

MACEWAN GARDENS II
CONDOMINIUM CORPORATION NO. 092 4818
Annual General Meeting
February 19, 2025

LOCATION: MacEwan Gardens II Amenities Room
263 MacEwan Road SW
Edmonton, AB T6W 0C4

DRAFT MINUTES

No.	Item
1.0	Call to Order
	Motion: To allow Kristy MacLean from KDM Management Inc. to chair the meeting. Moved: 231 Second: 233 Carried Call to Order/Introduction of Board of Directors: Chair Kristy MacLean called the meeting to order at 7:03 pm and made introductions: <i>Kristy MacLean - KDM Management Inc. is our new manager. Jaime and Tatiana are also new to KDM. Current Board members: Rob Mastel - President, Pat Paul – Vice-President, Laura Giroux – Secretary, Longin Szafranski – Director, Bill Bondy – Director, Via Zoom: Dennis Jacobs – Director. Absent: George Lund - Director</i>
2.0	Confirmation of Quorum and Proof of Notice
	Kristy confirmed that we have 31 units present (18 in person, 3 by proxy and 10 virtually) which is short of the 38 needed for quorum. If we want to proceed, we need to make a motion to continue. Motion: To allow the meeting to continue with those present as quorum. Moved: 314 Second: 231 Carried Kristy confirmed the Notice of Meeting was sent with sufficient notice on January 30, 2025. Thank you to everyone who was able to attend.
3.0	Approval of the Previous Minutes
	A question was raised if it is a legislated requirement to have the auditor present at the AGM. Kristy confirmed the audit is required, but it is our choice to have the auditor present. Motion: To approve the minutes of the December 6, 2023 AGM with amendments. Moved: 314 Second: 140 Carried
4.0	Reports
	4.1 President's report Rob thanked everyone who attended for taking an interest in the building operations. He explained that the Board works diligently for the benefit of all owners as we are owners ourselves. The Board have been

working for the past 5 years to make updates to the building to keep it looking as good as possible and to create a nice home for all.

He provided a review of some of our budget changes since 2011 as a concern about condo fees was brought forward to the board last year. From 2011 to the end of 2024 our condo fees have increased 95.4%. There have been years with some larger increases (mainly due to increased reserve fund contributions and utilities costs) and some with no increases in condo fees. In the 2023-2024 fiscal year 89.9 % of the budget went to utilities (47.2%), reserve fund contributions (17.5%), insurance (12.6%) and maintenance (12.6%). The largest driver of our fees is the utilities which are shared by everyone in the building. The next largest component is reserve fund contributions. By Alberta law we must have a reserve fund study done every five years. This is the repair fund for the condo to fix components that are at or nearing the end of serviceable life. We strive to have a healthy reserve fund for this reason. It is also an important factor for those wanting to buy and sell in our building.

In 2023 the Board asked for a comparison of our condo fees to other buildings of approximately the same size. We fell squarely in the middle of similar condos – both those that include electricity in condo fees and those that don't include electricity.

Utilities have the biggest impact on our budget. Rob explained that over half of our December gas bill was carbon taxes. (2.4 times the cost of the gas and also 2.4 times the delivery fees.) The carbon tax is set to increase on April 1, 2025. This will make the carbon tax part of our bill over 3 times the cost of the gas and 3 times the delivery fees.

Another concern brought forward was residents being approached by individuals claiming to be on the Board asking for access to their units. There is no reason for a Board member to ask for access to a unit unless there is an active emergency (for example this week when there was a flood a Board member knocked on the door of the unit below to let them know what was happening). If residents are unsure, they should contact KDM to verify.

4.2 Auditor Report

Our auditor Luu Ho thanked us for selecting him as our auditor and reviewed his report. He explained that his goal was not to go through line by line, but to help us understand how we look at the statements. The audit covers our financial year ending September 30, 2024. The auditor's responsibility is to conduct the audit in accordance with generally accepted Canadian standards. They assess and evaluate our financial statements to obtain reasonable assurance that they are free from errors. The opinion on page 1 states that the statements provided by MacEwan Gardens II present fairly and meet the standards for a non-profit organization. Luu confirmed our financial position is good and provided his opinion that the Corporation has the ability to operate as a going concern.

The Statement of Operations on page 3 shows the revenues and expenses for our financial year. It does not include our account balances; it is just a picture of what happened in the financial year. There is a deficit to the reserve fund due to the carpet replacement.

The Statement of Expenses on page 4 provides a more detailed breakdown of the four expense categories show on the statement of operations.

Page 5 has the Statement of Changes in Net Assets. This statement does show the account balances and includes the transfer from our operating fund to our reserve fund.

The Statement of Financial Position on page 6 is a snapshot of financial health on September 30, 2024.

The notes on pages 8 to 12 gives context or explanations about what is included.

QUESTIONS

- Page 3 – Where does the interest number come from? It is interest on our account or investments.
- How is the utility credit we received last year recorded? For the audit it is not recorded separately, you would only see that in bookkeeping. Attendees were reminded that the audit doesn't include line-item information, it is conducted to make sure nothing in our financial statements was materially misstated. Kristy will provide the actual amount of the credit separately.
- Page 4 – What is contingency \$161,974? These are repairs that were unexpected and fall outside of our normal budget. For example, small flood damage where we didn't claim insurance because the claims could increase our insurance.
Are we investigating why floods are happening? Yes. Not all the floods were pipes, some (for example the one from February 18, 2025) were from heating pipes breaking when windows were left open in cold weather. We charge back to residents where possible.
How are we mitigating the risk? Are we getting engineers? Would we consider upgrades? Yes, we are having a review done. Upgrades will depend on the results of the investigation.
Are we able to put antifreeze in the water for the radiant heating? Unfortunately, our system doesn't take antifreeze.
- Did our insurance really decrease that much? Yes, because we had no claims for about 5 years.
- Do we charge interest on accounts receivable? And how much interest did we get from accounts receivable? That level of information comes from bookkeeping and not part of the audit. Kristy can provide that information separately.
- Why was there a large reserve fund expenditure for keys? This was for the new garage fobs.
- Why are mat rentals so expensive? We have them changed weekly in winter because they get messy and wet very quickly.
- What are the phone lines? Why so much for cable? There are five phone lines, one for the intercom, two for the elevators and two for the fire panel. The cable is for the amenities room and is a feature for rentals. We used to have more rentals which offset the cost of cable. Hope to see more rentals in future.
- How can we have a deficit of \$25,295? It was explained that the statement of operations on page 3 doesn't reflect our account balance, just what we spent and received in the financial year. Some expenses were paid from the reserve fund, which made expenses higher than revenue.
- How will we get the answers to these questions? Minutes will be provided in 60 days.
- Why was the reserve fund not reinvested after the GICs matured? It has since been reinvested, but doesn't show in the audit because it was after September 30, 2024.
- What is a healthy reserve fund? The reserve fund study informs how much we should keep in the reserve fund.
- What goes into parkade maintenance? Why is it cleaned so many times per year? This covers sweeping, scrubbing, overhead door maintenance and line painting. It is cleaned 3 times a year (as recommended by several concrete companies) to help prevent degradation of the concrete by removing dust, road salt and rocks. It also prevents dust from getting in the elevator and mechanical equipment.

	<ul style="list-style-type: none"> Is there anything we can encourage residents to do to reduce electricity use for example asking that balcony lights not be left on? There are only a few balcony lights that have been on and having them off would not make a measurable change to our bills. We can remind people about the impact that their use has on their condo fees, but can't police what they choose to do in their units. Why doesn't the auditor have an auditor designation? A financial audit is a task performed by a Chartered Professional Accountant (CPA), it is not a designation. Luu is a CPA with a lot of condo audit experience and has even served as the Treasurer for the Canadian Condominium Institute North Alberta chapter and the Canadian Condominium Institute National Executive Board. <p>Luu confirmed his opinion that we are in good financial standing.</p> <p>Motion: To accept the audit as information only Moved: 140 Second: 423 Carried</p>
5.0	Appointment of Auditor
	<p>The Board is required to engage someone to do the audit and a motion can be made to ask the Board to engage a particular individual or to authorize the Board to make a choice on behalf of the Corporation.</p> <p>Motion: To authorize the Board to engage a qualified financial consultant to conduct a financial audit of the MacEwan Gardens II Condominium Corporation's financial statements for the 2024/2025 fiscal year. Moved: 314 Second: 231 Carried</p>
6.0	Election of Board of Directors
	<p>Kristy explained that as per the by-laws the Board of Directors can be no less than three and no more than seven members. One current Board member is entering the second year of their two-year term.</p> <p>There are six seats available for the Board of Directors. The floor has been opened for nominations asking participants to stand and give their names if they would like to let their name stand for election.</p> <p>Rob Unit 301, Pat Unit 120, Dennis Unit 130, Bill Unit 140, Longin Unit 231, Nataliya Unit 331, Claudia 423, and Don Unit 324 have allowed their names to stand for the Board of Directors.</p> <p>Motion: To cease nominations Moved: 314 Second: 231 Carried</p> <p>An election was held as there were eight nominees. Rob, Pat, Dennis, Bill, Longin and Claudia were elected for the next term.</p> <p>Rob thanked those that put their names forward for their interested in participating on the Board.</p>
7.0	Unfinished Business
	No unfinished business.
8.0	New Business
	<p>8.1 Budget Concern</p> <p>A resident brought up their concern that their monthly fees had increased from about \$200 when the building was new to \$700 last year plus the special levy. They think our fees are very high compared to</p>

others in south Edmonton and gave the example of someone they know in a building with a pool who only pays \$550 per month. They would like the Board to review all contracts to look for savings. The example given was janitorial. Our janitor is here two mornings a week and they feel that the line item is too high for the hours.

Rob explained that when MacEwan Gardens II was built the Alberta government allowed builders to open a condo with 'builders fees' that were abnormally low, and that didn't account for what would actually be needed to operate the condo. He commented that laws have now changed and builders are required to take bills into account and start preparing for the reserve fund. This means that if someone were to buy in a new building today their starting fees would be much higher than what we saw when our building was new.

As he mentioned in his report Rob reviewed the increases from 2011 to 2024 and our budget has increased by 95.4%. The Board does what they can to keep costs down, but the largest driving factors of increases are utilities and reserve fund contributions. It is important to keep in mind it can be difficult to make direct comparisons with other condos because electricity is included in our fees and many condos don't include it. Utilities affect our budget a lot both from cost increases and carbon tax increases. He reiterated that Alex (our former KDM manager) was tasked with reviewing comparable condo fees and that we were found to be in the middle range.

The Board's goal is to stay on top of maintenance. For the 2024-2025 budget year we were able to avoid an increase. He also reminded the resident that the line item isn't necessarily the total amount we are paying the individual worker. In this case we are paying a company, and it also includes supplies. Inflation is causing cost increases for everyone including our contractors. The Board has fired cleaning companies and handymen before and we do put out our contracts to tender from time to time. The Board members are all owners who live in the building and are also affected by the increases so we share these concerns and consider them when adjusting the budget.

It was asked if the cleaner could do specific cleaning when residents notice issues. Residents were asked to keep in mind that sometimes messes happen right after cleaning and that wet winter weather can make it worse. It is not a reflection of the work our janitors do.

Other residents mentioned they do not have concerns about the budget.

A resident asked for clarification about how our parkade door and elevator maintenance fees work. The parkade door has monthly maintenance and call outs, the elevator we pay an annual fee.

8.2 General Questions

A resident asked to know the results of a complaint the Board received that the windows of a unit were blacked out and fans were visible. KDM was able to follow up with the owner and the fans were removed. Residents are reminded that if they see something of concern, they should contact KDM.

How do we reach the Board?

The Board can be contacted by email macewangardens2@gmail.com. You can also contact Kristy at KDM KMacLean@kdmgmt.ca. If you would like to book the amenities room, contact amenitiesroommg2@gmail.com.

Have we engaged a utilities broker? Yes.

Why is our building so hot? Can we reduce the heat?

We do keep the hallways fairly cool. Keep in mind this is a large building and there is a lot of residual heat. If your unit is hot and your heat register is running when the thermostat is off, please contact KDM so it can be checked. A possible problem is a bad zone valve.

Why does the heat run in the parkade in summer?

It isn't heat running it is air circulation to vent fumes and bring in outside air.

Why are the storage lights on all the time?

They should be on a timer sensor. Kristy will look into this.

Could we look into energy efficiencies? For example, changing sconces from fluorescent to LED? What about the overhead lights in stairwells?

At the moment the cost is prohibitively expensive (we have a lot of sconces), but this is also a concern for the Board and we have looked into it a few times and will continue to do so.

A resident offered to be involved in changing overhead bulbs to LEDs where possible. It was asked if we can create resident committees like maintenance or social?

Previously we haven't had anyone interested, but we could include the possibility in our next newsletter. If someone would like to form a committee they can contact the Board.

What are your thoughts on condo fees and the carbon tax?

We can't tell the future, and will have to wait and see what the results are.

A resident is experiencing lots of ice buildup. Do we plan to replace windows?

The resident was asked to contact Kristy at KDM to discuss their personal situation.

A resident wondered if anyone was having trouble with their patio doors?

No one else in attendance has had any trouble.

Whose responsibility is it to clean the dryer vent?

It is the unit's responsibility and the vent can be cleaned from inside. There is a possibility that if we get enough residents who would like to do this at the same, we can get a discount. The Board will discuss at their next meeting.

Does the corporation check the smoke detectors in units?

No, they are the unit responsibility. They are hardwired for power, but they won't activate any building emergency systems.

What were the results of the balcony surveys?

Some fixes were made, but the survey (done in 2023) was to collect information that can be used for comparison as we assess over time.

How do we get Board minutes? What is happening with the website?

Approved Board minutes can be provided by KDM. The website is being redesigned. When it is completed current Board minutes will be available on the site.

	<p>Can we get the newsletter by email? Yes. Make sure your contact preferences are up to date with KDM to be on the email list.</p> <p>Do we have any anticipated large costs for the reserve fund? Do we expect an increase to condo fees for reserve fund contributions? Who did the study? We are waiting for the most recent reserve fund report to be finalized. That will determine projects and projected increases. The recent study was done Kalham Consulting.</p> <p>Who controls the security cameras? Are they in the corridors? The Board has control of the cameras. They are in the lobby of every floor and at the entrances, not in the hallways.</p> <p>Someone commented that there is a stain on the carpet. The next carpet cleaning is soon. It will be addressed then.</p> <p>A resident was concerned that the lock at the west entrance was sticky. Kristy said the lock was checked recently, but it could be checked again. Difficulties may have been a result of the recent cold weather. Maintenance requests should be sent to KDM as they happen.</p>
9.0	Adjournment
	Kristy adjourned the meeting at 9:14 p.m.

Minutes prepared by: Laura Giroux
Secretary, MacEwan Gardens II Condominium Board of Directors
February 19, 2025