

**The Owners' Strata Corporation LMS 1866 Commercial**

288-970 Burrard Street, Vancouver, BC V6Z 2R4

**COMMERCIAL COUNCIL MEETING June 17th, 2011 - DRAFT MINUTES**

<b>Present:</b>	<b>Peter Morgan, President, Chair</b>	<b>Guests:</b>	<b>Alan Davis, Building Manager</b>
	<b>Johan Arnet, Vice President</b>		<b>Simon Chan, bookkeeper</b>
	<b>Amanda Lu, Treasurer</b>		<b>Martha Welsh, Unit 135</b>
<b>Regrets:</b>	<b>Peter Cheung, Corporate Secretary, Privacy Officer</b>		<b>Gene Cherneski, representing #136</b>
			<b>Tony Lum, AEBC, basement</b>

1. Meeting was called to order at 2:00 PM by the Chair, who declared a quorum.
2. Review of minutes approved for May 26, 2011. **Mover:** Peter Morgan. **Second:** Johan Arnet. **Approved.**  
Review of minutes approved for June 3rd, 2011. **Mover:** Johan Arnet. **Second:** Amanda Lu. **Approved.**
3. The Chair noted that the following resolutions had been approved during the AGM May 30th, 2011:
  - a. A 5% increase in maintenance fees for fiscal 2011/2012
  - b. The operating budget for fiscal 2011/2012 as presented
  - c. A Special Levy to raise \$91,912.50 as Commercial's share of a project to replace the building's aging fire-alarm system
  - d. A new bylaw regarding operating agreements
  - e. A new bylaw regarding Roberts Rules
  - f. Adjustments to the Strata Council's tie-vote process if also approved by Residential
  - g. To sue for expenses as a result of the fire event last September, if necessary
  - h. To transfer the operating surplus of \$16,783 into the Fin Light joint project fund
  - i. To amend bylaws 48(i), 53, 37, 49 and 76, and to repeal bylaws 46 and 47
  - j. Full minutes of the meeting itself are pending.
4. **Building Manager's report – Alan Davis**
  - a. Fire event remediation status: The final cement top work has been done to close in the hole, and preparation for repairing the terrazzo portion of the plaza has begun. It's expected to take about a month to deal with the Vancouver City Heritage Committee regarding the terrazzo appearance before that work can take place.
  - b. Proposed purchase of a floor washing machine, discussion tabled to July's meeting to obtain pricing information
  - c. Canopy at 955 Hornby Street has a leak and a section of the canopy itself has a glass crack. **Motion:** Replace a section of the canopy for \$870 + HST. **Mover:** Amanda Lu. **Second:** Johan Arnet. **Approved.**
  - d. A proposal for stripping and sealing the floors of the washrooms on the main, 1st and 2nd floor washrooms for \$1,825 plus HST. **Mover:** Johan Arnet. **Second:** Peter Morgan. **Approved.**
  - e. A portion of the mezzanine floor's common carpet was stained by a water leak from an owner's fountain. **Motion:** To clean and charge the cost to the owner with explanation. **Mover:** Peter Morgan. **Second:** Johan Arnet. **Approved.**
  - f. It has become apparent that a storage room rental price schedule needs to be developed. The president agreed to do so, and bring it back to the board at a later date for approval.
  - g. A ground-water leak through the foundation wall of room B-17 has been brought to the Board's attention. Reed Jones Christopherson, structural engineers, have been asked to have an introductory look at it and provide a brief report on what's likely to be involved in repairing it and how much that might cost. Note that this appears to be leak through the envelope of the building and so this may be referred to Strata Council for cost-sharing discussions. **Motion** to approve RJC to investigate and report: **Mover:** Amanda Lu; **Second:** John Arnet. **Approved.**

- h. Our custodian, Jerry Andruszko, is taking his annual leave from July 1 to July 23 inclusive, and will be back at work Sunday, July 24. John Lum, his usual replacement, will be doing the work again this year. **Motion:** To approve John Lum as the custodian's temporary replacement: **Mover:** Amanda Lu; **Seconder:** Peter Morgan. **Approved.**

2. Security: Johan Arnet and Alan Davis

- a. Mr. Arnet reported that a review of security measures dealing with keys and contractor fobs is underway, but not yet completed. There is to be a further report at the July council meeting.
- b. Mr. Arnet was asked to investigate the practicality of authorizing owners and managers access to the Commercial Boardroom in the tower after hours.
- c. A discussion was held regarding the problems that occurred when the building's Voice-Over-Internet-Protocol line failed for several hours on Saturday, June 11, causing problems with the Enterphone and the sliding doors at the Burrard Street entrance. Mr. Arnet recommend switching to a more stable analog line for the Enterphone. **Motion** to change Enterphone line to an analogue line supplied by Telus. **Mover** Peter Morgan. **Seconder:** Johan Arnet. **Approved.**

5. Finances – Amanda Lu, Treasure and Simon Chan, Electra bookkeeper.

- a. The Treasurer and the President reported on a briefing they held with the Commercial Section's lawyer regarding the HST issue, Riley Burr of Bull, Housser & Tupper on June 14, part of a process begun three months earlier by the previous treasurer, David Benson of Benson & Company. Mr Burr noted that a letter and the necessary forms had been prepared for Canada Revenue Agency's Voluntary Disclosure department regarding the Commercial Section's situation regarding HST compliance, that the President had reviewed and updated some of the information, and that Mr Burr recommended that the Commercial Section immediately begin collecting HST even as the Voluntary Disclosure process and negotiations were expected to take several months to resolve. Mr. Burr also advised that owners could immediately use the HST input tax credits to offset the tax, and that, for the most part, it should be a wash transaction.

**Motion** to hire Bull, Housser and Tupper to represent us in the above matter. **Motion** Amanda Lu. **Second** Johan Arnet. **Motion** To file voluntary disclosure to CRA regarding HST. **Mover:** Amanda Lu. **Seconder:** Johan Arnet. **Approved.**  
**Motion** To begin collection of HST on Commercial section invoices to owners effective July 1, 2011. **Mover:** Amanda Lu. **Seconder:** Johan Arnet. **Approved**

- b. There was discussion about the fact that the previous council did not order an audit of fiscal 2010/2011 as required by bylaw, and that while the AGM approved hiring an auditor for the 2011/2012 fiscal year, one was not proposed during the meeting. **Motion** That audits be commissioned for last fiscal year and this fiscal year, and that quotes for doing so be obtained from two companies. **Mover:** Amanda Lu. **Seconder:** Johan Arnet. **Approved.**
- c. The May 2011 financials were presented and explanations provided by the Treasurer and Mr. Chan as requested. Arrears were reported as insignificant and temporary. **Motion** To accept May 2011 financials. **Mover:** Amanda Lu. **Seconder:** Johan Arnet. **Approved.**
- d. Honoraria payment process was outlined: invoices presented by those affected at their discretion. **Motion** To approve the process. **Mover:** Amanda Lu. **Seconder:** Johan Arnet. **Approved.**
- e. Hydro dish payment. Residential owners have now approved the dish's 10-year lease agreement in a motion similar to that by Commercial owners a year ago. **Motion** to balance the BC Hydro dish account. **Mover:** Amanda Lu. **Seconder:** Johan Arnet. **Approved.**
- f. Two owners requested refunds of their fines issued by the previous Board, per letters to the AGM. The items were tabled to the July Council meeting pending further investigation by the Treasurer.

3. President's Report

- a. Rental agreements re Shineguard and B-17
- i. Draft agreements prepared by the former president were brought to the Council for approval. One involved rental of a portion of Commercial Common room B-17, plus a small storage room in the garbage room for \$150 per month. The arrangement was reached before the AGM, but was never discussed nor approved by the previous council, as all such arrangements must be. The agreement, on its face, was to start the five-year rental on May 1, 2011, but documentation showed that Mr. Davies, the owner of Shineguard,

applied for a building permit to construct a wall in the room in early February, and that wall was constructed the following month. **Motion** To reset the start date of the agreement and invoice Shineguard from February 1, 2011 for the room. In addition, there was to be an annual rent review but not to be unreasonable. **Motion** Peter Morgan. **Second** Johan Arnet. **Approved**.

- ii. The previous tenant of B-17 was required to end its tenancy by the previous president so the Commercial Section could use the room for storage of custodial supplies, but the billing of the room's rental continued despite complaints from the previous tenant. **Motion:** Motion to refund Universal Travel approximately \$375 for over-billing in connection with B-17, retroactive to March 1, 2010, with apologies. **Mover:** Peter Morgan. **Second:** Johan Arnet. **Approved**.

iii. Additional Shineguard Rental Agreements.

- b. Motion to rent a portion of the commercial loading bay to Shineguard Industries for 5 years starting July 28, 2010, at \$330.36 per annum as per proposed agreement, but with annual rent review. **Mover:** John Arnet. **Second:** Peter Morgan. **Approved**.
- c. A 5-year rental agreement for use of specific portions of the retail corridor wall space, and space on the Nelson Street door, for advertising signage was proposed by Shineguard, which operates Electra Laser, effective June 1, 2010 for \$100 per month. **Motion:** To table the matter, pending discussions between the President and Mr. Davies, the owner, regarding the matter, the rate and other aspects. **Mover:** John Arnet. **Second:** Peter Morgan. **Approved**.
- d. A condensation issue involving an air-conditioning pipe crossing the ceiling of 981 Hornby; building manager to investigate, act and report.
- e. A complaint was received by an owner regarding a construction issue involving the Electra Health Floor. **Motion:** A letter is to be sent to the Electra Health Floor requiring the company to complete the construction to building standards. **Mover:** Amanda Lu. **Second:** Johan Arnet. **Approved**.

#### 4. AEBC's Alternate Cooling System proposal:

AEBC owner Tony Lum formally presented a proposal, sent to directors earlier, to create an alternate cooling system for his firm, which operates a large server farm in the basement floor of the tower. The firm was approved in 2007 to use the building's industrial-sized cooling-tower system in the building's mechanical penthouse to transmit heat given off by the servers from the basement by way of the building's existing pipes and the Commercial cooling tower.

A related agreement involving Trane (an HVAC company) and Elafor Mechanical, both representing the Commercial Board on the one hand, and AEBC on the other, reached an agreement on May 26, shows, among other things, that although there is 65 tons of spare capacity in the cooling tower under the existing arrangements with AEBC, future expansion of the company means it will need to construct two of its own similarly sized cooling towers, also in the same area as Commercial's cooling tower and about the same size. AEBC initial investigation, backed by a preliminary letter of comfort from an engineering firm, indicates there should also be sufficient capacity in the main pipes running the height of the building to carry the increased amount of heat, if additional pumping is provided by the company as part of the project.

In addition, AEBC is proposing to construct a system that reacts, not drives, to the operations of the Commercial cooling tower, and to provide cooling for Commercial when Commercial's cooling towers need to be shut down for maintenance.

The 10-page proposal, in essence, outlines a multiple-step process to first determine if the new system is feasible from an engineering point of view. If the company can confirm that to the Board's satisfaction, it would then ask for approval from the Board to present the project to Commercial and Residential owners (as the new cooling towers are on Strata common property, which requires a lease arrangement), and, if they approved, the firm would construct the new system at its own expense. The company also proposes the possibility, with the addition of certain equipment as part of the project, to sell constant heat 24/7 to the Commercial section at a price to be negotiated, but less than the \$25,000 or so we normally spend on steam in our current system that, for cost reasons, is only run periodically during the year.

Today, AEBC is asking for the Board to grant conditional permission for use of certain pipes and electrical pathways within the Commercial section of the building in order to conduct the engineering feasibility study, as the first step in the process. Following discussion regarding the proposal's merits and director concerns, the Chair provided a series of proposed implementation motions, which were considered by the directors at the meeting.

Directors Morgan and Arnet, upon request by Director Lu, briefly described their relationship with AEBC. Mr. Morgan reported that the proposal before Council was a work product of his company that was prepared in March, 2011, long before he considered standing for election at the end of May, so it could be considered by the Board of the day at the time, and it had

not changed since then. He added that the previous Board had not made any decision on the matter since, although required to do so by the Strata Property Act. He also noted that his firm had also been hired for other matters by the previous Board following the conclusion of the March work for AEBC, and it did not consider this work to be a conflict. Mr. Arnet reported that his company was a customer of AEBC, which has many customers.

- a. **Motion:** (Amanda Lu): That the proposal be tabled for seven days for further review. The motion failed for want of a seconder.
- b. **Motion:** (John Arnet/Peter Morgan): That the proposed motions by director Morgan be approved as circulated. Director Arnet in favour. Director Lu opposed. The chair broke the tie by voting in favour. **Approved.**

The motions referred to by this motion were as follows:

**Motion:** Preliminary approvals for planning purposes are given to AE Electronics for its alternate cooling project, as per its presentation, related drawings and assurances given today, for:

1. The shared use of the 10" warm and cool pipes belonging to LMS 1866 - Electra Commercial
2. Use of Commercial electrical conduits and related connection access for power and control of the roof equipment by AEBC, and access to specific Commercial areas for related lower-level piping as necessary by final plans.
3. The passive digital readout connection between AEBC and Electra Commercial of Electra Commercial's chiller and cooling equipment settings.

And that, if these are incorporated into the final engineering and related documentation of the project as generally described in the presentation, they will not be a hindrance to Council's final approval of the project.

**Motion:** Providing the AEBC alternate cooling project conforms in general to AEBC's presentation provided today, we instruct our representatives on the Strata Council to support the project when it comes to that council in the near future.

**Motion:**

Whereas the Electra Commercial Council is interested in the concept of receiving heat energy described in the AEBC presentation to be provided on a business-like basis by AEBC, and

Whereas this Council has the intention to enter into separate discussions in the future with AEBC regarding this matter,

**Therefore be it resolved:** We request that AEBC include a Templifier and its related connections in the technical plans for AEBC's alternate cooling system to make possible its ability to provide heat in the future should those negotiations be successful, but this action specifically does not further commit Electra Commercial to acquiring such heat energy, nor does it commit AEBC to provide such energy.

**Motion:** We approve the concept of entering into discussions with AEBC to develop a full and comprehensive operating agreement for all aspects of AEBC's working relationship with Electra Commercial, and

- a) We will so instruct our technical consultants as necessary to assist in connection with developing all of the relationship's major components, including on-going indemnities as required, and
- b) This agreement is to be completed by the time the new cooling system is ready to become operational, or at a different mutually agreed time as soon as possible thereafter if circumstances require.

**Motion:** That a working liaison between an AEBC representative and the presidents of the Commercial Council and the Strata Council be established for the duration of the project to ensure any adjustments or expectations to the process be readily communicated to each other.

**The meeting was adjourned at 5:35 pm.**