



*Providing safe, affordable, community living for our members*

## **VCCL's 2021 Budget Summary**

November 6, 2020

Dear member,

I trust this finds you in good health and that you are doing your part to contain the spread of the coronavirus. Due to the pandemic and current social restrictions in the Winnipeg health region, we will not be holding our annual budget meeting this year. In lieu of this year's meeting, we have prepared this budget summary package.

Each year Village Canadien Co-op Ltee.'s (VCCL) management prepares a budget forecast for the Board of Directors to review in the late-Summer timeframe. This information package contains a summary of VCCL's budget that your Board of Directors has approved for the 2021 calendar year. In the following pages you will find a high-level breakdown of revenues and expenses for each of our three sites: River Road/St. Mary's Road, Meadowood Place, and Maurepas Village.

You will already have received a notice confirming a housing charge increase specific to your unit for 2021. Despite these difficult times expenses still increase for our non-profit operation annually. Our management team continues to work hard to ensure increases remain minimal while also ensuring the sustainability of VCCL's future. The Board of Directors would like to take this opportunity to commend the continued efforts of our passionate and dedicated staff.

If you have any questions about the information presented within, or if you would like to request a detailed version of VCCL's 2021 budget, please contact the office by phone, 204-257-2501, or by email, [info@vccl.ca](mailto:info@vccl.ca).

Stay safe, stay healthy.  
Co-operatively yours,

Connie Navitka, Treasurer  
Village Canadien Co-operative Ltee.

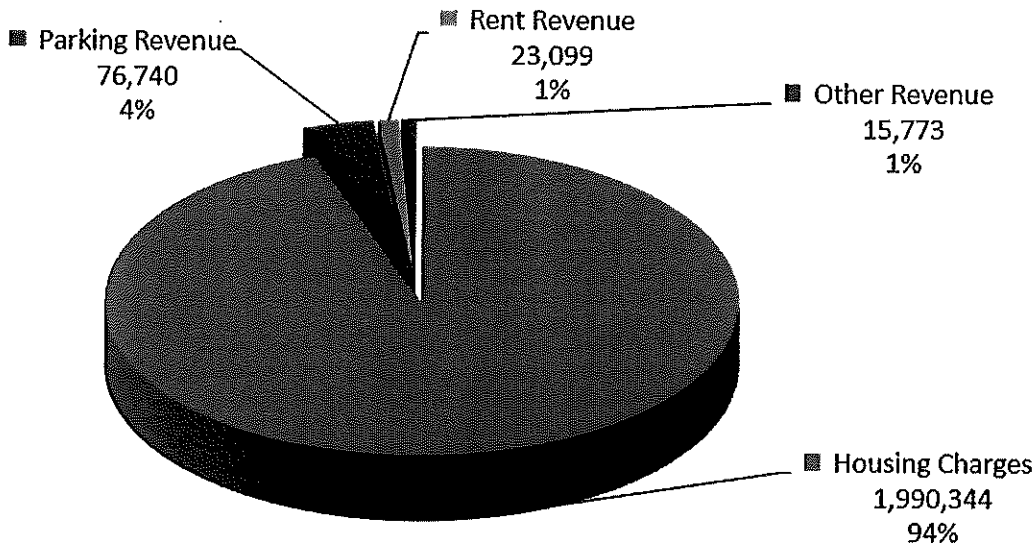


# River Road / St. Mary's Road

## Budgeted Revenues

As indicated by the diagram below, housing charges are by far the largest single source of revenue with which operations at River Road can be funded. Housing charge revenues for the upcoming year are budgeted to increase by 1.5%. This results in monthly housing charge increases of \$16.00, \$17.00, and \$19.00 for our 2, 3, and 4-bedroom units, respectively. Housing charges for the 13 units in the 1680 Bay that have not been refurbished will only increase by 0.5% this year. Daycare rent at River Road has also increased by 1.5%.

Revenue Source	2021 Budget		2020 Budget		Variance 2021 vs 2020 Per Unit Per Mo.	% Change
	Annual	Per Unit Per Mo.	Annual	Per Unit Per Mo.		
<b>Housing Charges</b>	<b>1,990,344</b>	<b>\$1,105.75</b>	<b>1,951,680</b>	<b>\$1,084.27</b>	<b>\$21.48</b>	<b>2.0%</b>
<b>Parking Revenue</b>	<b>76,740</b>	<b>\$42.63</b>	<b>76,740</b>	<b>\$42.63</b>	<b>\$0.00</b>	<b>0.0%</b>
<b>Rent Revenue</b>	<b>23,099</b>	<b>\$12.83</b>	<b>22,760</b>	<b>\$12.64</b>	<b>\$0.19</b>	<b>1.5%</b>
<b>Other Revenue</b>	<b>15,773</b>	<b>\$8.76</b>	<b>13,715</b>	<b>\$7.62</b>	<b>\$1.14</b>	<b>15.0%</b>
<b>Total Revenue</b>	<b>2,105,956</b>	<b>\$1,169.98</b>	<b>2,064,895</b>	<b>\$1,147.16</b>	<b>\$22.81</b>	<b>2.0%</b>



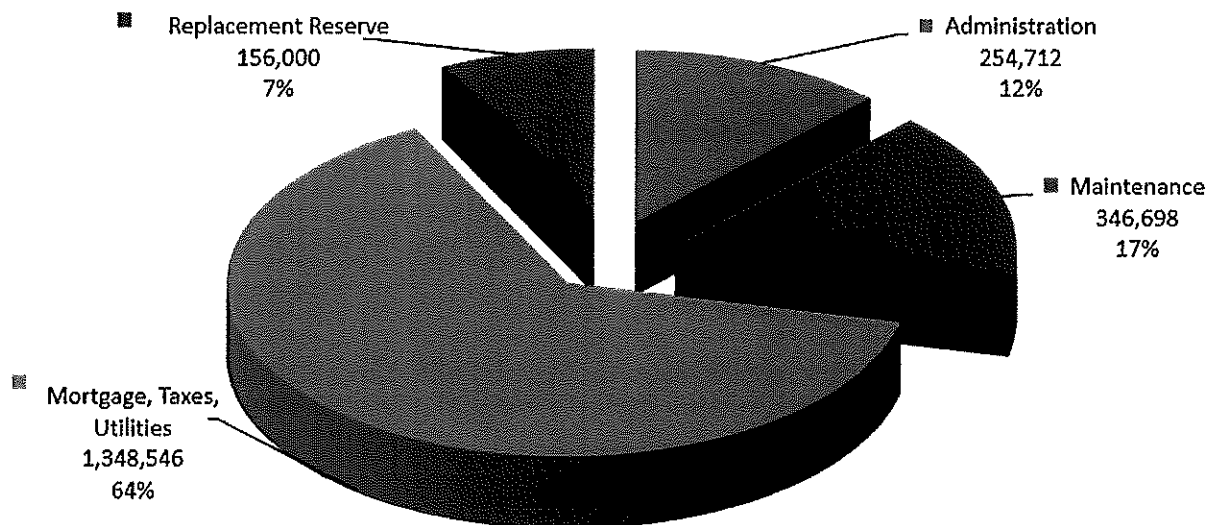
- Last year we implemented a Premises Recovery category whereby we recover some of the costs that traditionally have been borne by River Road from our other two sites, Meadowood and Maurepas. The estimate for these recoveries has increased slightly this year so that River Road will recover slightly more, and Meadowood and Maurepas will correspondingly pay slightly more as well, at \$8,326 and \$1,041, respectively.
- We have experienced some low vacancy losses over the past few years, so we have accordingly reduced that cost by 13% or \$6,000 for this budget year.
- Parking rates will remain at \$35.00 per stall per month for 2021, the revenue derived from this source will remain at an estimated \$76,740 for this year as in the last one. We are assuming the same occupancy rate of 90% for these spots for this year as well.
- GST Recovery is no longer available to us as a source of revenue at River Road due to the removal of our status as a municipality by the Federal government once our operating agreement, and associated funding from them ended nearly four years ago.

# River Road / St. Mary's Road

## Budgeted Expenses

The most notable change to VCCL's operation is the addition of a maintenance staff member. This addition will help us work through seasonal workorder backlogs more efficiently, allow us to undertake different types of maintenance related activities, and lessen our reliance on certain trades where we have traditionally outsourced work that we would now be able to undertake ourselves. Note that this expense item is one that is shared proportionately across all operating sites, i.e. Meadowood and Maurepas as well. Similarly, administration salaries and many other admin expenses are shared proportionately across all sites.

Expense Category	2021 Budget		2020 Budget		Variance 2021 vs 2020 Per Unit Per Mo.	% Change
	Annual	Per Unit Per Mo.	Annual	Per Unit Per Mo.		
Administration	254,712	\$141.51	247,702	\$137.61	\$3.89	2.8%
Maintenance	346,698	\$192.61	328,691	\$182.61	\$10.00	5.5%
Mortgage, Taxes, Utilities	1,348,546	\$749.19	1,363,102	\$757.28	(\$8.09)	-1.1%
Replacement Reserve	156,000	\$86.67	125,400	\$69.67	\$17.00	24.4%
<b>Total Expenses</b>	<b>2,105,956</b>	<b>\$1,169.98</b>	<b>2,064,895</b>	<b>\$1,147.16</b>	<b>\$22.81</b>	<b>2.0%</b>



- The Administration budget has increased by 2.8% overall. Generally, admin expenses have increased only moderately with the exception of Salaries which saw an increase due mainly to a change in staffing. Staff Training and Member Relations have both been reduced by 11% for the upcoming budget year.
- Maintenance Salaries have been budgeted to increase by \$31,000 in 2021 due mainly to the addition of another maintenance staff member.
- Overall, Hydro costs are expected to decrease, not due to lower rates, but due to reduced expected consumption and an estimate that is closer to our actual experience from the past year. We expect our insurance costs to increase due to a recent fire incident. Water and Property Taxes are expected to increase due to rate increases and the reassessment of our property value by the city.
- The annual allotment from our operating budget for Replacement Reserve has been increased by \$30,000 for 2021. This is added to our Replacement Reserve Fund which provides for the eventual replacement of, or major repair to, long term capital assets. This is funded through some of the savings that we realized by paying off our GST Loan earlier in 2020.

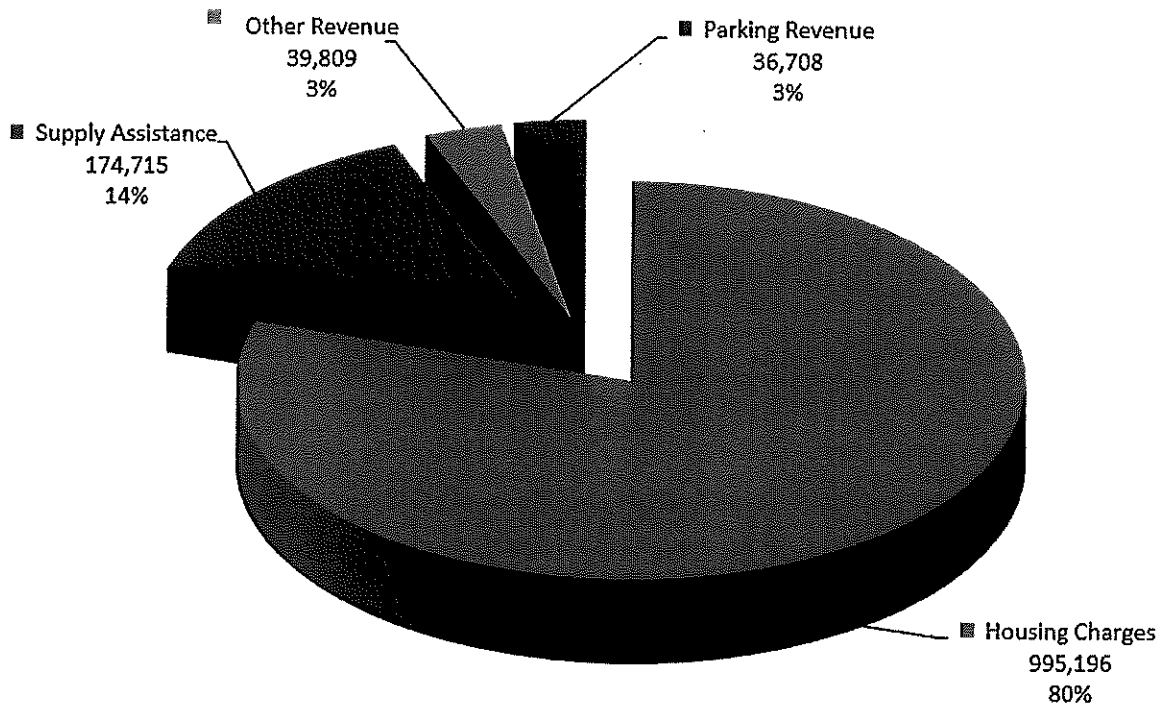
# Meadowood Place

## Budgeted Revenues

The largest contributor to our budgeted revenues at Meadowood is Housing Charges. As in previous years, Meadowood's housing charges will increase differentially depending on the type of unit that you occupy, as the costs to operate them also differ. The housing charge for townhouses will increase by 1.5% for 2021, and the increases for the apartment will range from 1.5% to 2.5%.

Supply Assistance is a revenue source that is provided under our operating agreement with Manitoba Housing. It helps fund our operating costs and mortgage in order to keep our housing charges down. We will continue to benefit from this type of assistance until the end of our mortgage, which will likely coincide with the end of our 2021 operating year.

Revenue Source	2021 Budget		2020 Budget		Variance 2021 vs 2020	% Change
	Annual	Per Unit Per Mo.	Annual	Per Unit Per Mo.	Per Unit Per Mo.	
<b>Housing Charges</b>	<b>995,196</b>	<b>\$1,136.07</b>	<b>976,279</b>	<b>\$1,114.47</b>	<b>\$21.59</b>	<b>1.9%</b>
<b>Supply Assistance</b>	<b>174,715</b>	<b>\$199.45</b>	<b>174,328</b>	<b>\$199.00</b>	<b>\$0.44</b>	<b>0.2%</b>
<b>Other Revenue</b>	<b>39,809</b>	<b>\$45.44</b>	<b>37,378</b>	<b>\$42.67</b>	<b>\$2.78</b>	<b>6.5%</b>
<b>Parking Revenue</b>	<b>36,708</b>	<b>\$41.90</b>	<b>36,708</b>	<b>\$41.90</b>	<b>\$0.00</b>	<b>0.0%</b>
<b>Total Revenue</b>	<b>1,246,428</b>	<b>\$1,422.86</b>	<b>1,224,693</b>	<b>\$1,398.05</b>	<b>\$24.81</b>	<b>1.8%</b>



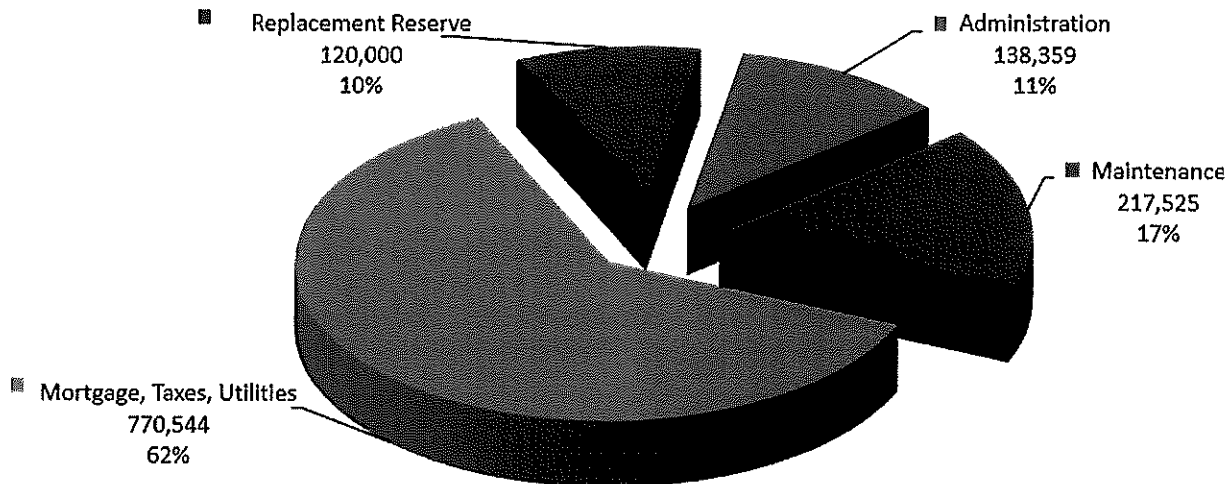
- There are no changes in Parking Revenue, it still contributes about 3% of our total revenues and is calculated assuming a 95% occupancy at a rental rate of \$35.00 a month.
- Also contributing 3% to 2021's budget is a category called Other Revenues which includes items such as daycare rent, GST recovery, and various fees.

# Meadowood Place

## Budgeted Expenses

As noted under the River Road / St. Mary's section, the most notable change to VCCL's operations is the addition of a maintenance staff member. This addition will help us work through seasonal work order backlogs more efficiently, allow us to undertake different types of maintenance related activities, and lessen our reliance on certain trades where we have traditionally outsourced work that we would now be able to undertake ourselves. Note that this expense item is one that is shared proportionately across all operating sites, i.e. River Road / St. Mary's and Maurepas as well. Similarly, administration salaries and many other admin expenses are shared proportionately across all sites.

Expense Category	2021 Budget		2020 Budget		Variance 2021 vs 2020 Per Unit Per Mo.	% Change
	Annual	Per Unit Per Mo.	Annual	Per Unit Per Mo.		
<b>Administration</b>	<b>138,359</b>	<b>\$157.94</b>	<b>132,370</b>	<b>\$151.11</b>	<b>\$6.84</b>	<b>4.5%</b>
<b>Maintenance</b>	<b>217,525</b>	<b>\$248.32</b>	<b>208,798</b>	<b>\$238.35</b>	<b>\$9.96</b>	<b>4.2%</b>
<b>Mortgage, Taxes, Utilities</b>	<b>770,544</b>	<b>\$879.62</b>	<b>765,525</b>	<b>\$873.89</b>	<b>\$5.73</b>	<b>0.7%</b>
<b>Replacement Reserve</b>	<b>120,000</b>	<b>\$136.99</b>	<b>118,000</b>	<b>\$134.70</b>	<b>\$2.28</b>	<b>1.7%</b>
<b>Total Expenses</b>	<b>1,246,428</b>	<b>\$1,422.86</b>	<b>1,224,693</b>	<b>\$1,398.05</b>	<b>\$24.81</b>	<b>1.8%</b>



- Administrative costs have increased for the upcoming year by 4.5%, or \$6,000 due to a slight increase in both premises and staffing costs. All other expenses in this category have very minimal increases.
- Expenses in the Maintenance category are expected to increase by 4.2%, or \$8,727 overall. The addition of a staff member in the maintenance department will increase costs in this area by about \$18,800. Offsetting this increase are reductions in building maintenance and grounds, amounting to about \$10,500. Other increases in this category were kept to a minimum.
- With the exception of Water, which is expected to increase by about \$9,000 over last year's budget, the increases in other utilities remain virtually unchanged. Property Tax expense is forecasted to increase by \$4,400 next year and Insurance by \$5,900. Our Index-Linked mortgage (ILM) is forecasted to drop by \$12,000 based on changes in the consumer price index.
- The annual allotment from our operating budget for Replacement Reserve has only been increased by \$2,000 in 2021. This is added to our Replacement Reserve Fund, which provides for the needed replacement, or major repair to, long term capital items at Meadowood Place.

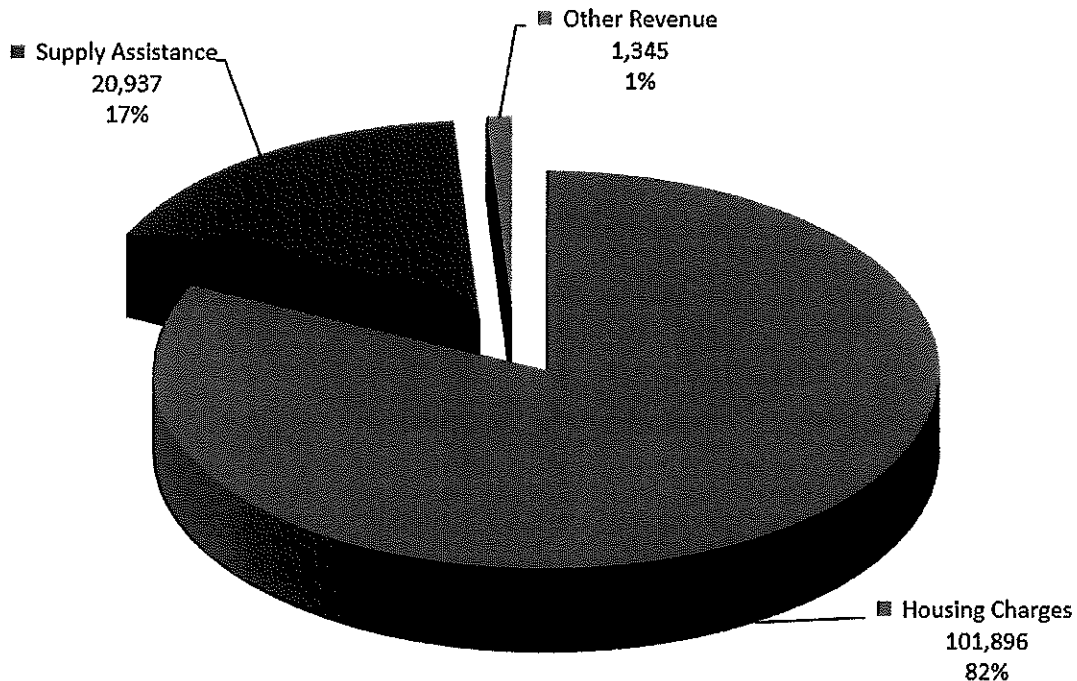
# Maurepas Village

## Budgeted Revenues

The largest contributor to our budgeted revenues at Maurepas is Housing Charges. Housing charges are budgeted to increase by an additional 3%, or \$32.00 a month, at Maurepas for 2021. This will provide another \$3,072 in annual revenue for this site which will help cover the remaining back yard maintenance expenditures for two units. No other significant changes in revenue producing categories are expected for this upcoming year.

Similarly, to Meadowood Place, Maurepas is the recipient of Supply Assistance which contributes substantially to our annual revenues. The provision for this funding is included in our operating agreement with Manitoba Housing and will change slightly from year to year based on changes in the consumer price index. Supply Assistance is used to help offset some of our operating and mortgage costs in order to help keep housing charges affordable. Maurepas will continue to receive these funds on a monthly basis until its mortgage has been fully repaid, in about 3 years or so.

Revenue Source	2021 Budget		2020 Budget		Variance 2021 vs 2020 Per Unit Per Mo.	% Change
	Annual	Per Unit Per Mo.	Annual	Per Unit Per Mo.		
<b>Housing Charges</b>	<b>101,896</b>	<b>\$1,061.42</b>	<b>97,836</b>	<b>\$1,019.13</b>	<b>\$42.29</b>	<b>4.1%</b>
<b>Supply Assistance</b>	<b>20,937</b>	<b>\$218.09</b>	<b>21,442</b>	<b>\$223.35</b>	<b>(\$5.26)</b>	<b>-2.4%</b>
<b>Other Revenue</b>	<b>1,345</b>	<b>\$14.01</b>	<b>1,162</b>	<b>\$12.10</b>	<b>\$1.91</b>	<b>15.7%</b>
<b>Total Revenue</b>	<b>124,178</b>	<b>\$1,293.52</b>	<b>120,440</b>	<b>\$1,254.58</b>	<b>\$38.94</b>	<b>3.1%</b>

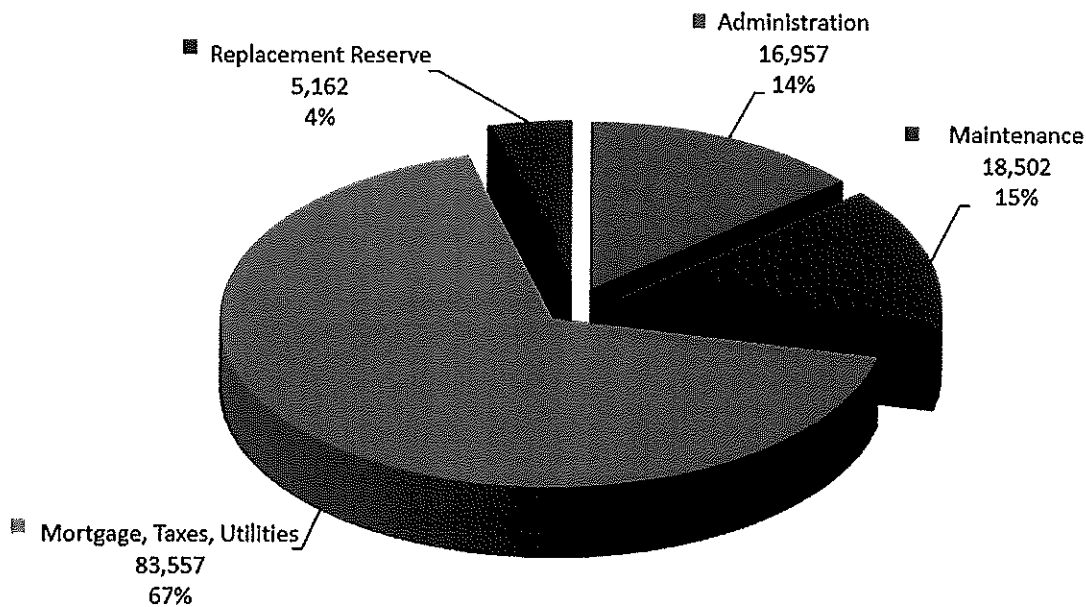


# Maurepas Village

## Budgeted Expenses

As previously noted, the most significant change to VCCL's operations is the addition of a maintenance staff member. This addition will help us work through seasonal work order backlogs more efficiently, allow us to undertake different types of maintenance related activities, and lessen our reliance on certain trades where we have traditionally outsourced work that we would now be able to undertake ourselves. Note that this expense item is one that is shared proportionately across all operating sites, i.e. River Road / St. Mary's and Meadowood as well. Similarly, administration salaries and many other admin expenses are shared proportionately across all sites.

Expense Category	2021 Budget		2020 Budget		Variance 2021 vs 2020 Per Unit Per Mo.	% Change
	Annual	Per Unit Per Mo.	Annual	Per Unit Per Mo.		
Administration	16,957	\$176.64	16,824	\$175.25	\$1.39	0.8%
Maintenance	18,502	\$192.73	14,800	\$154.17	\$38.56	25.0%
Mortgage, Taxes, Utilities	83,557	\$870.39	82,708	\$861.54	\$8.84	1.0%
Replacement Reserve	5,162	\$53.77	6,108	\$63.63	(\$9.85)	-15.5%
<b>Total Expenses</b>	<b>124,178</b>	<b>\$1,293.52</b>	<b>120,440</b>	<b>\$1,254.58</b>	<b>\$38.94</b>	<b>3.1%</b>



- Other than a small increase in Premises costs of \$277 in the Administration category, the only significant increase in expenditures is in Maintenance where \$4,000 was added to Grounds expenses in order to complete the repair and levelling of the existing backyard decks at two units. To assist in funding this repair, and to balance this budget, we reduced the annual allocation to the Replacement Reserve fund by about \$1,000.
- There is a moderate increase in Water expense for 2021 so that this year's budget better reflects our actual experience from last year. Insurance costs are expected to be about \$1,400 higher than the previous year to reflect anticipated cost increases from our insurer.