

## **Minutes of the July 25, 2007 meeting of the Commercial Council of LMS 1866, The Electra.**

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, chair), Tony Lum (vice-president), Mark Bentz (treasurer), Raymond Eng.

Guests: Bob Adams (Facilitech Property Management, Electra property manager), Peter Morgan (Minutes)

The meeting was called to order by John Davies at 3:13 pm in the Commercial Boardroom.

### **MINUTES**

1. MOTION (Lum/Bentz): To approve the minutes of the Commercial Council for June 22, 2007. Approved.
2. MOTION (Lum/Bentz): To approve the minutes of the Commercial Council for Jun 2, 2007. Approved

### **FINANCIALS**

3. Mr. Adams distributed the aged receivables summary, and said that his office was still working on the other financial reports, and that these would be e-mailed to directors. The council urged Mr. Adams to provide all of the financial reports several days before the meeting, so they could be reviewed in advance of the meeting by the directors. Mr. Adams agreed to do this.

4. Mr. Davies asked why his company, Shineguard, L-12, was in arrears by \$23.69, when his company is on an automatic payment system. Mr. Adams was unsure, but speculated that it may have to do with the BC Hydro portion of the monthly remittance. Mr. Davies noted that this, too, was part of the automatic system and so that would not make sense. Mr. Adams said he would follow up. Mr. Lum and Mr. Eng also had similar question about why their firms keep appearing on the aged receivables list. Mr. Adams said he would follow up.

5. Mr. Lum asked Mr. Adams to detail Facilitech's standard collection method. Mr. Adams replied that if a monthly remittance is not paid by the 15th day, sometime between then and the 30th day, Facilitech sends a letter to the owner requesting payment. Another letter is sent after 60 days. After 90 days, a registered letter is sent and a search of the title is made, liens and force sales can subsequently be recommended to council at that point. Interest is charged after the 15th day.

6. After some questioning by councillors, Mr. Adams noted that liens are in place on L-5 and L-17.

MOTION (Lum/Eng) to table approval of the financials for July to the next meeting since they were not available at present. Approved.

### **DELEGATIONS**

7. Tony and Nick Bratanic, two representatives of the Electra's usual plumbing contractor, Mainland Plumbing, reported to Council that the firm had submitted bills totaling about \$28,000 for installation of a wastewater pipe under the Hornby Street retail area this past spring. They said the project began

with initial work that was required to install sinks in a business location owned by one of the Electra's retail owners, Europa Esthetics and Spa, unit 3L-995 Hornby.

According to the Mainland representatives, the work had a plumbing permit issued by the City of Vancouver, but the work was not approved by the inspector because he felt there were numerous Building Code violations caused by the unreported work of others which tapped into and overloaded the existing wastewater pipe. The inspector subsequently requested by letter that an upgrade be performed to bring the plumbing within code.

They then approached the Electra's then-property manager, Rick Dean, an employee of Facilitech, to get approval to install a second, parallel pipe for the Europa work. Mr. Adams, Mr. Dean's supervisor, told council he spoke with Mr. Dean and authorized up to \$1,000 worth of work by Mainland to the Electra's account to inspect and report on any code violations, and he believes that was communicated to Mainland by Mr. Dean. When it was noticed and reported to Mr. Adams or Mr. Dean by several owners that significant work was underway by three men working for Mainland for four weeks in March, and that considerable quantities of pipe were involved, Mr. Adams said he made inquiries and it was his understanding that Europa had authorized Mainland to do the work and was paying for it, and it was not the responsibility of the Electra.

The work was not directly reported to council by Mr. Adams. Then-president Peter Morgan raised the issue with Mr. Adams both privately and at the March Commercial Council meeting at the request of several owners and, in both instances, Mr. Adams reported that the work was the responsibility of a retail owner. Mr. Morgan has a copy of an e-mail from Mr. Adams in which this is reported.

During the animated discussion that took place at today's council meeting, it was disclosed that Mainland did not have any documentation, such as work orders or purchase orders, that would indicate approval had been given to it for the work by Facilitech acting as a representative of the Electra, nor had it been asked for a quote by Facilitech for the work, but that all of this was normal in its dealings with Facilitech both in the case of the Electra and in other Facilitech-managed buildings. It was also noted that Facilitech did not have any documentation indicating the proposed work, assuming it was being done by Europa, had been inspected by Facilitech for proper plans or approvals, nor authorized by it, as would normally occur when an owner wished to do major renovations or repairs outside of his property.

It was also noted that Europa did not feel obligated to pay for the work, that Mainland did not have any documentation from it regarding approvals in the matter, and that Mr. Dean no longer works for Facilitech. It was also noted that the Commercial Council had not at any time discussed nor approved the work, other than as noted, nor did it have authority under Electra bylaws to spend more than \$5,000 on unbudgeted work without owner's approval. It was also noted that even to pay the bill would require an owners meeting for approval to spend that amount of money.

Mr. Davies, Mr. Lum and Mr. Adams told the Mainland representatives that they would make further inquiries in the matter, and the delegation withdrew.

## **UNIT REPAIRS**

8. Mr. Davies brought council's attention to the former bagel store at the corner of Hornby and Nelson, and that there seemed to be significant work underway within it. He noted, and Mr. Adams agreed, that no letter of comfort had been issued by the strata corporation to authorize the city to issue a permit for work to be done on the unit, but Mr. Adams noted that if the work was being done entirely within the unit, a permit might not be necessary.

Mr. Adams said that he would normally ask a city inspector review the work being done in such cases, but that with the civic strike underway, he had not attempted to do this in this case. He reported that he had received a brief letter from the owner indicating some renovations would occur regarding flooring and requesting permission for support of a liquor permit. Mr. Adams said that he had sent a letter requesting a copy of the work plans, and was still waiting for it.

Mr. Davies said it sounded to him like jackhammers or impact drilling had been going on for days in the unit. Mr. Davies requested on behalf of the commercial council and Mr. Adams agreed that a

letter on Electra letterhead would be delivered to the location by Facilitech requesting work stop immediately until the plans were produced to the property manager's satisfaction so that the extent of the work was known and to ensure it would have no adverse impacts on the Electra or its structure, and that the President would make a request to the city to inspect the premises.

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Mr. Bentz left the meeting at 4:09 pm. The president noted that a quorum continued to exist.

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## **SPECIAL PROJECTS REVIEW**

9. Building Accessibility: It was noted that the project to make it possible for people in wheelchairs to access the building was approved as a joint-council project, and the money for it approved at the 2006 AGM, but that despite the request of councils of the day, Facilitech failed to accomplish any aspect of it. It was also noted that council currently has to deal with a deficit.

MOTION (Davies/Lum) That the accessibility project be delayed until money for it is available. Approved.

10. Security Cameras: Facilitech reported it believed that \$8,000 was available for the project for the commercial side of the project, and that the residential council had decided not to proceed with its aspects. No commercial cable has been laid, although the cable has been purchased. It was decided by consensus to use the available funds to purchase good quality, high-resolution cameras, wire them and install them per plans that were earlier developed.

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Mr. Eng leaves the meeting. Mr. Davies reports that a quorum still exists.

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11. DDC Controls: This project was completed during the previous fiscal year. Mr. Adams, in answer to a question, said that the Electra's building manager, Danny Macinlapic, has a copy of the schematics.

12. Washrooms: It was noted that \$30,000 had been approved at the 2007 AGM for upgrades to the washrooms, but that Rick Dean of Facilitech, who estimated that such an amount would be needed and that Facilitech had sent out the agenda with the item on it without reference to the previous council, left no work plan on which to base that amount when he left Facilitech's employ. Mr. Adams said at this meeting that he felt that while some upgrading work will need to be done in the future, because the facilities are old, it did not appear necessary to perform any work beyond maintenance at this point. Council questioned whether it was necessary, then, to collect the funds from owners since Facilitech had, in essence, changed its mind about needing the funds. Mr. Adams said he believed that since the resolution was approved by the owners at the May 31 AGM, it was required that the money be collected. Mr. Adams was asked by council to confirm that supposition and report back to the next council meeting on whether it was possible to avoid collecting the funds.

13. Mailboxes: This was noted as an old item regarding a project that was completed during the last part of the term of the previous council, thanks to an owner who had done the project for much less than budgeted by Facilitech. The owner had agreed to do the work when it learned that Facilitech had failed to have the work done despite being repeatedly requested to do so by the previous council for nearly a year.

## **CURRENT BUSINESS**

14. Landscaping Plan: Council wanted to review the landscaping plan and that Facilitech present such a plan in advance of the meeting to council. However, Mr. Adams only had a copy of the plan on his computer and did not have copies at the meeting, and the plan dealt with the whole building and did not have detailed information on the commercial aspects. Some discussion ensued about some aspects of the plan. The plan envisioned \$4,900 for landscaping maintenance services, \$3,870 for upgrades and \$1,245 for irrigation for a total of \$10,015 for the year for commercial and residential. The topic was referred by consensus to the Joint Council for further discussion, and Facilitech was asked to provide copies of the plan to commercial councilors for their review.

15. Envelope Study: A copy of the final version of the Building Envelope Condition Survey and 25-year Maintenance Plan, by Spratt Emanuel Engineering, was e-mailed to the board, but the electronic version did not contain any of the numerous photographs to which the report referred, which made it difficult for the councillors to appreciate the comments made in the report.

Mr. Adams only had one bound version of the report at the meeting. He was asked to make electronic copies of it with the photos and have them sent to the Board. Mr. Adams suggested there would be Facilitech's standard cost to the Board for the copies.

Mr. Adams suggested there were some issues they were aware of, and some not, but that in general the study indicated that the building's envelope was in good condition.

The report provided a number of areas where maintenance should be undertaken over the next few years. Its only immediate concern, however, was the decorative concrete collar that extends outward from the top edge of the building, known as a spandrel fly beam. The report says the engineers saw "spalling concrete patches and underlying corroded steel reinforcement rebar, which is exposed to the elements. These pieces of spalling concrete, which can be the size of a human hand, will fall from the roof level and pose a serious hazard to pedestrians at ground level below. Further, the reinforcing steel, which is corroding, diminishes the structural capacity of these concrete beams. Restoration of the concrete and rebar requires immediate attention." Other concerns dealt with repainting some areas on concrete finishes, such as the "decorative concrete spandrel beams around the perimeter of the main entry and lobby" on Nelson Street, which should be done in the next two or three years, some work on the roof in the area of the HVAC cooling tower room, a general recaulking should be done over the next two or three years as the existing caulking is nearing the end of its life span, some specific areas where repairs have been made to the curtain wall need to be observed more closely as the work was not done satisfactorily under Facilitech's management in the past, "A qualified curtainwall glazing contractor should be hired to repair all locations, which currently leak." There were some other comments of a similar nature involving scheduled maintenance.

It was noted by Commercial Council that a meeting was set for July 31, 7pm, to further discuss the matter with the Joint Council.

**MOTION (Davies/Lum) To receive the Spratt Emanuel Engineering report. Approved.**

16. Unbudgeted Steam Costs: Council requested an update on the steps being taken by Facilitech to recover the unbudgeted steam costs and the expense caused by an enclosed heat exchanger which failed internally earlier this year. The failure caused a sharp rise in steam cost billing, on the order of about \$15,000 in the three months it took Facilitech and the consultant it eventually hired, Alexander Boone, to find the cause of the problem.

Mr. Adams reported that the unit was only warranted for one year, and since the unit, which had a life expectancy of about 25 years, was about two years old, it was not possible to recover the cost of the unit. He estimated that it would cost about \$7,000 for a replacement. He said it was possible that the unit may be shipped back to the manufacture at our expense to determine the cause of the failure, which involved a water circulating pipe, but that no decision had yet been made on that. He also reported that no other company makes a heat-exchanger unit that can fit in the space available, and so the replacement must be purchased from the firm.

In answer to a council question referring to a request by the previous council, he said that Facilitech had not yet initiated an insurance claim to recover the steam, consultant and equipment costs. He said he would follow up on the current council's request that the claim be filed. He also felt that an engineering report from the consultant would be helpful in discussions with the steam supplier in attempting to recover the excess cost since the billing was based on water flow, not actual steam usage, and it was the water flow that was responsible for the billings. In answer to another council question, he estimated that the consultant, which charges \$150 per hour, might take 40 or 50 hours to do the report.

17. Council request List: A list of council requests and instructions for Facilitech to provide information and documents to the council at the meeting was e-mailed to Mr. Adams by Mr. Lum on July 7, but Mr. Adams said he did not receive the e-mail. The list included:

- 1) Email us the financials 5 days before the meeting date
- 2) Send out meeting minutes to all owners within 10 days after each meeting.
- 3) Send council the owners contact list for council so it could look into creating a two-way communications channels with them. We like to keep them posted on council dealing as much as possible.
- 4) Invite owners to come to council meetings to express their concerns or contribute their ideas to make The Electra better.
- 5) Send us the resumes you collected for the positions The Electra required.
- 6) Bring your proposal that you sent to the previous council so we can discuss your proposal to serve The Electra
- 7) Send us the job description for building manager Danny Macinlapic and custodian Jerry Andruszko
- 8) Bring the building operating manuals and procedures that were prepared by staff or contractors
- 9) send us the contractor contact list
- 10) Bring the contracts The Electra signed for the Elevators, Chiller, Cooling tower, Electrical, Janitorial, waste removal, phone, etc... We would like to review and understand each contract and their related services.
- 11) Bring the reports from Houle Electric for their June 17th power outage service. (BC Hydro is asking for it so they can obtain records on the types of electrical protective gears in The Electra)
- 12) let council know your finding of the \$28,000 bill from Mainland Plumbing. Was the old pipe sufficient to pass city inspection and constructed with city plumbing permit by each owner? Was Europa's new installed washroom triggered this pipe upgrade requirement? Will Europa's washroom pass city inspection if the pipe was not upgraded? If it can pass then why Mainland Plumbing performing the \$28,000 upgrade and send the Strata the bill? Who authorized this work? With your investigation please let council know who is responsible to pay this unknown bill. Please bring permits or document that support the passing of the City inspection on the existing old pipe so council has a clear understanding of the reason Mainland performed the plumbing upgrade.
- 13) Up date us on Rick Dean's replacement as property manager for our cost of \$3,200 per month. Send us the resume of this part-time Building manager ASAP so we can interview him and give him instructions to carry on Rick's building manager role.
- 14) send us the security guard, janitor, building manager contact list and their schedules
- 15) bring the accounts-receivable collection samples and what has been done to improve our Accounts receivables so we have proper cash flow to operate month by moth.
- 16) send us your company organizational chart with staff names in each department so council has a better understanding of your operations and structure
- 17) up date us on the work done for L-16, the goal is to sell it to another owner that can pay their maintenance fee
- 18) up date us on your finding of the Scotia sign, and whether there is any revenue generated by it for the strata
- 19) send us your report about the use of this year's \$92,000 budget

20) send us the scheduled task list so we know when things are getting done in The Electra. The schedule list should include the waxing, shampoo of the floors, window wash, roof inspection, hallways and washroom mopping, motor oiling etc... We need these systems implemented, signed and posted for council inspection to insure the jobs are done and done on time etc...

21) status on insurance claim regarding the heat exchanger, installing new and sending back the damaged heat exchanger to supplier

22) come to an understanding of who pays for late payment penalties and interest related to the strata account

23) give us your plan as The Electra Property Manager on how you can better serve The Electra moving forward.

As the list was not received, Mr. Adams asked Mr. Lum to resend it and that he would review it, and advise council accordingly.

18. Mezzanine Renovations: Mr. Adams said that while the renovations appeared to be completed, he was still awaiting delivery of the final inspection report, which would be delayed by the civic strike.

19. Elevator RFP and long-term contract: This is a continuation from previous and current council requests for more than a year to establish a long-term contract with an elevator maintenance supplier. Mr. Adams advised that it would be necessary to find another consultant to prepare the requisite RFP, as the one he spoke with last March did not follow through. He said that he has spoken to two possible consultants since, but that neither had been hired. In answer to a question from council, he reported that elevator maintenance is on a month-to-month basis, and had been for several years. Mr. Adams noted that few companies wanted to deal with hydraulic elevators, the kind in the commercial section. However, Mr. Davies, who is familiar with the industry, noted that there were many such elevators in Vancouver, and they were being maintained. Council requested Mr. Adams to proceed with the issue.

20. Elevator pump room ventilation: There was discussion between council and Mr. Adams regarding the status of a way to reduce the heat build-up in the elevator pump room, which Mr. Lum and Mr. Davies both felt was excessive and affecting the equipment. Mr. Adams noted that the key temperature was 30 degrees Celsius, and that temperatures did not usually go above that, when a maximum/minimum thermometer was employed. Council instructed Mr. Adams to provide a portable cooling unit to the room and explore the possibility of venting the heat into the ceiling area, where it would be dealt with by the building's air conditioning system. Mr. Adams indicated he would follow-up.

21: Security door card readers in the basement: Mr. Adams noted that the cost would be about \$1,000 per door to install, plus \$1,500 to \$2,000 per card reader, and that Smart-Tek did the original work. Mr. Lum suggested that his contractors might be able to do the work for less. Mr. Adams said that it would be important to ensure that the new readers worked with the existing security logging system. The item was tabled to the next meeting while more information was sought.

22. Cinder Block Wall letter: A letter of complaint had been received from the City of Vancouver regarding the erection in the basement by Mr. Lum's companies of a cinder-block wall which the inspect felt interfered with the action of a specific sprinkler head. The letter requested removal of the wall. Mr. Lum reported that he expected to receive a permit for the wall on August 20 due to the civic strike, and that the action of the sprinkler head did not appear to be compromised. The item was tabled to the next meeting pending receipt of further information. The inspection was prompted by the complaint of an owner that went directly to the City and that the owner did not first inform Mr. Lum, not copy him on the complaint. Council requested that the minutes reflect that owners, if they have concerns about another owners actions, should notify the building manager or the property manager of their concerns.

23. Diesel back-up electrical generators: Mr. Lum reported that the Residential Council had approved the use of a specific area in the basement on residential property where fail-safe diesel electrical generators could be set up for use by Mr. Lum's companies. and a letter of intent had been provided to him regarding this because a vote by owners permitting this for long-term use was required of residential owners. He also reported that the City requested detailed space usage plans, and that this report was in hand.

24. HVAC basement connections: Mr. Lum reported that documentation, stamped by an engineer, had been approved and provided to the relevant authorities, including Facilitech, which should allow the work to take place. As Mr. Lum could not vote on the matter, and that would mean there was no quorum, the matter was tabled to the next meeting when a quorum was available, however Mr. Davies and Mr. Adams said they had no objection to Mr. Lum's consultants doing some additional investigation work on the project in the meantime.

### **NEW BUSINESS**

25. Storage Lockers: Mr. Davies reported that there were eight potential storage areas in the commercial area on the first and second floors of the tower, and that none were leased, although two owners, Repro.com at 112 and Universal Travel, had occupied two of the areas with permission provided several years ago, and was awaiting invoicing. He also noted that one area was being used by the commercial custodian for supplies storage. Council instructed Mr. Adams to provide rental documentation for each and invoice them as appropriate, prepare a process that would allow all commercial owners equal opportunity to lease any remaining spaces, and report to the next council meeting regarding the matter.

26. Council agreed by consensus to go in-camera to discuss some security matters. Mr. Morgan was invited to stay to provide in-camera minutes, and Mr. Adams was invited to stay to discuss the security matters.

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Owners and guests observing the meeting left. Council expressed thanks for their attendance.

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27. Council resumed its public session. There was no report from the in-camera session for the public session.

28. Technical signage: Council asked Mr. Adams to ensure that signage regarding asbestos be clearly posted in necessary areas, particularly in the Titanic Room.

29. Facilitech Termination: A letter signed by all four commercial council members was presented to Mr. Adams terminating Facilitech's property-management services in 30 days. Mr. Adams replied that he would take the letter under consideration.

30. MOTION (Davies/Lum: To adjourn the meeting. Approved. Meeting adjourned at 6:44 pm.