ANNUAL GENERAL MEETING MINUTES WEDNESDAY, FEBRUARY 22, 2012

CRESCENT II – LMS 4530

LOCATION:
7:00 p.m. – Clubhouse
3500 144th Street
Surrey, B. C.

STRATA COUNCIL 2011
CHAIR
Harry Harris - #71
604-538-3599
SECRETARY
Connie Hobman -#84
778-294-0533
TREASURER
Barry Cashmore - #53
604-541-3963
LANDSCAPING
Bev Nicholas - #49
604-535-7312
IRRIGATION
Bill Laidlaw - #87
604-535-8986
MAINTENANCE
Roy Gattinger - #79
604-541-6363
SECURITY/CITY LIAISON
Doris Cummings - #48
604-541-3063

STRATA MANAGER
Fred Borgford
E-Mail: fred@crpm.ca

CROSSROADS MANAGEMENT LTD.
1015, 7495 132ND STREET,
SURREY, B.C. V3W 1J8
Phone: (778) 578-4445
Fax: (778) 578-4447

EMERGENCY CONTACT
24 HOUR SERVICE
(778) 578-4445

Owners are encouraged to save copies of the minutes (on your computer) as prospective purchasers will usually request two years worth of minutes before buying. This will save you or them money as the management firm does charge .25 per page to reproduce them.

ATTENDANCE:
25 Owners registered in person
15 Owners registered and represented by proxy

(1) CALL TO ORDER

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

(2) CALLING THE ROLL/CERTIFICATION OF PROXIES

The roll was called and all proxies certified by Mr. Harris 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. Harris reported that a quorum was present.

(3) PROOF OF NOTICE/WAIVER OF NOTICE

Mr. Harris 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 Owners on January 26, 2012, 20 days prior to the meeting date.

It was **MOVED** (55) and **SECONDED** (80)

THAT adequate notice was given for this evening's meeting

CARRIED

(4) ADOPTION OF PREVIOUS MINUTES

It was **MOVED** (48) and **SECONDED** (53)

THAT the minutes of the Annual General Meeting of February 16, 2011 be adopted as presented.

CARRIED

(5) REPORTS

Harry Harris read his report from the Chair, which is attached to and forms part of these minutes.

Mr. Harris then invited Mr. Don Jones, and owner, to provide details of the Strata's insurance policy:

(6) REPORT ON INSURANCE

Don Jones discussed our strata's current insurance coverage and referred owners to the insurance summary submitted as part of our AGM package.

For the year 2004 – 05 our limit of coverage was $10,830,000 and premium $16,984.

For 2012, this limit has increased to $21,575,900 and the premium to $44,655.

By increasing our "all risk" deductible from $1,000 to $5,000 we saved $2,800.

Owners are urged to contact their insurance brokers to be sure their unit owner's policy covers the increased deductible. Owners should already have this coverage as our deductible on water-on water related losses (80% of strata claims) has been $5,000 for several years. There should be no charge. If asked to pay more, shop around.

Legal precedent dictates our strata charge the deductible back to unit owners.

(7) RATIFICATION OF RULES

There were no rules to be ratified.

(8) CONSIDERATION OF 3 / 4 VOTE "A"

It was **MOVED** (49) and **SECONDED** (99)

> **Be it resolved by a ¾ vote of the Owners, Strata Plan LMS 4530 that authority be given to spend up to $42,000.00 from the Contingency Reserve Fund to remove trees and shrubs which may cause damage to the strata property, install irrigation upgrades and refurbish 14 units with trellises that have wood rot. This expenditure will be funded by the Contingency Reserve Fund. Any funds not used for this project will remain in the Contingency Reserve Fund.**

Following a discussion, it was **MOVED** (56) and **SECONDED** (47)

That the original motion be amended to include:

> **The trellises be removed but not replaced until after a period of four months in order to gauge whether the trellises need to be replaced.**

Following further discussion, it was **MOVED** (56) and **SECONDED** (47)

That the amendment to the original motion be amended to include:

> **The trellises be removed but not replaced until after a period of one month in order to gauge whether the trellises need to be replaced.**

After further discussion the vote was called and the amendment to the amendment to the original motion was **DEFEATED**:
4 in favour, 36 opposed, 0 abstained

The vote was called on the amendment to the original motion and it was **DEFEATED**
4 in favour, 36 opposed, 0 abstained

After considerable discussion on the benefits of going forward with three items in one resolution, the vote was called on the original motion to adopt **RESOLUTION 'A'** as presented, and it was
CARRIED

36 in favour, 4 opposed, 0 abstained

(9) <u>CONSIDERATION OF PROPOSED OPERATING BUDGET 2012</u>

Barry Cashmore, Treasurer, reviewed in detail the income and expenses for the fiscal year 2011 and the Proposed Operating Budget for 2012 for the benefit of all Owners.

The proposed budget included a reduced annual contribution of $4,000.00 to the Contingency Reserve Fund.

Following a discussion it was **MOVED** (56) and **SECONDED** (47)

> **THAT the Proposed Operating Budget for 2012 be amended to include a contribution of $12,000 to the Contingency Reserve Fund.**

The vote was called and the proposed amendment was **CARRIED**
30 in favor, 10 opposed, 0 abstained.

It was then **MOVED** (47) and **SECONDED** (99)

> **THAT the Proposed Operating Budget for 2012 be adopted as amended.**

40 in favour, 0 opposed, 0 abstained.

(10) <u>PAYMENT OF STRATA FEES</u>

The payment of your monthly Strata fees, as shown on the amended attached schedule, 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. As the old fees were already taken for January and February and there is an increase in strata fees, effective January 1, 2012, a second small amount will be**

withdrawn from your account on March 1, 2012 together with your new fee. Your new fee will then be deducted on the 1st of each of the following months. If an Owner is already on this system, no further action is required.

2. **Post-dated cheques**, whereby an Owner supplies us with 12 post-dated cheques dated the first of each month, commencing January 1, 2012, payable to **Strata Plan LMS 4530 – Unit #____**. Cheques may be left in mailbox 13 in the clubhouse mailroom for pick-up.

Attached is the adopted budget and fee schedule for your convenience.

(11) ELECTION OF STRATA COUNCIL

Harry Harris explained to the Owners that the Strata's bylaw requires that three Owners be elected tonight to serve on council for a one-year period. The following three owners were nominated:

Barry Cashmore – # 53 Bill Cheb- # 93 Veronica Porter- #89

And, the following names were recorded to be on Council through acclamation for Council for an additional one-year term:

Harry Harris - #71 Doris Cummings - #48 Roy Gattinger - #79 Bev Nicholas - #49

The chair asked the owners whether they would accept this Council for the next fiscal year. All seven were unanimously accepted. A warm round of applause was extended to the newly elected Council.

(12) DISCUSSION

12.1 Gutter cleaning
An owner asked that gutters be cleaned be more often as they are overflowing. Roy explained to owners that gutters will be cleaned twice in the fiscal year.

(13) TERMINATION OF MEETING

There being no further business, the meeting was terminated at 8:15 p.m.

Council met later this evening and scheduled their first meeting of the Strata Council to take place at 9:00 a.m. March 14, 2012, in the clubhouse.

Fred Borgford,
Strata Manager

Report from the Chair

Thank you for your attendance tonight and for fulfilling your obligation as a fellow member of our community.

I just have a few comments before we proceed:

I sincerely want to thank the members of council for their time and very serious commitment to making our community a better place. They've done a fabulous job.

Being on council requires this kind of commitment but does not necessarily require a lot of time from your other pleasures & responsibilities. Many of us are retired or semi- retired and spend as much as 6 months away from home but can still contribute significantly to the success of council.
Tonight we will need to replace three members of council and I strongly encourage you to step up and add your voice and ideas to help our little community to continue to flourish; maintain its attractiveness, its desirability & marketability.

We all want a pleasant, safe and friendly place to live. We have all invested in a certain lifestyle and, in the end, that should be complemented with realizing a strong investment. With this in mind, and realizing that Crescent 11 is in its second decade, this council has concentrated on the areas of landscaping and maintenance. Roy & Bev have done an incredible job, often working in unison to revamp these areas.
The proposals that have been put forward , we believe, are necessary to maintain our desired lifestyle and secure our investments.

The proposed funding is necessary and one of our jobs tonight is to determine the source of this funding.
We will get to this in short order but next on the agenda is the Report on Insurance.

I have asked Don Jones, who has donated much of his time over the years to present this report. Don has extensive experience in the insurance industry and has always been a great resource for councils over the years.

Over to you Don...

Treasurers Report
for LMS 4530
for the Year Ending December 31, 2011
& the Budget year 2012

This year's council was able to, once again, record an overall surplus of revenues over expense. Revenues were on budget and we are able to report that at no time during the year were there any strata fees arrears.

Expenses fall into four broad categories The first is Landscaping & Grounds. The Strata recorded $49,539 of expense against a budget of $51,700, which on the surface was good although done only because roughly $3000 of expense was deferred. The next major category is Repair & Maintenance and here we were over budget roughly $1600. Repairs alone were $5500 over budget due to some real issues with structures. We were able to keep the expense down by backing off window and gutter cleaning. Some of the continuing structural issues are addressed within your strata AGM package. Next is the Utilities category that was $2750 under budget. This is largely due to how the City bills its clients for water and sewer. In 2010, it was 14 months in 12 months. This year it appears to be 10 months in 12. It will balance it self out. The final category is Administration that includes Insurance costs, Property Management fees, and Contingency Reserve contributions. From a budget standpoint, the category was roughly $600 under. Overall the surplus recorded was $4228

Contingent Reserve Funds totals $216,061 at year-end. This includes the Unallocated, the Painting Fund and the balance of the Connection Hose Fund. Activity in the CRF during the 2011 year included owner contributions of $33,455, net interest & adjustments of $2,952 and the withdrawal of $12,000 for the Connection Hose fund. It is expected the balance of $1937 in the Hose fund will be rolled back to the Unallocated CRF together with this years surplus of $4228 after the first meeting of the new Council.

In addition to the LMS 4530 CRF (Crescent II), it should be noted LMS 4241 (Crescent I) holds $13,297 in their CRF In-Trust for LMS4530 as it relates to the Shared Expenses and contributions going forward, are approximately $1900 annually. This CRF fund would cover specific capital expense for the Club House, Front gate and related assets.

This year's budget reflects the desire of Council to maintain a slightly higher standard of Landscaping and Grounds and it is in this general category, we are proposing an annual expense increase of approximately $15,000. You will hear in today's discussion how our contract people will be more accountable to the owners through the Landscaping committee and we expect the end result will be a well maintained complex. The Repair and Maintenance category will require addition funding either via the CRF or Special Assessment to cover the onetime expenses discovered during the past year and covered separately in your AGM package. The expense budget for R&M, however, will remain roughly the same as last year. In the Administration category, we are faced with a 5% increase for Insurance costs with all other expenses remaining roughly the same. In an effort to minimize the rise in Strata fees, council is recommending our contribution to CRF be reduced by $12,000. The effect is reduced slightly with the transfer of approximately $6000 noted above. Strata fees are up roughly 8.8% with this proposed budget due from an overall increase in expense of $3600 and the fact no previous year's surplus is available to subsidize fees.

I hope this year's Council is proud of the work they have done this year as I know that many of you who have served before are aware of how much expectation we all place of ourselves. Sometimes, it can be difficult to determine if we are doing the right thing.

One final word.........Depreciation Report.......this new Strata Act legislation came effect last December and will require the new council to determine how this Strata fits with the new rules. Our Property Manager is advocating for our Strata to be proactive and start the process of complying with the new rules now Council have decided to wait and see as the deadline for complying is December, 2013.

Thank you

Barry Cashmore, #53

CRESCENT II - LMS 4530
PROPOSED OPERATING BUDGET
JANUARY 1, 2012 TO DECEMBER 31, 2012

	ADOPTED BUDGET 2011.00	ACTUAL 2011	APPROVED BUDGET 2012
INCOME:			
Strata Fees	142412.00	$142,412	$165,961
Prior Year Surplus	12080.00	$12,080	
Interest Income	150.00	$343	$300
Miscellaneous		$140	
Water - Sewer - $30.00/month/unit	20520.00	$20,520	$20,520
Painting Income	17455.00	$17,455	$17,455
TOTAL INCOME	**192617.00**	**$192,950**	**$204,236**
COMMON EXPENSES:			
Landscaping and Grounds			
Landscape Contract	35500.00	$36,204	$47,800
Drainage Repair and Maint.	5000.00	$800	$5,000
Plant Replacement and Improvements	7500.00	$11,502	$7,500
Irrigation	2200.00	$913	$2,464
Snow Removal	1500.00	$120	$1,500
Pest Control			$2,503
TOTAL LANDSCAPING AND GROUNDS	**51700.00**	**$49,539**	**$66,767**
REPAIR AND MAINTENANCE			
Repair AND Maintenance	14431.00	$19,924	$12,000
Gutter Cleaning	5000.00	$2,016	$5,000
Shared expenses	9452.00	$9,452	$8,526
Window Cleaning	2200.00	$1,316	$2,200
Roof Moss Control			$2,000
TOTAL REPAIR AND MAINTENANCE	**31083.00**	**$32,708**	**$29,726**
UTILITIES			
Electricity	1000.00	$735	$750
Water - Sewer expense	20520.00	$18,035	$20,520
TOTAL UTILITIES	**21520.00**	**$18,769**	**$21,270**
ADMINISTRATION			
Statutory Review	0.00	$56	$100
Legal/Audit	500.00		$500
Office Expense/Web site	1800.00	$1,636	$1,800
Insurance Premiums	39791.00	$39,791	$41,850
Management Fees	12768.00	$12,768	$12,768
Contingency Contributions	16000.00	$16,000	$12,000
Painting Reserve	17455.00	$17,455	$17,455
TOTAL ADMINISTRATION	**88314.00**	**$87,706**	**$86,473**
TOTAL EXPENSES	**192617.00**	**$188,722**	**$204,236**
		4,228	0

			LMS 4530 Approved Strata Fee Schedule			
			January 1,2012- December 31, 2012			
S/L	**UNIT**	**U/E**	**BASE BUDGET**	**Water and Sewer**	**PAINTING CONTINGENCY**	**MONTHLY PAYMENT OPTION 1**
1	**93**	185	232.91	30.00	24.50	**287.41**
2	**92**	178	224.10	30.00	23.57	**277.67**
3	**89**	191	240.47	30.00	25.29	**295.76**
4	**88**	191	240.47	30.00	25.29	**295.76**
5	**87**	191	240.47	30.00	25.29	**295.76**
6	**86**	191	240.47	30.00	25.29	**295.76**
7	**84**	191	240.47	30.00	25.29	**295.76**
8	**83**	191	240.47	30.00	25.29	**295.76**
9	**76**	214	269.43	30.00	28.34	**327.76**
10	**45**	178	224.10	30.00	23.57	**277.67**
11	**46**	185	232.91	30.00	24.50	**287.41**
12	**49**	192	241.73	30.00	25.42	**297.15**
13	**50**	206	259.35	30.00	27.28	**316.63**
14	**53**	182	229.14	30.00	24.10	**283.24**
15	**54**	182	229.14	30.00	24.10	**283.24**
16	**73**	191	240.47	30.00	25.29	**295.76**
17	**74**	204	256.84	30.00	27.01	**313.85**
18	**75**	214	269.43	30.00	28.34	**327.76**
19	**72**	191	240.47	30.00	25.29	**295.76**
20	**71**	204	256.84	30.00	27.01	**313.85**
21	**68**	206	259.35	30.00	27.28	**316.63**
22	**67**	192	241.73	30.00	25.42	**297.15**
23	**66**	206	259.35	30.00	27.28	**316.63**
24	**65**	192	241.73	30.00	25.42	**297.15**
25	**64**	177	222.84	30.00	23.44	**276.28**
26	**63**	183	230.40	30.00	24.23	**284.63**
27	**60**	204	256.84	30.00	27.01	**313.85**
28	**59**	191	240.47	30.00	25.29	**295.76**
29	**70**	204	256.84	30.00	27.01	**313.85**
30	**69**	191	240.47	30.00	25.29	**295.76**
31	**62**	182	229.14	30.00	24.10	**283.24**
32	**61**	182	229.14	30.00	24.10	**283.24**
33	**58**	182	229.14	30.00	24.10	**283.24**
34	**57**	182	229.14	30.00	24.10	**283.24**
35	**96**	178	224.10	30.00	23.57	**277.67**
36	**97**	185	232.91	30.00	24.50	**287.41**
37	**95**	206	259.35	30.00	27.28	**316.63**
38	**94**	192	241.73	30.00	25.42	**297.15**
39	**91**	206	259.35	30.00	27.28	**316.63**
40	**90**	192	241.73	30.00	25.42	**297.15**
41	**85**	214	269.43	30.00	28.34	**327.76**
42	**47**	192	241.73	30.00	25.42	**297.15**
43	**48**	206	259.35	30.00	27.28	**316.63**
44	**51**	192	241.73	30.00	25.42	**297.15**
45	**52**	206	259.35	30.00	27.28	**316.63**
46	**55**	192	241.73	30.00	25.42	**297.15**
47	**56**	206	259.35	30.00	27.28	**316.63**

48	**98**	204	256.84	30.00	27.01	**313.85**
49	**99**	191	240.47	30.00	25.29	**295.76**
50	**100**	177	222.84	30.00	23.44	**276.28**
51	**101**	183	230.40	30.00	24.23	**284.63**
52	**81**	191	240.47	30.00	25.29	**295.76**
53	**82**	191	240.47	30.00	25.29	**295.76**
54	**77**	177	222.84	30.00	23.44	**276.28**
55	**78**	183	230.40	30.00	24.23	**284.63**
56	**79**	204	256.84	30.00	27.01	**313.85**
57	**80**	191	240.47	30.00	25.29	**295.76**
		10,985	**$13,830.08**	**$1,710.00**	**$1,454.58**	**$16,994.67**

Operating Acct-opening	$19,672.58
Operating Acct-closing	$10,844.41
CRF opening balance	$132,753.68
CRF closing balance	$139,031.78
Painting-opening balance	$56,963.97
Painting-closing balance	$75,092.72
Braided hoses-opening	$0.00
Braided hoses-closing	$1,936.56
Insurance- 2007	$30,915.00
Insurance- 2008	$30,794.00
Insurance-2009	$29,164.00 short term policy
Insurance- 2010	$38,351.00
Insurance- 2011	$39,791.00
Insurance- 2012	$41,850.00