

## Financial Discussions – Sept 8, 2021 Board Meeting

### Contingency Fund Requests (Note: Current contingency balance (cash) is \$440,000)

#### **1. AV for the North Wing**

Laura has been working on putting together the right Audio/Visual system for the Multipurpose room in the North Wing (where the Board meets). Proposals have ranged from ~\$35,000 - \$61,000 plus GST. *See the two proposals on the portal for more details.* Needless to say, it's an interesting (and expensive) industry!

We would like to host a wide range of activities in this space, including Board meetings, staff education/training sessions, resident events, and community seminars. While this is an extension of the North Wing development project, it was never included in the construction budget. We wanted to get in the space and have a sense of how it will look and feel.

We aren't going to go with one of the two attached proposals, as there is more work to do to refine exactly what we are looking for. The attached proposals do give you an idea of what we are looking to do, though. To be prepared for the final order, we are requesting Board approval for the project, and ask that the Board consider the following motion:

**"That the Board approves spending up to a maximum of \$40,000 (plus GST) on the A/V system installation in the North Wing Meeting Room, with funds to come from the contingency fund."**

#### **2. West Wing Studio Suite Reno**

With the DSL program ended, we need to renovate the studio suites so that they are ready for rental by independent residents, moving forward. See the document '*West Wing Suites Reno*' on the portal. We are requesting Board approval for use of the contingency fund in order to cover the costs. Motion:

**"That the Board approves spending up to a maximum of \$75,000 (plus GST) on the renovation of the Studio suites in the West Wing, with funds to come from the contingency fund."**

### West End Proposal - Financing

*\*See document – Terms Sheet – Servus/CCU*

Discussions continue to go well with Servus & the CCU on financing for the Inglewood project. Henry & I are confident that they are the right partners for the project. The final approval, though, needs to come from the Board. As we don't know exactly when that approval will be needed, I would like to provide you with the terms that are under consideration and have as much preliminary discussion as needed ahead of time, so that the approval can be quick, when the time comes.

Here are the important highlights:

1. Proposed loan of up to a maximum of \$42,000,000.
2. We had an updated appraisal done on the existing Emmanuel Home (approx. \$56,300,000) as well as the proposed West End project (approx. \$43,400,000). **Please let me know if you'd like to see the appraisals. The files are too large to upload to the portal!**
3. We have an outstanding mortgage of ~\$24,000,000, and have a life lease liability of ~\$2,500,000.
4. Construction budget for the West End project is approx.. \$35,500,000, and is currently out for tender.
  - a. The rest of the loan, above construction, would be in place to cover interest payments during construction, as well as direct costs (ie. commercial kitchen, architect fees, furniture & fixtures, marketing, blinds, admin costs, etc)

5. Interest Rate for the construction loan would be Prime + 1.25%.
6. If we take out the long term financing with Servus/CCU, there would be interest only payments for the first 12 months, once the building is completed.
7. Application fee of \$210,000