

## **UPCOMING RESERVE FUND MAJOR PROJECTS**

The following is a update on where we stand on major projects in excess of \$200,000 that are currently expected to be completed in the next five years. These will be expensed to our Reserve Fund.

### **Roof Repairs**

We have been experiencing significant water leakage through our roof top membrane this summer. Major repairs were last done about 8-9 years ago and we have engaged an engineering firm to investigate the cause. We are expecting their report shortly.

Although we are hopeful that we will only need to complete localized repairs, a full roof top membrane replacement may be required. The Reserve Fund Study estimated the cost in today's dollars as \$339,000 including HST.

### **Hallway Refurbishment**

The draft 2022 Reserve Fund Study estimates the cost to renovate all 25 floors hallways at \$1,356,000 including HST with the cost split equally between this year and next year.

The Board started working on this project earlier this year and obtained estimates from five well established interior design firms. The Board narrowed the candidates to two firms, interviews were conducted with them, and the design contract was then awarded to Folio Interiors.

Folio has been on site several times in order to evaluate the building and discuss the scope of the project with the Board. The current scope of the project, subject to change, is as follows:

- Replace all carpeted areas with new broadloom carpet
- Replace all tiled areas with new tile
- Replace all wallpapered surfaces with new wallpaper
- Replace the pot lighted bulkheads above the elevator doors with new broader and shallower pot lighted bulkheads
- Replace the 3 light sconces directly opposite the elevator doors with new sconces
- Apply new paint to all doors, baseboards and other painted surfaces

Folio is currently preparing two design packages for the Board's review and approval. Each design package will have numerous options within that particular package for owners to select. Once they are finalized, the Board will initiate a process for unit owners to view the designs and materials and to then vote for their favored design.

Once the favored design has been determined, Folio will prepare a detailed bid document for that design which will be submitted to at least three general contractors for them to bid on. The Board will review the bids and either agree to enter into a contract with one of the bidders or determine that, due to the costs of the bids submitted, the renovation will need to be deferred to a later date.

The time frame for this project is quite flexible. Selecting the favored design and obtaining contractor estimates can likely be accomplished in the next few months barring unforeseen challenges. If the project is awarded to a contractor, the work could be done as soon as the early part of 2023, assuming supply chain issues do not arise.

### **Fan Coil Units**

Every condo has two fan coil units. They are located behind the two large vent grills in each unit. The fan coil units only deliver cold air or warm air to the unit in accordance with the settings on the thermostats. They do not impact the quality of warming or cooling in the building. The warm or cold air is generated by water flowing downward from the top of the building that has either been heated by our boiler or cooled by our chiller.

Our air flow units are original and therefore around 45 years old. Our last Reserve Fund Study dated August 2019 anticipated that we would need to replace them in or around 2022 at an estimated cost of approximately \$2,250,000 including HST. As a result, we engaged the engineering firm Weinstein Taylor & Associates to evaluate the air flow units in the fall of 2021. Their report indicated that the air flow units were in quite good shape and we could expect them to be operational for at least another five years. In particular, WTA praised the extensive maintenance work that a previous Board had undertaken ten or so years ago as a significant contributor to the current status of the units. This included the replacement of many of the motors, the unit casing insulations and re coating of the drip pans.

As a result of WTA's report, the current Board concluded that the air flow units' replacement could be extended out another five years in the 2022 Reserve Fund Study currently being finalized.

By extending the date five years into the future, the Board estimated that the Reserve Fund can generate as much as \$400,000 or more in extra interest income over that period of time.

In addition to replacing the fan coil units, programmable thermostats would be also be installed, which will be an additional cost to the original estimate of \$2,250,000. It should be noted that programmable thermostats cannot be connected to our existing air flow units due to incompatible electrical requirements.

The Board is confident that, whenever this work is carried out, it will be done without damage to units or building corridors.

### **Make-up Air Units**

The make-up air units supply the corridors with heat in the winter and cooling in the summer. They are located on the roof and little or no work in the corridors should be required when they are replaced.

The units are about 15 years old and the draft 2022 Reserve Fund Study anticipates a need to replace them in 2027 at a cost of approximately \$220,000 including HST.