

Sunnyhill Housing Co-operative

787 – 3rd Street N.W.

Calgary, AB T2N 1P1

Phone/Fax: 403-270-8405

GENERAL MEETING – BUDGET DISCUSSION

Wednesday February 19, 2020

7:00pm – 9:00pm

Location:

Calgary Curling Club – Blue Room

720 3rd Street NW

MEETING MINUTES

Attended: Andrea Bergen (Office Coordinator), Kevin Chaney (4), Chris Taylor (8), Ben Arkell (10), Richard Harrison (18), Ren Stewart (28), Sarah Reimer (30), Jacky Durrie (738), David Broadhead (744), Don McCabe (755), Beatrice Konan (763), Brenda Morgan (764), Jane Roberts (767), Rose Ing (768), Peter Clyne (771), Cindy Schnee (801), David Sargent (801), Mia Rushton (803), Eric Moschopedis (803), Sherry Kozak (817), Herta Fidler (821), Coeur Riley (823), Sabine Schlichting (841)

Regrets: Hannah & Nathan Erickson (12), Sarah Stephens (748), Buzz Viberg (805),

1. Call to order at 7:22pm
2. Opening remarks and introductions
3. Approval of Agenda
 - a. M/S/C Ben/Jane
4. Approval of January 27, 2020 General Meeting Minutes
 - a. M/S/C Ben/Cindy
5. Budget for 2020 -- discussion of 2 options. Note that there are 2 options outlined, **4%, and 6% increases**. The full budget is only listed once as it does not change.
 - a. Questions/Comments:
 - i. How do the two budget options projected effect our affordability based on the City's definition?
 1. We are using CMCH's definitions for affordability. Based off the Oct 19 numbers, the 1 bedrooms (732.00 HC, 938.00 AVG, 750.00 AVG 80%) are just barely below, and the 2 bedrooms (974.00 HC, 1185.00 AVG, 948.00 AVG 80%) are not below the threshold. There was a sharp increase in the average rate

of 3 bedrooms (1120.00 HC, 1542.00 AVG, 1234.00 AVG 80%), and they are now well under

2. ACTION – Finance Committee to send the calculator that was used to Membership before the Budget vote meeting

- ii. The preamble mentions required replacement reserve. Is this a First Calgary condition?
 - 1. The First Calgary mortgage does not mention this condition.
- iii. Federal Capital Contribution - do we continue to receive this amount even though we no longer have a CMHC mortgage?
 - 1. We have been amortizing that grant over 50 years so yes, it will be an expense for budget purposes
- iv. Mortgage interest - why do we project a 33% increase in mortgage interest?
 - 1. New mortgage so we do not have a history to go off like we did with the CMHC mortgage. Used the numbers from last year and added some buffer
 - 2. We should make this amount equal to last years actuals, \$75,000
- v. What is the basis for a 32% increase in property tax?
 - 1. We have always used the last years number and added/subtracted \$ as required. We typically budget \$76,000 and have been very close each year except 2019 the actuals were \$18,376 under budget
 - 2. \$61,600 should be put on this line item instead?
- vi. Garbage/compost/recycling - If line 24 and 25 are combined the budget line needs to \$24,000
 - 1. The garbage, compost and recycling have been combined into 1 line item. Line 25 should have no budget (deleted)
- vii. SACHA Property Management - if we are paying a \$2.00 per hour increase, the contract amount will increase by \$4,000 not \$1696.00 as shown
 - 1. The math on this line item is bad
 - 2. Is SACHA willing to provide extra services for the increase?
 - 3. Is SACHA willing to reduce the cost of the increase?
 - 4. Can the increase be negotiated?
- viii. Planning and Development line #104 - this amount is included in lines 60 - 64. Remove this line.
 - 1. The line 104 to be removed on the budget
- ix. Total operating expense - we are projecting a 19% increase over the 2019 budget and are asking for 4% or 6% increase. How do these numbers match?
 - 1. Planning and Development line #104 has been deleted (\$30,000)

2. The 4% and 6% options were picked by the board because we did not want to present a budget that did not increase with inflation.
- x. Interest income – operating – Shouldn't the number be higher due to the 2.4% interest rate?
 1. **ACTION – contact First Calgary to get accurate projections**
- xi. Note 8 – is this money put into a separate bank account?
 1. **ACTION – Andrea to ask Anda**
- xii. Note 14 – Why do we amortize the land?
 1. For accounting purposes. Anda can clarify during the audit presentation
- xiii. Downspouts and Eaves line should state \$13000, not \$1300
- xiv. Do we have a budget line item to deal with deferred maintenance this year?
 1. We are waiting to hear results of Planning and Development project
 2. We can't defer forever
- xv. Building envelope – why was the \$20,000 not spent?
 1. This money was requested so that the Buildings Committee can repair the exterior wall at #849. Planning and Development project is hoping to move forward with the exterior project so the committee decided that the wall can wait.
 2. The Committee would like to keep this amount in the 2020 budget for emergency repairs to exterior
- xvi. Planning and Development – The break down shows that we haven't spent any money in 2019.
 1. This shows in line #104.
 2. **ACTION – P&D to add the actuals to the 2020 break down**
- xvii. There is a big different in the budgeted and actuals. Why do we keep increasing the budget/housing charges?
 1. Building interior repairs are unpredictable so we usually add some buffer
 2. Capital expenses – we budget every year however we can not force Members to have the renovations done
 3. The left-over money does go into reserves, this helps with the deferred maintenance
- xviii. We need to work on balancing the budget. Maybe incentives can persuade members to have their capital items replaced. Incentives doesn't have to be money; it could be that Members help moving furniture for example

- xix. Unit fund contributions should be raised in order to help the Members keep their units in good repair
- xx. Direct add to replacement reserves – why is there nothing for 2019?
 - 1. This is something that is added during audit time
- xxi. We should actively save = planned savings instead of leftover budget money savings
- xxii. We should have a line item dedicated to land purchase savings
 - 1. We have the replacement reserves
 - 2. Can we add sub-categories to the replacement reserve?
- xxiii. We should not cushion the budget so much
- xxiv. Buildings Committee has asked for the past few years to have money add to the budget for furnace repairs but keeps getting rejected due to the uncertainty of the exterior building project. All furnaces are past their warranty date
 - 1. Budget for half to be replaced?
- xxv. Multi-year % increase details would be nice to have
- xxvi. Is it possible to carry over unspent budget instead of reset every year?
- xxvii. Can we move up the budget process so that we are not operating for a few months at the beginning of the year with no budget?
 - 1. Board and Finance committee to have a conversation to find a structure
- xxviii. Can we have extra money in the garbage/compost/recycle line item for extra spring and fall clean up?
 - 1. Extra compost has been requested in the past and was rejected
 - 2. **ACTION – Grounds Committee to send the extra cost to Andrea to be added to the budget line item**

6. Adjournment 8:48pm

Respectfully submitted by Andrea Bergen