



STAFF REPORT ACTION REQUIRED

2017 TCTI Operating Budget

Date:	January 18, 2017
To:	TCTI Board
From:	Chief Executive Officer

Summary

The attached report presents the 2017 Toronto Coach Terminal Inc. (TCTI) operating budget for approval.

Recommendation

It is recommended that the Board approve the 2017 Operating Budget for the Toronto Coach Terminal Inc. as set out in this report.

Financial Impact

This report has no financial impact beyond what is proposed in the 2017 operating budget.

The Treasurer has reviewed this report and agrees with the financial impact information.

Accessibility Issues

This report and its recommendation have no accessibility issues or impact.

Comments

The 2017 TCTI Operating Budget includes the following highlights and is summarized in the table below:

- As per the GACCTO Lease Extension Board Report, GACCTO has exercised their first of two options to extend their lease for two years. The lease agreement states that the monthly rent for the extension terms will be equal to the current rent times the increase in the CPI. For budgeting purposes, the current annual lease payment will be inflated using a forecasted CPI of 133.0 as of July 2017 compared to the CPI of 121.6 as of July 2012;
- Annual lease revenue is based on the existing lease with GACCTO at \$1.2 million

and will be increasing to \$1.3 million commencing July 8, 2017. As a result, the annual lease revenue is expected to increase by \$54K in 2017;

- A planned \$1 million loan repayment to the TTC at the end of 2016, along with an unchanged prime rate of 2.7% will reduce the 2017 interest expense budget by approximately \$21K or 9%; and
- TCTI's budgeted net profit for 2017 is expected to be \$491K, representing a \$75K or 18% improvement over the 2016 budget.

Budget Summary

\$000s	2017 BUDGET	2016 BUDGET	CHANGE
Revenues	1,254	1,200	54
Expenses	5	5	-
Cash Flow From Operations	1,249	1,195	54
Depreciation	557	557	-
Operating Profit	692	638	54
Interest Expense (Net)	201	222	(21)
Net Profit	491	416	75

Contact

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