ANNUAL GENERAL MEETING MINUTES
STRATA PLAN NW 2036 - “BRENT GARDENS”
4353, 4363, 4373 HALIFAX STREET, BURNABY, BC

HELD: Thursday, February 27, 2014
PLACE: The Executive Hotel & Conference Centre, Burnaby, BC
MANAGING AGENT: Karen Steed-Wiercinski, Strata Agent, Ascent Real Estate Management Corp.

REGISTRATION

Owners registered prior to being seated.

CALL TO ORDER

As a quorum was not achieved by 7:00 p.m., so the meeting stood adjourned until 7:25 p.m. when quorum was achieved.

QUORUM REPORT

Registration confirmed that there were 112 (one hundred twelve) eligible owners represented. Prior to voting on the budget, attendance increased to 114 (one hundred fourteen), comprised of 94 (ninety four) owners present in person and 20 (twenty) represented by proxy.

PROOF OF NOTICE

The Notice of Call dated February 6th, 2014 was delivered in accordance with the provisions of the Strata Property Act of British Columbia.

APPROVAL OF AGENDA

It was MOVED, SECONDED, and CARRIED to approve the agenda as previously distributed.

ADOPTION OF PREVIOUS GENERAL MEETING MINUTES

It was MOVED, SECONDED, and CARRIED to approve the minutes of the Annual General Meeting held on February 27, 2013 as previously distributed.

INSURANCE COVERAGE REPORT

The Strata Agent advised those present that the insurance certificate must be submitted with each Notice of Call, pursuant to the Strata Property Act of British Columbia. The Strata Agent then reviewed the coverage and insurance claim deductibles. Those present were encouraged to retain this document for their personal files and provide it to their personal insurers to ensure they have sufficient insurance to cover the strata corporation’s deductibles should a strata deductible be charged back to an owner.

Note: Many strata lot owners believe that the Strata Corporation’s insurance policy covers all their risks or alternatively are not aware that they need personal insurance coverage. Under Section 149(1) of the Strata Property Act, a Strata Corporation is only obliged to insure the fixed structure, permanently installed original fittings and fixtures, mechanical equipment and machinery, fire suppression systems and common assets of the Strata Corporation. This is the insurance that a strata lot owner pays as part of their strata fees noted in the Strata Corporation’s annual operating budget.
**Property insurance required for Strata Corporation**

149 (1) The Strata Corporation must obtain and maintain property insurance on
   (a) common property,  
   (b) common assets,  
   (c) buildings shown on the Strata plan, and  
   (d) fixtures built or installed on a Strata Lot, if the fixtures are built or installed 
      by the Owner developer as part of the original construction on the Strata Lot.

(2) For the purposes of subsection (1) (d) and section 152 (b), "fixtures" has the meaning 
    set out in the regulations.

(3) Subsection (1) (d) does not apply to a bare land Strata plan.

(4) The property insurance must
   (a) be on the basis of full replacement value, and  
   (b) insure against major perils, as set out in the regulations, and any other 
       perils specified in the bylaws.

**Definitions for section 149 of the Act**

9.1 (1) For the purposes of sections 149 (1) (d) and 152 (b) of the Act, "fixtures" means 
       items attached to a building, including floor and wall coverings and electrical and 
       plumbing fixtures, but does not include, if they can be removed without damage to the 
       building, refrigerators, stoves, dishwashers, microwaves, washers, dryers or other items.

(2) For the purposes of section 149 (4) (b) of the Act, "major perils" means the perils of 
       fire, lightning, smoke, windstorm, hail, explosion, water escape, strikes, riots or civil 
       commotion, impact by aircraft and vehicles, vandalism and malicious acts.

**Minimum liability insurance**

9.2 For the purposes of section 150 of the Act, the Strata Corporation must obtain and maintain 
      liability insurance for a minimum amount of $2 000 000.

Given this, it is highly recommended that strata lot owners obtain insurance for their strata lot for the 
following:

- It is extremely important that owners know that the insurance policy for the Strata Corporation does 
  not cover personal belongings in case of a loss. If personal belongings are damaged from a loss, such 
  as, but not limited to, a water escapement, fire or sewer back up, only a strata lot owner’s personal 
  policy will cover belongings. Each owner and tenant should purchase insurance coverage for his/her 
  belongings. Additional living expenses should also be added to a personal policy in case the need 
  to live elsewhere while the strata lot is being repaired arises.

- Owners must ensure they are covered personally for any upgrades to the unit. The Strata 
  Corporation’s insurance policy only insures original fixtures. An example of this would be hard surface 
  flooring in a unit that originally contained carpet when constructed.

- A personal policy should also include a Strata Corporation deductible section in case a strata lot owner, 
  tenant or someone associated with the strata lot causes damage. Personal insurance policies offer a 
  strata deductible, which then reimburses the deductible imposed by the Strata Corporation on the 
  strata lot owner due to a claim caused by the owner or tenant. Sometimes this deductible is built into 
  the insurance package and other times it is offered as optional coverage for an additional premium. It 
  is recommended to review the amount of available insurance coverage for the strata deductible with 
  your insurance broker. Please refer to your most recent Notice of Call (agenda) for your Annual 
  General Meeting (AGM) to obtain a copy of the Strata Corporation’s insurance policy.
For example, if a strata lot owner, tenant, or individual associated with the strata lot overflows a sink or a bathtub and the Strata Council finds that the owner, tenant or individual associated with the strata lot was the cause of the resulting damages, the Strata Corporation can sue the owner for the insurance deductible. This amount can be several thousands of dollars (please see the deductible limits on the insurance certificate attached to the Notice of Call).

- All strata lot owners must maintain all items within their own strata lot. If a leak occurs from these items; the strata lot owner will be responsible for all repair costs or the insurance deductible if a claim is filed. The below list includes some of these items, but is not exhaustive:
  - Tiles and grout on shower and bathtub enclosures;
  - Washing machine hose connections (please note washing machines are only permitted in the penthouse units of 4353);
  - Dishwasher connections;
  - Fridge water connections for ice makers;
  - All visible pipes under sinks;
  - Toilet supply lines;
  - Toilet seals; and,
  - All appliances.

- Owners may wish to consider employing a professional contractor to carry out regular inspections and maintenance of these items.

Section 161 of the *Strata Property Act* contemplates that an owner may obtain his or her own insurance to cover risks that are not covered by the Strata Corporation’s policy:

**Owner’s insurance**

161 (1) Despite the Insurance Act or any other law, an Owner may obtain and maintain insurance for any or all of the following:

- loss or damage to the Owner’s Strata Lot and the fixtures referred to in section 149 (1) (d) against perils that are not insured by the Strata Corporation, and
- for amounts that are in excess of amounts insured by the Strata Corporation;

- fixtures in the Owner’s Strata Lot, other than the fixtures referred to in section 149 (1) (d);

- improvements to fixtures referred to in section 149 (1) (d);

- loss of rental value of the Owner’s Strata Lot in excess of insurance obtained and maintained by the Strata Corporation;

- liability for property damage and bodily injury, whether occurring on the Owner’s Strata Lot or on the common property.

(2) Despite this Act, the Insurance Act or any other law, an Owner of a Strata Lot in a bare land Strata plan may obtain and maintain insurance on buildings or fixtures built or installed on the Strata Lot.

Additionally, the Strata Corporation bylaws require each strata lot owner to have personal insurance and states that strata lot owners are responsible for the deductible amount, or any damage up to the deductible amount in the event of a loss.

Section 158 (2) of the *Strata Property Act* also provides that the Strata Corporation is permitted to sue a strata lot owner to recover any deductible paid by the Strata Corporation. Furthermore, some Strata Corporations have adopted bylaws requiring a negligent or careless owner to pay the deductible without the Strata Corporation needing a court order to confirm this negligence or carelessness.
**Insurance deductible**

158 (1) Subject to the regulations, the payment of an insurance deductible in respect of a claim on the Strata Corporation's insurance is a common expense to be contributed to by means of Strata fees calculated in accordance with section 99 (2) or 100 (1).

(2) Subsection (1) does not limit the capacity of the Strata Corporation to sue an Owner in order to recover the deductible portion of an insurance claim if the Owner is responsible for the loss or damage that gave rise to the claim.

In order to ensure that you have adequate coverage in place, each strata lot owner should provide a copy of the Strata Corporation's certificate of insurance that is contained in the Notice of Call (agenda) for each Annual General Meeting (AGM).

**Review and report on insurance**

154 The Strata Corporation must

- (a) review annually the adequacy of the Strata Corporation's insurance, and
- (b) report on the insurance coverage at each annual general meeting.

Each strata lot owner is strongly encouraged to obtain proper insurance coverage and ensure that if they have tenants in their unit, that their tenants also obtain adequate insurance. Please refer to the information sheet concerning personal coverage that was attached to the Notice of Call for the AGM.

An owner inquired why only the Summary of Coverages was included in the Notice of Call for the AGM when, in previous years, owners were provided with the Summary of Coverage as well as the Declarations. The strata agent responded that the Strata Corporation is provided with a full copy of the entire policy each year and a copy is maintained in Ascent’s office. It was under the direction of the insurer to include only the Summary of Coverages in Notices of Call. The strata agent also noted that with photocopy charges being what they are, it provides a considerable savings to exclude the Declarations; however, those interested in obtaining a copy of the Declarations are welcome to contact the strata agent and a copy will be provided.

**PRESIDENT'S REPORT**

As the Council President was not in attendance, Jonathan Musser addressed the ownership and conveyed the following information:

2013 was a year of big changes, including the replacement of the former onsite building manager with Maria. Council felt the strata would receive better value and have better control by moving away from the onsite manager and cleaning company rolled into one. The strata is now two months into the new system and the initial sense is that it is going very well. In addition, our former strata agent, Ann Benoit, has been replaced by Karen Steed-Wiercinski and council feels the transition is going well.

A Special General Meeting was held to discuss the tower window upgrades. Council has received a fair number of letters on this issue and although an attempt was made to address the issue, it was found not to be palatable to the owners but was not a complete failure. Council will keep working on the issue until it determines what the ownership wants. Jonathan encouraged those who are interested in getting involved in discussing the tower windows to sign up for the Tower Window Upgrades Committee.

**2014 OPERATING BUDGET**

The floor was turned over to Council Treasurer, Diane Peters, for the presentation of the 2014 operating budget and Diane reported the following information:
The 2013 fiscal year ended with an operating surplus of $36,807 and council is recommending the transfer of the surplus to the Contingency Reserve Fund (CRF). One of the reasons for the surplus was that, due to the hiccups encountered during the year, council didn’t have a great amount of time to accomplish all of the things that were planned.

During the year a number of large expenditures were encountered, such as the replacement of two hot water tanks, damages to the generator, a pipe leak, serious boiler issues, and a broken sanitary drain pipe in the visitor parking. To date, the garage gate repair costs are in excess of $6,000 as car ran through it and the motor failed on another door.

New HVAC, generator, and carpet cleaning contractors have been secured. The tower common area carpets are cleaned every two months and the low rise hallways and stairwells are cleaned every three months. Quotes have been received for painting of the tower halls.

The 2014 budget was reviewed. Diane advised that she met with the strata agent and a draft budget was formed. Due to the need to call the AGM within the 60 days of the year end, the budget wasn’t passed by the balance of council until the day before the Notice of Call had to be mailed.

Based on the budget at hand, the proposal is for a fee increase of 1.18% which computes to $10,800 of additional operating revenue. Diane expressed the opinion of council that a 1% increase is insufficient. The buildings are aging and costs are increasing. The insurance premium budget has increased $16,000. Latham’s conducted their first HVAC quarterly preventive maintenance inspection and have provided quotes totalling $15,000 for various needed repairs. Council would recommend an increase of 4%, which would generate additional operating revenue of $38,000. Because a change from a 1% increase to a 4% increase would be considered a significant change to the budget, the budget at hand cannot be amended from the floor. It would be necessary defeat the budget at hand and call a Special General Meeting where a budget with a 4% increase would be presented.

Discussion ensued regarding the calling of an SGM and locating a venue. Owners voiced various opinions, both in favour and opposed to the budget at hand.

It was **MOVED** and **SECONDED** to approve the budget as proposed. The question was called and **FAILED** with only 20 (twenty) in favour and 94 (ninety four) opposed. The voting threshold to approve the motion was 58 (fifty eight).

### 3½ VOTE RESOLUTION #1: OPERATING BUDGET SURPLUS

**PREAMBLE**

As per section 105 of the Strata Property Act, the Strata Corporation must address any operating budget surplus or deficit during the next fiscal year. This resolution would satisfy that requirement by paying the deficit from the Contingency Reserve Fund.

**RESOLUTION**

**BE IT RESOLVED**, the Owners, Strata Plan NW 2036, do hereby authorize transferring the operating budget surplus to the Contingency Reserve Fund, satisfying Strata Property Act requirements.

It was **MOVED** and **SECONDED** to approve the resolution as presented in the Notice of Call.

Following discussion, it was **MOVED, SECONDED, and CARRIED** to amend the resolution as follows:

**BE IT RESOLVED**, the Owners, Strata Plan NW 2036, do hereby authorize transferring the operating budget surplus of $36,807.98 to the Contingency Reserve Fund, satisfying Strata Property Act requirements.
The underlined portion denotes the amendment.

The question was called to approve the amended resolution and CARRIED.

¾ VOTE RESOLUTION #2: SECURITY SYSTEM RESERVE

PREAMBLE

WHEREAS, additional funds are required to complete phase 1 of the security system installation;

AND WHEREAS, council would like to use Contingency Reserve Funds (CRF) to have this completed;

AND WHEREAS, it is estimated that a further $65,000 is required.

RESOLUTION

BE IT RESOLVED, the owners, Strata Plan NW 2036, transfer $65,000 from the Contingency Reserve Fund (CRF) to the Security Reserve to complete phase 1 of the security system installation.

It was MOVED and SECONDED to approve the resolution as presented in the Notice of Call. Discussion followed and it was noted that the intent is to obtain competitive bids. The $65,000 figure was provided by the consultant hired to advise council on security matters and is sufficient to cover the scope of work to upgrade the buildings’ security. The draft scope of work is not yet complete and will be reviewed by the Security Committee. Those interested in seeing the draft are encouraged to join the Security Committee.

The upgrades are expected to include the following:
- Improve front door security with the use of fobs or high security keys.
- Improve the hardware on all building entry doors and repair or replace any defective building entry doors.
- The total $190,000 Security System Reserve would include payment to the consultant, a contingency, and depending on pricing, and installing doors with windows from the parkade to the elevator foyers.

It was MOVED, SECONDED, and CARRIED to approve the resolution as presented.

¾ VOTE RESOLUTION #3: TOWER WINDOW RESERVE

PREAMBLE

A reserve fund exists for lobby and lighting upgrades in the amount of $104,197.05, however repair or replacement of the glazing (windows and doors) in 4353 (tower) has been identified as being of greater urgency. Council wished to form a dedicated special committee to consult with the owners, conduct a detailed assessment (in support of phased alternatives, and if desired by a majority of owners), and recommend a preferred plan for addressing this concern. The special committee would consist of a minimum of 3 and maximum of 7 owners chosen by council following an open nomination process. Since some of these tasks are likely to require significant effort, it is expected that a qualified professional will be retained to assist with the work.

WHEREAS, funds are currently allocated towards lobby and lighting upgrades;

AND WHEREAS, repair or replacement of the 4353 (tower) glazing has been identified as a higher priority project, and;

AND WHEREAS, council believes that formal consultation with owners and development of alternative options will require the assistance of a qualified professional.
**RESOLUTION**

**BE IT RESOLVED**, the Owners, Strata Plan NW 2036, transfer the funds currently allocated towards lobby and lighting upgrades to a new 4353 (tower) glazing reserve fund for the purpose of retaining the assistance of a qualified professional to assist with owner engagement, option investigations, and recommendations of a preferred plan for the project.

It was **MOVED and SECONDED** to approve the resolution as presented and the floor was opened for discussion. It was stated that a $10,000,000 assessment was levied in 2006 for the building envelope at the low rise buildings and each owner was levied a special assessment of $25,000 to $45,000, depending on suite size. The windows in the tower have been found to be sub-code. A Committee has been struck to look into the matter. Part of the process will be to hire a consultant to provide an assessment. The Committee will make its recommendations to council and council will have the responsibility of authorizing any expenditure.

It was **MOVED, SECONDED, and CARRIED** to amend the resolution to read as follows:

**BE IT RESOLVED**, the Owners, Strata Plan NW 2036, transfer the funds currently allocated towards lobby and lighting upgrades to a new 4353 (tower) glazing reserve fund for the purpose of considering the option of retaining the assistance of a qualified professional to assist with owner engagement, option investigations, and recommendations of a preferred plan for the project.

The underlined portion denotes the amendment.

The question was called and **CARRIED** to approve the amended resolution.

**NEW BUSINESS**

**HVAC:** An owner inquired what recourse the strata has against the former HVAC contractor responsible for deficient boiler maintenance. It was responded that the contract with that contractor was cancelled. In addition, the onsite manager now inspects the mechanical rooms on a weekly basis.

**Notices:** An owner suggested installing bulletin boards in the lobbies of the buildings for the posting of strata notices and minutes. The matter will be taken under advisement by the new council.

**Committees:** It was stated that the committees should provide council with a written report for posting or inclusion in the minutes.

**ELECTION OF STRATA COUNCIL**

Pursuant to the provisions of the *Strata Property Act*, the current Strata Council must resign from their positions but they are eligible for re-election.

The floor was opened for nominations and the following Owners allowed their names to stand for election:

- Morgan Nicholsfigueiredo
- Jonathan Musser
- Ngaire Fong
- Terry Richards
- Ann Gloux
- Ivo Georgiev
- Carmela Canino
- Claude Dugal
- Bill Britton
- Mae Lee
As more than seven owners volunteered for council, an election was held. Scrutineers were appointed and the ballots were tallied. The following owners were elected to the Strata Council:

Morgan Nicholsfigureiredo
Jonathan Musser
Terry Richards
Ann Gloux
Ivo Georgiev
Carmela Canino
Bill Britton

ADJOURNMENT

There being no further business to transact, it was **MOVED** to adjourn the meeting at 9:55 p.m.

Ascent Real Estate Management Corporation
Managing Agents
On Behalf of the Owners’ Strata Plan NW 2036

Karen Steed-Wiercinski
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KSW/an

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