



**CAPITAL REGION HOUSING CORPORATION  
BOARD OF DIRECTORS MEETING**

**AGENDA**

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9:30 a.m., December 1, 2015  
625 Fisgard Street, Victoria  
Room 488

1. Approval of Agenda
2. Approval of Minutes
  - a) July 28, 2015
  - b) October 27, 2015
3. Auditor's Annual Address – Randy Decksheimer, KPMG (see attached presentation)
4. Parry Place Kitchen
5. 2016-2019 Board Strategic Priorities
6. 2016 Budgets
  - a) Administrative Budget
  - b) Operating Budget
7. Property Management Report
8. Motion to Close the meeting in accordance with the Community Charter, Part 4, Division 3, Section 90 (1) (i) the receipt of advice that is subject to solicitor-client privilege, including communications necessary for that purpose and
  - (a) personal information about an identifiable individual who holds or is being considered for a position as an officer, employee or agent of the municipality or another position appointed by the municipality.
9. Adjournment



**CRHC**

The Capital Region's Housing Corporation

**Minutes of a Meeting of the Capital Region Housing Corporation Board of Directors  
Held July 28, 2015 in Room 652, 625 Fisgard Street, Victoria, BC**

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**PRESENT:**     **Directors:** R. Cooper (Chair), D. Howe, C. Plant, J. Carline, C. Stock (on behalf of Alice Finall), D. Screech  
                  **Staff:**        R. Lapham, Chief Administrative Officer CRD  
                              C. Culham, Senior Manager; D. Metcalf, Manager of Operations;  
                              R. Loukes, Accountant; K. Kusnyerik, Recorder

**ABSENT:**     S. Law & K. Lorette

The meeting was called to order at 9:40 a.m.

**1. APPROVAL OF AGENDA**

It was **MOVED** by Director Plant, **SECONDED** by Director Stock  
that the agenda be approved.

**CARRIED**

**2. APPROVAL OF THE MINUTES OF June 23, 2015**

It was **MOVED** by Director Screech, **SECONDED** by Director Howe

That the minutes of June 23, 2015 be approved with the following amendment:  
That the second D. Howe noted under those present be deleted.

**CARRIED**

**3. ROOF CONTRACT – ROYAL OAK SQUARE**

D. Metcalf presented the staff report.

C. Culham explained that we have changed our capital plan process in 2016 to ensure each building is being visited to improve accuracy of capital plan estimates. She is confident that this roofing expense can fit within our overall 2015 Capital Plan budget, however if there is a deficit the 2016 budget will be amended accordingly.

It was **MOVED** by Director Stock, **SECONDED** by Director Howe

That the Capital Regional Housing Corporation Board of Directors award Contract 15/175 for the Royal Oak Square Roof Replacement in the amount of \$264,597 to be completed in 2015; and

That the Capital Region Housing Corporation approves the expenditure of up to \$101,500 for the additional costs associated with the roof replacement in 2015.

**CARRIED**

It was **MOVED** by Director Plant, **SECONDED** by Director Stock

That the Capital Regional Housing Corporation Board of Directors awards Contract 15/175 for the Royal Oak Square Roof Replacement to Top Line Roofing Ltd.

**CARRIED**

#### **4. QUARTERLY FINANCIAL UPDATE**

C. Culham presented the Quarterly Report to the Board for review. After discussion staff advised they will circulate current reserve balances and cash positions each quarter.

It was also discussed that the property tax appeal process is still ongoing. BC Assessment met with BC Housing on June 17, 2015 with regards to the sector review. CRHC submitted their appeal on July 14, 2015 and BC Assessment has 60 days to respond.

It was **MOVED** by Director Plant **SECONDED** by Director Screech

That the Capital Region Housing Corporation Board of Directors receives the Quarterly Report for information.

**CARRIED**

It was **MOVED** by J. Carline **SECONDED** by Director Plant

That the Capital Region Housing Corporation Board of Directors direct staff to add a footnote whenever there is a variance of more than 20% on CRHC financial statements.

**CARRIED**

#### **5. TURNOVER AND VACANCY QUARTERLY REPORT – SECOND QUARTER**

At the October 2015 CRHC Board meeting, staff will be bringing a report to the Board outlining the review that is currently being undertaken by staff of the vacant unit turnover processes.

It was **MOVED** by Director Stock, **SECONDED** by Director Howe

That the Capital Region Housing Corporation Board of Directors receives this report on the turnover, vacancy and housed activity.

**CARRIED**

#### **6. PROPERTY MANAGEMENT REPORT**

D. Metcalf reviewed the Property Management Report. It was clarified that Marsh Canada is CRHC's insurance broker where Aviva is the insurance company. It was also noted that the property taxes were paid in full for all municipalities; only cheques over \$50,000 were noted in the property management report.

It was **MOVED** by Director Howe, **SECONDED** by Director Stock

That the Capital Region Housing Corporation Board of Directors receives the Property Management Report for information.

**CARRIED**

**7. NEXT BOARD MEETING**

The next board meeting is to be held Tuesday, September 29, 2015.

**8. ADJOURNMENT**

It was **MOVED** by Director Stock, **SECONDED** by Director Carline

The meeting was adjourned at 10:32 am

**CARRIED**

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R.Cooper, Chair

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K.Kusnyerik, Recorder

**PRESENT:**     **Directors:** R. Cooper (Chair), C. Plant, J. Carline, C. Stock (on behalf of Alice Finall), S. Law,  
**Staff:** K. Lorette, General Manager, Planning and Protective Services  
C. Culham, Senior Manager; D. Metcalf, Manager of Operations;  
R. Loukes, Accountant; K. Kusnyerik, Recorder  
**Absent:** D. Screech, D. Howe  
**Guest:** Rianna Lachance

**CARRIED**

It was **MOVED** by Director Plant, **SECONDED** by Director Stock

That the main motion be amended to replace "approve the submission" to "approve a submission".

**CARRIED**

#### **4. QUARTERLY FINANCIAL UPDATE**

It was **MOVED** by Director Stock **SECONDED** by Director Plant

To receive the quarterly financial update as presented.

**CARRIED**

C. Culham presented the quarterly budget.

Rianna Lachance discussed CRHC's investment portfolio and explained that she is currently reviewing CRHC's short term investments. She will require board signatory email approval with very little notice and turnaround. C.Culham will email the board the CRHC investment policy. The board requested that staff determine a practical way for board members to authorize these investments.

It was **MOVED** by Director Carline **SECONDED** by Director Law

That the CRHC Board of Directors direct staff to present a board report with recommendations updating the delegated authority policy.

**CARRIED**

#### **5. THIRD QUARTER 2015 TURNOVER AND VACANCY REPORT**

C.Culham presented the report and discussed that staff are working towards an average of 30 days vacancy. Staff have just conducted a vacant turnover review and anticipate reduced vacancy loss next quarter.

It was **MOVED** by Director Stock, **SECONDED** by Director Law

That the Capital Region Housing Corporation Board of Directors receives the Third Quarter, 2015 Turnover and Vacancy Report for information.

**CARRIED**

#### **6. PROPERTY MANAGEMENT REPORT**

D. Metcalf presented the Property Management Report.

It was **MOVED** by Director Plant **SECONDED** by Director Stock

That the Capital Region Housing Corporation Board of Directors receives the Property Management Report for information.

**CARRIED**

#### **6.b HEATHERS' BUILDING ENVVELOPE REPORT (BER)**

C.Culham reviewed the Heathers' BER report.

It was **MOVED** by Director Carline **SECONDED** by Director Stock

That the Board of Directors authorizes any two members of the Executive Committee to execute a contract with Integrity Exteriors Ltd in the amount of \$1,005,118.00 plus GST.

**CARRIED**

## **7. MOTION TO CLOSE THE MEETING**

It was **MOVED** by Director Law, **SECONDED** by Director Stock

To close the meeting in accordance with the Community Charter, Part 4, Division 3, Section 90 (1) (a) personal information about an identifiable individual who holds or is being considered for a position as an officer, employee or agent of the municipality or another position appointed by the municipality

**CARRIED**

The meeting was closed at 11:13 a.m. and resumed in open session at 11:23 a.m.

## **8. ADJOURNMENT**

It was **MOVED** by Director Carline , **SECONDED** by Director Law

To adjourn the meeting at 11:25 am

**CARRIED**

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R.Cooper, Chair

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K.Kusnyerik, Recorder



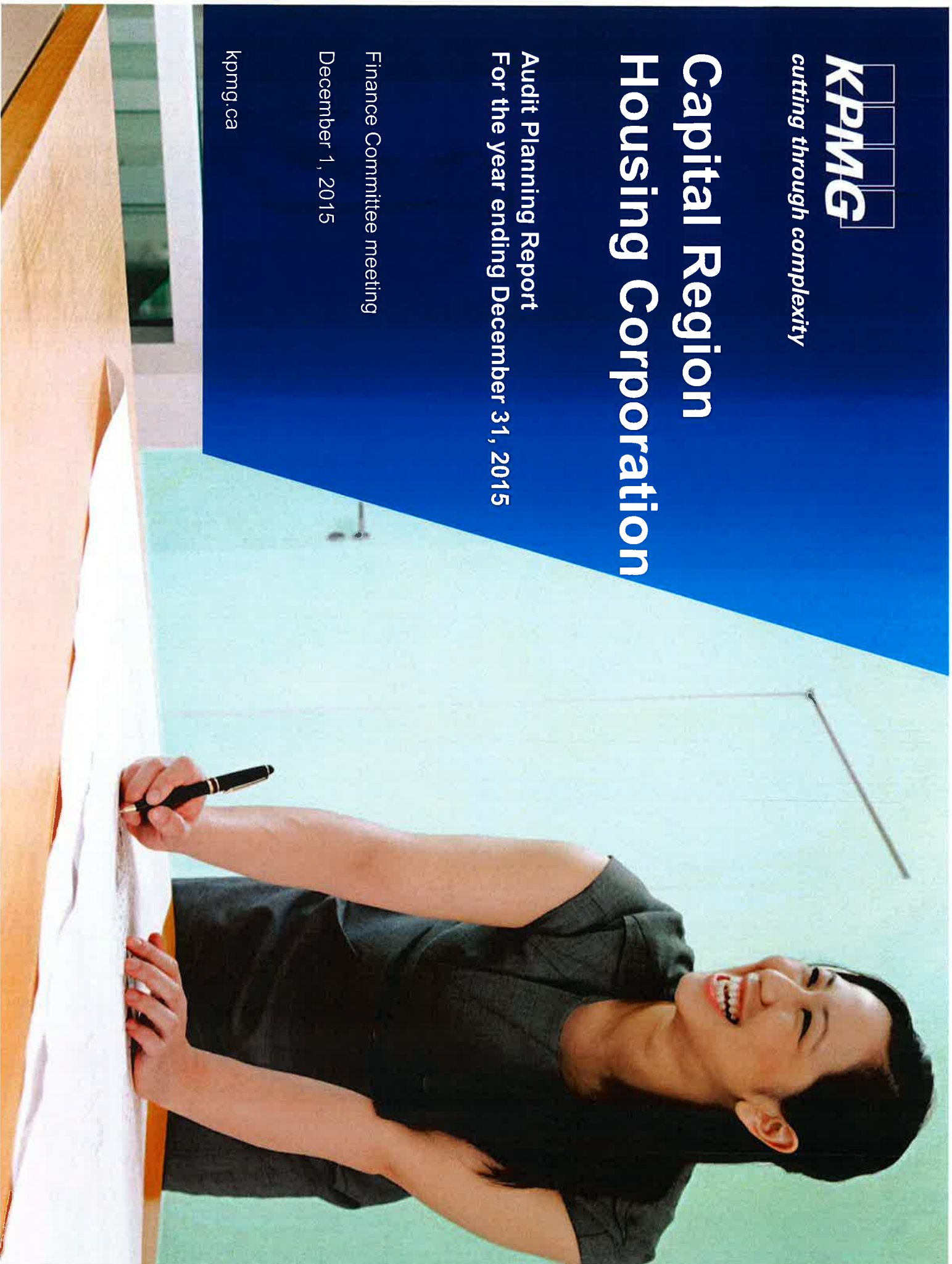
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# Capital Region Housing Corporation

Audit Planning Report  
For the year ending December 31, 2015

Finance Committee meeting  
December 1, 2015

[kpmg.ca](http://kpmg.ca)





# Summary

## Audit and business risk

- Our audit is risk-focused. In planning our audit of the Capital Region Housing Corporation (“CRHC”) we have taken into account key areas of focus for financial reporting. These included:
  - Presentation of net assets regarding restricted items – externally restricted and internally restricted
  - Transition between funding agreements and the impact on financial reporting
  - Interfund transfers and appropriate presentation of balances

## Significant financial

### reporting risks

- As part of our audit planning, we identify significant financial statement transactions and balances for CRHC's 2015 financial statements, make assessments of the risk of significant errors or misstatements and assess where we intend to focus our audit strategy and approach.
  - For fiscal 2015 we did not identify any significant financial reporting risks.
  - A summary of our audit procedures is included in Appendix 1.

# Summary

## KPMG team

- The KPMG team will continue to be led by Randy Decksheimer. He will be supported by Heather Crow, Engagement Senior Manager. Other subject matter experts will be involved where considered necessary to ensure our appropriate is appropriate and robust.

## Effective communication

- We are committed to transparent and thorough reporting of issues to Christine Culham and the Finance Committee.

## Independence

- We are independent and have extensive quality control and conflict checking processes in place. We provide complete transparency on all services and follow Finance Committee approved protocols.

# Annual inquiries of the Finance Committee

**Professional standards require that during the planning of our audit we obtain your views on the risk of fraud. We make similar inquiries to management as part of our planning process; responses to these questions will assist us in planning our overall audit strategy and audit approach accordingly:**

- Are you aware of, or have you identified any instances of, actual, suspected, possible, or alleged non-compliance of laws and regulations or fraud, including misconduct or unethical behaviour related to financial reporting or misappropriation of assets? If so, have the instances been appropriately addressed and how have they been addressed?
- What are your views about fraud risks in the entity?
- How do you provide effective oversight of programs and controls to prevent, detect and deter fraud, including oversight over internal controls management has established to mitigate fraud risks?
- Is the committee aware of tips or complaints regarding the entity's financial reporting and, if so, what are the responses to such tips and complaints?

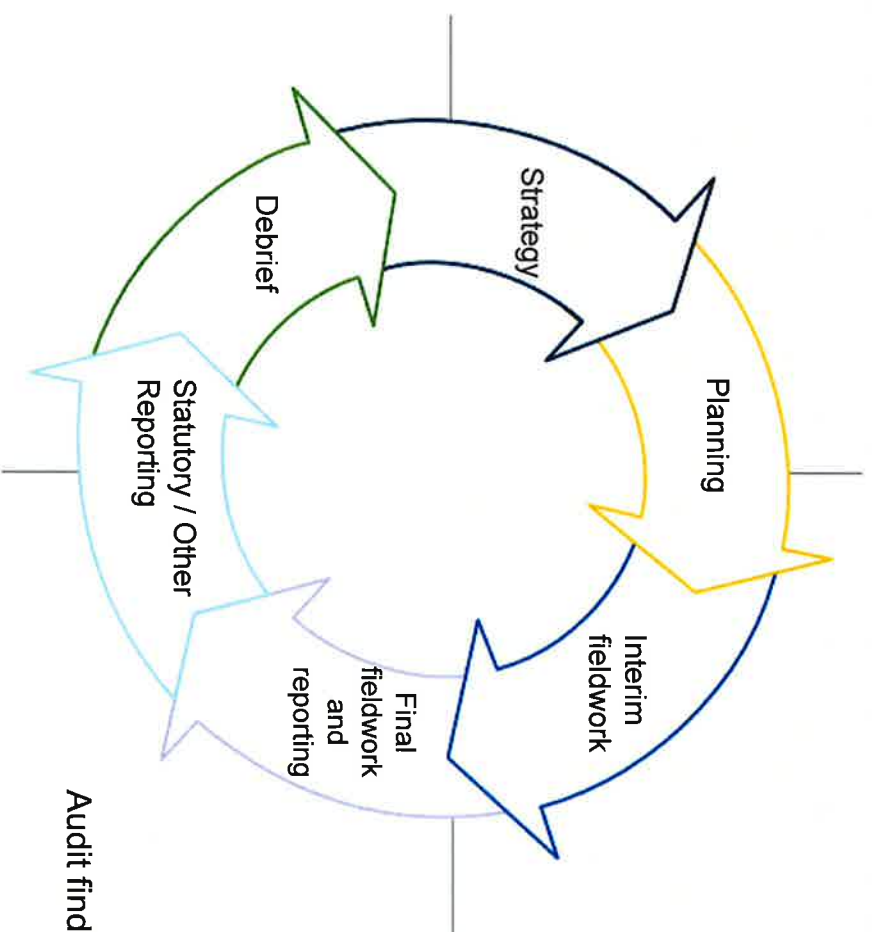
# Materiality

**The determination of materiality requires judgement and is based on a combination of quantitative and qualitative assessments including the nature of account balances and financial statement disclosures**

2015 materiality determination	Comments	Amount
Benchmark	Based on prior year total revenues for the year. This benchmark is consistent with the prior year. (2014 - \$14.9 million)	\$15.3 million
Materiality	Determined to plan and perform the audit and to evaluate the effects of identified misstatements on the audit and of any uncorrected misstatements on the financial statements. (2014 - \$370,000)	\$370,000
Audit Misstatement Posting Threshold (AMPT)	Threshold used to assess accumulated misstatements identified during the audit. Established as 5% of materiality.	\$18,500

# Audit cycle and timetable

Present Audit Planning Report to the Board:  
December 1, 2016



Conduct interim audit field work:  
Conducted at year end

Conduct year end fieldwork:  
February 15 – 19, 2016

Audit findings discussions with CRHC management  
March 2016

Complete and release reporting package and subsequent events update  
March 2016

Present Audit Findings and financial statements at AGM  
March 2016

# Required communications:

- **In accordance with professional standards, there are a number of communications that are required during the course of our audit. These include:**
  - **Engagement letter** - the objectives of the audit, our responsibilities in carrying out our audit, as well as management's responsibilities, are set out in the engagement letter, and any subsequent amendment letters
  - **Audit planning report** – as attached
  - **Required inquiries** – professional standards require that during the planning of our audit we obtain your views on risk of fraud and other matters. We make similar inquiries to management as part of our planning process; responses to these will assist us in planning our overall audit strategy and audit approach accordingly
  - **Management representation letter** – we will obtain from management at the completion of the audit. In accordance with professional standards, copies of the representation letter will be provided to the Finance Committee
  - **Audit findings communications** – we will provide these communications at the completion of our audit to the finance committee



The background of the slide is composed of several overlapping geometric shapes, primarily rectangles and parallelograms, in various shades of blue (light blue, medium blue, dark blue, and navy blue) and white. These shapes are arranged in a way that creates a sense of depth and movement, with some shapes appearing to be in front of others. The overall composition is abstract and modern.

Questions?

# Thank you

## Presentation by:

Randy Decksheimer, Partner—Audit

Phone: 250.480.3515

Email: [rdecksheimer@kpmg.ca](mailto:rdecksheimer@kpmg.ca)

Heather Crow, Senior Manager—Audit

Phone: 250.480.3504

Email: [hcrow@kpmg.ca](mailto:hcrow@kpmg.ca)



# Appendix 1:

- Illustrated on the following pages are the planned control and substantive audit procedures that we expect to perform to support our audit opinion of the financial statements of CRHC.

F/S Caption	Planned Audit Approach
Cash and Investments	<ul style="list-style-type: none"><li>-Confirm year end balances with financial institutions</li><li>-Review year end bank reconciliations and cutoff</li></ul>
Capital assets	<ul style="list-style-type: none"><li>-Review and recalculate continuity schedule</li><li>-Review a sample of capital asset additions including review of underlying source documentation.</li></ul>
Accounts payable	<ul style="list-style-type: none"><li>-Perform cutoff testing to ensure all expenses relating to fiscal 2015 have been recorded.</li><li>-Review and recalculate significant accruals at year end.</li></ul>
Mortgages payable	<ul style="list-style-type: none"><li>-Confirm all year end mortgage balances with respective lenders</li><li>-Recalculate current vs. long term portion of loans</li></ul>

# Appendix 1 (continued):

F/S Caption	Planned Audit Approach
Revenue	<ul style="list-style-type: none"> <li>-Substantive analytical procedures comparing actual tenant rent contributions to budgeted and prior year amounts.</li> <li>-Confirm mortgage subsidies, rent subsidies and operating agreement funding with BC Housing and CMHC.</li> <li>-Tenant income verification through sampling.</li> </ul>
Expenses	<ul style="list-style-type: none"> <li>-Substantive analytical procedures comparing actual expenses to budgeted and prior year amounts.</li> <li>-Review cutoff at year end to ensure expenses have been recorded in the correct period.</li> <li>-Perform analytical procedures over the interest expense by developing expectations based on loan balances and interest rates.</li> </ul>
Replacement Reserve Fund	<ul style="list-style-type: none"> <li>-Test a sample of replacement reserve expenditures to ensure they are recorded in accordance with the operating agreements.</li> </ul>



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**REPORT TO CAPITAL REGION HOUSING CORPORATION BOARD OF DIRECTORS  
DECEMBER 1, 2015**

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**SUBJECT**     **Parry Place Kitchen**

**ISSUE**

The Designated Signing Authority policy of the Capital Region Housing Corporation (CRHC) requires the Board of Directors to approve all contracts with a value of \$50,000 or more.

**BACKGROUND**

In 2009, CRHC approached British Columbia Housing Management Commission (BCHMC) about using the \$250,000 unspent from the original capital loan, which was converted to a trust fund, to renovate the kitchen space at Parry Place.

In February 2014, the CRHC Board of Directors directed staff to work with BCHMC in pursuing the \$250,000 available in the trust fund to develop a commercial kitchen for the in-house provision of hospitality services at Parry Place. BCHMC agreed to allow CRHC to use the trust fund to install a commercial kitchen if CRHC could stay within the \$250,000 budget and achieve a savings of \$22,700 annually. The amount of savings would be realized through Beacon Community Services providing food services internally.

D'Ambrosio Architecture and Urbanism, the original building designer who also designed the original kitchen renovation plans, has been engaged to design and manage the project. CRHC staff working in conjunction with Beacon Community Services who provide the hospitality services at the building have settled on a design that will provide the residents with a larger dining/lounge area as well as enable on site preparation of fresh and healthy meals, at a cost savings to the food portion of the budget.

The general contractor portion of the project went out for tender October 26, 2015 and closed November 9, 2015. Three compliant bids were received.

Bid Summary (Bids exclude GST):

1. Canpro Construction Ltd.	\$175,644.00
2.	\$192,891.00
3.	\$201,207.00

**ALTERNATIVES**

1. That the Board of Directors authorizes any two members of the Executive Committee to execute a contract with Canpro Construction Ltd. up to the amount of \$175,644.00 plus GST.
2. That the Board of Directors refers the Parry Place Kitchen back to staff for further analysis.

## **IMPLICATIONS**

BCHMC has agreed to move forward with the project based on the associated costs falling within the \$250,000 maximum allowable costs. Beacon Community Services has projected an estimated savings of \$22,700 annually by providing internal food services to residents. Also, through the annual review process, it was identified that although the clients are very satisfied with their accommodations at Parry Place, they are not satisfied with the food.

### **Estimate of Project Costs**

<b>Canpro Construction Ltd.</b>	<b>\$175,644</b>
Design, Management, Consultants	\$44,000
Associated Costs (Building permit, furnishings misc.)	\$10,000
<i>Contingency</i>	<u>\$17,564</u>
<b>TOTAL</b>	<b>\$247,208</b>

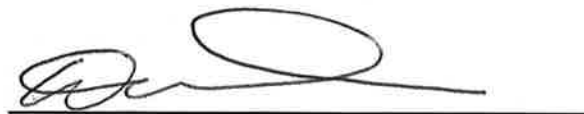
Staff through D'Ambrosio by way of a post tender addendum will seek cost savings by simplifying the ventilation system.

## **CONCLUSION**

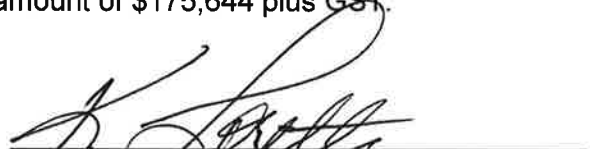
The quality of the food served at Parry Place was identified as an item for improvement by Parry Place residents and service staff. The CRHC Board directed CRHC staff to investigate opportunities to improve the food service to the residents. Staff identified the onsite kitchen solution, which yields more lounge space, and annual food cost savings. The Board directed that staff follow through with the implementation of an onsite kitchen. The project costs are budgeted within the \$250,000 available in the trust fund.

## **RECOMMENDATION**

That the Board of Directors authorizes any two members of the Executive Committee to execute a contract with Canpro Construction Ltd. up to the amount of \$175,644 plus GST.



Christine Culham  
Senior Manager  
Capital Region Housing Corporation



Kevin Lorette, P.Eng., MBA  
General Manager  
Planning and Protective Services



## **REPORT TO CAPITAL REGION HOUSING CORPORATION BOARD OF DIRECTORS MEETING OF December 1, 2015**

**SUBJECT**      **BOARD STRATEGIC PRIORITIES 2016-2019**

**ISSUE**

To adopt the Capital Regional Housing Corporation (CRHC) Board Strategic Priorities 2016-2019.

**BACKGROUND**

The CRHC Board of Directors is responsible for the oversight of the operations of the CRHC and are most closely linked and have the greatest understanding of the internal and external factors that are impacting the CRHC. The CRHC Board of Directors participated in an information session, a Board strategic planning day and a series of Board working groups to develop the (CRHC) Board Strategic Priorities 2016-2019 (Appendix A).

**ALTERNATIVES**

1. That the Capital Region Housing Corporation Board of Directors adopts the (CRHC) Board Strategic Priorities 2016-2019.
2. That the Capital Region Housing Corporation Board of Directors refers the (CRHC) Board Strategic Priorities 2016-2019 back to staff.

**CONCLUSION**

The 2016-2019 Strategic Priorities is an important direction-setting document for the CRHC, providing a mandate to advance action in priority areas that are significant to the CRHC Board, senior staff and stakeholders. These priority areas will flow into the corporate business and financial plans, ensuring accountability for successful plan implementation.

The strategic priorities includes a clear mission, as well as defined goals, objectives, and key performance indicators that are realistic, achievable and measureable. In this way, the CRHC is proactive and responsive to current and future regional needs and expectations.

**RECOMMENDATION**

That the Capital Region Housing Corporation Board of Directors adopts the (CRHC) Board Strategic Priorities 2016-2019.

Christine Culham  
Senior Manager  
Capital Region Housing Corporation

Kevin Lorette, P.Eng., MBA  
General Manager  
Planning & Protective Services

Attachments: Appendix A

# Capital Region Housing Corporation (CRHC) Board Strategic Priorities 2016-2019

Mission Statement: The CRHC's mission is to develop and manage affordable housing within the capital region for low income households.

Priority Area	Goals	Objectives	Key Performance Indicators
Management	Be a good and responsible landlord to those who rent accommodation with the CRHC	<ol style="list-style-type: none"> <li>1. Ensure the CRHC is operating efficiently and effectively</li> <li>2. Maintain Financial Sustainability of the CRHC</li> <li>3. Ensure the CRHC Housing stock is adequately maintained</li> <li>4. Maximize subsidized units</li> <li>5. Ensure Tenant satisfaction</li> </ol>	<ol style="list-style-type: none"> <li>1. <ol style="list-style-type: none"> <li>a) Annual staff performance planning and evaluation</li> <li>b) Annual Board survey</li> </ol> </li> <li>2. Increase net revenue by 1.5 % annually</li> <li>3. Strive to complete one additional building envelope remediation by 2019</li> <li>4. <ol style="list-style-type: none"> <li>a) Review tenant eligibility policy in 2016</li> <li>b) Maintain at least 70% rent geared to income in 42 Umbrella Operating agreement properties</li> </ol> </li> <li>5. Implement a tenant satisfaction survey with an annual improvement in tenant satisfaction index</li> </ol>
Development	Increase CRHC housing stock to benefit households in core housing need	<ol style="list-style-type: none"> <li>1. Develop strategy to increase development capacity</li> <li>2. Develop priorities to address housing needs</li> <li>3. Implement strategy to increase housing for households in core housing need</li> </ol>	<ol style="list-style-type: none"> <li>1. Adopt strategy by 2016</li> <li>2. Develop priorities by 2016</li> <li>3. Increase housing stock by at least 30 rent geared to income units by 2019</li> </ol>

**REPORT TO CAPITAL REGION HOUSING CORPORATION BOARD OF DIRECTORS  
MEETING OF DECEMBER 1, 2015**

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**SUBJECT**      **2015 and 2016 ADMINISTRATIVE BUDGET**

**ISSUE**

To provide the CRHC Board of Directors a review of estimated revenues and expenditures for the 2015 Administrative Budget and the outcomes of the 2015 strategic priorities and to present the 2016 Administrative Budget.

**BACKGROUND**

Each year staff submits to the Board of Directors the Administrative Budget which includes an estimated revenue and expenditure for the current year and a proposed budget for the next fiscal year, a review of our current year strategic priorities and their status. The 2016-2019 Strategic Priorities have been provided in a separate board report.

The Administrative budget includes costs to the Corporation associated with overall administration such as administrative staff salaries and benefits, consultants, legal fees, telephones and office supplies etc. The main source of funding for the Administrative budget are the management fees charged to the buildings. In the Administrative budget, the management fees are seen as revenue and in the operating budgets, the management fees are represented as expenditures. Other sources of revenue include management fees from the third parties, operating interest income and transfer from the Corporation Stabilization Reserve.

**ALTERNATIVES:**

1. That the Capital Region Housing Corporation Board of Directors approves the Capital Region Housing Corporation 2016 Administrative Budget.
2. That the Capital Region Housing Corporation Board of Directors requests that staff amend the Administrative Budget as directed.

**IMPLICATIONS**

1. **a) 2015 Strategic Priorities:** The Board of Directors created an interim one year Strategic Plan outlining the 2015 strategic priorities. Staff created an operational plan from these priorities and presented this plan to the Board in April 2015. Attached in Appendix A is the operational plan and status of the 2015 actions
2. **2015 and 2016 Administrative Budget:** Appendix B

In 2015, there was a reorganization of the Land Banking and Housing Service within the Capital Regional District (CRD). The Housing Secretariat became Housing Policy and Programs and both the Capital Regional Housing Corporation and the Housing Policy and Programs now fall under one umbrella division: Regional Housing. The Senior Manager of the Housing Corporation was appointed as the Senior Manager of Regional Housing and this has led to some changes in the salary, benefit and overhead allocation of the Senior Manager.



The Senior Manager's salary, benefits and overhead now reside in the Capital Regional District (CRD), Regional Housing Budget. There will be an allocation charged to CRHC by Regional Housing that represents the current cost sharing model of 70% allocated to CRHC and 30% allocated to CRD Housing Policy and Programs. The overhead includes: CRD administration, CRD office rental, CRD computer support, telephone, training, and General Manager, Planning and Protective Services allocation. At the 2016 year end, any Regional Housing surplus/(deficit) will be allocated based on the current cost sharing model.

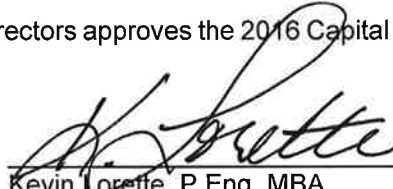
The management fee is the main source of funding of the CRHC Administration budget. An increase to the management fee is required in 2016 to fund the increased staff complement of 0.7 FTE that was approved in 2015 and the 2016 CUPE/Exempt contract increases.

### **CONCLUSION**

Overall the recommended 2016 budget will decrease by 1.6% because of the Senior Manager's salary, benefits and overhead now reside in the Capital Regional District (CRD), Regional Housing Budget.

### **RECOMMENDATIONS**

That the Capital Region Housing Corporation Board of Directors approves the 2016 Capital Region Housing Corporation Administrative Budget.

  
\_\_\_\_\_  
Christine Culham  
Senior Manager  
Capital Region Housing Corporation  
\_\_\_\_\_  
Kevin Lorette, P.Eng., MBA  
General Manager  
Planning and Protective Services  
Concurrence

Attachments: Appendix A, B.1 & B.2

STRATEGIC PRIORITIES	OBJECTIVES	2015 ACTIONS	STATUS
<b>Governance and Leadership</b>  <i>In response to the escalating need for accessible, attainable housing and support for our vulnerable populations, the CRHC will strive to increase facilitation and delivery of mutually beneficial regional housing solutions</i>	Develop a long term financial strategy including an evaluation of debt and equity that maximizes municipal, provincial and federal funding opportunities	Long term Financial and Asset Planning	January 2016
	Develop a four year strategic plan to align with the CRD plan	CRHC Board Strategic Planning 2016-2019	Completed
	Develop a Board of Directors and employee succession planning strategy	Board Orientation Plan orientation for 2016	Completed
		Board recruitment	Completed
<b>Organizational Effectiveness</b>  <i>In response to the need to find solutions to diminishing resources, the CRHC will strive to use resources to highest and best capacity and to ensure that all systems, policies and procedures are efficient and effective.</i>	Maximize administrative and operating efficiencies through the operationalization of the Umbrella Operating Agreement	Increase staff complement by 0.7 FTE	Completed
		Review Internal Annual Budget processes	Completed
		Revise Collections/Aged receivables management processes	Completed
		Develop process to meet RGI target of 68%	Completed
	Enhance performance management system to increase productivity	Performance Management system	Completed
		Develop Occupational Health and Safety Inspection Processes	Completed
		Implementation of Tenant Services Team meetings	Completed
	Review and revise tenant policies and procedures to enhance oversight and optimize rental subsidies	Smoke-free policy/consultation	Completed
		Oversight of RGI tenants	Ongoing
		Vacant Unit Turnover – review of processes	Completed
		Develop process to meet RGI target of 68%	Ongoing
<b>Research and Development</b>  <i>In response to the devolution of federal and provincial responsibility for housing, the CRHC will pursue best practices and seek to develop innovative strategies to</i>	Research the effects of the expiration of the operating agreements to develop a strategy for how to meet economic rent and maintain core need housing	Long term Financial and Asset Planning	January 2016

<i>ensure current and future operational growth and development.</i>	Research different property management and asset software systems to ensure that the current software system meets the needs of the CRHC	IT review	January 2016
	Increase knowledge of housing needs for each of the 13 municipalities in the CRD	Working with Housing Secretariat on Gap analysis, RHSS	Completed Gap Analysis RHSS in process
<b>Asset Planning, Renewal and Development</b>  <i>In response to an aging housing stock and fewer federal and provincial financial commitments to social housing, the CRHC will continue to provide well-maintained housing while pursuing opportunities for portfolio renewal and growth.</i>	Explore land acquisition and development opportunities; Increase the number of CRHC housing units ensuring close proximity to existing multi-modal transportation and other infrastructure	Long term Financial and Asset Planning	January 2016
	Establish a comprehensive understanding of the current housing stock in terms of lands, assets, and equity		
	Enhance portfolio management strategies	Capital replacement five-year plan	Completed
		Parry Place Kitchen	In progress
		Heathers BER	In progress
		Insurance Appraisals	Deferred to 2016
		BECAs	Completed
		Review of use/processes of Contractors	Deferred to 2016 Field Services Review
		Routine replacement process evaluation	
		Checkmate Implementation and Evaluation	Completed
		Meet capital targets	Completed
		Review of procurement practices	Completed
<b>Partnership Engagement</b>  <i>In response to the need for local government involvement in affordable housing solutions and as a wholly owned subsidiary of the Capital Regional District, the CRHC will strengthen existing partnerships and work to increase the</i>	Increase municipal awareness of the CRHC in an effort to develop partnerships	Outreach to municipalities	Ongoing
	Develop a tenant engagement strategy to increase communication and public education through the completion of the CRHC	Website/Marketing Strategy	Completed
		Smoking consultation Board report 2016 Implementation	Completed

<i>level of effective regional cooperation in the housing sector.</i>	website, development of a newsletter and continued tenant meetings when applicable	<b>Tenant Meetings (Crime-free, smoking consultation, tenant events, newsletters)</b>	<b>Ongoing</b>
	Continue to engage in sector-wide activities to enhance affordable housing in the capital region	<b>BCNPHA</b>	<b>Ongoing</b>
		<b>Housing Working Group – Greater Victoria Coalition to End Homelessness</b>	<b>Ongoing</b>
		<b>Third Parties</b>	<b>Ongoing</b>

**CAPITAL REGION HOUSING CORPORATION  
2016 ADMINISTRATION BUDGET**

**APPENDIX B.1**

	2015 Board Approved (A)	2015 Estimated Actuals (B)	2015 \$ Variance (C)	2015 % Variance (D)	2016 CRHC Proposed (E)	2016 Budget \$ Change (F)	2016 Budget % Change (G)
<b>REVENUE</b>							
Management Fees - CMHC	300,753	300,753	0	0.0%	324,864	24,111	8.0%
Management Fees - BCHMC	457,661	457,661	0	0.0%	494,597	36,936	8.1%
Management Fees - Homes BC	109,494	109,494	0	0.0%	118,272	8,778	8.0%
Management Fees - ILBC	24,236	24,236	0	0.0%	24,236	0	0.0%
Management Fees - No Operating Agreement	39,816	39,816	0	0.0%	43,008	3,192	8.0%
Management Fees - Others	87,133	87,133	(0)	0.0%	87,133	0	0.0%
Service Fees - Housing Agreements	2,000	650	(1,350)	-67.5%	150	(1,850)	-92.5%
Corporation Stabilization Reserve Interest Income	40,000	40,000	0	0.0%	40,000	0	0.0%
Operating Interest Income	60,000	50,000	(10,000)	-16.7%	60,000	0	0.0%
Miscellaneous Revenue - NSF s/c	1,217	2,217	1,000	82.2%	1,150	(67)	-5.5%
Transfer from Stabilization Reserve - Salaries	35,000	35,000	0	0.0%	0	(35,000)	-100.0%
Transfer from Stabilization Reserve - Consultant	55,000	55,000	0	0.0%	0	(55,000)	-100.0%
Recovery from Housing Programs - Snr Manager (1)	0	40,000	40,000	100.0%	0	0	0.0%
<b>TOTAL REVENUE</b>	<b>1,212,310</b>	<b>1,241,960</b>	<b>(10,350)</b>	<b>-0.9%</b>	<b>1,193,410</b>	<b>(18,900)</b>	<b>-1.6%</b>
<b>EXPENDITURES</b>							
Salaries & Benefits	849,100	880,000	(30,900)	-3.6%	754,730	(94,370)	-11.1%
2016 Allocation - Regional Housing	0	0	0	0.0%	142,450	142,450	100.0%
2016 Recovery - Snr Manager overhead costs	0	0	0	0.0%	(7,570)	(7,570)	-100.0%
Training (includes related travel costs)	14,300	10,500	3,800	26.6%	11,300	(3,000)	-21.0%
Consultants	65,000	62,315	2,685	4.1%	10,000	(55,000)	-84.6%
Legal Fees	5,000	5,000	0	0.0%	5,000	0	0.0%
CRD Administration	135,560	135,560	0	0.0%	139,970	4,410	3.3%
Audit Fees	2,000	2,000	0	0.0%	2,000	0	0.0%
CRD Office Rental	52,280	52,280	0	0.0%	50,920	(1,360)	-2.6%
Insurance	1,500	1,600	(100)	-6.7%	1,680	180	12.0%
Telephone	13,500	12,365	1,135	8.4%	10,890	(2,610)	-19.3%
Advertising	500	0	500	100.0%	500	0	0.0%
Stationery	7,000	7,000	0	0.0%	7,000	0	0.0%
Courier Services	600	300	300	50.0%	600	0	0.0%
Credit Bureau	1,000	0	1,000	100.0%	1,000	0	0.0%
Subscriptions & Memberships	2,250	2,250	0	0.0%	2,250	0	0.0%
Postage	3,200	3,200	0	0.0%	3,200	0	0.0%
Printing/Drafting	5,000	8,600	(3,600)	-72.0%	5,000	0	0.0%
Photocopier Supplies & Rental	1,970	1,600	370	18.8%	1,970	0	0.0%
Miscellaneous	2,030	2,030	0	0.0%	2,000	(30)	-1.5%
Bank Service Charges	1,500	1,000	500	33.3%	1,000	(500)	-33.3%
Transfer to Equipment Replacement Reserve	2,500	2,500	0	0.0%	2,500	0	0.0%
CRD Computer Support	46,520	46,520	0	0.0%	45,020	(1,500)	-3.2%
<b>TOTAL EXPENDITURES</b>	<b>1,212,310</b>	<b>1,236,620</b>	<b>(24,310)</b>	<b>-2.0%</b>	<b>1,193,410</b>	<b>(18,900)</b>	<b>-1.6%</b>
<b>TOTAL ADMINISTRATION Surplus/(Deficit)</b>	<b>(0)</b>	<b>5,340</b>	<b>(34,660)</b>		<b>0</b>	<b>0</b>	<b>0.0%</b>
<b>Beginning Balance Corporation Stabilization Reserve</b>		<b>1,132,644</b>			<b>1,047,984</b>		
2015 Approved transfer: Salaries for .7 FTE position		(35,000)			0		
2015 Approved transfer: Consultants for Property Assessments		(55,000)			0		
<b>End Balance Corporation Stabilization Reserve</b>		<b>1,047,984</b>			<b>1,047,984</b>		

**Notes:**

(1) 2015 Recovery from CRD Housing Programs - CRHC Snr Manager directly responsible for Division until Manager position filled

To be approved at December 1, 2015 Board meeting



**Implications of Regional Housing Re-alignment to CRHC Administrative Budget**

The Senior Manager's salary, benefits and overhead now reside in the Capital Regional District (CRD), Regional Housing Budget. The total 2016 budget is \$182,500. There will be an allocation charged to CRHC by Regional Housing in the amount of \$142,500. This represents the current cost sharing model of 70% allocated CRHC and 30% allocated to CRD Housing Planning and Programs in the amount of \$40,000. The overhead includes: CRD administration, CRD office rental, CRD computer support, telephone, training, and General Manager, Planning and Protective Services allocation. At the 2016 year end, any Regional Housing surplus/(deficit) will be allocated based on the current cost sharing model.

**2015 Budget Variances: staff salaries and +/- 10% variances between 2015 approved budget line items and estimated actuals.****Revenues**

<b>Budget line</b>	<b>\$ Variance</b>	<b>% Variance</b>	<b>Rationale</b>
Service Fees-Housing Agreements	(1,350)	(67.5%) under	Dockside Green Housing Agreements now reassigned to Regional Housing - Policy and Programs. CRHC responsible for oversight of 5 Travino affordable units.
Operating Interest Income	(10,000)	(16.7%) under	MFA Bond fund is currently trending down and will be part of the 2016 investment review.
Misc. Revenue - NSF charges	1,000	82.2% over	Tenant NSF charges fluctuate year to year
2015 Recovery from Housing Programs – Snr Manager	40,000	100% over	Reorganization resulted in CRHC receiving a 2015 recovery of \$40,000 for Senior Manager staff time required to manage work until new Housing Policy and Programs Manager was hired in September 2015.

**Expenditures**

<b>Budget line</b>	<b>\$ Variance</b>	<b>% Variance</b>	<b>Rationale</b>
Salaries & Benefits	(30,900)	(3.6%) over	4 positions were reclassified in 2015 resulting in an increase of \$30,900 due to 2014 retro-pay and new pay grade.
Training	3,800	26.6% under	Increased training in 2015 to align with CRD policy. This was a transition year and did not utilize all funding available. Intend to further promote training opportunities for staff as required in 2016.
Advertising	500	100% under	Used to advertise Board and staff vacancies
Courier Services	300	50% under	Board agendas no longer couriered, sent by email.
Credit Bureau	1,000	100% under	Use credit bureau as needed. New collection model. Will evaluate usage in 2016.
Printing/Drafting	(3,600)	(72%) over	Property pictures taken for new website for promotion.
Bank Service Charges	500	33.3% under	Achieved savings through more competitive bank service fee package

**2016 Budget Changes: staff salaries and +/- 10% variances changes from 2015 approved budget line times to 2016 proposed budget.**

#### Revenues

Budget line	\$ Change	% Change	Rationale
Management Fees	\$73,017	8% increase	Management fee is the main source of funding for the for CRHC Administration budget. Increased Management fees for UOA and NOA properties from \$59.25 to \$64 per unit to fund staffing increases that relate to 2015 approved 0.7 FTE and 2016 CUPE/Exempt contract increases
Housing Agreements	(1,850)	(92.5%) decrease	CRHC responsible for oversight of 5 Travino affordable units. Projecting one unit turnover.
Transfer from Stabilization Reserve – Salaries	(35,000)	(100%)	One time funding for 2015 transition year of new 0.7 FTE
Transfer from Stabilization Reserve – Consultant	(55,000)	(100%)	One time funding for 2015 BC Assessment appeals

#### Expenditures

Budget line	\$ Change	% Change	Rationale
Salaries & Benefits	(94,370)	(11.1%) decrease	Overall decrease due Regional Housing recovery. Included are CUPE contract increases and estimated Exempt increases as well as impact of 2015 reclassifications..
2016 Allocation Regional Housing	142,450	100% increase	Regional Housing recovery for Senior Manager salary, benefits and overhead
Insurance	180	12% increase	Office and Director liability insurance
Minor office overhead	(7,750)	(100%) decrease	Such as photocopying, stationary etc.
Training	(3,000)	(21%) decrease	Regional Housing Recovery
Consultants	(55,000)	(84.6%) decrease	2015 one-time property assessment appeal
Telephone	(2,610)	(19.3%) decrease	Cost efficiencies in cellphone and internet packages; Regional Housing overhead recovery
Bank Service Charges	(500)	(33.3%) decrease	Achieved savings through more competitive bank service fee package



**REPORT TO CAPITAL REGION HOUSING CORPORATION BOARD OF DIRECTORS  
MEETING OF DECEMBER 1, 2015**

**SUBJECT**      **CAPITAL REGION HOUSING CORPORATION  
OPERATING BUDGETS - 2016**

**ISSUE**

To provide the CRHC Board of Directors a review of estimated operating revenues and expenditures for 2015, and the proposed budget for 2016.

**BACKGROUND**

In 2015, the Umbrella Operating Agreement (UOA) was signed and is in effect until December 31, 2019. Staff have prepared an operating budget for the UOA portfolio, covering 42 of CRHC's 45 projects. Separate budgets have also been prepared for Parry Place (ILBC assisted living), and Village on the Green and Vergo (No Operating Agreement).

Below are the summarized 2015 estimated revenue and expenses and the 2016 proposed budgets.

<b>Umbrella Operating Agreement (Appendix A)</b>			
	<b>2015 Budget</b>	<b>2015 Estimates</b>	<b>2016 Proposed</b>
Total Revenue	12,915,000	13,102,770	13,153,620
Total Expenditures	12,594,900	12,535,690	12,921,610
Operating Surplus/(Deficit)	320,100	567,080	232,010
<b>ILBC - Parry Place (Appendix B)</b>			
	<b>2015 Budget</b>	<b>2015 Estimates</b>	<b>2016 Mandated</b>
Total Revenue	658,674	662,180	662,131
Total Expenditures	658,674	656,430	662,131
Operating Surplus/(Deficit)	0	5,750	0
<b>No Operating Agreement - Village on the Green &amp; Vergo (Appendix C)</b>			
	<b>2015 Budget</b>	<b>2015 Estimates</b>	<b>2016 Proposed</b>
Total Revenue	634,750	640,340	653,740
Total Expenditures	642,900	647,240	658,945
Operating Surplus/(Deficit)	(8,150)	(6,900)	(5,205)

Appendices A-C: Detailed budgets

Below are the combined totals of entire CRHC portfolio:

<b>CRHC Portfolio</b>			
	<b>2015 Budget</b>	<b>2015 Estimates</b>	<b>2016 Proposed</b>
Total Revenue	14,208,424	14,405,290	14,469,491
Total Expenditures	13,896,474	13,839,360	14,242,686
Operating Surplus/(Deficit)	311,950	565,930	226,805



## **ALTERNATIVES**

1. That the Capital Region Housing Corporation (CRHC) Board of Directors
  - a) approves the Capital Region Housing Corporation 2016 Operating Budgets for the Umbrella Operating Agreement portfolio, Parry Place, Village on the Green and Vergo; and
  - b) authorizes any 2015 operating surplus/(deficits) to be transferred to/(from) the appropriate Portfolio Stabilization Reserves.
2. That the Capital Region Housing Corporation Board of Directors directs staff to amend the budget submission and report back to the Board.

## **IMPLICATIONS**

The CRHC completed an organizational review and implemented changes to the staffing structure in 2014. The impacts of these changes are being realized in 2015. The main outcomes of the changes were to improve decision making, communication and collaboration. The operational plan which is included in the Administrative budget outlines the operational objectives completed in 2015. The operational vision for 2015 was continuous improvement.

In the 2015 fiscal year, some examples of activities that staff implemented:

To improve revenue:

- a) CRHC increased market rents by the allowable 2.2%. Market units represent approximately 30% of our overall units. Staff continued to develop and implement a more comprehensive marketing strategy for our market rent units. This has resulted in CRHC marketing units online and in the development of a comprehensive CRHC website which was completed in May 2015.
- b) Staff prioritized internal audits of rent geared to income tenant files to ensure compliance with legislation. This is ongoing.
- c) Staff reviewed the vacant unit turnover processes and are implementing improvements with the goal of achieving the target of an average of no more than 30 days vacant.

To achieve operational efficiencies and savings:

- a) CRHC increased staff complement by 0.7FTE and revised collections/aged receivables management processes and increase tenants services capacity to house tenants.
- b) Staff reviewed procurement practices to ensure that vendor contracts are of best value.
- c) Staff pursued an appeal with BC Assessment regarding substantially higher 2015 property assessments.

### **Parry Place**

Parry Place is under the ILBC operating program with BC Housing. It has a fixed budget from 2013-2018 with annual budget increases for expenses except the mortgage based on CPI. Due to the kitchen installation, negotiations with the service provider are underway. It is anticipated that the budget will be updated with BCHMC closer to the completion of the kitchen renovation.

## **CONCLUSION**

The approved 2015 UOA Budget estimated an operating surplus of \$320,100. CRHC is estimating achieving a \$567,080 surplus. The difference is due to an increase in tenant rent revenue of \$208,289 and reduced spending of \$59,210. Under the UOA, all operating surplus funds are retained by CRHC, and staff is recommending that the surpluses be placed in a Portfolio Stabilization Reserve to meet future Corporation requirements in either project operating or capital replacement.

Based on the 2015 estimated surplus/(deficits) the Portfolio Stabilization Reserves would have the following balances:

<b>Portfolio Stabilization Reserve Balances</b>	<b>2015</b>
Umbrella Operating Agreement	310,287
ILBC – Parry Place	101
No Operating Agreement	74,053

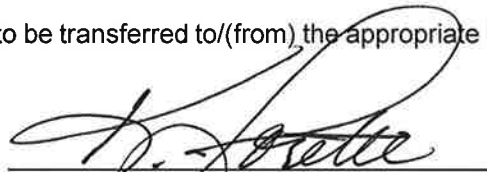
**RECOMMENDATIONS**

That the Capital Region Housing Corporation (CRHC) Board of Directors

- a) approves the Capital Region Housing Corporation 2016 Operating Budgets for the Umbrella Operating Agreement portfolio, Parry Place, Village on the Green and Vergo; and
- b) authorizes any 2015 operating surplus/(deficits) to be transferred to/(from) the appropriate Portfolio Stabilization Reserves.



Christine Culham  
Senior Manager  
Capital Region Housing Corporation



Kevin Lorette P.Eng., MBA  
General Manager  
Planning & Protective Services  
Concurrence

Attachments: Appendices A-C

**CAPITAL REGION HOUSING CORPORATION**  
**2016 UMBRELLA AGREEMENT OPERATING BUDGET SUMMARY**  
- 42 Buildings: 1,209 Mixed Income Family/Seniors Housing

**APPENDIX A.1**

	2015 Board Approved (A)	2015 Estimated (B)	2015 Budget \$ Variance (C)	2015 Budget % Variance (D)	2016 CRHC Proposed (E)	2016 Budget \$ Change (F)	2016 Budget % Change (G)
<b>Revenue</b>							
BCHMC Subsidy	3,094,988	3,082,035	(12,953)	-0.4%	3,079,447	(15,541)	-0.5%
CMHC Mortgage Subsidy	459,970	451,478	(8,492)	-1.8%	445,760	(14,210)	-3.1%
Tenant Rent Contribution	9,317,790	9,526,079	208,289	2.2%	9,586,161	268,371	2.9%
Misc Revenue - parking and laundry	42,252	43,178	926	2.2%	42,252	0	0.0%
<b>Total Revenue</b>	<b>12,915,000</b>	<b>13,102,770</b>	<b>187,770</b>	<b>1.5%</b>	<b>13,153,620</b>	<b>238,620</b>	<b>1.8%</b>
<b>Expenditures</b>							
Audit	29,983	29,983	0	0.0%	30,607	623	2.1%
Caretaker	1,005,038	971,514	33,524	3.3%	1,005,038	0	0.0%
Contingency	57,809	10,448	47,362	81.9%	57,809	(0)	0.0%
Garbage	188,427	187,800	628	0.3%	188,427	0	0.0%
Gas	139,028	104,750	34,278	24.7%	110,200	(28,828)	-20.7%
Hydro	232,534	213,430	19,105	8.2%	232,534	(0)	0.0%
Insurance	277,161	282,659	(5,498)	-2.0%	299,480	22,319	8.1%
Landscape Maintenance	300,700	299,034	1,666	0.6%	302,440	1,740	0.6%
Land Lease	0	10,500	(10,500)	-100.0%	0	0	N/A
Maintenance	582,873	582,873	0	0.0%	577,733	(5,140)	-0.9%
Management Fee	862,443	862,443	0	0.0%	931,584	69,141	8.0%
Mortgage	6,186,370	6,163,846	22,524	0.4%	6,154,250	(32,120)	-0.5%
Property Taxes	1,221,137	1,358,975	(137,838)	-11.3%	1,399,742	178,605	14.6%
Transfer to Replacement Reserve	820,691	820,691	0	0.0%	943,020	122,329	14.9%
Vehicle Operating - moved to Maintenance	1,958	0	1,958	100.0%	0	(1,958)	-100.0%
Water	688,746	636,746	52,000	7.5%	688,746	(0)	0.0%
<b>Total Expenditures</b>	<b>12,594,900</b>	<b>12,535,690</b>	<b>59,210</b>	<b>0.5%</b>	<b>12,921,610</b>	<b>326,710</b>	<b>2.6%</b>
<b>Total Umbrella Agreement Surplus/(Deficit)</b>	<b>320,100</b>	<b>567,080</b>	<b>246,980</b>		<b>232,010</b>	<b>(88,090)</b>	
<b>Beginning Balance UOA Stabilization Reserve</b>		1,143,207			310,287		
Transfer to UOA Capital Replacement Reserve - Board Approved Jan/15		(1,400,000)			(300,000)		
<b>End Balance UOA Stabilization Reserve</b>		<b>310,287</b>			<b>242,297</b>		

To be approved at December 1, 2015 Board meeting

**Umbrella Operating Agreement (UOA)**

**2015 Budget Variances: tenant rent revenue, caretaker salaries and +/- 5% variances between 2015 approved budget line items and estimated actuals.**

**Revenues**

<b>Budget line</b>	<b>\$ Variance</b>	<b>% Variance</b>	<b>Rationale</b>
Tenant Rent Revenue	208,289	2.2% over	Allowable market rent increase of 2.2% for 2015. Improvement in market unit turnover.

**Expenditures**

<b>Budget line</b>	<b>\$ Variance</b>	<b>% Variance</b>	<b>Rationale</b>
Caretaker	33,524	3.3% under	Achieved \$20,000 savings for WCB requirement for worker check.
Contingency	47,362	81.9%	10,448 costs for Leblond Strata Admin & Replacement Reserve. Bal UOA contingencies.
Gas	34,278	24.7% under	Fortis standardized rates for Vancouver Island
Hydro	19,105	8.2% under	Milder winter
Land lease	(10,500)	(100%) over	Willowdene land acquisition resulting in cancellation of month to month lease in February 2015 rather than December 2014.
Property Taxes	(137,838)	(11.3%) over	Due to significant increases in BC Assessment valuations. Under appeal.
Vehicle Operating	1,958	100% under	Included in Maintenance budget line for 2015 and 2016.
Water	52,000	7.5% under	2015 City of Victoria implemented lower summer sewer rates and the new storm water utility billing fee was delayed until the fall of 2016

**2016 Budget Changes: tenant rent revenue, caretaker salaries and +/- 5% changes from 2015 approved budget line times to 2016 proposed budget.**

<b>Budget line</b>	<b>\$ Change</b>	<b>% Change</b>	<b>Rationale</b>
Tenant Rent revenue	268,371	2.9% increase	Allowable market rent increase of 2.9% for 2016. Continuing improved turnover performance.

**Expenditures**

<b>Budget line</b>	<b>\$ Change</b>	<b>% Change</b>	<b>Rationale</b>
Caretaker	0	0%	No increase required 2016 CUPE increase can be accommodated.
Gas	(28,828)	(20.7%) decrease	Fortis standardized rates for Vancouver Island
Insurance	22,319	8.1% increase	Annual increases due to earthquake coverage and increase in general claims across non-profit sector.
Management Fee	69,141	8% increase	Management fee is the main source of funding of CRHC Administration budget. Increase required to fund 2015 approved 0.7 FTE and 2016 CUPE/Exempt contract increases.
Property Taxes	178,605	14.6% increase	Projected 3% municipal increase and 11.6% increase due to BC Assessment valuations.
Transfer to Replacement Reserve	122,329	14.9% increase	January 2015 Board approved standardized annual contribution of \$65 per unit.

**CAPITAL REGION HOUSING CORPORATION  
2016 ILBC(2) OPERATING BUDGET SUMMARY**

**APPENDIX B.1**

- 1 Building: 21 Senior's Independent Living Housing
- Constructed 2008
- Fixed 5 year Budget (2013-2018) with annual CPI increases

	2015 BCHMC Mandated (A)	2015 Estimated (B)	2015 Budget \$ Variance (C)	2015 Budget % Variance (D)	2016 BCHMC Mandated (E)	2016 Budget \$ Change (F)	2016 Budget % Change (G)
<b>Revenue</b>							
BCHMC Subsidy	316,182	314,034	(2,148)	-0.7%	328,231	12,050	3.8%
Tenant Rent Contribution	342,492	336,810	(5,682)	-1.7%	333,900	(8,592)	-2.5%
Misc Revenue - parking & cable	0	11,336	11,336	N/A	0	0	0.0%
<b>Total Revenue</b>	<b>658,674</b>	<b>662,180</b>	<b>3,506</b>	<b>0.5%</b>	<b>662,131</b>	<b>3,458</b>	<b>0.5%</b>
<b>Expenditures</b>							
<b>General Costs</b>							
Audit	545	510	35	6.5%	545	0	0.1%
Cable Offset	0	7,589	(7,589)	N/A	0	0	0.0%
Contingency & Vacancy Allowance	5,000	0	5,000	100.0%	5,000	0	0.0%
Garbage	3,000	2,734	266	8.9%	3,000	0	0.0%
Hydro	29,665	25,700	3,965	13.4%	29,665	0	0.0%
Insurance	6,693	6,866	(173)	-2.6%	7,280	587	8.8%
Memberships	500	412	88	17.6%	500	0	0.0%
Mortgage	221,596	221,596	0	0.0%	221,596	0	0.0%
Property Taxes	23,374	26,737	(3,363)	-14.4%	24,075	701	3.0%
Transfer to Replacement Reserve	16,600	16,600	(0)	0.0%	16,932	332	2.0%
Water	5,069	5,400	(331)	-6.5%	5,373	304	6.0%
	<b>312,042</b>	<b>314,145</b>	<b>(2,102)</b>	<b>-0.7%</b>	<b>313,966</b>	<b>1,925</b>	<b>0.6%</b>
<b>Manageable Costs</b>							
Caretaker	9,180	10,334	(1,154)	-12.6%	10,463	1,283	14.0%
Contract for Services - Hospitality	290,826	285,107	5,719	2.0%	290,826	0	0.0%
Landscape Maintenance	3,020	3,239	(219)	-7.3%	3,270	250	8.3%
Maintenance	19,370	19,370	0	0.0%	19,370	0	0.0%
Management Fee	24,236	24,236	0	0.0%	24,236	0	0.0%
	<b>346,632</b>	<b>342,286</b>	<b>4,346</b>	<b>1.3%</b>	<b>348,165</b>	<b>1,533</b>	<b>0.4%</b>
<b>Total Expenditures</b>	<b>658,674</b>	<b>656,430</b>	<b>2,244</b>	<b>0.3%</b>	<b>662,131</b>	<b>3,458</b>	<b>0.5%</b>
- includes 2016 CPI increase of 0.8% or 3,457							
<b>Total ILBC(2) Surplus/(Deficit)</b>	<b>0</b>	<b>5,750</b>	<b>5,750</b>		<b>0</b>	<b>0</b>	
<b>Beginning Balance ILBC(2) Stabilization Reserve</b>		(5,631)					
BCHMC prior year adjustments		(18)					
<b>End Balance ILBC(2) Stabilization Reserve</b>		<b>101</b>					

To be approved at December 1, 2015 Board meeting



**Parry Place (ILBC)**

**2015 Budget Variances: tenant rent revenue, caretaker salaries and +/- 10% variances between 2015 approved budget line items and estimated actuals.**

**Revenues**

<b>Budget line</b>	<b>\$ Variance</b>	<b>% Variance</b>	<b>Rationale</b>
Tenant Rent revenue	(5,682)	(1.7) under	Due to 3 vacancies in 2015

**Expenditures**

<b>Budget line</b>	<b>\$ Variance</b>	<b>% Variance</b>	<b>Rationale</b>
Hydro	3,965	13.4% under	Milder winter
Property Taxes	3,363	(14.4%) over	Due to significant increases in BC Assessment valuations. Under appeal.
Caretaker	(1,154)	(12.6%) over	2015 budget was restricted by BC Housing

**2016 Budget Overview: tenant rent revenue, caretaker salaries and +/- 10% changes from 2015 approved budget line times to 2016 proposed budget.**

**Revenues**

<b>Budget line</b>	<b>\$ Change</b>	<b>% Change</b>	<b>Rationale</b>
Tenant Rent revenue	(8,592)	(2.5%) decrease	Based on Dec 2015 rent roll. Decrease will be offset by increase in BCHMC Subsidy

**Expenditures**

<b>Budget line</b>	<b>\$ Change</b>	<b>% Change</b>	<b>Rationale</b>
Property Taxes	701	3.0% increase	BC Assessment valuation under appeal
Water	665	12.9% increase	City of Victoria new storm water utility billing fee start fall of 2016.
Caretaker	1,405	15.3% increase	2015 budget was restricted by BC Housing – 2016 budget COLA can fund increase in Caretaker budget line.

**CAPITAL REGION HOUSING CORPORATION  
2016 NO OPERATING AGREEMENT BUDGET SUMMARY**

**APPENDIX C.1**

- 2 Buildings: (38) Village on the Green and (18) Vergo - 56 Affordable Rental Housing
- Constructed 1984 and 2012

	2015 Board Approved (A)	2015 Estimated (B)	2015 Budget \$ Variance (C)	2015 Budget % Variance (D)	2016 CRHC Proposed (E)	2016 Budget \$ Change (F)	2016 Budget % Change (G)
<b>Revenue</b>							
Tenant Rent Contribution	633,990	640,005	6,015	0.9%	652,980	18,990	3.0%
Misc Revenue - parking and laundry	760	335	(425)	-55.9%	760	0	0.0%
<b>Total Revenue</b>	<b>634,750</b>	<b>640,340</b>	<b>5,590</b>	<b>0.9%</b>	<b>653,740</b>	<b>18,990</b>	<b>3.0%</b>
<b>Expenditures</b>							
Audit/Legal	1,355	1,355	0	0.0%	1,384	29	2.1%
Caretaker	38,337	38,202	135	0.4%	39,559	1,222	3.2%
Garbage	6,781	7,225	(444)	-6.5%	7,306	525	7.7%
Landscape Maintenance	11,259	11,262	(3)	0.0%	11,432	173	1.5%
Hydro	2,511	1,905	606	24.1%	2,076	(435)	-17.3%
Insurance	16,008	16,334	(326)	-2.0%	17,313	1,306	8.2%
Maintenance	19,988	17,375	2,613	13.1%	19,541	(447)	-2.2%
Management Fee	39,816	39,816	0	0.0%	43,008	3,192	8.0%
Mortgage	374,385	374,323	62	0.0%	374,307	(78)	0.0%
Property Taxes	70,095	75,916	(5,821)	-8.3%	78,193	8,099	11.6%
Transfer to Replacement Reserve	41,900	41,900	0	0.0%	41,900	0	0.0%
Vehicle Operating	176	0	176	100.0%	0	(176)	-100.0%
Water	20,289	21,627	(1,338)	-6.6%	22,925	2,635	13.0%
Other	0	0	0	0.0%	0	0	0.0%
<b>Total Expenditures</b>	<b>642,900</b>	<b>647,240</b>	<b>(4,339)</b>	<b>-0.7%</b>	<b>658,945</b>	<b>16,044</b>	<b>2.5%</b>
<b>Total No Agreement Surplus/(Deficit)</b>	<b>(8,150)</b>	<b>(6,900)</b>	<b>1,251</b>		<b>(5,205)</b>	<b>2,946</b>	
<b>Beginning Balance NOA Stabilization Reserve</b>	<b>82,033</b>	<b>80,953</b>			<b>74,053</b>		
Transfer to Stabilization Reserve VOG	54,636	62,338			58,259		
Transfer (from) Stabilization Reserve Vergo	(62,787)	(69,237)			(63,464)		
Transfer (from) Surplus UOA Portfolio	0	0			0		
<b>End Balance NOA Stabilization Reserve</b>	<b>73,882</b>	<b>74,053</b>			<b>68,848</b>		

To be approved at December 1, 2015 Board meeting

**Village on the Green & Vergo No Operating Agreement (NOA)**

**2015 Budget Variances: tenant rent revenue, caretaker salaries and +/- 10% variances between 2015 approved budget line items and estimated actuals.**

**Revenues**

<b>Budget line</b>	<b>\$ Variance</b>	<b>% Variance</b>	<b>Rationale</b>
Tenant Rent revenue	6,015	0.9% over	Allowable market rent increase of 2.2% for 2015

**Expenditures**

<b>Budget line</b>	<b>\$ Variance</b>	<b>% Variance</b>	<b>Rationale</b>
Caretaker	135	0%	On budget
Hydro	606	24.1% under	Tenants using less hydro
Maintenance	2,613	13.0% under	Vergo is a new building and does not require as much work.
Property Taxes	5,821	(14.4%) over	Due to significant increases in BC Assessment valuations. Under appeal.

**2016 Budget Overview: tenant rent revenue, caretaker salaries and +/- 10% changes from 2015 approved budget line times to 2016 proposed budget.**

**Revenues**

<b>Budget line</b>	<b>\$ Variance</b>	<b>% Variance</b>	<b>Rationale</b>
Tenant Rent revenue	18,990	3.0% increase	Allowable market rent increase of 2.9% for 2016. Continuing improved turnover performance.

**Expenditures**

<b>Budget line</b>	<b>\$ Variance</b>	<b>% Variance</b>	<b>Rationale</b>
Caretaker	1,222	3.2% increase	CUPE contract increase
Hydro	(435)	(17.3%) decrease	Tenants using less hydro
Property Taxes	8,098	11.6% increase	Projected 3% municipal increase and 8.6% increase due to BC Assessment valuations.
Water	2,636	13.0% increase	City of Victoria new storm water utility billing fee start fall of 2016.



**Property Management Report – December 1, 2015**  
**Capital Region Housing Corporation Board of Directors**

This Property Management Report provides an update since the last report of October 27, 2015

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**BCH REGIONAL REGISTRY WAITLIST STATISTICS**

<b>Category</b>	<b>November 2015</b>	<b>October 2015</b>	<b>November 2014</b>
<b>Total Registry Units</b>	<b>3,299</b>	<b>3,299</b>	<b>3,245</b>
Family	452	442	437
Seniors	559	552	525
Persons with Disabilities	369	380	383
Wheelchair Modified	54	57	61
Singles	34	34	33
<b>Total</b>	<b>1,468</b>	<b>1,465</b>	<b>1,439</b>

**BUILDING ENVELOPE REMEDIATION & RELATED CAPITAL IMPROVEMNETS**

The Heathers Building Envelope Remediation

Work is planned to begin on November 27th.

2015 Exterior Paint

The final three of five sites are complete pending final sign off by the paint inspector. These last three sites are Parry, Carillon and Grey Oak Square.

Kings Place Boiler System

The domestic hot water and heating boilers installation has been completed.

Common Area Carpet Replacement

The tender for Kings Place and James Yates Gardens was posted on CRD's website. Three compliant bids were received. The low bid was \$26,453.00 from Island Floor Coverings. The other two bids were \$27,000 and \$30,899.

**STAFF TRAINING**

Skills Plus Electrical Training

Four caretaking staff members will attend a three day Skills Plus Electrical Training session from November 17 through 19<sup>th</sup> presented by BC Housing. All of the caretaking staff will now have received this training. The prior trainees enjoyed the experience and have taken on many small electrical tasks on their sites, saving the cost of contractor call outs.

## **SERVICE WORKS**

### Catch Basin Cleaning

The annual catch basin servicing is underway at 47 sites to clean 223 catch basins. Two compliant bids were received and the low bid was \$9,834.00. The second bid was \$10,575.00. Coast Environmental was awarded this work.

## **ARBITRATIONS**

### Tenant Initiated Arbitration

A resident at the Birches has filed for an arbitration regarding "loss of enjoyment". The arbitration date is set for March 9, 2016.

## **BOARD SITE TOUR OCTOBER 30, 2015**

### Three Sites Visited

Six Board members attended this tour to Olympic View, Beechwood and Springtide. Seven rental units were visited demonstrating original finishes and updated components. Challenging exterior conditions were viewed as well, these related to aging components, settlement and maturing landscape.

## **FINANCIAL REPORTING: CHEQUES OVER \$50,000**

<b>Vendor</b>	<b>Issued</b>	<b>Expenditure</b>	<b>Notes</b>
Empress Paint	October 6th	\$50,151.67	2015 Exterior Paint
Empress Paint	October 20th	\$62,437.80	2015 Exterior Paint
Top Line Roofing	October 22nd	\$61,425.00	Royal Oak Square Roof



Don Metcalf  
Manager of Operations  
Capital Region Housing Corporation



Christine Culham  
Senior Manager  
Capital Region Housing Corporation