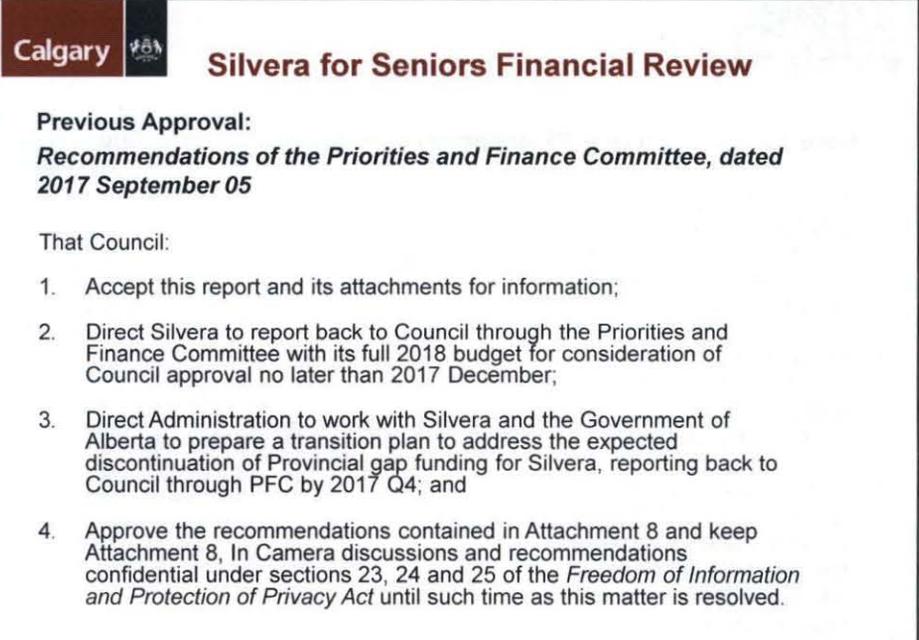




Calgary

**Silvera for Seniors
Budget review**

05/12/2017 PFC2017-1106 ISC: UNRESTRICTED 1



Calgary

Silvera for Seniors Financial Review

Previous Approval:
Recommendations of the Priorities and Finance Committee, dated 2017 September 05

That Council:

1. Accept this report and its attachments for information;
2. Direct Silvera to report back to Council through the Priorities and Finance Committee with its full 2018 budget for consideration of Council approval no later than 2017 December;
3. Direct Administration to work with Silvera and the Government of Alberta to prepare a transition plan to address the expected discontinuation of Provincial gap funding for Silvera, reporting back to Council through PFC by 2017 Q4; and
4. Approve the recommendations contained in Attachment 8 and keep Attachment 8, In Camera discussions and recommendations confidential under sections 23, 24 and 25 of the *Freedom of Information and Protection of Privacy Act* until such time as this matter is resolved.

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Calgary Housing Management Body Overview

As a Housing Management Body, Silvera's relationship with The City is defined under the *Alberta Housing Act* and Ministerial Order H:029/16.

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- Sole "Member" of Silvera
- Appoints two seats on Silvera's Board of Directors
- Has provided an annual grant of \$1.365M to Silvera since 2009

↔

Silvera
FOR SENIORS

- Must submit annual budgets to The City for approval
- May requisition The City for operating losses and capital reserves contributions in the seniors' lodge program
- Has not exercised its requisition authority since 1997

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Calgary Silvera budget review

Recent circumstances at Silvera present a financial risk to The City.

- Provincial gap funding of \$1.16M and The City's annual grant of \$1.365M will be provided for 2018. Provincial funding will not be provided in 2019.
- Based on the information provided by Silvera, this creates a gap for 2018 of \$1.834M which creates risk to taxpayers.
- With the loss of provincial gap funding in 2019, combined with Silvera's strategic direction to maintain existing facilities and add new facilities to the lodge program, this gap is expected to increase in the future.

Year-to-Year Funding Sources for Operating Deficits and Reserves

Year	City Grant Funding	Provincial Gap Funding	Total Anticipated/ Requisitionable Amount
2012	1.365	1.16	2.525
2013	1.365	1.16	2.525
2014	1.365	1.16	2.525
2015	1.365	1.16	2.525
2016	1.365	1.16	2.525
2017	1.365	1.16	2.525
2018	1.365	0.00	1.365

2018 funding gap (\$1.834M)

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CITY CLERK'S DEPARTMENT
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Calgary  **Budget presented**

Silvera's 2018 budget presents the following questions for Council consideration:

- What is the breakdown, by building, of costs that are directly attributable to the lodge program only and therefore qualify for the requisition?
- What is the current and future demand for lodges and how does Silvera's Capital Development Plan (Attachment 2) match this demand?
- Does Silvera plan to request that additional units will qualify for requisition funding by adding them to the Schedule A?
- How will new developments impact Silvera's future operating budget?
- What is Silvera's contingency if Alberta Health Services does not provide funding for lodge beds?
- What measures has Silvera taken to reduce costs and find efficiencies in the lodge program?

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Calgary  **Recommended Approach**

1. Institute annual approval of Silvera's budgets	Align Silvera's financial planning to incorporate annual Council approval
2. Plan for loss of Provincial gap funding after 2018	Collaborate with Silvera and the Province to prepare a transition plan
3. Renew Silvera/ City of Calgary governance structure	Collaborate with Silvera and the Province to renew the MO

Long-Term Desired Outcomes

- Collaborate with the Province to coordinate investment in Silvera's capital projects, reserves and operations.
- Mitigate financial risk to The City by transitioning to a sustainable, predictable funding and governance model for Silvera.
- Align strategic direction and priorities between Silvera and The City
- Preserve homes for low- and moderate-income seniors.

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Calgary  **Changes to the Ministerial Order**

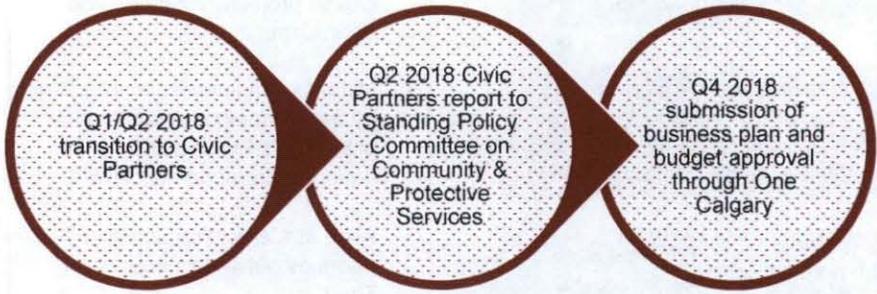
Administration has been working collaboratively with the Province and Silvera to renew the Ministerial Order and bring it into line with best practices and a “made in Calgary” approach.

	Current	New (Proposed)
Board appointments	<ul style="list-style-type: none"> Two of 11 Board members are City-appointed from Council and Senior Administration. 	<ul style="list-style-type: none"> Board members recruited from the general public through a collaborative process and approved/ appointed by The City
Budget approval authority	<ul style="list-style-type: none"> Must submit annual budgets to City of Calgary for approval. No consequences specified if the budget is not approved. 	<ul style="list-style-type: none"> Silvera business plan submission to The City. Operating and capital budget approval by The City.
Requisition authority	<ul style="list-style-type: none"> Silvera may requisition The City of Calgary. 	<ul style="list-style-type: none"> No change.

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Calgary  **Future funding and reporting**

Administration will work to transition Silvera into the Civic Partners Framework and process, including the annual report in Q2 2018 and budget submission annually through One Calgary.



Q1/Q2 2018 transition to Civic Partners

Q2 2018 Civic Partners report to Standing Policy Committee on Community & Protective Services

Q4 2018 submission of business plan and budget approval through One Calgary

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Administration Recommendations

That the Priorities and Finance Committee:

1. Review Silvera for Seniors' 2018 capital and operating budgets, to be tabled, for consistency with The City's operating and budgeting principles.
2. Request Silvera to pursue efficiencies and budget reduction measures to match the funding provided by The City through Action Plan 2015-2018 and the transitional funding provided by the Province.
3. Direct Administration to request that Silvera report annually to the Standing Policy Committee on Community and Protective Services as part of the Civic Partner Annual Report commencing in Q2 2018.
4. Direct Administration to request that Silvera's business plan and budget for the 2019-2022 budget cycle be approved as part of the One Calgary budget and business process. This will include a review of the current lodge portfolio to confirm the transition of aging lodges to new properties and request the removal of lodges that are under contract with Alberta Health Services to provide health services.
5. Direct this report as an item of urgent business to the 2017 December 18 Regular Meeting of Council.