

OTTAWA-CARLETON STANDARD CONDOMINIUM CORPORATION NO. 1004
ANNUAL GENERAL MEETING
Hintonburg Community Centre
1064 Wellington St. W
Ottawa, Ontario
March 6, 2018, 7:00 p.m.
MINUTES

PRESENT:

Jacqueline King	President
Donna Reid	Vice-President
Olivia Taggart	Secretary
Chris St. Jacques	Treasurer
Abe Abou-Hamad	Auditor, Parker Prins Lebano
Steve Christison	Engineer, Keller Engineering
James Davidson	Legal Counsel, Davidson Houle Allen
Domenica Brundia	Property Manager, Taggart Realty Management
Carol Slack	Recording Secretary

ABSENT:

Simon Taggart	Director
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1. CALL TO ORDER/CONFIRMATION OF QUORUM

James Davidson (Legal Counsel) called the meeting to order at 7:02 p.m., and welcomed all owners. He had been asked to attend the meeting to answer questions of a legal nature and the Board invited him to act as Chair, pending permission of the owners.

Tom Lemenchik (301) moved, seconded by Shane Wittenberg (310) that James Davidson (Legal Counsel) chair the meeting. Motion carried.

The Chair confirmed that quorum requirements (30) were met, as 22 units were represented in person and 8 by proxy.

2. INTRODUCTIONS; BOARD OF DIRECTORS, PROPERTY MANAGER, AUDITOR

The Chair introduced the head table, as set out above.

3. PRESENTATION OF AUDITED FINANCIAL STATEMENTS

Abe Abou-Hamad (Auditor) expanded on the Auditor's Report and Financial Statements that were provided to owners in the AGM package. He provided explanations of the amounts

expended on operations and on contributions to the reserve fund. He noted that it was a clean, unqualified opinion.

The Auditor noted that the amount for utilities (\$107,184) was higher than budgeted (\$88,320) and that this amount may decrease, as the corporation was seeking a reimbursement. The operating fund ended the year with a deficit of \$49,630. He added that this figure would be closer to zero, as the condominium becomes more established. As expected, there were no items expended to the reserve fund, given that this was the corporation's first fiscal year.

A unit owner asked if the \$13,000 owed to the corporation had been paid and if the fiscal year end would be changed to the calendar year. Taggart Realty Management ("TRM") confirmed that the \$13,000 had been paid and that the only funds that were owed to the corporation were from two units that were still owned by the developer. The Auditor clarified that the fiscal year end would remain from October 1st to September 30th. He also confirmed that the corporation had six months from the fiscal year-end to hold the AGM. TRM added that the AGM could not be held until the financial statements were prepared by the Auditor and approved by both TRM's accounting department and the Board of Directors. They also had to confirm attendance by the Board, Auditor (and guests) and consider the best time to assure quorum requirements were met.

A unit owner asked for further explanation of the excessive utility charges. The Auditor explained that the corporation was being charged commercial rates as opposed to residential rates. TRM clarified that this was discovered in the fall (2017) and that they were seeking reimbursement from the developer, Karma and Hydro. She estimated that they owed \$4,000 for a six or seven-month period.

Alyse Armstrong (209) asked if this reimbursement was related to unit owners' costs as well. TRM clarified that it was for common elements only.

Corinne Wicki (310) asked if the interest would also be recovered. TRM provided all hydro bills to the developer and would include interest, once the amount was clear.

Steven Christison (Keller Engineering) was invited to the meeting to present the Reserve Fund Study. He had been with Keller for fifteen years and was also involved in the Performance Audit. He explained that the operating fund was for day-to-day operations and the reserve fund was for major capital replacements and repairs (roofs, boilers, etc.) The engineers reviewed the site using the as-built drawings to identify the condition of the common elements.

The *Condominium Act* mandates that the reserve fund never runs a deficit over a period of 30 years. The Act also mandated that increases higher than inflation for work that was to happen in the future, could not be collected until the time that the work was to be carried out. The reserve fund study also had to be updated every three years, cycling between a comprehensive (on-site) inspection and a financial update.

Mr. Christison noted that the developer set the reserve fund at \$33,093. When they projected their values over 30 years, the corporation would be \$3,500,000 in debt if the contribution to the

reserve fund remained the same (including inflation). The Board met with the engineer to determine what would be the best for owners, while meeting the requirements of the Act. The decision made was to increase the reserve fund to \$99,000 over a three-year period.

Mr. Christison noted that there were changes coming to the Act that may allow for a three-year period for corporations to meet the reserve fund requirements. He added that the expanse of a reserve fund study may increase to cover 40-45 years, as some common elements (eg. windows) would not be included in the usual 30-year period. If the reserve fund study did not have a significant expense “on the horizon” it may not be accounted for in the initial 30-year period, resulting in the possibility of sudden costs. Currently, the average increase would be \$110 per month, per unit. He also noted that it was very common for condominium fees to increase significantly in the first year. The Board confirmed that the first increase would result in a reserve fund balance of \$55,000, the second, \$77,000 and the third (by 2019) \$99,000.

The Chair clarified that, the current legislation provided only one year to get their contributions “on track”. He agreed that it does appear that the new legislation may allow corporation’s three years to get “on track”.

Larry Haddon (205) asked why developers were not getting this right, given that condominiums had been in existence for over 50 years. Steve Christison noted that it wasn’t until the *Condominium Act* (early 2000) that regulations existed. He noted that over the past two-three years, developers were setting the reserve fund more realistically. The Chair noted that there were other amendments that may come into effect that place stricter obligations upon developers in terms of how they calculate the opening reserve fund contribution. One difficulty for developers was that many were not setting this amount realistically, resulting in unrealistic competition. Industry-wide requirements would have to be made and may be part of the upcoming amendments.

Ciaran FitzPatrick (510) asked if Tamarack was responsible for the first-year shortfall. The President confirmed that the Board was seeking to recover the \$38,000 deficit from Tamarack.

Jay Conte (311) asked if the increase would change after the three years. Steve Christison said that the legislation around increasing the time period of the reserve fund study, may result in further increases in condominium fees. The Chair noted that the theory was that every major component be covered in the reserve fund study for at least one cycle, so that an expensive element such as windows, would be saved for over a longer period of time. Mr. Christison said that Keller Engineering will anticipate replacements outside the 30-year period and recommend to Boards that they take these into account. Unfortunately, not all corporations make these adjustments. The Chair and Mr. Christison both agreed that the upcoming changes (the increase in the reserve fund plan coverage) will likely impact all condominium corporations across Ontario; with a view that condominium corporations become even better at long-term financial planning.

It was confirmed that the average condominium fees would increase from \$52 to \$160 per unit over a three-year period. It was also confirmed that TRM could provide owners with a breakdown of how their condominium fees were spent.

Mr. Christison explained that in June 2017, he and two colleagues reviewed all of the common elements and identified all defects. Tarion Warranty Corporation had three warranties: the first-year (all elements); 2nd year (water penetration, electrical, mechanical) and 7th year (major structural). All deficiencies were reported to Tarion and the developer had 2.5 years from the date the corporation was established, to address them. In their case, 274 items were included in the Performance Audit. He noted that many were minor, including caulking, minor masonry, loose window and door hardware, drywall cracking, etc. In his experience, this was an average to low number of first-year deficiencies. It was also noted that all owners were provided a survey to respond to the Board about common element deficiencies.

Donna Reid said that she was the Board liaison with the developer and that Board was assuring each deficiency was addressed. She was also involved with the Reserve Fund Study. In response to a question, she clarified that not all owners responded to the survey and that it was very expensive to rent a swing-stage or boom. Most exterior work was assessed from various balconies. The garage, mechanical and plumbing equipment were all closely examined against the as-built drawings.

4. APPOINTMENT OF THE AUDITOR FOR CURRENT FISCAL YEAR

The Chair noted that the Board was pleased with the current Auditor.

Ron Clarke (409) moved, seconded by MJ Lemenchik (301) to re-appoint Parker Prins Lebano and that the remuneration be fixed by the Board. Motion carried.

5. APPROVAL OF THE DECEMBER 19, 2016 TURNOVER MEETING MINUTES

Corinne Wicki (310) moved, seconded by Ciaran FitzPatrick (510) to approve the minutes of the December 19, 2016 Turnover Meeting. Motion carried.

6. PRESIDENT'S REPORT

Jacqueline King (President) said that the Board took a team approach to managing the condominium and that the Directors were also owners; that is, they had to take the entire community into account. She noted that each of the Directors brought an area of specialization. As President, she reviewed contracts and quotes to assure that they were receiving good value for their money and followed up when work did not meet their expectations (eg. the recent change in cleaners). Chris St. Jacques (Treasurer) had a financial background and took the lead on the financials (all Directors reviewed the statements). Donna Reid (Vice-President) was meticulous with details and took the lead on communication with owners, in part, via the newsletter. Olivia Taggart held the secretary position and coordinated all of the social events. Olivia would be leaving to focus on work obligations and the Board was sad to see her leave. Simon Taggart (not present due to childcare obligations) represented the developer when there were units that had not yet been sold. It was very helpful to have his experience. She added that the developer and the property manager had been very responsive.

Chris St. Jacques clarified that condominium corporations must invest in highly secure instruments. They were usually GICs that are laddered for the long term. Liquidity would play more of a role when reserve funds were required. Essentially, they looked to have the best rate of return with the utmost safety.

Donna Reid said she played a role in the preparation of the Reserve Fund Study and the Performance Audit. It was her role to inform owners via the newsletters and other notices. Her email address was tamarackboard@gmail.com. If she was not able to provide an answer, she would forward it to the person who could.

7. APPOINTMENT OF SCRUTINEERS

This item was not referred to.

8. ELECTION OF TWO (2) DIRECTOR POSITIONS, EACH FOR TWO (2) YEAR TERMS

The Chair set out that there were two positions available, each for two-year terms. The Chair noted that Corinne Wicki (310) had put her name forward to stand. Ms. Wicki consented to the nomination. Ciaran FitzPatrick (510) put his name forward to stand.

Tom Lemenchik (301) moved, seconded by Larry Huddon (205) to close the floor to nominations. Motion carried.

The Chair set out the new disclosure requirements for owners wishing to stand:

- Whether or not they, or members of their families, were involved in legal actions against the condominium corporation;
- Whether or not they had been convicted of an offence under the *Condominium Act*;
- Did they have interest in contracts or transactions by the condominium corporation;
- Were they more than 60 days in arrears; and
- If they were owners.

The Chair noted that each candidate responded “no” to the first four questions and confirmed that they were owners and occupiers of their units.

Each candidate addressed the owners.

Elyse Armstrong (209) moved, seconded by Andre Leclerc (307) to elect Corinne Wicki (310) and Ciaran FitzPatrick (510) as Directors. Motion carried. All owners applauded.

9. DISCLOSURE BY CANDIDATE FOR ELECTION

This item was addressed under Item 8.

10. GENERAL DISCUSSION

Lisa Webne-Behrman (603) thanked the Board for their hard work. All owners applauded. The Chair echoed the sentiment, noting that there were probably 10,000 condominium boards whose volunteer work was impressive.

Valerie Baillard (604) asked if the electrical systems were separate (from the building under construction) given that they were in the same room. Donna Reid said that the original design was to have both systems in one room and that the developer assured that the systems were separate. The Chair set out that it was not unusual to have shared elements governed by easements or shared use agreements. TRM added that the new residential (rental) building would have amenities, such as a gym, barbeques, etc. that would be governed by a shared facilities agreement.

Tom Lemenchik (301) asked about the maintenance/repair/replacement of the shared garage ramp. Donna Reid confirmed that there was an agreement with Tamarack for this element. There was also a shared agreement with the library and the community centre.

Andre Leclerc (307) noted that the garage ramp had a snow-melt system that would be expensive to repair.

Larry Huddon (205) asked how the commercial owners were managed. TRM clarified that Taggart managed both entities, but OCSCC 1004 did not own any of the commercial space.

Valerie Baillard (604) asked if the water problems had been resolved. Donna Reid confirmed that the problem was addressed and that the commercial owners covered the cost.

Ms. Baillard (604) noted that the joint building would have twice the number of units and cause twice the amount of deterioration than OCSCC 1004 over the same period of time. Donna Reid said that the costs would be proportioned and built into the agreement.

Hermina Bradshaw (201) said that the construction workers were using visitor parking, leaving no room for visitors. TRM had asked the contractors not to park in visitor parking, except for the contractor who was addressing performance audit issues. She will follow up with the other contractors. A unit owner said that they were told there would be eight visitor parking spaces and now they were down to four. Donna Reid said that there were eight spots divided evenly between the residential and commercial properties. The President clarified that owners would be notified when this was addressed.

Elyse Armstrong (209) asked if their visitor parking spaces would be protected when the new building was occupied. The Board was aware that this could be an issue. They were planning to start with signage and take further steps if the rules were not adhered to. Ms. Armstrong noted that sometimes the cars were parked so there was little space to exit the garage.

Ciaran FitzPatrick (510) noted that the construction crews were parking on the ramp. He also noted that, usually during the day, he had to move debris to access the garage. TRM spoke with their

construction contractor in the summer, but thought this had improved. She asked if owners could provide photos should they see this. Donna Reid thought that a short-term interruption (5 minutes) was reasonable; however, they should not be blocking the garage for a half-hour at a time.

Hermina Bradshaw (201) suggested that both buildings have the same superintendent. TRM said that the current onsite superintendent worked from 9:00 - 11:00, two days a week (and was quite busy). She added that hiring a full-time superintendent came at a cost and that the residential superintendent may not reside in the other building. The President said that the Board would follow up with the items raised at the meeting.

Ms. Bradshaw (201) said that the window cleaners above her unit (with a terrace) made a mess and didn't do a very good job. TRM said that the windows would be washed again in the spring at the cost of the developer.

Andre Leclerc (307) expressed concern for the shared garage, as the rental building will have easier access. Donna Reid said that a fob was required to get into the garage and a key at ground level.

Mr. Leclerc (307) asked what steps were taken with respect to Airbnb (short-term rentals). Donna Reid said that Airbnb was prohibited as set out in their by-law. It was suggested that this be included in the newsletter as a reminder.

Melanie Mathias (306) asked if Jason might be available outside of working hours, to accommodate people who work full-time. TRM confirmed that Jason worked for Doran and they were only available from 8:30 – 5:00, Monday to Friday. The President said that she had allowed Doran to enter her unit, in her absence, and had nothing but positive, professional service.

Tom Lemenchik (301) said that there was a pothole developing on the sidewalk near the ramp. Donna Reid would follow up with TRM after the meeting.

Alan Shayanpour (607) asked if they would be cleaning the garage floor. TRM was currently obtaining quotes for the end of April-early May. All cars would have to be removed for a weekend. They were considering doing it twice per year and the builder was also contributing to the cost. Donna Reid said that lockers now had filtration systems, but they were still evaluating the quality of the filters.

MJ Lemenchik (301) said that the garbage room seemed to be overflowing. TRM said that they could not house more bins, but they could increase the frequency of pick-ups. It was primarily due to the narrow doorway to the garbage. Donna Reid added that a video camera would be installed in the garbage room to assist TRM with monitoring pick-up requirements. TRM added that garbage issues were a common problem in condominiums.

In response to a question, TRM said that the completion of the shared facilities was estimated for the end of the summer, but they did not know for sure.

In response to a question, TRM confirmed that the furnace filters would be replaced in the spring. Donna Reid said that owners were welcome to change it themselves. It was noted that Jason mentioned that some of the filters may not be available to purchase.

The President noted that the Board had similar concerns with respect to the rental building, but confirmed that the developer was seeking high-end rentals.

11. ADJOURNMENT

Jantine Van Kregten (602) moved, seconded by Larry Huddon (205) to adjourn the meeting. Motion carried.

The meeting ended at 8:38 p.m.