



PACIFICA STRATA PLAN LMS 597

**STRATA COUNCIL MEETING MINUTES
TUESDAY, AUGUST 26, 2014 AT 7:00 PM**

COUNCIL MEMBERS PRESENT:

**Monica Drake, President
Con Verburg, Vice President
Philippe Arrata, Treasurer
Martin Jonsson, Member at Large
Russell Ball, Member at Large
Paolo Ciocca, Member at Large**

COUNCIL REGRETS:

Dr. Isabella Wang, Commercial

MANAGEMENT PRESENT:

**Bruce Adanac, Regional Manager
Pacific Quorum Properties Inc.
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HELD IN THE AMENITY ROOM AT SOUTHGATE – 503 WEST 16TH AVENUE, VANCOUVER

1. CALL TO ORDER

The Strata Council President, Monica Drake, called the meeting to order at 7:05 p.m. and welcomed owner Nancy Cameron to the meeting as an observer.

2. ADOPTION OF AGENDA

The Chair asked the Council Members if there were any changes or additions to the agenda. One item of correspondence was added to the agenda, after which it was adopted.

3. ADOPTION OF PREVIOUS STRATA COUNCIL MEETING MINUTES

It was
MOVED, SECONDED and CARRIED
To adopt the minutes of the July 15, 2014 meeting.

4. COMMERCIAL SECTION MATTERS

a. Planning Meeting for Separate Sections

In the absence of representation from the commercial section at this meeting there was nothing to report.

b. Commercial Cooling Tower Replacement

The Property Manager will be liaising with the Commercial Section Representative to finalize planning for replacement of the cooling tower (which services the commercial strata lots).

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5. FINANCIAL STATEMENTS

a. Treasurer's Report

The Treasurer reviewed his monthly summary with the Council Members. He noted that the year-to-date expenses are over budget by 2.8%. The Treasurer discussed several line items of the budget variance with Council Members and the Property Manager, including water and sewer, landscaping, gas, mechanical maintenance, janitorial and administration. Following up on the previous month where the Caretaker expense had been over budget., the Property Manager pointed out that an error in payroll had been corrected and that the current month expenditures were in line with the budget (an improvement over the June month-end results).

The Treasurer drew attention to significant increases in the mechanical maintenance and supplies and equipment expense categories; the Property Manager advised these will be further reviewed. The Treasurer also asked the Property Manager to make further investigations with the Facilities Manager about the still-unexplained significant increase in gas usage, even in the hot summer months.

The Treasurer recommended approval of the Financial Statements.

b. Review of Accounts Receivable

The Treasurer noted improvement to accounts receivable from June, when 14 (fourteen) strata lots were in arrears over \$1,000, versus July having only eleven strata lots in arrears. Information was provided at the meeting that one strata lot most seriously in arrears has been sold and that account is now current.

c. Adoption of Statements

It was **MOVED, SECONDED and CARRIED**
To approve the July 2014 Financial Statements.

6. BUSINESS ARISING

a. Annual General Meeting Planning

The Council President stressed the need for setting a timetable for gathering the inputs to the operating budget and 2014/15 capital plan. These documents need to be prepared and circulated to Owners well ahead of the Annual General Meeting.

In her capacity as Chair of the Landscaping/Gardening Committee, she will be meeting with Jim Circo, the gardener, and Davey Tree to obtain their quotes for regular maintenance work to be covered by the operating budget and any special projects to be funded from the capital account. As for building a new structure to replace the old wooden pergola that was torn down, she was still trying to find out from metal fabricators how much such a project would cost.

The Property Manager and Treasurer have agreed to meet at the end of September to review figures for both the capital plan and the operating budget. The capital plan will include proposed expenditures for the next 10 years based on recommendations from the Depreciation Report as well as inputs from the CSA Engineers on various building envelope maintenance items and roofing issues. The Treasurer asked Pacific Quorum to provide up-to-date information on past planned (but not implemented) capital expenditures for constructing the handicapped access to Southgate, additional legal work on bylaw reviews, etc.

b. Bylaw Review

The Council President spoke briefly about an August 16th meeting involving the Strata's lawyer, Allyson Baker of Clark Wilson LLP, and representatives from the council and from the bylaws committee (including one commercial owner) and the former and current Pacific Quorum Property Managers. *(Meeting highlights had been written up by the President and sent to all pertinent groups on August 25th).*

Having been asked by the Strata (following its July council meeting) to prepare bylaws to bring Pacifica into compliance with the Strata Property Act (SPA) with regard to sections, the lawyer had requested a meeting to help her understand how the owners were proposing to allocate responsibility for maintenance and repair of various assets between and among the Strata Corporation, the Residential Section and the Commercial Section.

The bylaws as originally filed by the developer in 1992 had omitted such designations; consequently, this had to be remedied now to enable formulation of appropriate bylaws and proper functioning of the Strata Corporation and of the two sections as envisaged under the SPA.

To launch the Council's discussion about this important issue, the President touched on these salient points from the August 16th meeting:

- Utilities are metered in common as are services; it would not be practical to split these up by section as this would require very costly retrofitting of separate meters, not to mention plumbing pipes, electrical lines, etc.
- As all Owners benefit to some degree from nearly all building assets at present, substantially more analysis would be needed to determine accurately who should be wholly responsible for what in the future. No bylaws can be drafted until such analysis is complete.
- Before any General Meeting is convened to vote on new bylaws, all Owners would have to be presented – likely through meetings and information sessions – with clear information about the burdensome and expensive financial, administrative and bureaucratic implications of operating as a sectioned strata.

The President reported that the commercial Owner who participated in the bylaws committee and in the August 16th meeting had met with the Facilities Manager to review the asset inventory compiled by RDH Engineers in the 2013 Depreciation Report. They quickly discovered how few of Pacifica's assets clearly benefit only one section or the other. Looking at the estimated additional costs to the commercial owners of having their own management contract, bank account, contingency reserve fund, etc., this commercial Owner has concluded that there is not sufficient benefit to being a separate section. He now favours dissolving the sections.

Against this backdrop, Council Members discussed the pros and cons of staying sectioned as well as the mechanics of repealing the sections. Some expressed concern that it could take much time and effort to convince Owners to repeal the sections. They worried that it would be difficult to meet the year-end deadline. The Property Manager was asked to find out whether any extension of this deadline could be secured. *(He subsequently reported that no extension was possible. The Real Estate Council of British Columbia has mandated since March 2013 that all Property Management companies in BC which manage stratas with sections must have separate section management agreements in place with their client stratas by the end of calendar 2014.)*

Other Council Members made the case that long-term Owners have believed that they duly repealed the sections back in 2001 and that Pacifica has been operating de facto as a unified,

non-sectioned strata ever since. Voting properly now – by sections – to repeal this sectioned structure would leave Pacifica exactly where it already is in terms of governance, administration and management costs. One Member drew attention to the option of creating ‘types’ within the strata, as a way to allocate operating costs more equitably.

Ultimately, a consensus emerged within Council that formally repealing the sections at an SGM is, paradoxically, the best way to ensure the status quo. (*Subsequently, the Council President, on behalf of the Council, informed the lawyer of the agreed-upon change of direction and instructed her to prepare suitable materials for dissolving the sections and adopting revised bylaws reflecting this change.*) A previously-considered date of September 30th for an SGM on the bylaws was discarded as no longer feasible. A new date in late October will be announced to Owners as soon as it is selected.

[Note from the President: Repealing the sections is not the same as substantively revising Pacifica’s complete bylaws. Such an effort can still be undertaken in 2015, if owners want it and the new Council takes it on.]

c. A New Procedure to Request Authorization for Alterations

The Property Manager reported on the delays that have occurred in granting approval to Owners’ requests for in-suite alterations. The previous Property Manager has been consulted on how he had administered this during his tenure. As such, the procedures have been amended with immediate effect so that Owners requesting alteration permission in the future will not be delayed. The Strata Council gave their support to this.

A change from past practice, recommended by the current Property Manager, is to now require Owners to sign an Assumption of Liability form for any significant alterations they undertake within their strata lot or to limited common property. The Strata Council accepted this recommendation recognizing the benefits this would yield in absolving the Strata Corporation from any future responsibility pertaining to maintenance of renovated areas. The Owner would assume all responsibility and this Assumption of Liability form would carry forward to future owners of the strata lot(s) where changes have been made.

The Strata Council also discussed the practice of referencing suite numbers in the minutes where alterations have been approved. The Property Manager cited privacy considerations and suggested that the referencing of suite numbers is not necessary. The Strata Council agreed, noting a simple acknowledgment within the minutes that alterations have been approved to suites within the buildings would be acceptable.

7. PROPERTY MANAGER ITEMS FOR ACTION & DECISION

a. CSA Building Science Roof Survey

An interim synopsis of reviews of the roofs and decks by CSA Building Science was provided inclusive of potential costing for future roof replacement. The report is not complete at this time, however, the information provided was crucial for inclusion in the capital plan.

b. Southgate Deck Repairs

At the request of the Strata Council, a proposal was sought from BC Roof Inspections on the preparation of specifications for the replacement of two decks in the Southgate building. BC Roof Inspections have provided an estimate in the amount of \$2000.00 (Two Thousand Dollars), with additional costs for serving as Project Manager to oversee this work. The Strata Council has approved this \$2000.00 (Two Thousand Dollars) expenditure.

c. **Southgate Makeup Air Replacement**

The Property Manager provided two competing quotes to replace the Southgate makeup air unit. After review and consideration, it was agreed to accept the quotation received from C&C Electrical Mechanical. The Property Manager will make the necessary arrangements to have this work carried out. Timing of completion for work is dependent upon scheduling of a crane service and coordination with Translink to allow for temporary rerouting of a bus that runs along 16th Avenue.

d. **Window Replacement : Policy Change**

As part of the bylaw review process with the strata lawyer, it has been brought to Council's attention that the Strata Corporation is, in fact, responsible for window replacement and repairs in the complex including within suites. This supersedes the exemption written into the bylaws filed in 1992 by the original developer of Pacifica.

The obligation pertains only to necessary repairs or replacement when a window unit has broken hinges or severe condensation between the panes, making the window impossible to see through. Strata would not be responsible for windows altered to suit owners' preferences – for example, replacing sealed window units that have only light condensation between the panes or replacing panes with more thermally-efficient 'low-e' coated glass.

The strata lawyer also informed the Council that, under newly passed legislation, there is now a 6-year limitation period applicable on such claims. Therefore, any Owner who has incurred costs related to necessary window replacements after August 26, 2008, can forward their receipts to the Property Manager, Bruce Adanac, for Council's critical review and consideration of the claim. For those windows confirmed to have met the eligibility criteria, the Strata Corporation will then need to incorporate their reimbursement costs into next year's budget and to budget for a number of window replacements annually.

Going forward from the date of this policy change – August 26, 2014 – any owner who has a window that requires replacement (as defined above), will need to contact the Facilities Manager to have their window assessed for meeting a checklist of criteria for replacement. Those assessments, documented in writing and with photos, will then be forwarded through the Property Manager to the Council for consideration and approval. Since there will be a limited budget for window replacement every year, the number of windows that will be replaced at the Strata's expense will be based on the minimum number that qualify for a bulk rate discount with the glass company. Glass replacement under this program will occur only once a year.

The Property Manager will be in contact with those Owners who have already requested to participate in the optional replacement program at the bulk-discounted rate, to guide them on next steps.

e. **Northgate Water Ingress Issues**

RDH Building Engineering was contacted to attend a suite in the Northgate building where recurrent incidents of water ingress had gone unresolved for an extended period of time. RDH Building Engineering has provided a quotation to research this issue, identify the source of the problem, and to prepare specifications to remedy this.

The Strata Council have elected at this time to defer proceeding with the RDH Building Engineering proposal until the report from CSA Building Science has been completed. Once the Strata Council has the CSA Building Science report, depending on what the recommendations coming from that report are, the Strata Council may elect to proceed with engaging RDH Building Engineering for further work at Northgate.

f. **Fire System Quotation**

Follow-up on recommendations from Tyco (=Simplex Grinnell) for fire system repairs were tabled.

g. **Exterior Fireplace Vents**

The Property Manager has consulted with two trades seeking recommendations for how to deal with the corroded exterior fireplace vents. This matter had been investigated in 2012 but was deemed, at that time, to be cost prohibitive.

Owners are reminded that the corroded exterior fireplace vents pose no structural or mechanical problem for the buildings. However, from an aesthetic point of view, it is acknowledged that these are not appealing. One of the trades has suggested that they may be able to address this via a powder coating application of surface topical materials. In principle, this sounds like it is potentially a viable option. The Property Manager will investigate further, inclusive of providing Strata Council with costs. The Strata Council would like to proceed with testing this approach on some of the lower fireplace vents.

h. **Courtyard Drainage**

Referenced in the Depreciation Report is a notation of the soft landscaping element as being a problem. This is evident in the courtyard where water is pooling and some patches in the grass exist. An attempt was made in 2011 to address this when Westrim Plumbing was brought in to supply and install a new drain in the courtyard. This was carried out as a test on one of the 20 drains in the courtyard and, regrettably, it did not yield positive results.

The Property Manager has sourced out a new plumbing contractor who has suggesting running a camera down into one of the drain lines to determine if there are any significant blockages that are causing water back-up problems. Cost for this is estimated to be no more than \$450.00 and was approved by the Strata Council. The Property Manager will make the necessary arrangements.

i. **Security Audit**

The Property Manager reported that he is awaiting confirmation from the Vancouver Police Department on scheduling a date for a security audit of the property.

j. **Facilities Manager Report**

Ross Abercrombie's monthly report was reviewed. Strata Council thanks Ross for his input.

k. **Assistant Caretaker**

The Property Manager reported on progress of the new Assistant Caretaker advising that satisfactory results in performance to date are being received.

8. **NEW BUSINESS**

a. **City of Vancouver 2015 - Ban on Organics in Garbage**

The Property Manager reported that he has consulted with Smithrite, the contractor for waste hauling for Pacifica. Smith-Rite provided a quotation for budgetary purposes in anticipation of planning for the added costs that this will bring to the Pacifica Strata Corporation. To date, there is no defined plan in place from the City of Vancouver with respect to how this new program will be implemented in Strata Corporations. Further information will be made available upon receipt.

9. REPORT OF COMMITTEES

a. Committee to Implement Pacifica Renovations

Monica Drake reported that the order has been placed for the lobby artwork and it is expected to be received and installed within 3 to 4 weeks. (*Subsequently, the artwork was installed in four lobbies on September 12, 2014.*)

b. Landscaping & Gardening Committee

There were no new items to report.

c. Governance Committee

This was covered under Agenda Item 6.b.

10. OWNER CORRESPONDENCE & BUILDING REPRESENTATIVES REPORTS

a. Owner Correspondence

Strata Council was advised that six units have been granted permission to undertake interior renovations.

Strata Council reviewed a complaint about second-hand smoke. While second-hand smoke is bothersome, Owners and Tenants are reminded that there is no bylaw in place forbidding individuals from smoking; as such, Owners are permitted to smoke on balconies and in their suites and no further action can be taken. However, residents are encouraged to be mindful of the discomforts that second-hand smoke causes and take all measures to prevent this from being a problem for neighbors.

Strata Council reviewed correspondence about concerns pertaining to some exterior lighting on the roof deck, however, they deemed that the lights in question were not offensive and no further action needs to take place.

b. Other Matters

The issue of scooter parking was raised with reference being made to scooters being placed in areas which make it difficult for people to get in and out of their motor vehicles. The Property Manager will review this matter with the Facilities Manager.

11. ADJOURNMENT

There being no further business, the meeting was adjourned at 11:15 p.m.

Submitted by:

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**Balance Sheet (Accrual)
LMS 597 Pacifica - (lms597)
July 2014**

ASSETS

Bank - Operating Funds Account	25,247.02
Bank - Special Levy Funds Account	80,799.38
Bank - Contingency Reserve Account	208,999.34
CRF - Scotia GIC (1.25%;Jan-2014)	81,402.00
Levy - OP Funds Due to CRF	63,924.22
CRF - Interfund Loan (Insurance)	56,643.60
Petty Cash	500.00
Accounts Receivable	39,631.33
Prepaid Expenses	3,260.65
Prepaid Insurance	59,003.75

Fixed Assets

Caretaker's Suite	141,107.00
Membership Shares (VanCity)	108.79

TOTAL ASSETS

760,627.08

LIABILITIES & EQUITY

Liabilities

Accounts Payable	20,539.52
Interfund Loan Payable	56,643.60
Prepaid Maintenance Fees	4,933.79
Dryer Vent Reserve	4,083.10
Garden Reserve	2,766.75
Mortgage Payable	35,703.79
Accrued Liabilities	952.54
Interfund Loan	63,924.22

Total Liabilities 189,547.31

Equity

Caretaker Suite Equity	105,512.00
Current - Surplus (Deficit)	-25,750.32

Contingency Reserve Fund	309,724.67
Capital Projects Fund	101,244.49
	<u>410,969.16</u>

Special Levy Fund (2012F & 2012G) 80,348.93

Total Equity 571,079.77

TOTAL LIABILITIES & EQUITY

760,627.08

**PACIFICA
STRATA LMS 597
INTERIOR RENOVATION
BUDGET/COST RECONCILIATION
updated July 31, 2014**

	BUDGET	PAID	HOLDBACK	TOTAL PAID	BUDGET REMAINING
CONSTRUCTION	747,220	747,220		747,220	0
ADMINISTRATION	57,699	22,632		22,632	35,067
CONTINGENCY	76,569	38,706		38,706	37,863
SUBTOTAL	881,488	808,558		808,558	72,930
INTEREST & BANK CHARGES	0	7,054		7,054	7,054
	881,488	801,504		801,504	79,984