



*The Owners • Strata Corporation LMS 1866 • Commercial Section  
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## **The First 100 Days**

# **A Report from the Commercial Council President**

Fellow owners, we are at a historic moment of the Strata Corporation. Together, with an approval of 87% of your proxy votes, we made history by both terminating Facilitech as our property manager and becoming managed in-house. Thanks to the help of specific owners, the bill for the legal and accounting work to do it: **Zero**.

Here's the context: Your Strata Corporation section was being poorly managed by Facilitech. Our fiscal year end is March 31. Due to issues in attempting to dislodge Facilitech, we were forced to hold our AGM on May 31, two months behind schedule (just within the legal time limit). The delay wasted thousands of our maintenance dollars as they flowed through Facilitech into the hands of accountants, lawyers, contractors and the like. The lack of effective service your directors and the Corporation received was extremely expensive.

Now, let's have a look at the tasks your council accomplished during our first 100 days in office:

1. Our first Board Meeting took place on June 22, where the Board's table officers were elected, and the 100 days began.
2. Council spent considerable time studying the Corporation's legal structure, comparing how other stratas perform in-house management, tried, with difficulty, to review contracts with Facilitech, and did quite a bit of other work. In July, Council set our course in a new direction: management in-house. Our first goal: to replace Facilitech and the staff it used, so, as your representatives, we could obtain much better service for all of our owners and tenants.
3. Council unanimously signed a letter of termination for Facilitech effective August 31—think of it as their last payday—and presented it on July 25.
4. In August we:
  - a. Hired our own Administrator and Accountant, Anna Moldovan, to take over the Strata Commercial Section's administration;
  - b. Prepared, set up or purchased several standard business systems—phone, fax, scanner, copier, printer, office stationary, stamps, computer, accounting software, communications network, web site...—to serve the Corporation and its owners in the most cost-effective and efficient way possible;
5. In September, we:
  - a. Managed, with some difficulty, to successfully persuade Facilitech to transfer our accounts and tasks to our full control. It was a lot of work auditing and adjusting each account, including the accounts of each owner. Our Strata Corporation inherited a lot of unpaid or partly paid bills from Facilitech, and a plumbing court case they had poorly handled. Our large insurance invoice was more than two months overdue, and the insurance company was calling for their money. Other bills buried the Corporation in a large hole. Despite instructions, Facilitech had failed to follow up on collecting overpayments on steam use cause by a faulty piece of equipment, reducing available cash. With the real-world business experience of the members of your Council, we created and sent out timely invoices and minutes to inform all of you of our situation. Thanks to personal funds advanced from some owners, and emergency money from our Contingency Reserve Fund that finally became available, the Strata Section was able to pay the insurance and other bills.

- b. Council interviewed and hired our own building engineer, Ador Buencamino. We also negotiated a transfer of Danny Macapinlac from the Commercial Section payroll so he could work full time for Residential. The combined actions reduced our staffing costs while ensuring our Commercial infrastructure is well-maintained.
  - c. We collected more than 95% of all September invoices, compared with a much smaller figure collected by Facilitech, and we are in the process of refilling our Contingency Reserve Fund to a healthy level as well as paying our bills promptly. We are finally starting to repair our relationships with our suppliers. Thank you for your cooperation in promptly paying your Strata Section maintenance fees.
6. In October, we:
- a. Successfully recovered over \$63,000 in common steam overcharges from Central Heat—the work Facilitech wasn't able to do upon earlier requests.
  - b. Used the camera budget to complete the new security installations, and sold the old cameras, for long-term building security and protection.
  - c. We improved service to all owners and tenants, by approving and setting up three management task lists:
    - Control tasks—This list involves the timely collection of strata fees, and promptly paying bills to avoid interest charges;
    - Schedule tasks— This list involves mechanical and service events and instructions, such as changing filters at proper times, waxing the hallways, oiling the equipment and the like;
    - Requests/reports— This involves responding to the issues that owners or tenants ask us to address.

The move to in-house management proved to be extremely positive. The Commercial Section is now strong and getting stronger with each passing day. In just 100 days, your Commercial Council has assembled our team and the management systems to deal with all aspects of serving the commercial section of the building, and all of our owners and tenants. There's more to do, but **this is my opportunity to thank my fellow directors for their vision, their help and their work to date. I particularly want to thank all of you for believing in us, for voicing your support for us daily, and for continuing to contribute, in a timely way, your strata maintenance fees. Combined, we are making in-house management a great success.**

*From all of us on the board, we thank you!!!*



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John Davies, President Commercial Council  
Vice-President, Electra Strata Council