024. Please see Items for Information for further details.

Avanti Time and Attendance Payroll System

We have had our kick-off meeting with the Avanti Time and Attendance team who have completed a review of existing positions and role assignments and will hit the ground running for Time and Attendance configurations.

Wi-Fi Availability

Wi-Fi at the Harvest Lodge is up and running with no issues. We are waiting on 2 extensions for the hallways to complete the project.

Homesteader Lodge Emergency Back-up Generator

The final electrical work is due to be complete in the upcoming month.

Harvest/Homesteader/Heritage Tower Lodge Nurse Call System Replacement

ASCCI North have placed the order for equipment for the Harvest and Homesteader Lodge and are awaiting an ETA. Their team is currently in Manning at the Del-Air Lodge, and they anticipate that once the installation is complete, the same team will begin in Fairview and then Hines Creek, as they would like to maintain consistency with technicians completing the installations for these sites. They anticipate that they will be available closer to the end of February to start in Fairview.

The Foundation has submitted drawings and requirements for the Heritage Tower Lodge nurse call system replacement, also scheduled to be completed in 2024.

Construct360

The Construct360 project, funded by CMHC's Housing Supply Challenge, collaborates with Map Your Property to offer training to housing providers on building ProFormas for new construction. This

innovative tool aims to address challenges by tracking construction material and labor costs in near real-time. Construct360's online data system automatically monitors key costs, providing detailed construction expense breakdowns for various assets and financial models. The construction database also adjusts construction estimation models from 2015-2023 to current costs, facilitating cost comparisons and identifying the most cost-effective construction methods.

Construct360 was provided information on the Westview Development project and the 2 vacant lots in Fairview and have presented a number of massing concepts and planning research for the Westview Area Development for review.

2. Director of Housing Operations and Special Projects

- The Public Health Inspection of Heritage Tower Lodge identified the need to replace the carpets throughout the Lodge. A follow-up meeting with the inspector clarified that we need to provide a plan by May 2024, to stage replacement over the next number of years. We expect to replace the first floor carpeting this year.
- Annual Resident and Tenant meetings were held January 16-18 at Heritage Tower Lodge, Green Valley Apartments, Nampa Seniors, and at Legion Court in Grimshaw for tenants from Legion Court, Legion Place and Autumn Villa. These were postponed from November due to the Garden Court flood.
- Alberta Health received a complaint at Harvest Lodge and conducted a surprise inspection of several items. No deficiencies were identified.
- Garden Court residents have returned, and we will schedule their annual Tenant meeting shortly, after they have had a chance to settle.
- The Fall/Winter menu was reviewed and suppers were updated to include additional choices.
- The contract for furniture for Del-Air Lodge and Homesteader Lodge was awarded and we are now working on the details of the order.
- Outbreaks were declared in December at Homesteader Lodge (influenza), Heritage Tower Lodge (Covid) and Harvest Lodge (GI).

3. Director of IT, Communications, and Stakeholder Relations

- Resident Meetings were completed in January after being delayed by Garden Court events.
- Updates on Garden Court (Final issued on January 31, 2024)
 - www.nphf.ca/garden-court-restoration-updates
- NPHF Central Office is now using the same Omada Network Infrastructure as Harvest Lodge which increases our level of control and security. We are now self managed reducing costs and response times.
- CIRA (Canadian Internet Registration Authority) DNS Firewall is now protecting Central Office and is being deployed to our other locations.
 - Link to info: <https://www.cira.ca/en/dns-firewall/>
- CIRA Cybersecurity Training is being deployed, first for all Office 365 users.
 - Link to info: <https://www.cira.ca/en/small-teams-training/>
- Assisted in arranging Fibre installs for Fairview and Grimshaw to all of our housing units (in progress)
- Wi-Fi is now fully installed in Fairview with separate access for Residents, Guests, Staff, AHS etc.

- Christmas Newsletter
- Multifactor Authentication (MFA) is now enforced for all Office 365 for Business users in our organization and all but three tablet users. Expected to be completed in February.
- Responded to information requests.
- Resolved computer issues at our lodges.
- Resolved issue with web Access to our Heating System at Central Office.

4. Director of Finance

Preliminary Financial Results for 2023

Lodges

Overall lodge revenues were \$900k above budget. Rents and resident services saw an increase over budget of \$170k, with the majority coming from Del-Air Lodge (\$60k) and Heritage Tower Lodge (\$70K). Homesteader Lodge was the only location to perform under budget (-\$8k).

Unbudgeted Staff and non-resident meals brought in an addition \$85k of revenue. Note that during COVID (2020-2022), we weren't charging for meals at the lodges as an incentive to keep the lodge staff in the building for their entire shift. With the dining rooms open once again, Harvest Lodge has done quite well to bring back the non-residents for meals.

Supplemental grant funding to support COVID-related vacancies and additional costs ended in 2023. This brought in about \$215k of additional support that will be missed in 2024 and beyond. Similarly, we anticipate that the additional LAP grant funding received based on pre-COVID occupancy will end in 2024. For 2023, this yielded about \$100k of additional LAP funding.

Interest earned in our bank accounts was significantly higher than budget due to the rising interest rates. We earned about \$160k more than budgeted for interest. As a side note, with the increases to the interest rates, Service Alberta has updated their interest guidelines on security deposits from 0% to 1.6% payable per annum. This will eat into some of the interest earnings we're reporting.

The surplus experienced in 2023 will be added to the accumulated surplus already existing in the lodge program. The budget for 2024 has already considered this surplus, and as a result, was designed to be a deficit budget, tapping into past years' excesses.

Del-Air Lodge

Del-Air Lodge performed about \$175k over budget. \$125k can be attributed to revenue, while Maintenance was overspent by \$135k. The unspent budget for furnishings (\$225k) has been moved into 2024.

Homesteader Lodge

Homesteader Lodge performed about \$180k better than budget. While the revenue generated by rent was under-budget, the unbudgeted staff meals and COVID funding did bring the over revenue up by a

modest \$15k. The savings found are due to the unspent furniture and generator expenses which have been pushed into 2024.

Heritage Tower Lodge

Heritage Tower saw an incredible performance boost of \$405k in 2023. Rent and resident services brought in \$90k over budget, while another \$50k was brought in from staff meals and temporary lodging of Garden Court residents in November and December. \$230k of additional grant funding made the majority difference, with most of it, \$150k from the now-ended COVID funding. The lodge did see a larger than usual boost to occupancy in November though, as a handful of Garden Court residents chose to make Heritage Tower their new home.

Harvest Lodge

Lastly, Harvest Lodge was about \$260k better than budget for the year. \$75k of which was generated by revenue, split roughly in half by rents and grants. The remainder comes from a significant variance in HR – about \$160k under budget. This can be attributed to a reduction in labour hours as all the need for additional cleaning due to COVID has also been reduced.

Social Housing

The Social Housing program operates quite differently from the Lodge program. For lodges, we can control the amount we requisition from the local tax base to ensure we have the funds available to cover our expenses in a year. For Social Housing, we prepare a business plan based upon our revenue projections and expenses based upon need – not want. This always leads to a deficit budget and a request for funding from the Province. At the end of each year, they give us a target and then it's up to us to find a way to meet that target. In 2023, we were allowed a deficit of \$652,819 (and this has been held for 2024). Once that target is given, we carve out what we can and work through the year to keep on target. Theoretically, if we underspend to budget, we may have to repay the difference, although we always apply to carry the excess forward. If we overspend, that's generally expected to come out of the next year's budget, though occasionally we receive news that they will instead fund the deficit. We just can't always count on that.

For 2023, we have come as close to budget as I have ever seen it. With some final reviews and possible audit adjustments to come, we are currently at about \$2500 surplus. By no means was this a result of near perfect budgeting, but rather our dedicated review as the year was ending to determine where we were to budget, and if we needed to cut back or add more to maintenance. Thankfully, this year we were able to push through additional maintenance work and we purchased a number of replacement appliances and hot water tanks.

Another key highlight worth pointing out is the increased occupancy in our Community Housing program (see the dashboard for reference). This of course adds additional revenue which then allows us to do more. Without those extra tenants, we couldn't have done as much as we did.

Affordable Housing

With the flood affecting Garden Court, the Affordable program took a significant hit this year. As of this writing, we are at \$275k loss compared to budget. Final numbers for this program won't be so bad as

there are several insurance receivables that still need to be accounted for. Those will be reflected in the final audit results for the year.

One highlight worth mentioning is that the revenue was around 16% under budget. Two months of the year is also 16%. Considering those two months of lost revenue, we were on target.

5. Maintenance

- Minor repairs and regular maintenance continue across all projects.
- Vacant units are inspected regularly to secure assets.
- Unit renovations have been completed in Manning Community Housing, Peace River Community Housing, Grimshaw Community Housing.
- Unit Renovations are in progress in all areas and across all programs.
- Work continues on the conversion of the Del-Air Lodge west wing units, converting 2 lodge rooms into 1-bedroom suites; we are nearing completion on the first unit conversion. There have been delays with the contractor completing the finishing carpentry.
- The 2 Garrison Manor units that were damaged due to flooding are being restored after prolonged delays. We anticipate that work will start soon.
- The Garden Court restoration is complete, and the building is ready for occupancy February 1, 2024.
 - We are arranging to have the boilers inspected, as a small leak has been discovered in one of the 2 boilers. It is still in operation, however we need to determine if it can be repaired or if it will need to be replaced.
- Contract work including painting and flooring is in progress in a number of units across all programs.

Tammy Menssa
Executive Director