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CHELSEA GARDENS – LMS 1416

ANNUAL GENERAL MEETING MINUTES

TUESDAY, APRIL 29, 2008

LOCATION:

7:00 pm. – Eaglequest Golf Centre
7778 152nd Street
Surrey, B.C.

**STRATA COUNCIL
2007/2008**

PRESIDENT

Harry Steele - #237

VICE-PRESIDENT

Larry Johnson - #T102

SECRETARY

Bernice Hutton - #149

TREASURERS

Victor Monasch - #153

Gordon Scott - #T318

LANDSCAPING

Larry Johnson - #T102

Bernice Hutton - #149

SECURITY

Rick Vael - #T283

MAINTENANCE

Garry Kirkland - #K405

APARTMENT/TOWNHOUSE LIAISON

Garry Kirkland - #K405

STRATA MANAGER

Gerry Blanchard

**DAVIN MANAGEMENT LTD.
208, 6846 KING GEORGE HWY.
SURREY, B.C. V3W 5A1**

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EMERGENCY CONTACT

24 - HOUR SERVICE

(604) 594-5643

ATTENDANCE:

152 Owners registered in person

78 Owners registered and represented by proxy

(1) CALL TO ORDER

The meeting was called to order at 7:00 p.m. by Harry Steele, President.

(2) CALLING THE ROLL/CERTIFICATION OF PROXIES

The roll was called and all proxies certified by Mr. Blanchard with the assistance of Jan LeClerc, W422 and volunteers in accordance with the requirements of the Strata Property Act. The Act requires that a quorum consisting of one-third of the Owners be present in order for the meeting to proceed. Mr. Blanchard reported that a quorum was present.

(3) PROOF OF NOTICE/WAIVER OF NOTICE

Mr. Blanchard advised that appropriate notice must be given to all Owners either by mail to their last-known address or hand-delivered on-site. In the case of this Annual General Meeting, the notices were hand-delivered to all Resident-Owners between April 4-7, 2008 or mailed if they were not home at that time and mailed to all non-Resident Owners on April 8, 2008, which is 21 days prior to the meeting date. It was **MOVED – W422**, that adequate notice was given for this evening's meeting. **SECONDED – W418** **CARRIED**

(4) ADOPTION OF AGENDA

It was **MOVED – K414** to adopt the agenda as presented. **SECONDED – T149**. 230 in favour, 0 opposed, 0 abstained. **CARRIED**

(5) ADOPTION OF PREVIOUS MINUTES

It was **MOVED – K414** to amend the minutes of the AGM of April 25, 2007, that Section 13.2 should read unit W422 and not W432. **SECONDED – K111**. **CARRIED**

It was **MOVED – W422** to adopt the minutes of the Special General Meeting of July 31, 2007 as presented. **SECONDED – T318**. **CARRIED**

(6) PRESIDENT'S REPORT – See attached

Whereas the strata corporation collects large sums of monies in the form of strata fees and other fund fees (the apartment utility and the water fund);

Whereas the last audit occurred 3 years ago;

Whereas the apartments (Mayfair, Kensington, and Windsor) reconstruction expenses will be audited at the end of the project within the funds raised for this reconstruction project.

Therefore be it resolved as a special resolution of the Owners, Strata Plan 1416, Chelsea Gardens, that authority is hereby authorized to have a year-end audit for the fiscal year March 1/07 to Feb. 29/08 performed on the financial statements which includes the Operating Fund, Contingency Reserve Fund, Apartment Utility Fund and the Water Fund.

It was MOVED – T318 and SECONDED – T283 to adopt 3 / 4 Vote “A” as presented.
190 in favour, 39 opposed, 1 abstained.

CARRIED

10.2 3 / 4 VOTE “B” - FINES

3/4 VOTE “B” reads:

FINES: Bylaw 25

Whereas pet violations are an ongoing problem within the complex;

Whereas increased fines should get resident's awareness to follow the pet bylaw;

THEREFORE be it resolved by a ¾ vote of the Owners, Strata Plan LMS 1416, that the current Bylaw 25 be rescinded and the following new Bylaw 25 be added:

FINES

- 25.** (1) The Strata Corporation may fine an Owner or tenant a maximum of:
- (a) \$200.00 for each contravention of a bylaw, other than a rental bylaw;
 - (b) \$500.00 for each contravention of a rental bylaw; and
 - (c) \$50.00 for each contravention of a rule.
- (2) Assessment for specific violations:
- (a) Noise complaint \$25.00
 - (b) Failure to obey parking rules \$25.00 and/or tow away
 - (c) Obstructing traffic \$25.00
 - (d) Littering \$25.00
 - (e) Late payment of strata fees
(due on the first of each month) \$50.00
 - ~~(f) Rental _____ As per bylaw~~
 - (f) Pet violations
 - 1st violation \$100.00
 - 2nd violation \$200.00
 - 3rd violation
removal of the pet from the strata complex
 - (g) Continued violation of Bylaws except pet violations:
 - 1st violation Amount specified
 - 2nd and subsequent violation (within 1 year) Twice amount specified
 - (h) Assessment of violation of Bylaws or Rules where amounts are not specified above:

- (i) First violation \$25.00
(ii) Subsequent violations For each subsequent violation the fine will be doubled each time from that of the previous fine. (eg \$25, \$50, \$100, \$200, etc.)
(within one year of preceding violation)

(3) Breach of rental and leasing bylaw (see Bylaw 36(6) – up to \$500 per month.

(4) Fines levied by the strata corporation shall be due and owing along with the next installment of strata maintenance fees.

It was MOVED – T153, SECONDED – T318 to adopt 3 / 4 Vote “B” as presented.
225 in favour, 4 opposed, 1 abstained.

CARRIED

10.3 3 / 4 VOTE “C” - CONTINGENCY EXPENSES

3 / 4 VOTE “C” reads:

Whereas the council has had unexpected expenses and overrun costs to complete the townhouse repairs on the east side of the complex

Therefore be it resolved as a 3 / 4 Vote of the Owners, LMS 1416, Chelsea Gardens, that the unapproved expenditures from the Contingency Reserve Fund made in 2007 be approved as follows:

\$49,993.27	For unexpected townhouse repairs
1,569.68	For ridge caps
<u>7,097.86</u>	For the replacement of the spa heater
\$58,660.81	Total

It was MOVED – T102, SECONDED – T283 to adopt 3 / 4 Vote “C” as presented.
229 in favour, 0 opposed, 1 abstained.

CARRIED

10.4 3 / 4 VOTE “D” – TOWNHOUSE REPAIRS

3/4 VOTE “D” reads:

Whereas the townhouses (west and south of the gardens) need to have a general inspection, and where necessary, additional repairs and caulking completed;

Therefore be it resolved as a 3 / 4 Vote of the Owners, LMS 1416, Chelsea Gardens, that Council is hereby authorized to spend from the Contingency Reserve Fund up to \$60,000.00 to inspect, and where necessary, repair and caulk those townhouse units that require it.

It was MOVED – K405, SECONDED – T283 to adopt 3 / 4 vote “D” as presented.
230 in favour, 0 opposed, 0 abstained.

CARRIED

10.5 3/4 VOTE "E" - SPINDLES

3 / 4 VOTE "E" reads:

Whereas the wooden spindle assembly on the townhouses continue to deteriorate;

Whereas we now have run out of our supply of synthetic spindles;

Whereas the minimum number of spindles that can be ordered at any one time is 600.

Therefore be it resolved as a 3 / 4 Vote of the Owners, LMS 1416, Chelsea Gardens, that authority is given to spend from the Contingency Reserve Fund up to \$90,000 for the purchasing and shipping of the 600 synthetic spindles with associated synthetic materials for the construction of the new frames that are required.

It was MOVED – K405, SECONDED – T283 to adopt 3 / 4 Vote "E" as presented.
230 in favour, 0 opposed, 0 abstained.

CARRIED

10.6 3/4 VOTE "F" – BYLAW 42

3 / 4 "F" reads:

Whereas the present bylaw 42 has only section #1;

Whereas the addition of sections #2 through #7 are added to help clarify how expenses are dealt with by future councils and management companies.

THEREFORE be it resolved by a $\frac{3}{4}$ vote of the Owners, Strata Plan LMS 1416, that the current Bylaw 42 be rescinded and the following new Bylaw 42 be added:

Contribution by Type

42. (1) For purposes of Section 99 of the Act and Regulation 6.4(2), all of the strata lots having civic address 13888 – 70th Avenue, Surrey, British Columbia, (being Strata Lots 1 to 67, 100 to 161, 226 to 323 and 388 to 395 inclusive and identified as "Townhouses") shall be considered one type of strata lot and all of the strata lots having a civic address of 13860, 13870 and 13880 – 70th Avenue, Surrey, British Columbia (being Strata Lots 68 to 99, 162 to 225, and 324 to 387 inclusive and identified as "Apartments"), shall be considered a different type of strata lot for the purpose of allocating expenses which relate to and benefit only one of these types of strata lots. If a contribution to the Operating Fund relates to and benefits only one of these types of strata lots, such contribution is to be shared only by the owners of strata lots of that type and each strata lot's share of that contribution is to be calculated in accordance with the formula which has as its numerator the unit entitlement of the strata lot within that type and as its denominator the total unit entitlement of all strata lots within that type.

(2) Unit Entitlement			
Apartments		168,801	31.49%
Townhouse		<u>367,182</u>	<u>68.51%</u>
TOTALS	535,983		100%

(3) Operational Expenses

An operational expense is classified as an expense that:

- 1..is incurred at least once a year.
- 2..has occurred at least twice within three years..
- 3..is less than \$10,000 (ten thousand dollars) per instance or per unit providing it falls within the timeframe specified in Section 3.1 or 3.2
- 4..is a common expense type which is less than \$5,000 (five thousand dollars) per item and happens outside of the timeframe specified in Section 3.1 or 3.2.
- 5..the dollar amounts as stated in sections 3.3 & 3.4 (\$10,000 & \$5,000) be allowed to rise by 2% (two percent) per fiscal year starting in the fiscal year 2010-2011.

(4) Expenses Types

- 1..Apartment.. all expenses that are specific to the operation and maintenance of the apartment buildings subject to section #3 operational expenses. These expenses are paid by unit entitlement by all apartment owners only.
- 2..Townhouse.. all expenses that are specific to the operation and maintenance of the townhouses subject to section #3 operational expenses. These expenses are paid by unit entitlement by all townhouse owners only.
- 3..Common..all other expenses which are common to everyone that are not included in the above expense types (section 4.1 & 4.2) and are subject to section #3 operational expenses. These expenses are paid by unit entitlement by all apartment and townhouse owners.

(5) Contingency Expenses

- 1.. Are all expenses which do not fall under section #3.
- 2.. Are major projects which would have a cost of more than \$25,000. A major project is classified as a major job that may be performed on many different units with a total cost of over \$25,000.
- 3.. These expenses must be approved by a ¾ vote at a duly called ANNUAL GENERAL MEETING or a SPECIAL GENERAL MEETING.
- 4..These expenses are paid for by both apartment and townhouse owners by unit entitlement either through their contributions into the Contingency Reserve Fund or by special assessment.

(6) Loans From The Contingency Reserve Fund

- 1..Loans may be allowed from the Contingency Reserve Fund for strata corporation expenses.
- 2..The interest rate charged for the loan shall be prime rate (at the start of the loan) plus one percent.
- 3..All loans must be repaid to the Contingency Reserve Fund by the fiscal year-end (Feb. 28)

(7) Contingency Reserve Fund Contributions

- 1..All contributions to the Contingency Reserve Fund are made by all apartment and townhouse owners by entitlement.
- 2..The minimum contribution per year is set at \$156,000 (one hundred and fifty six thousand dollars).
- 3.. The only time that the minimum level of contributions can be lowered is when the year-end balance of the Contingency Reserve Fund is equal to the value of the upcoming year's operations budget.

It was MOVED – T153, SECONDED – T318 to adopt 3 / 4 Vote “F” as presented.
123 in favour, 98 opposed, 0 abstained.

DEFEATED

(11) CONSIDERATION OF PROPOSED OPERATING BUDGET 2008-2009

At this time, Gordon Scott and Victor Monasch went over the financial reports from 2007-2008 and the proposed annual operating budget for the fiscal year March 1, 2008 to February 28, 2009.

Discussion from the floor will result in a change next year on how the Operating Accounts Net Income Balance sheet will be presented. The Strata Manager reported to the Ownership this balance sheet will be changed to reflect the current year's surplus in operations, and the balances of the Utility account and Water Fund.

It was MOVED – T318 to adopt the 2008-2009 proposed Operating Budget as presented.
SECONDED – T149

After no further discussion from the floor, a vote was called on the proposed 2008-2009 budget as presented. 170 in favour, 13 opposed, 0 abstained. CARRIED

The approved operating budget and the fee schedule is the same as distributed with the AGM notice.

(12) PAYMENT OF STRATA FEES

The payment of your monthly Strata fees **will change** and can be made in the following ways:

1. Automatic withdrawal from an Owner's account by completing a Personally Approved Payment agreement and forwarding a “Void” cheque for that account.
If an Owner is already on this system, no further action is required.

2. Post-dated cheques, whereby an Owner submits to Davin Management twelve(12), post-dated cheques. These should be dated for the first of each month, commencing March 1, 2008 (or June 1, 2008 if you have paid March, April and May, 2008), payable to **Strata Plan LMS 1416 – Unit #_____**. Cheques may be left in the Davin Mailbox in the clubhouse mailroom or the foyer of each apartment building for pick-up.

As the budget was adopted on April 29, 2008, and due to banking deadlines, strata fee adjustments will be made on June 1, 2008 as noted below:

An additional withdrawal from your bank account for those Owners who are on the automatic withdrawals system will be made on June 1, 2008 for the difference between the 2007 strata fees and the 2008 strata fees. This withdrawal will include your March, April and May, 2008 difference only. Your July monthly withdrawal will be for your current strata fees.

If you pay by cheque, please send an additional cheque to cover the March, April, May **difference**. To calculate what you own for this three month period please subtract the difference from your old strata fees from the current one. This should be in the range of \$20 to \$30 dollars.

(13) DISCUSSION

13.1 LEGAL ACTION TO RECOVER THE RE-CONSTRUCTION COSTS

The Strata Manager reported that research is underway to consider whether the services of a legal firm should be pursued to initiate a law suit to recover some of the reconstruction costs of the apartment buildings. Council will be reporting any progress on this matter in future minutes.

(14) TERMINATION OF MEETING

It was MOVED - # K405 to terminate the meeting. The Council will meet on May 1, 2008 for their first Council meeting.

Gerry Blanchard
Strata Manager