**REQUEST FOR RESPONSE FROM THE BOARD OF DIRECTORS**

**December 21st, 2015**

1. Why has a Reserve Fund Budget not been presented and approved by unit owners at the Annual General Meeting for a number of years? The Board has rejected many requests for a budget and the approval by unit owners of both the budget and required monthly fees. In response to this request at the 2013 AGM, the treasurer advised **“*there would be no Reserve Fund budget because there would be no reserve fund expenditures”*!** **However during the 2013-2014 fiscal year and without a required and approved Reserve Fund Budget, the Board all on their own approved projects of well over one million dollars.**

Section 10.5 of the Bylaws reads, *“The board shall from time to time and a least annually prepare a*

*Budget for the common expenses and a budget for the reserve funds, in accordance with Bylaw No.*

*3, and determine by estimate the amounts necessary for the next ensuing year or remainder of the*

*current fiscal year, as the case may be.* ***The board shall then submit the reserve funds budget for***

***approval of the unit owners, pursuant to section 10.4(b).***

1. Why have monthly fee contributions to the Reserve Fund not been approved by unit owners at the Annual General Meeting for a number of years?

Section 10.4 of the Bylaws reads, ***“the amount required for the reserve funds shall be determined by the ordinary vote of the unit owners at the annual general meeting” “In no event shall the unit owners approve an amount required for each of the reserve funds which is less than that required for the anticipated repair and replacement costs*** *and life expectancy of the things mentioned in subsection (a) unless otherwise permitted or directed by the Act.”*

1. With no adherence to the Bylaws as stated above requiring the amount of contributions to be determined by the unit owners at the general meeting, why have “surprise” special assessments or “cash calls” been used in such an inappropriate, irresponsible, and unlawful manner? The correct use of special assessments is as follows:

Section 11.9 of the Bylaws reads, *“If at any time it appears that the annual assessment or*

*contribution towards the common expense funds or reserve funds* ***will be insufficient to meet the***

***common expenses or reserve fund expenses*** *as the case may be, the Corporation may assess and*

*and collect a special contribution or contributions against each unit owner in an amount sufficient*

*to cover the additional anticipated expenses.”*

1. Why has the Auditor appointment not been permitted by unit owners for a number of years?

**(2)**

1. The Board has been provided with a very easy to understand analysis of energy costs which considers four years before and four years following 2010, the year the new heating system was installed. The numbers come directly from our financial statements and rate adjustment factors come from published rates by Sask Energy and Saskatoon Electrical. Please respond to the following:
2. What is the amount of the Board’s claimed reduction in both consumption and billings of electricity from 2010 (the year of the new heating system installation) to each year subsequent to 2010?
3. The Board advised the Court in April of 2013, that in the first year following installation of the new heating system in 2010, TOTAL NET ENERGY COSTS DECREASED by more than $44,000. The judge, accepting the WORD of Ben Goldstein and his fellow Board members, refused to acknowledge a proposed presentation of the facts. What confirmation of details do you have, which supports the declaration of this $44,000 plus saving in the first year following the installation?
4. What were the net realized energy savings declared to both Federal and Provincial grant programs, where there was a conditional and required submission of these savings, demonstrating net energy cost savings actually realized?
5. Prior to the installation, the Board projected NET ENERGY SAVINGS of $40,000 per year.

What is the actual annual saving as determined by the Board?

1. Following a recent update of a resident analysis and report on energy costs, the Board **suddenly shut down access** to available online data from Saskatoon Electrical. Why was this done and when will resident access be permitted?
2. Why has the Board refused to authorize Brunsden & Associates, to present the Reserve Fund Study at a recent residents meeting and further advised that there will be no such presentation in the future? Why has the Board described the Reserve Fund Study at the 2014 AGM to be “of little advantage to us”, “has no fixed function”, and “is unnecessary”?
3. Why has the Board rejected the law requiring consideration of the Reserve Fund Study in determining the amount of the Reserve Fund?

Section 51 of The Condominium Regulations, states ***“The Corporation shall determine the amount required for the Reserve Fund by taking into account: the most recent reserve fund study and report, if any.*** Therefore, how are the unit owners able to conduct their obligation to determine the amount required for the Reserve Fund when the Board refuses to authorize presentation of the Study by a qualified individual from Brunsden who has offered to attend and make the presentation with no fee to be charged?

1. Why has the Board rejected implementation of many of the annual maintenance recommendations provided in the 2008 Reserve Fund Study?

**(3)**

1. Why has the Board refused to provide unit owners with a copy of a stamped structural engineering report declaring that structural damage exists and accompanied with evidence of such? Without such evidence, there is no need for a total replacement of the parkade topping. Why has the Board unilaterally approved a major Reserve Reserve Fund expenditure for this project without, as is required by both our Bylaws and the Condominium Property Act, forUNIT OWNER approval along with their approval of Reserve Fund monthly fees? Why has the Board approved replacement of the entire parkade surface area when there is no leakage on the north driveway and back parking area that is related to the parkade topping?
2. Why was well over $100,000 in accounts payable related to the elevator project, not disclosed as a liability on the 2015 balance sheet whereas related revenues were?

***As cited from Canadian Auditing Standards under Accrual Accounting, “A method where revenues are recorded when they are earned, even if money has not yet been received, and expenses when they are incurred, even if payment has not yet been made.” The Canadian Institute of Chartered Accounts requires that this method be used so as to yield statements that accurately measure the company’s operations and state of obligation with others”.*** Why did two accountants sitting on our Board, reject both the moral and ethical requirement of their profession regarding this matter?

1. Why has the Board failed to ensure that all units are inspected prior to the winter months?
2. Why has the Board failed to replace Enercon filters in the residential units? Why has the Board advised that resident owners are responsible for changing the filters? Please confirm, just who replaces the filters in the commercial units. Is this done by the commercial owners?
3. Why have our windows not been cleaned in more than a year? The Act clearly states that maintenance, (which includes exterior cleaning), to ALL windows, is the responsibility of the Corporation. This further includes, replacement of damaged front windows.
4. Why does the Board approve legal and consulting costs incurred on behalf of the commercial owners to help seek consultation and an alternative interpretation of our Bylaws and the Condominium Property Act which would serve their own respective interests? This including the issue of the commercial front door and elevator cab improvements where neither were included nor approved in a Reserve Fund budget. Will the Board request a reimbursement of these costs from the commercial owner?
5. Why is the Corporation not using a separate bank account for our Reserve Fund? Under what name is our operating fund bank account?
6. Why are purchase orders and vendor invoices not using the name Spadina Condominium Corporation but, Colliers McClocklin?

**(4)**

1. Residential guests continue to be forced to park on the street and pay for parking while contractors continue to use the guest parking stalls. Many requests have been made of the Board to enforce the rules, but to no avail. Why does the Board refuse to demand enforcement of our parking regulations and will they demonstrate effective enforcement immediately?
2. Why have leaking windows including those on the back and sides of residential units not been repaired?
3. The caretaker has been invoicing the building for many services which have always been included in the duties of the caretaker. These have only been exposed on the resident review of invoices conducted earlier this year. The caretaker also requests contractors to come in and conduct maintenance which is also clearly part of his duties. Residents wish to see the caretaker’s contract, yet have been repeatedly refused viewing. Why does the Board leave this conduct totally unmonitored and continue to reject unit owner requests to review this matter, including viewing the contract?
4. At the 2013 AGM, residents overwhelmingly supported the purchase of a sign to provide the lacking identification of Spadina Towers. The Board advised at that time that a sign would be purchased and installed on the front lawn. Why has a proposed sign not been presented to unit owners for approval? As well, why does the Board continue to permit a single unit owner to place a commercial sign (an obvious eye sore) on our common area?
5. As has been requested in the past, what has been the total cost to date of the fob system including all related hardware costs? How many fobs have been purchased to date? What is the amount and source of all revenues that has been collected to date? How many fobs are currently on hand? What is the cost per fob? There has been an expenditure for software and other costs to allow the caretaker to monitor the system. Is the caretaker paid any fee for this service? Other than the caretaker, who is involved with monitoring this system?
6. Why has the membership to the Canadian Condominium Institute not been renewed? Why were residents not informed of chapter information including news and events during our membership?
7. CCI has available an Ethics Disclosure Statement that is commonly requested of Condominium Board members. Why does our Board continue their refusal to provide such statements? With the numerous conflict of interest issues at the Board and management levels of our Corporation, these statements should be provided.
8. Why does management and the Board not enforce our rules regarding closure of particularly side and back windows? This is a pressurized building and open windows exhaust the supply of pressurized fresh air to residential units, particularly those on the same floor with open windows.

**(5)**

1. The same engineer who designed the new hot water heating system, also included in his proposal, a design for replacing the domestic hot water system. Why does the Board continue to spend thousands upon thousands of dollars replacing tanks, when the matter should simply be sent directly back to the engineer as he should be held responsible?
2. The MECHANICAL SYSTEMS OUTLINE is shown in the building manual. It states, ***“SUPPLEMENTAL and back-up heating is available from the air conditioning system heat pumps (Enercons)****.”* Why does the Board prevent the perimeter heating system from providing sufficient heat and as a result, shift much, and often at times, all of the heating load to the Enercons? Perimeter heating is the **PRIMARY means of heat distribution in the building** and only under extreme cold conditions, should supply of heat be required from the Enercons.
3. **The building operations committee advised unit owners that “the engineer advised him that humidification *“WAS NOT REQUIRED*”** and therefore, was not installed during the new heating system installation contrary to installation of humidification being included as part of his proposal**. The engineer however advised at a General Meeting in 2011, that he had been instructed by the Board to *“not include humidification in order to save money”.*** With the absence of humidification, residents have experienced very dry conditions and less than safe and sufficient air quality including which includes excessive dust and in turn, unhealthy breathing complications. Energy consumption increases substantially with such dry conditions. Why has the Board failed to act and install humidification to correct this serious problem?
4. Residential hallway and common area improvements conducted several years ago were pursued without respecting the suggestions made at a residents meeting which was called for that purpose. As a result, costs incurred were thousands of dollars in excess of alternate quotations provided by interested residents at this meeting. No responsible tender procedure was followed, and resulted in the excessive and unnecessary costs. Will the Board ensure that any such improvements in the future be reviewed at a residents meeting, respect the input of all residents, and ENSURE RESPONSIBLE TENDER PROCEDURES?
5. The Board has rejected the use of tenders for the vast majority of expenditures. Given the “trust” nature of the Reserve Fund, will the Board implement immediately the requirement for tenders on all expenditures greater than $10,000 and three quotations for expenditures of $5000 to $10,000? **Resident funds, whether held in trust or in their pockets must be guarded via respect of the Corporation and its Board of Directors.**
6. The Board has rejected requests made by residents for a copy of building mechanical reports including those for the elevator, the boilers and other HVAC components. As with the elevators, the 2013 inspection reports (withheld from residents) deemed the elevators to be in optimum condition subject to recommended upgrades of less than $40,000, yet the Board went ahead without the appropriate approval of unit owners and simply spent more than $150,000 of residents’ money without resident approval. Will the Board ensure that all building inspection reports be made available to residents upon request?

**(6)**

1. The static water pressure coming in to the building is relatively constant at 98-100 PSI. In summer months the range may be slightly lower at 95-100 PSI. These are both historical and current pressure ranges. Pressures, if they have ever exceeded 100 PSI have only been by 1-2 PSI. The original water system came with a pressure “RELIEF” valve which releases water in the event pressures exceed a unusually “high” pressure setting (125 PSI plus). This valve has never experienced pressures much beyond 100 PSI, so it has never been activated. It is a safety valve only. The building requires 100 PSI in order to meet the head loss of piping the water to the upper floors and providing them with a reasonable pressure level.

Apparently, the commercial owners have advised that these pressures are too high for them and have demanded that a “PRESSURE REDUCING VALVE” be installed. Why did the Board simply go ahead and approve this $5000 plus expenditure given that it was totally unnecessary? Will the Board demand reimbursement from the commercial owner for this unnecessary expenditure?

1. The residential balconies have received zero maintenance for many years. They require painting and repair of facing materials above the front windows. Some adjacent facial concrete maintenance is required as well. Why has the Board continued to neglect this deferred maintenance and will they provide assurance that this work will be done in the spring?
2. The insurance premium continues to be much higher than comparable condominiums in Saskatoon. Why has the Board rejected tendering of our insurance policy in order to ensure that we are paying a fair premium and reasonable deductible level? Will the Board tender our insurance policy several months prior to the next renewal date?
3. No record exists in the minutes approving the commercial owners’ installation of mechanical cooling devices in the parkade common area, one of which is adjacent to a mechanical room and within a fire lane area. Why has the Board permitted this unlawful installation? Saskatoon Electrical has advised that they are prepared to upon the request of the Board or the building to inspect this equipment, ensure that it conforms to electrical code, and will at the same time confirm to which electrical meter these devices are connected. Will the Board obtain and provide to unit owners, a written statement and evidence from Saskatoon Electrical that approves of this installation and confirmation of which electrical meter these devices are connected?
4. A review of 2014 invoices conducted by a single resident earlier this year, revealed some $35,000 in inappropriate expenditures paid or presented for approval to the Board. These expenditures have included those, considered by others to be fraudulent in nature. The Board has since this review, rejected any further resident review or access to invoices. The Board is hereby, requested to permit a further review of invoices, contracts, and mechanical/engineering reports, in order to ensure full transparency to all unit owners.