

2016 Operating and Capital Budget Detailed Financial Summaries

Date: December 3, 2015

Budget 2016 Annual Consolidated Operating Cash Flow

(Amounts in \$000's)	<u>Budget 2016</u>	<u>Budget 2015*</u>
Operating		
<u>Cash inflows</u>		
Residential rent	298,481	294,288
Subsidies	199,202	198,782
Parking, laundry and cable fees	17,221	18,184
Commercial rent**	14,682	14,084
Other revenue	2,018	2,483
RPEI revenue	1,985	2,107
Grants for rental properties	687	441
Subsidies for task force Expense	13,730	-
	<u>548,006</u>	<u>530,368</u>
<u>Cash outflows</u>		
Operating and maintenance	151,607	148,380
Utilities	142,303	136,763
Mortgage & loan P&I	129,257	124,231
Corporate services	25,516	24,547
Tenancy management	9,051	7,454
Municipal taxes	15,535	15,675
Community safety services	17,500	15,533
Human resources	12,432	13,770
Resident & community services	11,825	11,639
Information technology	11,871	11,582
RPEI operating expenditure	2,494	2,932
Guaranteed equity housing project	129	305
Task force expense	13,730	-
	<u>543,250</u>	<u>512,810</u>
Net operating cash surplus (shortfall)	<u>4,756</u>	<u>17,558</u>

*Access Housing Connections balances have been removed for comparative purposes

**Deferred rent receivable is not included in commercial rent as it is a non-cash item.



Budget 2016 Annual Consolidated Statement of Operations

(Amounts in \$000's)

	<u>Budget 2016</u>	<u>Budget 2015*</u>
Revenue		
Subsidies (Page 4)	199,202	198,782
Rent		
Residential (Page 5)	298,481	294,288
Commercial (Page 7)	14,842	14,186
Amortization of deferred capital contributions (Page 6)	45,514	46,282
Parking, laundry and cable fees (Page 7)	17,221	18,184
Investment income (Page 8)	6,219	7,317
Joint venture income (Page 9)	444	16,973
Gain on sale of housing projects (Page 9)	5,000	18,000
Gain on sale of land (Page 9)	18,134	9,216
Plant (Page 7)	1,985	2,107
Other (Page 7)	2,018	2,483
Subsidies for task force expense	13,730	-
	<u>622,790</u>	<u>627,818</u>
Expenses		
Operating and maintenance (Page 10)	162,427	163,868
Utilities (Page 11)	142,303	136,763
Tenancy management (Page 16)	9,051	7,454
Community safety services (Page 17)	17,500	15,533
Resident and community services (Page 17)	11,825	11,639
Corporate services (Page 15)	25,516	24,547
Human resources (Page 16)	12,432	13,770
Information technology (Page 16)	11,871	11,582
Depreciation (Page 13)	149,718	134,476
Interest (Page 14)	78,127	71,348
Municipal taxes (Page 12)	15,535	15,675
Plant (Page 18)	2,494	2,932
Loss from guaranteed equity housing project (Page 18)	129	571
Task force expense (Page 19)	13,730	-
	<u>652,658</u>	<u>610,158</u>
Excess (Deficit) of revenue over expenses	<u>(29,868)</u>	<u>17,660</u>

*Access Housing Connections balances have been removed for comparative purposes

Budget 2016 Subsidies

(Amounts in \$000's)	<u>Budget 2016</u>	<u>Budget 2015*</u>
Residual	72,692	72,129
Mortgage	77,024	77,510
Property tax	8,323	8,201
Education property tax	8,683	8,683
	<u>166,722</u>	<u>166,523</u>
Rent Supplement	36,737	36,937
Municipal tax clawback	(4,678)	(4,678)
Affordable Housing	421	-
	<u>32,480</u>	<u>32,259</u>
Total Subsidies	<u>199,202</u>	<u>198,782</u>

*Access Housing Connections balances have been removed for comparative purposes

Budget 2016 Residential Rent

(Amounts in \$000's)	<u>Budget 2016</u>	<u>Budget 2015</u>
RGI Rent	226,565	224,369
Less vacancy loss	(4,512)	(4,514)
Net RGI Rent	<u>222,053</u>	<u>219,855</u>
Vacancy loss %	2.0%	2.0%
Market Rent	77,988	75,867
Less vacancy loss	(1,560)	(1,434)
Net Market Rent	<u>76,428</u>	<u>74,433</u>
Vacancy loss %	2.0%	1.9%
Net Residential Rent Revenue	<u>298,481</u>	<u>294,288</u>
<u>Average Monthly Rent Per Unit</u>		
RGI	\$ 358	\$ 355
Market	\$ 1,060	\$ 1,045

Budget 2016 Amortization of Deferred Capital Contributions

(Amounts in \$000's)	<u>Budget 2016</u>	<u>Budget 2015</u>
Deferred capital contributions, beginning of year	496,216	530,004
Restricted grants for housing projects (Note 1)	30,935	30,016
Transfer from capital asset replacement reserve	8,790	8,790
Less: Amortization of deferred capital contributions	(45,514)	(46,282)
Deferred capital contributions, end of year	490,426	522,528

Notes:

- Restricted grants for housing projects budgeted for 2016 includes the following:

Lawrence Heights	8,277
Regent Park Phase 2	3,038
Regent Park Phase 3	19,619
<u>Total restricted grants for housing projects</u>	<u>30,935</u>
- Bases of amortization matches the estimated useful lives of building assets, which is calculated using the straight-line method for 50 years.

Budget 2016 Commercial, Parking & Other Revenue

(Amounts in \$000's)	Budget 2016	Budget 2015
Commercial revenue		
Commercial rental revenue	6,292	5,713
Antennas revenue	4,281	4,272
Recovery of taxes and operating cost	2,972	2,929
Other revenue (sign advertising, filming)	573	620
Solar revenue	564	550
Deferred rent revenue	160	102
Total Commercial Revenue	14,842	14,186
Parking, laundry and cable fees		
Tenant parking	8,115	8,062
Laundry commission	5,169	5,250
Commercial parking	2,696	2,642
Parking ticket revenue	-	1,000
Internet and home phone	590	569
Cable TV	651	661
Total Parking, laundry and cable fees	17,221	18,184
Energy plant revenues	1,985	2,107
Other Revenue		
Sundry revenue	1,013	1,381
Tenant damages	585	573
Tenant charges (legal fees, NSF charges, other)	420	529
Total Other Revenue	2,018	2,483

Budget 2016 Investment Income

(Amounts in \$000's)	<u>Budget 2016</u>	<u>Budget 2015</u>
Cash & Short term investments - funds	109,158	84,399
Interest Rate	0.95%	1.43%
Interest Income	1,037	1,207
Long-term investments - funds	262,000	210,000
Investment Rate of return	1.69%	2.50%
Investment Income	4,423	5,250
Loans to PGDC / DPDC	2,083	3,274
Interest Rate	6.00%	6.00%
Interest from Line of Credit loans	125	205
Interest income on grants receivable	415	474
Amortization of mortgage receivable for 60 Richmond Mortgage	219	181
Total Investment income	6,219	7,317

Budget 2016 JV Income & Gain on Sale of Housing Projects

(Amounts in \$000's)	<u>Budget 2016</u>	<u>Budget 2015</u>
Joint venture income (loss)		
Regent Park (Note 1)	2,125	18,892
Library District	-	120
Allenbury Gardens (Note 2)	(1,048)	(2,039)
Alexandra Park (Note 3)	(633)	-
Total joint venture income (loss)	444	16,973
Sale of homes (Note 4)	5,000	18,000
Sale of land (Note 5)	18,134	9,216
Total gain/loss on sale of housing projects	23,134	27,216

Notes

1. Amount includes 2016 Commercial operations profit on Phase 1 & 2 and M9 Condo closing in June
2. Amount represents 70% of 2016 anticipated sales & marketing expense.
3. Amount represents 50% of 2016 anticipated sales & marketing expense.
4. Sale of homes projection is consistent with 10-year capital plan.
5. Gain on sale of land is projected for Lawrence Heights Phase 1, Regent Park Phase 3, and 250

Budget 2016 Operating and Maintenance Expense

(Amounts in \$000's)	<u>Budget 2016</u>	<u>Budget 2015</u>
Residential property maintenance costs		
Building maintenance and operating units	110,300	108,653
Central program services and asset management	1,919	2,359
Facilities management	3,156	3,086
Residential property maintenance costs	115,375	114,099
Commercial property maintenance and administration	3,042	2,505
Service level agreement	19,899	19,729
Insurance	7,756	7,475
Fleet	1,212	1,116
Capital reserve contribution	8,790	8,790
Bad debt allowance	4,035	3,108
Tribunal fees and other	343	405
SERP pension valuation and post employment benefit adjustment	1,975	6,642
Total Operating and Maintenance Expense	162,427	163,868

Budget 2016 Utilities

(Amounts in \$000's)	<u>Budget 2016</u>	<u>Budget 2015</u>
<u>Hydro</u>		
Electricity Consumption (kWh)	411,694,379	400,467,903
Average rate (\$/kWh)	\$ 0.1499	\$ 0.1450
Annual Costs	61,733	58,065
<u>Gas</u>		
Natural Gas Consumption (m3)	97,487,809	94,220,802
Average rate (\$/m3)	\$ 0.3312	\$ 0.3478
Annual Costs	32,284	32,765
<u>Water</u>		
Water Consumption (m3)	12,073,741	11,907,682
Average rate (\$/m3)	\$ 3.4501	\$ 3.2241
Annual Costs	41,656	38,392
<u>Waste Pick-Up</u>		
Waste Pick-Up Gross	17,139	16,470
Waste Pick-Up Rebate	(9,973)	(9,851)
Annual Costs	7,166	6,619
Less: Buildings to be demolished	(1,105)	(492)
Add: New Buildings added to portfolio	-	772
RPEI energy costs	570	643
Total Utilities	142,303	136,763



Budget 2016 Municipal Taxes

(Amounts in \$000's)	<u>Budget 2016</u>	<u>Budget 2015</u>
Subsidy - related to property taxes		
Funded (scattered units & non-exempted)	8,323	8,201
Municipal tax expense		
Funded (scattered units & non-exempted)	8,323	8,201
Non-funded properties	4,775	4,269
Previously funded fire alarm charges	2,437	3,205
Total municipal tax expense	<u>15,535</u>	<u>15,675</u>

Budget 2016 Depreciation Expense

(Amounts in \$000's)	<u>Budget 2016</u>	<u>Budget 2015</u>
Housing projects acquired or developed (Note 1)	51,406	49,125
Improvements to housing projects (Note 2)	98,312	85,351
Total	149,718	134,476

Notes:

1. These assets have an assumed useful lives of 50 years and are depreciated accordingly using the
2. Depreciation expense is based on an estimated useful lives of 4 to 15 years for furniture and equipment and 4 to 25 years for improvements to land and buildings using the straight-line method.

Budget 2016 Interest Expense

(Amounts in \$000's)	<u>Budget 2016</u>	<u>Budget 2015</u>
Mortgage interest	48,948	41,670
Bond A interest	12,193	12,192
Bond B interest, net of amount capitalized to projects	10,790	10,790
Interest paid on bank loan	1,924	3,143
Building renewal program loan interest	1,598	1,674
Mortgage interest paid to City	2,309	1,590
Amortization of deferred financing costs	150	119
Imputed interest on interest free loans	140	140
BNS lease interest payment	75	30
Total Interest expense	78,127	71,348

Budget 2016 Corporate Services

(Amounts in \$000's)	Budget 2016	Budget 2015*
Board	216	217
Commissioner of housing equity	1,008	724
Internal audit	1,158	1,086
Public affairs	3,722	3,770
Legal services and contingency	4,708	4,577
Finance	8,188	8,119
Procurement	2,290	1,912
Vendor management	286	384
Office services	2,323	2,259
Corporate business efficiencies	519	530
Chief executive office**	601	454
Chief operating office	419	420
Other	77	95
Total Corporate Services	25,516	24,547

*Access Housing Connections balances have been removed for comparative purposes

**In 2015, CEO was also performing CDO job. In 2016, the budget includes two separate positions.

Budget 2016 Tenancy Management, Human Resources & Information Technology

(Amounts in \$000's)	Budget 2016	Budget 2015
Tenancy Management		
Program services	3,642	2,460
Client care services	5,409	4,994
Total Tenancy Management	9,051	7,454
Human Resources		
Human resources departmental expense	10,527	10,233
HR corporate services	1,905	3,537
Total Human Resources	12,432	13,770
Information Technology		
Labour cost	7,466	6,804
Non-labour cost	4,405	4,779
Total Information Technology	11,871	11,582

Budget 2016 Community Safety Unit & Resident and Community Services

(Amounts in \$000's)	Budget <u>2016</u>	Budget <u>2015</u>
Community Safety Unit		
Labour cost	13,839	12,998
Non-labour cost	3,661	2,535
Total Community Safety Unit	17,500	15,533
Resident and Community Services		
Labour cost	9,749	9,570
Non-labour cost	2,076	2,069
Total Resident and Community Services	11,825	11,639

Budget 2016 Plant and Guaranteed Equity Housing Project

(Amounts in \$000's)	<u>Budget 2016</u>	<u>Budget 2015</u>
Plant - Regent Park Community Energy System		
Fuel and consumables	1,415	1,382
Production and operating labour	233	399
Repairs and maintenance	221	379
Other production and operating expense	303	397
Administrative salaries and benefits	95	164
Professional fees	193	185
Other administrative expense	34	26
Total plant - Regent Park Community Energy System	2,494	2,932
Loss from guaranteed equity housing project		
Glen Maple	129	571
Total loss from guaranteed equity housing project	129	571

Budget 2016 Task Force Expense

(Amounts in \$000's)	Budget 2016
Operating and maintenance	6,676
Resident and community services	3,865
Community safety unit	1,399
Corporate services	741
Tenancy management	693
Information technology	179
Human resources	177
Total Task Force Expense	13,730

Budget 2016 Capital Budget

(Amounts in \$000's)	Budget 2016	Budget 2015
Base building capital (Page 21)	250,000	175,000
IT capital (Page 22)	9,020	8,122
Base energy capital	-	4,962
Corporate capital (Page 23)	3,500	4,000
Development capital (Page 24)	169,787	127,196
Total Capital	432,307	319,280

Budget 2016 Base Building Capital

TCHC Building Capital Program 2016 to 2018

Budget Category	Capital Envelope	Capital Envelopes	2015 Budget	2016 Budget	2017 Contingent Budget Approved	2017 New Projects	2017 Budget	2018 Budget	Total 3 Year Plan	
Planned Capital	RCXX	Advanced 2016 Projects		\$55,000,000		\$0	\$0		\$55,000,000	
	RCXZ	Capital Contingency	\$15,648,300	\$9,890,100		\$13,267,024	\$13,267,024	\$9,522,000	\$32,679,124	
	RC03	Electrical	\$225,900	\$3,276,900	\$1,600,000	\$1,330,000	\$2,930,000		\$6,206,900	
	RC05	Elevators	\$2,040,000	\$14,000,000	\$5,094,000	\$3,080,000	\$8,174,000	\$2,680,000	\$24,854,000	
	RC07	Envelope	\$13,154,800	\$20,950,000	\$24,625,000	\$28,894,000	\$53,519,000	\$35,856,000	\$110,325,000	
	RC08	Grounds	\$3,218,100	\$5,060,000	\$5,825,000	\$12,350,000	\$18,175,000	\$6,666,000	\$29,901,000	
	RC09	Interior	\$1,461,200	\$3,430,000	\$1,400,000	\$1,215,000	\$2,615,000	\$1,935,000	\$7,980,000	
	RC11	Emergency Generator Program	\$9,100,600	\$10,940,000	\$1,200,000	\$8,800,000	\$10,000,000	\$10,000,000	\$30,940,000	
	RC12	Safety Systems	\$680,000	\$853,000	\$250,000	\$4,330,000	\$4,580,000	\$250,000	\$5,683,000	
	RC15	HVAC	\$9,346,000	\$7,420,000	\$6,510,000	\$10,959,976	\$17,469,976	\$5,470,000	\$30,359,976	
	RC16	Plumbing	\$6,001,800	\$5,270,000	\$7,360,000	\$11,325,000	\$18,685,000	\$7,480,000	\$31,435,000	
	RC18	Roofing	\$5,303,600	\$5,890,000	\$1,250,000	\$4,080,000	\$5,330,000	\$5,980,000	\$17,200,000	
	RC23	Structural	\$10,022,900	\$11,300,000	\$6,100,000	\$1,225,000	\$7,325,000	\$3,965,000	\$22,590,000	
	RC24	Parking Garages	\$7,268,800	\$5,320,000	\$14,600,000	\$2,730,000	\$17,330,000	\$11,296,000	\$33,946,000	
	CA01	Common Area Accessibility	\$3,500,000	\$5,500,000		\$5,500,000	\$5,500,000	\$5,500,000	\$16,500,000	
	CCOX	Commercial	\$1,728,000	\$1,700,000		\$1,700,000	\$1,700,000	\$1,700,000	\$5,100,000	
	PB01	Participatory Budget	\$8,000,000	\$5,000,000		\$5,000,000	\$5,000,000	\$5,000,000	\$15,000,000	
	RC10	Common Area Painting		\$0		\$2,000,000	\$2,000,000	\$2,000,000	\$4,000,000	
	RC19	RC19 - Cameras and access control	\$2,000,000	\$6,000,000		\$7,000,000	\$7,000,000	\$7,000,000	\$20,000,000	
	RC22	Single Dwelling Units and Vacant Units	\$2,000,000	\$2,000,000		\$3,000,000	\$3,000,000	\$4,000,000	\$9,000,000	
	RCHH	Heritage Houses	\$2,000,000	\$2,000,000		\$2,000,000	\$2,000,000	\$2,000,000	\$6,000,000	
	RCMH	Re-Set Community Transformation (Ph. 2 Estimate)		\$0		\$12,000,000	\$12,000,000	\$117,000,000	\$129,000,000	
	RCMH	Re-Set Community Transformation (Pilot Sites)	\$1,500,000	\$7,000,000		\$40,000,000	\$40,000,000	\$18,000,000	\$65,000,000	
	BE05	Tower Renewal - Moss Park	\$500,000			\$6,000,000	\$6,000,000		\$6,000,000	
	RPEI	Regent Park Energy Initiatives		\$4,600,000		\$0			\$4,600,000	
	EW06	Building Automation System	\$1,800,000			\$0			\$0	
	Planned Capital Total			\$106,500,000	\$192,400,000	\$75,814,000	\$187,786,000	\$263,600,000	\$263,300,000	\$719,300,000
Demand Capital	CA02	Resident's Demand unit accessibility upgrades	\$2,500,000	\$2,500,000		\$2,500,000	\$2,500,000	\$2,500,000	\$7,500,000	
	CA03	Common Area Demand Accessibility upgrade	\$500,000	\$500,000		\$500,000	\$500,000	\$500,000	\$1,500,000	
	CGXX	Waste Equipment Repairs and Diversion	\$1,000,000	\$1,000,000		\$1,000,000	\$1,000,000	\$1,000,000	\$3,000,000	
	CI01	Risk Management and Insurance Claims	\$3,000,000	\$3,000,000		\$3,000,000	\$3,000,000	\$3,000,000	\$9,000,000	
	COXX	FM Demand Component Capital	\$12,000,000	\$16,900,000		\$18,500,000	\$18,500,000	\$18,500,000	\$53,900,000	
	LCXX	Resident Appliances and Equipment	\$1,900,000	\$2,000,000		\$2,000,000	\$2,000,000	\$2,000,000	\$6,000,000	
	LMXX	Local Moveouts	\$10,000,000	\$10,000,000		\$11,000,000	\$11,000,000	\$11,000,000	\$32,000,000	
	SOGE	Locations to be identified	\$4,000,000			\$0			\$0	
	SOGI	Interior - Insite and common area	\$15,000,000	\$4,500,000		\$9,000,000	\$9,000,000	\$9,000,000	\$22,500,000	
	SOGM	MLS Issues	\$6,000,000	\$4,000,000		\$500,000	\$500,000	\$500,000	\$5,000,000	
	Demand Capital Total			\$55,900,000	\$44,400,000	\$0	\$48,000,000	\$48,000,000	\$48,000,000	\$140,400,000
	Capital Other	ADM	FM Labour Costs	\$11,600,000	\$12,700,000		\$12,900,000	\$12,900,000	\$13,200,000	\$38,800,000
		RC01	Building Condition Audits	\$1,000,000	\$500,000		\$500,000	\$500,000	\$500,000	\$1,500,000
Capital Other Total			\$12,600,000	\$13,200,000	\$0	\$13,400,000	\$13,400,000	\$13,700,000	\$40,300,000	
Grand Total			\$175,000,000	\$250,000,000	\$75,814,000	\$249,186,000	\$325,000,000	\$325,000,000	\$900,000,000	



Budget 2016 IT Capital

(Amounts in \$000's)	<u>Budget 2016</u>	<u>Budget 2015</u>
<u>Implement integrated data and IT systems</u>		
Sharepoint and business intelligence	742	762
Website upgrade	109	–
Consolidated application portfolio	4,458	4,708
<u>Robust IT organization</u>		
IT security	243	403
Total IT Business Systems Projects	5,552	5,873
<u>Infrastructure replacement</u>		
CCTV	300	947
End user computing	415	536
Infrastructure: Data Centres	2,651	–
Network connectivity	–	473
New installation	68	68
VOIP upgrade	–	225
Software	35	–
Total Infrastructure Replacement	3,469	2,249
Total IT Capital	9,020	8,122



Budget 2016 Corporate Capital

(Amounts in \$000's)

	<u>Budget 2016</u>	<u>Budget 2015</u>
Non-building capital	\$ 300	\$ 100
Fleet	600	510
Carl Hall upgrades:		
Fire code compliance	280	–
Other leasehold improvements	320	–
Capital contingency*	600	1,500
Repurchase of guaranteed equity housing project	1,400	1,890
Total corporate capital	3,500	4,000

*To be utilized for TCHC's front line operating units, community safety unit and other office locations in the City with no significant renovations planned in 2016.

Budget 2016 Development Capital

(Amounts in Millions)	
Projects	Equity
Regent Park Phase 3	85.2
Lawrence Heights	25.2
Regent Park Phase 2	16.5
Alexandra Park	14.4
250 Davenport	13.4
Allenbury Gardens	10.0
Leslie Nymark	2.5
Other	1.7
Railway Lands	0.8
Total	169.8



Major building improvements for **588 units**

62 new rental replacement units ready for occupancy

271 market units completed in 2016

Program funded with grants, land/condo profits, LOC, reserve draws