

YORK CONDOMINIUM CORPORATION NO. 323

Minutes of the Annual General Meeting October 28, 2010

The Annual General Meeting of the Owners of York Condominium Corporation No. 323 was held on Thursday, October 28, 2010, in the Party Room at 50 Quebec Avenue, Toronto, Ontario.

1. OPENING OF MEETING AND CALL TO ORDER

Mr. Bill Henderson, President of the Board of Directors, presided as Chair and called the meeting to order at 7:05 p.m. The Chair welcomed the Owners and made the following introductions:

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|---------------------|--|
| Bill Henderson | President |
| Jean Cormier | Vice-President |
| Ed Leies | Treasurer (Owner-Occupied position) |
| Jock Galloway | Secretary |
| Bob Howell | Director |
| Arthur Elliot, C.A. | Auditor |
| David Thiel | Solicitor |
| Bruno Wojnowski | Regional Manager, Brookfield Residential Services Ltd. |
| Isan Murat | Property Manager, Brookfield Residential Services Ltd. |
| Verity White | Recording Secretary, Broadmoor Meeting Services |

2. PROOF OF NOTICE AND APPOINTMENT OF SCRUTINEERS

The Chair stated that Mr. Wojnowski and Mr. Murat were requested to act as Scrutineers for the meeting to be responsible to report on the number of Owners present in person and by proxy and to record and report the number of votes in any poll taken.

The Chair announced that there were 89 Owners present in person and 21 Owners represented by proxy for a total number of 110 which exceeds the quorum requirement of 61.

The Chair declared that the Notice of Meeting and attachments had been delivered or mailed to each member of the Corporation and that Proof of Service will be duly filed by the Secretary. Both the Proof of Service and the Notice of Meeting will be annexed to the minutes in accordance with the by-laws of the Corporation and will be available for inspection by any interested member. On this basis, the Chair declared that the meeting was properly constituted for the transaction of business as set out in the Notice of Meeting.

3. APPROVAL OF MINUTES OF THE ANNUAL GENERAL MEETING HELD NOVEMBER 12, 2009

The Chair noted that the minutes of the last Annual General Meeting, held on November 12, 2009, were duly mailed with the Notice to all members of the Corporation for their review. The Chair called for a motion to dispense with the reading of the minutes and to adopt them as circulated.

On a **motion** by Mr. Hughes (1003), **seconded** by Mr. Meeney (2201) **it was resolved** to dispense with the reading of the minutes of the Annual General Meeting held November 12, 2009 and to adopt them as circulated. **The motion was carried**

4. PRESIDENT'S REPORT

The Chair stated that two new Directors would be elected during this meeting. He explained that Ms. Cormier and Mr. Howell's terms of office had expired and that they would not be standing for re-election. He added that two nominations had been received and that each nominee would have the opportunity to address the Owners later in the meeting.

The Chair stated that he believes that communications between the Board and the Owners has been prompt and comprehensive throughout the year and that most Owners were aware of the activities that have taken place which he went on to summarize.

He noted that the balcony project has been concluded after many months of construction. He added that another major achievement in the last year was the proposal and acceptance of three new by-laws. By-Law Number 8 formally defines a standard unit and clearly establishes the division of responsibility between the Corporation and the Owners for the maintenance and repair of improvements. By-Laws Number 9 and 10 clarify responsibility for insurance against possible residual damage caused to other Owner's units and/or the Common Elements by acts or omissions.

The Chair explained that this year, some Owners had initiated discussion about the possibility of declaring 50 Quebec a smoke-free building. The Corporation already prohibits smoking on the common elements including exclusive use common elements such as balconies. The building is old and there is evidence that smoking anywhere can intrude into the comfort and may threaten the health of some. The Chair said that a change to a fully smoke-free building would include a prohibition of smoking within the suites themselves and that it would involve either a change in the Declaration, which the Board does not consider a practical option, or a new by-law or rule. He noted that this is not a decision that can be rushed into and that all pros and cons will be explored. The Board plans to take formal advice where appropriate. He noted as well that preparation and adoption of the Standard Unit By-Law took more than two years which indicates that this will be a long process as well.

The Chair listed some other physical improvements that had been introduced in the past year as follows:

- Installation of more economical corridor lighting
- Completion of the second phase of the security system
- Installation of the back flow preventer valve
- Addition of a new elliptical bike in the fitness room
- Installation of bicycle racks close to the rear entrance

The Chair noted that the Corporation has planned and executed three major building restoration projects in less than six years. These had been done without calling upon the Owners to support a common element fee assessment and without detriment to the Reserve Fund. Instead, this has been achieved because the Corporation is sound and fiscally responsible and managed with prudence and forethought. He thanked previous Board members for their careful management.

The Chair went on to say that, following careful scrutiny of the Corporation's financial affairs, the Board had decided not to increase the common element fees this year. While this decision had been criticized by some Owners who felt that it was a mistake and that at least a nominal increase should have been implemented, the Board had been over-cautious in introducing an eight percent increase in 2008.

The Chair thanked each member of the Corporation's various voluntary committees and added that several new committees such as the Policy Committee and the Safety Committee had been started during the past year. The Landscaping committee would welcome another member and the Chair urged all Owners to offer their services to any of the committees.

The Chair concluded by thanking the property management team for all of their hard work.

5. AUDITOR'S REPORT

a) Presentation of the Audited Financial Statements for the Period Ending April 30, 2010

The Chair called upon the Auditor, Mr. Arthur Elliot, to review the Audited Financial Statements for the period ending April 30, 2010.

Mr. Elliot directed the Owners to the Statement of Financial Position. He pointed out that there had been a drop in assets over the year and that the Reserve Fund had dropped as well. Overall, the Corporation had done very well especially considering the scope of work that had been done over the past year.

Mr. Elliot directed the Owners to the Statement of Reserve Fund Operations and Fund Balance and pointed out that the balcony repairs had been a major expenditure at just over a million dollars.

Mr. Elliot noted the Statement of Operations and Fund Balance which indicated the operating expenditures for this year as compared with the budgeted amounts and the operating expenditures in 2009. He said that the Operating Fund started out with \$1,663,970 and that \$600,000 had been allocated to the Reserve Fund. The utilities expense had come in under budget as had many of the other expense categories and there was a surplus of approximately \$97,000. Mr. Elliot indicated that adding the surplus to the fund balance at the beginning of the year resulted in an end of year balance of \$162,959. He then directed the Owners the Schedule of Expenses, and explained that this provides a more detailed breakdown of expense categories.

Owners were advised to review the Notes at the end of the Financial Statement, especially the notes referring to the Reserve Fund. The Reserve Fund Study projected a Reserve Fund balance on April 30, 2010 of \$250,000 however it is approximately \$340,000 and is ahead of schedule.

Mr. Elliot then opened the floor for questions relating to the Audited Financial Statement and the following were received:

Ms. Weaver (402) noted that a lot of expenditures in major categories had come under budget. She asked how this compares to other buildings and if it is due to good management. The Auditor confirmed that the Corporation is managed conservatively and that generally, this type of situation is unusual.

Ms. Seed (2408) asked what percentage of funds was allocated to the Reserve Fund by the *Condominium Act*. Mr. Elliot explained that the Board has to follow the Reserve Fund Study which states the required amount for each year. The Reserve Fund Study spans 20 years and schedules how much needs to be in the Reserve Fund based on predictions of anticipated maintenance and repair costs.

Ms. DeKir-Kirpotenko (2108) asked what the expense category 'Building Maintenance and Repairs – General' encompasses as approximately \$29,500 had been spent in that area. Mr. Elliot explained that although there are many expense categories, there are always some items that do not fit into any specific category and are subsequently listed as 'general'. In this case, there are ten to twelve different items included in general building maintenance and repairs, including items such as light bulbs and painting.

Mr. Hughes (1003) asked if the total expense for the balcony repair was the sum of the 2009 and 2010 amounts listed and how the actual total cost compared to the original budgeted cost. Mr. Leies, the Treasurer, confirmed that the total cost of the project is the sum of the expenses listed in that category for 2009 and 2010 and said the budget was approximately \$980,000, not including taxes, consultant costs or additional work that needed to be done. The project actually came in about \$200,000 over budget. Mr. Hughes suggested that future projects' budgets should include contingencies. It was noted that the Reserve Fund covers contingencies for this type of project.

Mr. Hranis (2106) asked if the budget for the balcony repair project was prepared by the engineering company. Mr. Elliot explained that the budget was based on the bid by the engineering company. He added that the Corporation could budget five or ten percent higher to cover contingencies but that it is difficult to estimate.

Ms. Anderson (405) asked why the expense for legal and audit was so high in 2010 compared with 2009 and why the cost in 2010 was significantly over budget. Mr. Elliot explained that legal costs are very difficult to budget because it is difficult to predict what issues will arise that will require legal counsel. In this case, the costs were related to Brook Engineering and the balcony repair along with various other issues. There were approximately 15 invoices for legal services.

Mr. Kolisnyk (1405) asked how often the Financial Statements are audited. Mr. Elliot replied that it is done annually but that he is available to answer questions from the Board all year as required.

b) Appointment of Auditor

The Chair called for a motion to appoint the Auditor for another year.

On a **motion** by Mr. Delling (2604), **seconded** by Mr. Hamilton (306), **it was resolved** to appoint Mr Arthur Elliot as the Auditor for the Corporation, to hold office until the next Annual General Meeting or until their successors are appointed, at a remuneration to be fixed by the Board of Directors.

The motion was carried

6. NOMINATION/ELECTION OF DIRECTORS

The Chair explained that two positions on the Board of Directors were available, each with a three year term. He introduced the two nominees, Mr. Sean Cumming (2405) and Mr. Frank Delling (2604) and said that

written statements from each were included in the meeting package. He then asked if there were any nominations from the floor. There being no nominations from the floor, the Chair called for a motion to close nominations.

On a **motion** by Mr. Howell (902), **seconded** by Mr. Estes (703), **it was resolved** to close nominations for the 2010 election for the Board of Directors. **The motion was carried**

Since there were no additional nominees and there being two candidates for two positions, the candidates were elected to the Board of Directors by acclamation.

Mr. Cummings and Mr. Delling briefly introduced themselves to the Owners and were welcomed to the Board.

7. OTHER BUSINESS

The Chair thanked the departing Board members and briefly outlined their contributions to the Board. Ms. Cormier and Mr. Howell each addressed the Owners and thanked everyone, especially the Property Manager and property management team.

The Chair then invited questions from the Owners, and the following were received:

Mr. Kolisnyk (1405) asked what would happen if no one were nominated for election. Mr. Thiel, the Corporation's lawyer, replied that if this happens, a quorum of Board members can appoint additional members to the Board up until the following Annual General Meeting.

Mr. Meeney (2201) noted that a block of buildings on Bloor Street had been boarded up and inquired if anyone on the Board knew the details of the zoning by-laws for that area. Ms. Cormier stated that she had called the City planner to inquire and that he had told her that a development proposal had recently been received which included retail and a terrace on the ground level and tiered residential units up to 14 floors. She noted that the proposal would be presented at a City council meeting in December, after which, she would speak again to the City planner.

Ms. Hilborn (2004) noted that replacement of windows had been proposed as a future restoration project. She asked what year this might occur, what the reasons behind the project were, if it will be invasive to the units, and if the panels surrounding the windows will be painted in the meantime. Mr. Leies replied that this improvement is included in the Reserve Fund Study, is scheduled for 2019, and has been budgeted at approximately three million dollars. The Board will explore options to see if total replacement is necessary or if refurbishment would be sufficient and will also look into interim repairs in the next few years.

Ms. Davidson (1502) said that painting or coating the exterior of the building had been discussed and asked when this might happen. The Chair replied that coating would be a better option than painting but would be more costly. He added that this item is not included in the Reserve Fund Study and the Board cannot pursue this project unless money can be allocated from the budget to cover the cost. The Board has looked into the costs and determined that painting the building and balconies could cost approximately \$160,000 not including taxes or any contingencies and coating could cost approximately 50 percent more.

Mr. Meeney (2201) asked the Board to get a quote for coating the vertical sides of the building, not including the balconies. Other Owners noted that coating or painting the building would be futile because rain and

dripping water would ruin the surface quickly and it would require a lot of maintenance and upkeep. The Chair concluded that the issue will be discussed and reviewed by the Board who will make a decision with the Owner's best interests in mind.

Ms. DeKir-Kirpotenko (2108) asked what happens after the warranty ends on the balconies. The Chair responded that the surface membrane on the balconies is under warranty for two years and the balconies should be inspected prior to that time so that issues can be reported to the contractor. Mr. Leies stated that if something is wrong, then Brook Engineering will repair it.

Mr. Hranis (2106) suggested that someone from management should do the inspection because the Owners might not properly inspect their balconies. The Chair agreed that this is most likely how the Board will proceed.

Ms. Stearns (308) stated that the Reserve Fund Study usually lists which large items are pending for each year. Mr. Leies replied that the Board will look into sending out a supplement to the Owners with this information.

Mr. Kolisnyk (1405) asked if the Board knew how many smokers live in the building. The Chair replied that they did not, but will find out when this issue is discussed further.

8. ELECTION RESULTS

Since no vote occurred, this item was not discussed.

9. TERMINATION OF MEETING

The Chair called for a motion to terminate the meeting.

On a **motion** by Ms. Weaver (402) **it was resolved** to terminate the 2010 Annual General Meeting of York Condominium Corporation No. 323 at 8:29 p.m. **The motion was carried**

President
VW/nf

Secretary