



Finance Committee Meeting  
Victoria Park Community Homes Management Project

Thursday, December 1, 2016

Approx. 6:20 p.m.

## AGENDA

Start Time	Agenda Item	Lead	Timing
6:20 p.m.	1. Opening Remarks	Chair	1 min.
6:21 p.m.	2. Approval of the Agenda	Chair	1 min.
6:22 p.m.	3. Approval of the Minutes from November 1, 2016	Chair	2 min.
6:24 p.m.	4. VPCHMP Budget	V. Fowler	20 min.
6:44 p.m.	5. Adjournment	Chair	1 min.



# Finance Committee Meeting

## Victoria Park Community Homes Management

### Project

November 2, 2016

### MINUTES

#### In Attendance

M. Gallagher, Chair

L. Burchett

S. Holman

D. Montini

#### Staff

L. Gagne, Executive Director

V. Fowler, Manager, Finance & Administration

V. Wall (recorder)

#### Regrets

D. Filice

#### Agenda Item and Minutes

1. Call to Order and Opening Remarks

M. Gallagher called the meeting to order at 6:57 p.m.

2. Approval of the Agenda

It was motioned by D. Montini, seconded by S. Holman to accept the Agenda, as presented, CARRIED.

3. Approval of the Minutes

It was motioned by D. Montini, seconded by L. Burchett to accept the minutes of August 31, 2016, as presented.

#### 4. Business Arising from Previous Meeting Minutes

- None at this time.

#### 5. Financial Report

##### 5.1 3<sup>rd</sup> Quarter Results

V. Fowler presented the 3rdQuarter Financial Results with the following highlights:

- Revenue and expenses are more in line with the revised, approved, budget. We are currently \$15,257 better than budget and expect the year end deficit to be better than the budgeted deficit of \$102,465.
- Salaries are under budget due to the departure of the Manager, Capital Assets.
- Operating expenses are 10% better than budget.
- The largest negative variance is Professional Dues and Memberships and this is due to staff changes. We expect the variance to decrease in the 4<sup>th</sup> Quarter.
- The largest positive variances include Equipment Leasing, Conference Fees and Insurance Expense. The Conference fees will increase as the Yardi Conference was in September and the ONPHA conference is upcoming in November.

It was motioned by D. Montini and seconded by S. Holman to accept the 3rd Quarter Report, as presented, CARRIED.

##### 5.2 Cheques Signed by Staff

- V. Fowler presented a list of cheques signed by staff.

It was motioned by L. Burchett and seconded by S. Holman to accept the Cheques Signed by Staff Report, as presented, CARRIED.

##### 5.3 Source Deductions

- All source deductions were submitted on their appropriate due dates.
- The Committee discussed which payments are on PAP and are auto payments and that having more payments in this method may reduce the number of cheques required.

It was motioned D. Montini and seconded by S. Holman to accept the Source Deductions Report, as presented, CARRIED.

#### 6. Development Fund

L. Gagne presented her report on the Development Fund.

- She reminded the Committee that this fund was created solely for new development

opportunities for the organization.

- She is proposing to recommend that the Board repurpose The Village Committee and strike a new Committee for development purposes which would also include any development or decisions regarding the future of The Village.
- L. Gagne further explained that human resources for the organization are stretched to capacity. She has been tracking her time and is spending approximately 50% of her time on development related activities, for example, the King Street development, Land Trust model and solutions for The Village.
- She, and senior staff, are developing a plan to shuffle some work in the Finance Department to free up some of V. Fowler's time so she can focus on strategic planning for development.
- The costs for these activities should be billed to the Development Fund so that we can higher lower level staff to accomplish more day to day tasks and free up management time.
- At some point, we may need to hire a Developer or a Consultant to assist us.
- The Committee discussed some solutions that are in the works such as hiring a Recording Secretary, hiring another RGI Calculator and someone to assist with Tenant Concerns.
- Staff is also expecting to find efficiencies once we go live with Yardi 7 in the new year, especially for the role of the Purchasing Coordinator who would then have more time to assist with Asset Planner.
- L. Gagne advised that if the Committee agreed, in principle, then she would ask for a motion at the next Board meeting on November 10, 2016.
- The Committee agreed with L. Gagne's proposal and suggestions.


7. Date/Time of Next Meeting:

The next VPCHMP Finance meeting will be held on: December 1, 2016

8. Adjournment

- There being no further business, it was motioned by S. Holman seconded by L. Burchett, to adjourn the meeting at 7:31 p.m., CARRIED.

# Report

Date:	November 25, 2016	
To:	Finance Committee, VPM Board of Directors VPM	
From:	Veronica Fowler, CPA, CGA	
Subject:	2017 Budget Assumptions and Risk Understanding	

## Purpose

To approve the 2017 Budget

## Summary

We are proposing a budgeted surplus of \$6,248.

Prepared by: Veronica Fowler, CPA, CGA  
Manager, Finance & Administration

Approved by:

## 2017 Budget and Risk Understanding

Please find attached the 2017 Budget for Victoria Park Management (VPM). We are proposing a \$6,248 surplus for 2017.

## 2016 Recap

Normally, I would do a prior year recap, however, due to the Revised Budget report presented to the Finance Committee on August 31<sup>st</sup>, 2016 and the full Board on September 8<sup>th</sup>, I will refer you to the Revised Budget Report that was submitted. The report does provide a detailed report for 2016 and a projected deficit of \$102,468 at December 31, 2016.

## Risks related to 2017 Budget Assumptions

The preparation of the Operating Budget requires assumptions about future events that affect the reported amounts in this budget. There is a risk that unexpected events might occur and the actual numbers could differ substantially from the budgeted numbers presented.

This year there are a number of risks related to the 2017 Budget.

### 1. Management Fee Revenue

- i) We have not included a budget for a potential new client, as it is management's perspective not to actively pursue new clients, however, saying that, we do have two management RFPs that we did respond to that could be new clients starting early Q1 2017.
- ii) KACHI management revenue has been increased substantially. This is to reflect the upcoming amalgamation with VPCHI.

### 2. Recoverable Costs

- i) This line is extremely difficult to budget and we have consistently seen negative variances in the past.
- ii) New Legal Cost structure: In late Q3 2016 we introduced a new legal fee cost structure. It is our belief that we actually receive more in legal recoveries from VPCHI, however, we left the budget unchanged. We will have a better idea at the end of Q2 2017. We will also receive more monies from our clients who are now approved for billing of legal recoveries. These clients include KACHI, Highland Co-op, Edenwood and INDO-Canadian.
- iii) We have also included additional revenues from our Managed clients for Capital Administration where we have only had VPCHI revenue in the past. The budget is

based on best guestimates of how much funding the clients will receive compared to what was submitted to the respective Regions.

3. Salaries and Benefits.

i) For the 2017 fiscal year the budget has decreased 1.7%. This is largely due the Salary Continuance. The budget does include a 1.5% COLA increase.

ii) We have also included the following positions

- |   |          |
|---|----------|
| a. Service Representative                 | \$35,000 |
| b. Recording Secretary, Contract Position | \$15,000 |

4. Operating Expenses

i) For the most case individual line items have change very little. The most significant changes are:

- a) Consulting Fees. In 2016 we included the Salary Survey which should be primarily done in 2016 and Yardi consulting for our upgrade. We will have both in 2017 however fees should be to a lesser degree and we have adjusted the budget to reflect this.
- b) Telephone and Internet has also decreased over the prior year. A. Jackson has secured the savings with the bundling of our current services.

**Victoria Park Community Homes Management Project**

**January 01, 2017 - December 31, 2017**

Column	A		B		A - B		C		D	D - B		
	2017 Budget		2016 Budget		Variance	% Change	Actual Jan - June	Projected July - December	Projected 2016	Variance to Actual Budget	% Change	
<b>REVENUE:</b>												
Management Fees	\$ 2,050,953	71.05%	\$ 1,983,343	71.18%	\$ 67,610	3.41%	982,434	1,000,909	1,983,343	0	0.00%	
Laundry Commission	\$ 11,150	0.39%	\$ 10,140	0.36%	\$ 1,010	9.96%	5,655	4,485	10,140	(0)	(0.00%)	
Recoverable Expenses	\$ 801,343	27.76%	\$ 779,696	27.98%	\$ 21,647	2.78%	369,016	410,680	779,696	0	0.00%	
Development Fees	\$ 20,000	0.69%	\$ 10,000	0.36%	\$ 10,000	100.00%	-	10,000	10,000	-	0.00%	
Other Income	\$ 3,294	0.11%	\$ 3,294	0.12%	\$ -	0.00%	1,728	3,456	5,184	1,890	36.46%	
<b>Total Revenue</b>	<b>\$ 2,886,740</b>	<b>100.00%</b>	<b>\$ 2,786,473</b>	<b>100.00%</b>	<b>\$ 100,267</b>	<b>3.60%</b>	<b>\$ 1,358,833</b>	<b>1,429,530</b>	<b>\$ 2,788,363</b>	<b>\$ 1,890</b>	<b>0.07%</b>	
Salaries	\$ 2,043,886	70.80%	\$ 2,079,089	74.61%	\$ (35,203)	(1.69%)	984,334	1,094,755	2,079,089	(0)	(0.00%)	
Salaries Contract	\$ 15,000	0.52%	\$ -	0.00%	\$ -	#DIV/0!	-	-	-	-	0.00%	
Benefits	\$ 449,655	15.58%	\$ 415,818	14.92%	\$ 33,837	8.14%	219,525	196,293	415,818	0	0.00%	
<b>Total Salaries &amp; Benefits</b>	<b>\$ 2,508,541</b>	<b>86.90%</b>	<b>\$ 2,494,907</b>	<b>89.54%</b>	<b>\$ (1,366)</b>	<b>(0.05%)</b>	<b>\$ 1,203,859</b>	<b>\$ 1,291,048</b>	<b>\$ 2,494,907</b>	<b>\$ 0</b>	<b>0.00%</b>	
<b>Net Revenue</b>	<b>\$ 378,199</b>	<b>13.10%</b>	<b>\$ 291,566</b>	<b>10.46%</b>	<b>\$ 86,633</b>	<b>29.71%</b>	<b>\$ 154,974</b>	<b>\$ 138,482</b>	<b>\$ 293,456</b>	<b>1,890</b>	<b>0.64%</b>	
<b>EXPENDITURES:</b>												
Advertising	\$ 3,120	0.11%	\$ 3,120	0.11%	\$ -	0.00%	379	2,741	3,120	-	0.00%	
Audit Fees	\$ 7,900	0.27%	\$ 7,700	0.28%	\$ 200	2.60%	3,846	3,854	7,700	-	0.00%	
Client Relations	\$ 1,000	0.03%	\$ 1,000	0.04%	\$ -	0.00%	1,409	(409)	1,000	-	0.00%	
Donations	\$ 3,300	0.11%	\$ 3,300	0.12%	\$ -	0.00%	3,714	(414)	3,300	-	0.00%	
Bank Charges	\$ 11,340	0.39%	\$ 11,340	0.41%	\$ -	0.00%	5,593	5,747	11,340	-	0.00%	
Board Expense	\$ 5,600	0.19%	\$ 7,000	0.25%	\$ (1,400)	(20.00%)	3,791	3,209	7,000	0	0.00%	
Insurance	\$ 35,000	1.21%	\$ 32,000	1.15%	\$ 3,000	9.38%	14,361	17,639	32,000	(0)	(0.00%)	
Leased Assets	\$ 46,680	1.62%	\$ 50,592	1.82%	\$ (3,912)	(7.73%)	23,508	27,084	50,592	(0)	(0.00%)	
Legal Fees	\$ 5,600	0.19%	\$ 1,500	0.05%	\$ 4,100	273.33%	1,430	70	1,500	-	0.00%	
Professional Dues	\$ 9,840	0.34%	\$ 12,940	0.46%	\$ (3,100)	(23.96%)	10,542	2,398	12,940	(0)	(0.00%)	
Education & Training	\$ 15,500	0.54%	\$ 15,375	0.55%	\$ 125	0.81%	8,590	6,785	15,375	(0)	(0.00%)	
Conferences Fees & Semina	\$ 14,050	0.49%	\$ 14,650	0.53%	\$ (600)	(4.10%)	3,566	11,084	14,650	(0)	(0.00%)	
Consulting	\$ 18,500	0.64%	\$ 29,065	1.04%	\$ (10,565)	(36.35%)	8,000	21,065	29,065	-	0.00%	
Office Expense	\$ 31,040	1.08%	\$ 31,040	1.11%	\$ -	0.00%	21,907	9,133	31,040	0	0.00%	
Brinks Security	\$ 6,720	0.23%	\$ 6,720	0.24%	\$ -	0.00%	3,494	3,226	6,720	-	0.00%	
Office Rent	\$ 31,090	1.08%	\$ 30,480	1.09%	\$ 610	2.00%	14,418	16,062	30,480	(0)	(0.00%)	
Office Maintenance	\$ 29,872	1.03%	\$ 31,372	1.13%	\$ (1,500)	(4.78%)	20,482	10,890	31,372	0	0.00%	
Postage	\$ 11,500	0.40%	\$ 11,500	0.41%	\$ -	0.00%	6,053	5,447	11,500	-	0.00%	
Telephone, Internet	\$ 25,600	0.89%	\$ 30,840	1.11%	\$ (5,240)	(16.99%)	14,748	16,092	30,840	(0)	(0.00%)	
Employee Expenses	\$ 19,000	0.66%	\$ 19,000	0.68%	\$ -	0.00%	11,621	7,380	19,001	1	0.01%	
<b>Total Expenditures</b>	<b>\$ 332,252</b>	<b>11.51%</b>	<b>\$ 350,534</b>	<b>12.58%</b>	<b>\$ (18,282)</b>	<b>(5.22%)</b>	<b>\$ 181,450</b>	<b>\$ 169,084</b>	<b>\$ 350,534</b>	<b>\$ 0</b>	<b>0.00%</b>	
<b>Net Revenue Operations</b>	<b>\$ 45,948</b>	<b>1.59%</b>	<b>\$ (58,968)</b>	<b>(2.12%)</b>	<b>\$ 104,916</b>	<b>(177.92%)</b>	<b>\$ (26,476)</b>	<b>\$ (30,602)</b>	<b>\$ (57,078)</b>	<b>\$ 1,890</b>	<b>(3.31%)</b>	
Interest Earned	\$ 3,500	0.12%	\$ 3,500	0.13%	\$ -	0.00%	(723)	4,223	3,500	-	0.00%	
Equipment Depreciation	\$ 43,200	1.50%	\$ 47,000	1.69%	\$ (3,800)	(8.09%)	22,409	24,591	47,000	(0)	(0.00%)	
<b>Total</b>	<b>\$ (39,700)</b>	<b>(1.38%)</b>	<b>\$ (43,500)</b>	<b>(1.56%)</b>	<b>\$ (3,800)</b>	<b>8.74%</b>	<b>\$ (23,132)</b>	<b>\$ (20,368)</b>	<b>\$ (43,500)</b>	<b>\$ 0</b>	<b>(0.00%)</b>	
<b>NET SURPLUS (DEFICIT)</b>	<b>\$ 6,248</b>	<b>0.22%</b>	<b>\$ (102,468)</b>	<b>(3.68%)</b>	<b>\$ 108,716</b>	<b>(106.10%)</b>	<b>\$ (49,608)</b>	<b>\$ (50,970)</b>	<b>\$ (100,578)</b>	<b>\$ 1,890</b>	<b>(1.88%)</b>	



**Victoria Park Community Homes Management Project**

<u>Revenue:</u>	<u>2017</u>	<u>2016</u>
<b>1. Management Fees:</b>		
Victoria Park Community Homes Inc.	<b>1,413,670</b>	1,387,944
Tansley Park	<b>11,865</b>	11,747
Victoria Park Affordable Housing Corp.	<b>128,537</b>	126,715
St. Andrew's Georgetown	<b>30,909</b>	31,836
Wesley Urban Ministries	<b>12,362</b>	12,240
Highland Homes	<b>47,616</b>	47,616
Edenwood Senior's	<b>97,704</b>	97,704
Indo-Canada	<b>51,057</b>	34,038
St. Joseph's Housing Corporation	<b>35,748</b>	35,574
McMaster Community Homes Inc.	<b>81,862</b>	80,652
KACHI	<b>139,623</b>	117,277
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Total	<b>\$ 2,050,953</b>	1,983,343
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<b>2. Laundry Commission</b>		
Queen Oxford Street Gross \$70,000 x 10%	<b>7,000</b>	6,300
831 Queenston Road Gross \$20,000 x 10%	<b>2,000</b>	2,000
1 Hamilton Street Gross \$ 15,500 x 10%	<b>1,550</b>	1,400
Mill Creek Gross \$1,500 x 10%	<b>150</b>	120
1029 Queenston Rd. \$4,500 x 10%	<b>450</b>	320
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	<b>\$ 11,150</b>	10,140
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<b>3. Recoverable Expenses:</b>		
Legal Fees Chargeback Eviction Process <b>Estimate for new Fee Stru</b>	<b>147,000</b>	27,000
Legal Fees Chargeback L1 Process 25/Mth @ \$400	-	120,000
Administration Fee for Capital Projects, VPCHI, VPAHC	<b>100,000</b>	100,000
Administration Fee for Capital Projects, Managed (SHIP/SHARP)	<b>12,500</b>	
Officer Recoverable	<b>96,401</b>	96,359
Salary Overhead	<b>96,000</b>	91,200
Resident Managers' Salaries + 10%	<b>266,005</b>	262,768
Benefits 20% + 10%	<b>83,437</b>	82,369
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Total	<b>\$ 801,343</b>	779,696
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<b>4. Other Income:</b>		
Rent Supplement Administration Fee	<b>\$ 3,294</b>	\$ 3,294
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<b>5. Interest Income:</b>		
	<b>\$ 3,500</b>	\$ 3,500
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**Victoria Park Community Homes Management Project**

Expenditures:

1. Salaries and Benefits as per confidential schedule.  
 Assume 2% salary Increase  
 Benefits 22% of gross salaries

2. Advertising: **\$ 3,120** **\$ 3,120**

Posted Positions 200  
 PH Media 2,520  
 Radio (November) 400

3. Audit Fees: **\$ 7,900** **\$ 7,700**

4. Legal Fees: Changes to By-laws Development **\$ 5,600** **\$ 1,500**

5. Donations:

Wesley Urban Ministries Summer Camp **2,500** 2,500  
 Miscellaneous **300** 300  
 Flowers and Gifts **500** 500

**\$ 3,300** **\$ 3,300**

6. Bank Charges:

Payroll (Now includes ADP-GLI) \$820 Per Month **9,840** 9,840  
 Current Account \$125 Per Month **1,500** 1,500

**\$ 11,340** **\$ 11,340**

7. Board Expenses:

Committee & Board Meetings \$1,500 Per Month x 25% **4,500** 4,500  
 Branding **200** 1,000  
 Bell Conferencing **200** 800  
 Board Mileage **300** 300  
 Governance Board Recruitment **400** 400

**\$ 5,600** **\$ 7,000**

8. Insurance Expense:

Errors and Omissions **\$ 35,000** **\$ 32,000**

**Victoria Park Community Homes Management Project**

9. Leased Equipment:

Mail Machine	4,100	4,100
<i>ADP - HRB</i>	3,200	3,200
Photocopier / Fax	13,500	13,500
Over Copy Charge	4,800	4,800
Symantec	2,460	2,460
Citrix	-	-
Yardi Licensing Fee	15,120	15,000
Microsoft 365	2,500	2,500
<i>Legal IT</i>	-	4,032
Contingency	1,000	1,000
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	<b>\$ 46,680</b>	<b>\$ 50,592</b>

10. Professional Dues and Membership Fees:

IHM Membership	500	500
CIH Fees	1,000	1,000
CGA Memberships	4,000	4,000
CPA - Payroll	200	200
HRPA	400	800
<i>Hamilton Chamber of Commerce</i>	-	400
Social Planning and Research Council	40	40
International Housing Partnerships	2,000	5,000
Paralegal	1,200	500
CHF Dues	500	500
	<hr/>	<hr/>
	<b>\$ 9,840</b>	<b>\$ 12,940</b>

11. Conferences

ONPHA Conference - 3.5 Attendees @ \$900	3,150	3,150
ONPHA Conference Expenses 3 @ \$800	2,400	1,500
IHP Conference	2,000	2,000
Miscellaneous Conferences	6,500	1,500
<i>HSC Regeneration Forum</i>	-	1,500
Yardi Conference	-	5,000
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	<b>\$ 14,050</b>	<b>\$ 14,650</b>

12. Training Allowance:

WHIMIS/Health & Safety training	1,350	850
Employee Education Upgrades	12,400	12,250
Subscriptions/Reference Materials	1,000	1,000
Computer Training	750	1,275
	<hr/>	<hr/>
	<b>\$ 15,500</b>	<b>\$ 15,375</b>

**Victoria Park Community Homes Management Project**

13. Consulting Fees

General - Salary Survey	<b>5,500</b>	10,000
Mangement Coach	<b>5,000</b>	5,000
Yardi	<b>8,000</b>	10,000
<i>Legal One Time Set up</i>	<b>-</b>	4,065
	<hr/>	<hr/>
	<b>\$ 18,500</b>	\$ 29,065
	<hr/>	<hr/>

14. Office Expense:

Coffee	<b>900</b>	900
Printing	<b>8,000</b>	8,000
Supplies	<b>10,000</b>	10,000
Laser Cheques	<b>1,400</b>	1,400
Petty Cash	<b>4,500</b>	4,500
Spectator Subscription	<b>300</b>	300
Shredding	<b>2,000</b>	2,000
Water	<b>440</b>	440
Miscellaneous	<b>500</b>	500
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	<b>\$ 28,040</b>	\$ 28,040
	<hr/>	<hr/>
Christmas Incentives	<b>\$ 3,000</b>	\$ 3,000
	<hr/>	<hr/>
	<b>\$ 31,040</b>	\$ 31,040
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15. Brinks Security:

\$560 per month

<b>\$ 6,720</b>	\$ 6,720
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16. Office Rent:

155 Queen Street North	<b>\$ 31,090</b>	\$ 30,480
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17. Office And Equipment Maintenance:

Office Alarm \$125/Quarter	<b>1,200</b>	1,200
Computer Hardware Support \$1,500 Per Month (Binatech)	<b>18,000</b>	18,000
Brant Tel Maintenance Contract	<b>-</b>	1,500
Office Repairs - A/C, Locks, Pest Control,	<b>600</b>	600
Cleaning Contract	<b>9,072</b>	9,072
Maintence Supplies, Heating Systems	<b>1,000</b>	1,000
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	<b>\$ 29,872</b>	\$ 31,372
	<hr/>	<hr/>

18. Postage And Courier:

Postage	<b>9,000</b>	9,000
Courier	<b>2,500</b>	2,500
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	<b>\$ 11,500</b>	\$ 11,500
	<hr/>	<hr/>

19. Client Relations

Promoting New and Existing Clients	<b>\$ 1,000</b>	\$ 1,000
	<hr/>	<hr/>

**Victoria Park Community Homes Management Project**

20. Telephone And Internet

Allstream & Bell	-	12,000
Telus (\$900 per month)	<b>10,800</b>	10,800
Answer Plus by Password	<b>5,000</b>	5,000
Cogeco High Speed Internet	<b>8,400</b>	2,640
Virtual Listing	<b>300</b>	300
Web Hosting	<b>100</b>	100
Web Site Enhancement	<b>1,000</b>	-
	<hr/> <b>\$ 25,600</b>	<hr/> <b>\$ 30,840</b>

21. Employee Expenses:

Kilometers	assume 25,000 @ .52/km	<b>13,000</b>	13,000
Meals etc.		<b>6,000</b>	6,000
		<hr/> <b>\$ 19,000</b>	<hr/> <b>\$ 19,000</b>

22. Depreciation:

Office Equipment	<b>4,200</b>	4,000
Computer Equipment	<b>16,000</b>	21,500
Leasehold Improvements	<b>20,000</b>	20,000
Contingency New Equipment and Upgrades	<b>3,000</b>	1,500
	<hr/> <b>\$ 43,200</b>	<hr/> <b>\$ 47,000</b>