

METROPOLITAN TORONTO CONDOMINIUM CORPORATION NO. 690

**Minutes of the Annual General Meeting
June 27, 2016**

The thirtieth Annual General Meeting of the Owners of Metropolitan Toronto Condominium Corporation No. 690 was held on June 27, 2016, at the Fleck Dance Theatre Lobby, 207 Queen's Quay West, 3rd Floor, Toronto, Ontario.

1. OPENING OF MEETING

The President of the Corporation, Rares Pateneau, presided as Chair and called the meeting to order at 7:06 p.m. He welcomed the Owners and introduced the Directors and guests at the head table.

Rares Pateanu	President
Roger Gibb	Director
Dorothy McComb	Director
Lorraine Joyner	Director
Patricia Watt	Director

and by invitation,

Tom Little	Auditor, Gilmore and Company LLP, Chartered Accountants
Warren Kleiner	Miller Thomson LLP
Deborah Shaver	Property Manager, DJS Management Inc.
Rosemary Hillary	Recording Secretary, Broadmoor Meeting Services

2. NOTICE OF MEETING

The Chair advised that the Notice of Meeting, the minutes of the previous Annual General Meeting, and the Auditor's Report had been delivered or mailed to all members of the Corporation. A signed declaration had been filed with the Corporation's Secretary as Proof of Service of Notice of the Meeting in accordance with the requirements of the *Condominium Act* and was available for inspection. The Chair then directed the Secretary to annex the Proof of Service and the Notice of Meeting to the minutes of the meeting.

3. APPOINTMENT OF SCRUTINEERS

With the consent of Owners, Reggie Modlich and Nikos Evdemon were appointed as scrutineers.

On a **motion** by Ms. Kavanagh (1210), **seconded** by Mr. Burton (908), **it was resolved** to appoint Reggie Modlich and Nikos Evdemon as Scrutineers for the meeting. **The motion was carried**

The Scrutineers' report on attendance was presented and it was reported that 28 units were represented in person and 6 by proxy, for a total representation of 34 units, exceeding the quorum requirement of 18 units. The Chair directed that the Scrutineer's Report be adopted.

The Chair declared that with the Proof of Notice calling the meeting having been served, together with the confirmation of quorum, the Annual General Meeting of the Owners of Metropolitan Toronto Condominium Corporation No. 690 was properly constituted for the transaction of business as set out in the notice.

4. APPROVAL OF MINUTES, ANNUAL GENERAL MEETING, JUNE 29, 2015

The minutes of the Annual General Meeting held June 29, 2015, had been delivered or mailed to all Owners' for review prior to the meeting. The Chair asked if there were any errors or omissions and hearing none, called for a motion to approve the minutes, as circulated.

On a **motion** by Mr. Owen (1205), **seconded** by Ms. Evdemon (1108), **it was resolved** that the minutes of the Annual General Meeting held June 29, 2015, be approved, as circulated. **The motion was carried**

5. FINANCIAL STATEMENTS - DECEMBER 31, 2014

a) Presentation / Approval of Audited Financial Statements

The Chair called upon the Auditor, Mr. Tom Little of Gilmore and Company LLP, to present the audited financial statements for the fiscal year ended December 31, 2015.

Mr. Little referred to the Auditor's Report and advised that the Auditor reports to the Owners. The Property Manager was responsible for the content of the financial statements and the Auditor checks to ensure accuracy. It was his opinion that the financial statements present fairly the financial position of the Corporation at year-end and a clean audit opinion had been given.

Mr. Little presented some highlights from the financial statements, noting operating cash totalling \$105,414 which was made up of cash, accounts receivable and prepaid expenses. Reserve Fund cash and investments totalled \$816,442 for a total of \$921,856 in assets; liabilities totalled \$74,802. Net assets amounted to \$847,054 compared to \$626,911 the previous year.

Reference was made to the Statement of Reserve Fund showing an amount of \$504,000 being transferred from the Operating Fund. Interest of \$3,029 was earned on the account. Expenditures from the fund totalled \$257,946, with the most significant items exceeding \$20,000 being balcony railings, corridor refurbishment, pool area expenses, HVAC and window and glass replacements. There was also an expenditure of \$18,000 for improvements to building accessibility.

The amount of revenue over expenses amounted to \$249,083 which, added to the Reserve Fund balance at the beginning of the year, gave an overall balance in the Reserve Fund of \$807,136 at the end of the year after the transfer of \$504,000.

Reference was made to the day-to-day expenses and it was noted that staffing costs were up compared to the previous year, due to the purchase of new uniforms, but the account was still under budget.

The Schedule of Operating Expense was reviewed and it was reported that administration expenses totalled \$125,150 compared to \$114,087 the previous year. Shared facilities expenses increased but was close to budget. Contract services totalled \$200,164 compared to \$219,800 and grounds keeping decreased because there was a change in the contractor. Repairs and Maintenance costs were \$109,789 compared to \$117,428 last year. A contingency amount of \$35,000 had been included for Repairs and Maintenance, of which \$1,230 had been used. Some other accounts were over budget but were still consistent with last year's expenditures.

Utility costs were a little over budget and last year's expense of \$286,092 due to rate increases and an increase in consumption.

Mr. Little referred to the Notes to the Financial Statements, mentioning Note 3 specifically stating that the Reserve Fund Study had last been updated in 2014. He advised that the balance of the Reserve Fund was \$807,136 at year end, compared to \$184,078 stated by the engineers, the difference being because of timing.

At the conclusion of the Auditor's report, questions were invited.

1. Mr. Burton (908) asked about the amount for consulting. The Chair advised that this was for the development of the website.
2. Mr. Burton also mentioned the change in the grounds keeping contractor and asked if it were possible to compare the results of the change. The Chair advised that the Garden Committee had worked on the requirements for the gardens and its mandate was to find the right company to do the work. The change resulted in a decrease in cost but there is no mechanism to make a comparison because it is somewhat subjective. However, he had received only positive comments about the gardens. In response to a further question from Mr. Burton about planting annuals, the Chair advised that there was no plan to create another design. Further, the committee's work was concluded but feedback could be provided for consideration in the future.
3. Mrs. Bruns (1009) advised that one particular area that her suite overlooks has no flowers, only grass. Ms. Shaver advised that more planting was being done the next day.
4. Ms. Brown (1003) asked about cash and investments; specifically how this was split, and noting that it seemed to be invested in one GIC, not staggered. Ms. Shaver advised that there had been a change to a more experienced investment advisor and investments were being reorganized to get a better return and they would be staggered. The Chair noted that the *Condominium Act* restricts the type of investment instruments that a condominium may use.
5. In response to a question about HVAC costs, Ms. Shaver advised that efforts were being made to separate the expense out in the budget. There were changes in the way the budget amounts have been divided and this would be fixed in next year's budget.
6. Mr. Stevenson (1204) asked whether funds could only be invested in GICs. Ms. Shaver explained the limitations noting that they must be in government guaranteed investments. Mr. Kleiner added that there are also issues of liquidity and it is often not possible to cash out bonds quickly.

The Chair requested a motion to approve the audited financial statements for the fiscal year ended December 31, 2015.

On a **motion** by Mr. Burton (908), **seconded** by Mr. Ramchandani (1216), **it was resolved** to approve the audited financial statements for the fiscal year ended December 31, 2015. **The motion was carried**

b) Appointment of Auditor

The Board recommended the re-appointment of Gilmore and Company as the corporation's Auditor.

On a **motion** by Mr. Pateanu, **seconded** by Mr. Evdemon (1108), **it was resolved** to appoint the firm of Gilmore and Company LLP, Chartered Accountants, as Auditor of the corporation to hold office until the next Annual General Meeting of the unit Owners at a remuneration to be fixed and authorized by the Board of Directors. **The motion was carried**

There being no further questions of the Auditor, Mr. Little retired from the meeting at this time, (7:34 p.m.).

6. ELECTION OF DIRECTORS

The Chair advised that Shawn Porter had moved from the building and he expressed thanks to Mr. Porter on behalf of the Board and Owners for his many years of excellent service. Pat Watt had been appointed to fill the vacancy left by Mr. Porter's departure and she had indicated that she would be standing for election. The Chair stated that his own term expires at this meeting. He advised that a Nominating Committee had been formed and had met and confirmed the two candidates.

As there were two vacancies and two candidates, the Secretary was asked to cast a single vote to elect the candidates proposed by the Nominating Committee.

7. INFORMATION SESSION – STANDARD UNIT BY-LAW AND INSURANCE DEDUCTIBLE BY-LAW NO. 9

The Chair explained that the *Condominium Act* requires the corporation to provide insurance coverage for damages to a unit but the coverage currently is for "as-built" coverage and few units remain in their original form. As a result, the question arises as to what a condominium should cover and what should be covered by the unit owner's insurance. The *Act* allows the creation of a formal Standard Unit By-law which sets out the definition of "as built". As a result, the Board has presented the by-law for consideration and the Chair explained the proposed process for moving its implementation by the corporation.

The Chair introduced Warren Kleiner to provide more details of the by-law and to respond to any questions.

Mr. Kleiner explained that currently, if an Owner paid for upgrades to his or her unit prior to registration, the condominium corporation would be responsible for those upgrades. However, if upgrades were made after registration, the corporation would be responsible only for the unit as it was at the time of purchase. As years go by, residents make renovations and the corporation has no way of knowing what was or was not included at the time of purchase, or what has been done over the years. He outlined the problems that could occur after damage was caused to a unit, with each side's insurance broker claiming that the other was responsible.

Due to these issues, the government created an Insurance Deductible By-law which sets out what comprises a standard unit and, as a result, condominiums insure common elements up to the standard unit definition. This involves creating a standard list covering the items found in the majority of units to be covered by the

corporation's insurance. Everything else, improvements, betterments and upgrades, will be covered under the unit owner's insurance.

Mr. Kleiner recommended that Owners provide a copy of the by-law to their insurance brokers once it is in place, which might result in an owner paying a little more for coverage, or possibly less. Generally, items such as drywall, interior doors, lock sets, hardware, kitchen cabinetry, sink toilets, a basic coat of paint, etc. will be considered a "standard unit". Flooring is often excluded from the definition of a standard unit. He noted that often water damage is the only issue and implementation of the by-law will help keep the corporation's premiums down.

A number of questions were received:

1. Mr. Stevenson (1204) asked about the date of implementation. Mr. Kleiner stated that if the by-law is passed, it will apply from the moment it is registered on title.
2. Mr. Stevenson (1204) asked how Owners would know they were in compliance. Mr. Kleiner advised that this is not something that individual owners are required to do. Everything will be set out in the by-law stating what the standard unit definition is, such as, for example, the sink being white. If a resident has changed the sink from standard white, then this would be considered an upgrade. He added that it was about insuring the value, not the item.
3. Mr. Stevenson (1204) advised that his unit was the same as when he purchased it. Mr. Kleiner acknowledged that there might be a few units that are the same, but there have been many changes throughout the years. Further, there was a difference between units when the building was built. This is how the corporation will know what the corporation insures. The insurance broker will help determine whether an owner has sufficient coverage. The by-law should be given to the insurance broker, possibly together with pictures.
4. Mr. Simpson (1003) understood it to be a co-insurance between himself and the condominium's insurance and if there is damage, it will be covered by one policy or the other. He asked whether it was a no-fault arrangement. Mr. Kleiner stated that it was mostly no-fault and if an Owner caused the damage, the Owner would pay their own and the corporation's costs.

One area where this does not apply is the deductible in the corporation's policy. Mr. Kleiner quoted from Article 2 of the *Condominium Act* which explained the responsibility of the Owner for paying "lesser of the repair and the deductible payable under the corporation's policy", noting that the corporation's deductible is \$20,000. Insurance to cover this amount would therefore be required. In this respect, Mr. Kleiner also reported that in many corporations, the deductible has risen to \$50,000 or \$100,000. The Chair noted that the corporation has no control over the deductible amount and is party to Brookfield's insurance. Mr. Kleiner added that there are instances where corporations have had numerous claims and are being told that if they do not have a by-law in place, insurance will be denied.

5. Mr. Gibb (1104) asked whether the by-law was customized. Mr. Kleiner confirmed that it would be tailored to the building because condominium units will have different features.
6. Mr. Simpson (1003) asked if a single deductible would apply if damage were caused in multiple units from a single incident. Mr. Kleiner confirmed that this was the case.

7. A question was asked about someone else working in a unit and causing damage, so it was not directly the unit Owner's fault. Mr. Kleiner advised that this would be an act of omission and the unit Owner would still be responsible. As previously noted, the Owner would be responsible for the deductible amount, but damaged caused to betterments or upgrades in other units, would be claimed on the homeowners' insurance. Unit owners should be covered for their own unit upgrades, as well as personal belongings.
8. Mr. Owen (1205) asked whether the amount of the deductible would be specified in the by-law. Mr. Kleiner advised that he and Ms. Shaver will work on the information that Owners may take to their insurance brokers.
9. Mr. Burton (908) suggested that a one-page summary of this information be created providing the key points. Mr. Kleiner confirmed that this could be done.
10. Ms. Swanson (909) asked whether she would be responsible for the deductible of the unit Owner living below. Ms. Kleiner advised that this was not the case, and that the responsibility was for the corporation's deductible only. Ms. Swanson then asked whether it would be a good idea to use the same company. While this was generally considered to be advantageous, Ms. Shaver stated that in the case of this corporation, it was not possible because of the complexities of the arrangement with Brookfield. However, she did recommend that residents use companies that have experience in the condominium insurance market.
11. Mr. McComb (913) asked about events of dispute, if it involved a board member. Mr. Kleiner advised that there is a conflict of interest provision in the *Act* which will apply in such instance.
12. Ms. Brown (1003) questioned Part 4, which has different language from other parts of the by-law. Mr. Kleiner explained that if anything result from acts by the corporation or its agents, for example a contractor, doing work that causes damage, an Owner is not responsible. This covers all eventualities with respect to Directors, officers and agents. This wording had not been used in other sections because it is an automatic understanding that the corporation covers everything and in this case it has been slightly expanded.
13. Mr. Hranis (917) asked who defines the standard or upgrades and asked if there was a listing. In an insurance policy it has a dollar value and the building is appraised periodically. Mr. Kleiner advised that it would be the adjuster at the time and it would be a matter of research.

Mr. Kleiner commented generally that 37 Owners voting in favour of the by-law was needed for it to pass, or at least 50%. He encouraged Owners to complete their proxies and give them to management for a later date.

14. Mr. Gibb (1104) asked why this was being introduced now and not five years ago and whether it would be obligatory. Mr. Kleiner agreed that it should have been done previously but insurance rates are now changing faster than ever before and it is having an effect on premiums. While it was not obligatory to have this by-law, it is a risk for the corporation not to have it. Further, it helps manage insurance claims and keeps premiums and deductibles down.

The Chair asked Owners to complete the proxy and give it to Ms. Shaver, or, if required, they could take more time. Ms. Shaver will follow up with Owners.

8. PRESIDENT'S COMMENTS

The President, Mr. Pateanu, congratulated Ms. Watt on her election and expressed thanks to Owners for placing their trust in him and his fellow Board members to take care of the building. He reported on items that the Board had been dealing with in the past months.

Mr. Kleiner excused himself from the meeting at this time, (8:20 p.m.).

The Board's objectives with respect to the Reserve Fund and Reserve Fund Study were outlined. It was noted that the Study will be updated at the end of the year. A 2014-2016 plan versus actual comparison had been prepared and would be posted to the website soon. Everything was tracking closely to plan but it had been necessary to delay the pool renovation and the elevator renovation. These delays were the reason for the fund balance to be \$623,000 over the projected amount.

The pool renovation was now almost complete and the facility would reopen at the end of next week. Thanks were expressed to members of the Pool Renovation Committee, Roger Gibb and Dorothy McComb.

The elevator renovation will start in January 2017 and will take almost five months. Mr. Pateanu explained the work that would be done on the equipment, one car at a time. Thanks were expressed to Mr. Gibb for his work on this project.

It had been determined that it is possible to enclose the terrace at the south end of the building and use the direct access to it from the change rooms so that a gym could be set up. Detailed estimates will be obtained for this project and it will be included in the next Reserve Fund Study. However, if the costs are too high for inclusion in the fund, the decision will come back to the Owners on whether a special assessment should be levied.

Thanks were expressed to Ms. Watt on the newsletter and Owners were asked to let the Board know if the content met their needs. Mr. Pateanu advised that there would be more communication by email in future and residents should go to the website to set up their credentials at www.211queensquaywest.ca

9. OTHER BUSINESS / QUESTION PERIOD

Mr. Pateanu opened the floor to general questions.

1. A question was asked about the plan for electronic communication and what residents would do if they did not have internet. Ms. Shaver advised that Bill 106 requires all condominiums to communicate by email or website but essential information will still be provided in hard copy. Another Owner commented that effective communication is essential but did not believe this could be done via the website and asked how would it be known that something had been posted to the site. The Chair advised that there will be a notification by email if something new has been posted.
2. Mr. Owen (1205) commented on last year's minutes where the issue of the condition of the strip of grass adjacent to the building was mentioned. Ms. Shaver advised that this had been raised with Brookfield but nothing had been heard on action that would be taken. She explained the relationship with Brookfield, noting that, while relations with the management of the building were good, head office did not have the budget to deal with these issues or see them as a priority. Ms. Shaver advised that a meeting would be taking place with Brookfield in a couple of weeks. The Chair added that the

corporation would continue to build the relationship but commented that, given the level of ownership in the building, there is no obligation or incentive and the corporation has no recourse on action that can be taken.

General discussion took place about this matter on action that residents could take and whether legal action was an option. Ms. Shaver explained the requirements of the Reciprocal Agreement which sets out the details of the arrangement with Brookfield.

3. Ms. Brown (1003) asked whether there was any information about the commercial space in the building. The Chair advised that the only information is that they are in communication with a number of business such as hair salons, an ice cream parlour and a restaurant.
4. Mr. Gilbert (1111) said he was new to the building and was surprised at the temperature in the parking garage. Ms. Shaver advised that this was naturally occurring being between two floors of commercial space and the corporation does not contribute to the cost.
5. Ms. Schuyler (1207) thanked the Board for its work. This was supported in a round of applause. She commented that it was now some time since the construction on Queens Quay had been finished and she asked whether there was any sense that it would come up for review or evaluation. The Chair advised that the Board does not know any more than residents do, or what can be found on Waterfront Toronto's website. He advised that there had been several feedback sessions and some action was taken with signage. Mr. Pateanu added that the Board's job is to look after the fiduciary aspects of the building and does not have a mandate to deal with external matters which is in accordance with the *Condominium Act*. He suggested that residents may wish to form an association to look into these issues if they wish.
6. Ms. Joyner reminded residents of an upcoming bus trip to Stratford.

10. TERMINATION OF MEETING

The business of the meeting having been completed, the Chair called for a motion to terminate.

On a **motion** by Mr. Evdemon (1108), **seconded** by Mr. Burton (908), **it was resolved** that the Annual General Meeting of MTCC 690 held on June 27, 2016 be terminated at 8:58 p.m. **The motion was carried**

President
RH/nf

Secretary

M.T.C.C. No. 690

**LIST OF MOTIONS
Annual General Meeting, June 27, 2016**

1. **Appointment of Scrutineers**
On a **motion** by Ms. Kavanaugh (1210), **seconded** by Mr. Burton (908), **it was resolved** to appoint Reggie Modlich and Nikos Evdemon as Scrutineers for the meeting. **The motion was carried**

2. **Approval of Minutes**
On a **motion** by Mr. Owen (1205), **seconded** by Ms. Evdemon (1108), **it was resolved** that the minutes of the Annual General Meeting held June 29, 2015, be approved, as circulated.
The motion was carried

3. **Audited Financial Statements**
On a **motion** by Mr. Burton (908), **seconded** by Mr. Ramchandani (1216), **it was resolved** to approve the audited financial statements for the fiscal year ended December 31, 2015. **The motion was carried**

4. **Appointment of Auditor**
On a **motion** by Mr. Pateanu (916), **seconded** by Mr. Evdemon (1108), **it was resolved** to appoint the firm of Gilmore and Company LLP, Chartered Accountants, as Auditor of the Corporation to hold office until the next Annual General Meeting of the unit Owners at a remuneration to be fixed and authorized by the Board of Directors. **The motion was carried**

5. **Termination of Meeting**
On a **motion** by Mr. Evdemon (1108), **seconded** by Mr. Burton (908), **it was resolved** that the Annual General Meeting of MTCC 690 held on June 27, 2016 be terminated at 8:58 p.m.
The motion was carried

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