

The Owners, Strata Corporation LMS 1866 Commercial

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February 15, 2008

Minutes of the February 15, 2008 meeting of the Commercial Council of LMS 1866

Note to readers: These minutes are in draft form. Any errors, corrections or omissions will be discussed at the next meeting of council, and noted in those minutes.

Present: John Davies (president), Tony Lum (vice-president), Mark Bentz (treasurer).

Guests: Anna Moldovan (minutes), Martha Welsh (owner of unit 135), Anthony Kung (owner of unit 106), Peter Morgan (owner of unit 118) and Mileta Stanojlovic (owner of units L03, L04, L15 & L17).

1. Mr. Davies called the meeting to order at 3:10 pm.

2. **Motion** :(Davies, Bentz): To approve the minutes of the January 15, 2008 meeting. Approved.

3. Guests' enquiries

Mr. Stanojlovic asked for Council's permission to connect his power equipment to a separate meter in order to take the electricity demand of his business out of the community power box. Council approved his request as the electrical room has enough space to hook up another meter. He also pointed out that the Nelson Street entrance area to Lower Main needs to have the walls finished and the area needs to be painted. Council will ask for quotes and then proceed to improve the area's appearance.

Mr. Kung pointed out that in the last two months he has not received his invoices on time in order to pay his fees by the due date. He mentioned that the accounting statements and the way the adjustments and increases in strata fees have been made were not clear and it was not easy to figure out what he owed at any time. Mr. Kung also requested that Council look into a solution to monitor the hydro usage as the charges are not fair. For instance, even though he is not using the office, the monthly hydro charges are the same as the tenants/owners who are doing businesses on a daily basis.

Due to a virus and other computer problems mailing out of the invoices and minutes was delayed by a week in January 2008 and Council endeavors in the future to make sure the mailing and delivery of invoices is done on time.

Motion: (Lum, Bentz): To endeavor to have the mail out of the invoices and minutes ready by the 25th of the month. Approved.

Ms. Moldovan pointed out that regarding outstanding figures in an owner's statement, payments made in a certain month are to first offset the old outstanding balances as was instructed by Council and therefore it can be confusing when the payment is expected to offset the balance for the current month but in fact only the remaining is allocated for the current month strata fees.

Please note:

When you pay the Strata Corporation your funds are applied in the following order:

1. Administration fees
2. Lien fees
3. Hydro fee
4. Forced sale fees
5. Oldest maintenance fees
6. Current maintenance fees

3. Hyrise Produce Inc.'s request letter

The owner of Hyrise Produce Inc (units L01, L02, L06, L08-L10, 965,967), Mr. Volker Ahlborn, has submitted a complaint letter to the Council requesting a refund for the unaccounted parasitic hydro consumption charged to his account since September 2002.

The Council will do an in house investigation and Mr. Davies has been assigned to look into this and investigate reimbursing the owner.

3.1 Electrical blueprints

Facilitech has been asked again to provide the Commercial Section with copies of all electrical and other drawings so that issues like the above can be more easily solved.

4. Financials

4.1. Accounts Receivable and Accounts Payable

Ms. Moldovan presented the February Accounts Receivable, Accounts Payable and bank account balances. As of January 15, 2008, only 2% of the total February Strata Fees is uncollected and a total amount of \$7,000 (one owner accounted for ~\$4,700) is outstanding in unpaid strata fees and hydro from previous months. 98% of fees were paid on time and we thank-you all for your timely contribution. We have issued our first \$50.00 late payment fee for accounts with outstanding balances.

Ms. Moldovan reported that our contingency reserve fund as of February 15, 2008 was reduced from \$66,000 to \$51,000 due to the \$15,000 paid to our attorneys Edwards, Kenny and Bray (in trust) to settle the Mainland Plumbing and Heating Ltd. court garnishing order. Going to trial would likely have cost ~\$10,000 or more. The original invoice presented to Council was ~\$29,000. In order to fit the small claims court maximum Mainland Plumbing made a claim in the amount to \$25,000, and asked the court to recover the filing fee of \$600. The total default judgment against Facilitech and Strata Plan LMS 1866 was \$25,600. Facilitech was working for LMS 1866 at the time the work was done and according to the

service contract LMS 1866 must cover their mistakes so ultimately it is LMS1866 that is responsible for this case. Council instructed our lawyer to make a deal with Facilitechs and Mainlands attorneys. The result was a payment of \$15,000 from LMS 1866 Commercial, \$10,000 from Facilitech and Mainland Plumbing waived the \$600 filing fee. The case is considered to be settled by all parties. The Commercial Section has now inherited this ~\$29,000 unbudgeted sewer pipe up grade.

Motion (Lum, Bentz) To approve the unbudgeted emergency payment of \$15,000 to settle the mainland Plumbing lawsuit. Approved.

4.2. Budgeting for the upcoming fiscal year

Mr. Lum stated that special assessments will be required in the upcoming fiscal year and presented the following proposed table.

Please go to www.theelectra.net and click on the Building Repair link to see the building repair project details.

New Assessments Required

		Commercial	Residential
	quoted	40.85%	59.15%
Roof cement crown repair	\$50,000.00	\$20,425.00	\$29,575.00
Roof mosaic wall repair remaining	\$20,000.00	\$8,170.00	\$11,830.00
Lower level mosaic wall repairs	\$50,000.00	\$20,425.000	\$29,575.00
Window repair	\$16,000.00	\$6,536.00	\$9,464.00
Insurance	\$68,606.00	\$28,025.55	\$40,580.45
Common Total 1		\$83,581.55	\$121,024.45
Water pipe repair	\$50,000.00	\$50,000.00	
refill CRF to \$100,000	\$50,000.00	\$50,000.00	
Total		\$183,581.55	
Shares Commercial		58,657	
Cost per share		~\$3.13	

Spratt Emanuel Engineering Ltd provided an observation report which underlines the Building Envelope Field Review. The quotes in the above table for roof cement repair, mosaic repair remainder and window repairs are made based on the contents of this report.

The discussion that follows was about choosing the best solution to upgrade/renew the plumbing system and whether to increase strata fees or to apply the total amount through a special assessment.

Mr. Davies mentioned that he noticed that one of the leaking pipes that we have already replaced was very badly corroded and he was warned by the plumber doing the work that there will be many more pinhole leaks in the future. He brought up the idea of having a company come in and pump a sealer into the existing pipes instead of replacing the pipes. Mr. Morgan pointed out that this will likely be just a short term solution (a few years) but not a solution for the long term. It was discussed that this could be a satisfactory solution for the short to mid term until the project can be budgeted and council will continue to research it. Mr. Bentz proposed to get a forecasting of the future needs for plumbing and sewage and adjust maintenance fees to reflect this demand. Council decided that replacement of the plumbing system will be considered to be a capital budget item (10 year long-term plan) and \$50,000 will be allocated for this year.

4.3 Maintenance fees and inflation

Council agreed in principal to increase maintenance fees to adjust to the inflation rate and use special assessments to collect money for special projects (IE plumbing, CRF etc.). It was discussed that maintenance fee increases should be geared to the construction inflation rate. Mr. Lum stated that there was a mistake in last year's budget that increased maintenance fees by 12%. Council reduced the rate to 6% at their first regular meeting: ~\$3,000 has been carried forward from the Facilitech budget and this mistake will be corrected. Even with this mistake we are still on budget and expect a surplus of \$10,000 for this year. The surplus is attributed partially to the transfer of Danny exclusively to the Residential Section and other good business practices being instituted by the current council.

Council has decided on the AGM date and location: **The Annual General Meeting will be held on April 14, 2008 in the Commercial boardroom (conference room), on the first floor of 970 Burrard. Registration begins at 5:30 pm and the meeting will start at 6 pm. The agenda for the AGM will be sent out to all owners shortly. Please let us know you are attending so we can prepare sufficient seats and refreshments.**

Motion (Bentz, Lum): To approve the Financials. Approved with correction of the mistaken 2007/2008 budgeted 12% increase.

The meeting went in camera to discuss the following

5. Scotia Bank letter

The meeting returned to public session

6. Chiller Contract

Ms. Moldovan presented to Council a quote from Olympic International for a proposed Inspection & Maintenance agreement for the commercial chiller. Council has reviewed the agreement and decided to ask for a quote from another company and also ask Olympic if it is willing to add a list of maintenance items to the agreement.

7. Permits for renovation and work done inside strata lots.

Council reminds owners/tenants that they cannot start work on improvements or renovations inside strata lots unless they have provided the administration office with copies of City of Vancouver permits, approvals and drawings. Ms. Moldovan was instructed to send a demand letter to a unit to provide copies of the approvals for renovation and a follow-up letter for another unit that has not yet provided copies of permits and approvals.

8. Commercial Washrooms

Peter Morgan suggested to Council that the washroom on the 1st floor is labeled as Refuge. The Commercial washrooms and hallway doors were locked to prevent street people from using them and the building as a hotel and leaving the washrooms absolutely filthy after bathing. There are one or more individuals who still regularly use the stairwells to live in and leave their rotten and foul smelling clothing, garbage and body waste behind. Before the washrooms were locked they left everything in the washrooms. They are regularly escorted out of the building (initially by building staff but now the police are doing it) but return time and time again. If Council can be assured that street people are no longer using the building, especially as a toilet, Council will remove the locks on the washroom doors. We trust our decision to protect our assets and owners from possible harm is understood.

Motion: (Davies, Lum): To adjourn the meeting at 5: 20 pm.