



# NOTICE TO OWNERS

## 2006 MAINTENANCE FEES

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Friday, December 02, 2005

The Board of Directors has determined the 2006 Operating Budget for MTCC #600. Maintenance Fees for the coming year will **increase by 4.6% over 2005**. The new rates are as follows:

Commercial Unit	\$875.00 per month
Residential Units	\$795.00 per month

**For those of you who have not elected to go on the New Pre-Authorized Payment Program, please provide post-dated cheques for the year dated the 1<sup>st</sup> of each month commencing January 1, 2006, payable to MTCC #600 and have them delivered to the Office – Suite 2C, no later than Wednesday, December 28<sup>th</sup>, 2005.** Post-dated cheques ensure timely payment and a minimum of intervention on our part to keep the financial affairs of the Corporation flowing smoothly.

A description of each expense category is being provided to you with a detailed statement showing each item of the 2005 Forecast and 2006 Budget, along with notes explaining the calculation of each.

There are several key points we want to make sure owners are completely aware of and understand.

We are mandated by law to increase the maintenance fees by the amount as required in accordance with our Reserve Fund Study. For the coming year, that means we have no alternative but to increase the Reserve contribution by an amount equivalent to \$31.66 per suite per month. Since the total maintenance fee increase is \$35.00 per month, it is clear the Operating portion has hardly increased at all (\$3.23 per month), which is the lowest increase in recollection.

How Did We Manage To Do This? There are two ways.

- The first relates to Careful Cost Control. You will notice there are many categories where the 2006 Budget has gone DOWN from 2005 (e.g. fire safety, grounds contracts, lighting supplies, diesel, electrical repair, recreational repair) and many others where the 2006 budget is almost the same as last year (no increase). This reflects the careful cost control and zero based budget approach we have taken.

- The second relates to Expected Operating Surplus in 2005. We have taken the entire surplus arising from 2005 and rather than putting any portion to Reserve (as we have done in other years), we have used it to decrease your maintenance fees for the coming year. We expect to end 2005 with a forecasted operating surplus of \$22,886. Your Board of Directors has decided to move the actual operating surplus, the precise amount of which will be known after December 31<sup>st</sup>, 2005, and dedicate it in its entirety to the Operating/General fund for 2006 in order to reduce the total planned expenditures for the coming year.

**By doing this, the actual planned maintenance fee increase of 8% or \$65.00 per month, has been reduced to 4.6% or \$30.00 a month.**

In effect this surplus has eliminated the operating increase we would otherwise have had to budget for 2006. At this time, we do not expect an operating surplus to recur in 2006.

#### Where Have Our Costs Gone Up?

The answer is almost completely in our Energy and Utility Costs.

Electrical - Like most Condominium Corporations we are experiencing higher ongoing cost pressures in utilities. For Electrical, we have planned a 40% increase in electrical costs from April onwards. This is based on the assumption that Ontario Hydro will increase from 5 cents a KWH to 7 cents a KWH. We will only know the true cost when Ontario Hydro makes its announcement in the New Year.

Gas – The Bulk Gas Purchase Contract which we entered into 3 years ago, from which we have benefited greatly, expires in August 2006. We have been paying 25 cents a cubic metre, whereas 3 or 5 year renewal contracts are running from 35 to 45 cents a cubic metre. For our 2006 projections, your Board has taken the middle approach by planning 40 cents from September onwards. As you can see, this represents a 60% increase in gas prices alone.

Water - In the case of water, we have used the expected planned increase as indicated by the City of Toronto of 7%. This results in an increase from \$373 to \$400 a suite per year. The City is gradually replacing the water and sewer infrastructure.

**In all our utility categories we can anticipate these costs to rise in the future above the average rate of inflation.**

The Board of Directors would like to point out that by utilizing the operating surplus from 2005 to reduce the 2006 monthly maintenance fees, any unexpected major mechanical breakdown could indeed necessitate a special assessment.

**As you can see, the Board has made every effort to keep our monthly Maintenance Fees as low as realistically possible for 2006, while still taking care to allow the necessary budget to permit an acceptable level of on-going maintenance to the building and ensure your enjoyment of it.**

Gregory B. Geralde, CGA  
Treasurer for  
The Board of Directors, MTCC #600

**M.T.C.C. 600**  
**STATEMENT OF OPERATING INCOME AND EXPENDITURE**  
**2006 OPERATING BUDGET**

	<b><u>Oct. 2005</u></b> <b><u>YTD</u></b>	<b><u>2005</u></b> <b><u>BUDGET</u></b>	<b><u>2005</u></b> <b><u>FORECAST</u></b>	<b><u>2006</u></b> <b><u>BUDGET</u></b>
<b>INCOME</b>				
Maintenance Fees	\$418,750.00	\$502,500.00	\$502,500.00	\$525,660.00
Key/Card Fees	310.00	700.00	370.00	400.00
Status Certificate Fees	507.00	200.00	507.00	200.00
Moving Fees	400.00	500.00	400.00	400.00
Lease income	400.00	400.00	400.00	400.00
Other Income	<u>(2,582.00)</u>	<u>0.00</u>	<u>(2,582.00)</u>	<u>0.00</u>
Total Income	\$417,785.00	\$504,300.00	\$501,595.00	\$527,060.00
<b>EXPENDITURES</b>				
<b>Administrative</b>				
Audit	\$3,420.00	\$4,200.00	\$4,200.00	\$4,200.00
Bank Charges	407.00	600.00	600.00	1,320.00
Legal	481.00	3,000.00	1,456.00	2,000.00
Office	4,244.00	5,000.00	5,044.00	5,000.00
Professional Fees	<u>3,762.00</u>	<u>5,000.00</u>	<u>4,362.00</u>	<u>3,500.00</u>
Total Administrative	\$12,314.00	\$17,800.00	\$15,662.00	\$16,020.00
<b>Personnel</b>				
Regular Wages	\$26,829.00	\$30,400.00	\$32,129.00	\$32,000.00
Weekend Relief	3,440.00	4,160.00	4,080.00	4,160.00
E.I. Employer	826.00	1,100.00	1,065.00	1,065.00
C.P.P. Employer	1,800.00	1,861.00	1,861.00	1,915.00
Third Party Relief Wages	500.00	2,500.00	1,700.00	2,250.00
Telephone/Pager	<u>1,070.00</u>	<u>1,350.00</u>	<u>1,140.00</u>	<u>1,200.00</u>
Total Personnel	\$34,465.00	\$41,371.00	\$41,975.00	\$42,590.00

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	<b><u>Oct. 2005</u></b> <b><u>YTD</u></b>	<b><u>2005</u></b> <b><u>BUDGET</u></b>	<b><u>2005</u></b> <b><u>FORECAST</u></b>	<b><u>2006</u></b> <b><u>BUDGET</u></b>
<b>Operating Services</b>				
Cleaning Services (Exterior)	\$2,031.00	\$4,000.00	\$1,900.00	\$3,150.00
Cleaning Services (Interior)	746.00	2,500.00	746.00	1,500.00
Compactor	2,658.00	2,000.00	2,658.00	2,700.00
Elevators	13,034.00	15,432.00	15,438.00	15,500.00
Fire Safety	7,022.00	10,500.00	10,522.00	8,600.00
Grounds	5,235.00	6,000.00	5,485.00	5,000.00
HVAC	26,800.00	28,192.00	26,800.00	27,500.00
Insurance	11,968.00	12,000.00	11,968.00	12,800.00
Laundry	0.00	0.00	0.00	0.00
Pest Control	677.00	650.00	827.00	850.00
Property Taxes	2,657.00	2,800.00	2,657.00	2,825.00
Security	<u>11,514.00</u>	<u>15,184.00</u>	<u>13,654.00</u>	<u>14,580.00</u>
Total Operating Services	\$84,342.00	\$99,258.00	\$92,655.00	\$95,005.00
<b>Operating Supplies</b>				
Cleaning Supplies	\$2,439.00	\$2,500.00	\$3,039.00	\$3,100.00
Grounds Supplies	1,089.00	500.00	1,479.00	1,500.00
Lighting Supplies	331.00	500.00	531.00	500.00
Recreational Supplies	<u>16.00</u>	<u>200.00</u>	<u>16.00</u>	<u>200.00</u>
Total Operating Supplies	\$3,875.00	\$3,700.00	\$5,065.00	\$5,300.00
<b>Operating Utilities</b>				
Cable TV	\$28,432.00	\$28,000.00	\$28,432.00	\$28,800.00
Diesel Fuel	1,509.00	2,000.00	2,609.00	2,000.00
Electricity	45,751.00	59,500.00	59,051.00	78,000.00
Gas	49,998.00	75,000.00	64,998.00	79,200.00
Water & Sewer	<u>20,485.00</u>	<u>20,515.00</u>	<u>20,485.00</u>	<u>21,600.00</u>
Total Operating Utilities	\$146,175.00	\$185,015.00	\$175,575.00	\$209,600.00

**M.T.C.C. 600**  
**STATEMENT OF OPERATING INCOME AND EXPENDITURE**  
**2006 OPERATING BUDGET**

	<b>Oct. 2005</b>	<b>2005</b>	<b>2005</b>	<b>2006</b>
	<b><u>YTD</u></b>	<b><u>BUDGET</u></b>	<b><u>FORECAST</u></b>	<b><u>BUDGET</u></b>
<b>Repair &amp; Maintenance</b>				
Electrical Repair	\$103.00	\$600.00	\$1,000.00	\$600.00
Mechanical Repair	0.00	1,000.00	0.00	1,000.00
Plumbing Repair	3,886.00	10,000.00	8,886.00	10,000.00
Recreational Repair	4,241.00	3,700.00	4,241.00	2,500.00
General & Misc. (Exterior)	9,299.00	11,500.00	11,299.00	11,500.00
General & Misc. (Interior)	<u>13,151.00</u>	<u>20,000.00</u>	<u>14,351.00</u>	<u>20,000.00</u>
Total Repair & Maintenance	\$30,680.00	\$46,800.00	\$39,777.00	\$45,600.00
Total Expenditures	\$311,851.00	\$393,944.00	\$370,709.00	\$414,115.00
Operating Surplus (Deficit)	\$105,934.00	\$110,356.00	\$130,886.00	\$112,945.00
One Time Surplus from 2005				\$20,000.00
Less, Contribution to Reserve	<u>(90,000.00)</u>	<u>(108,000.00)</u>	<u>(108,000.00)</u>	<u>(129,000.00)</u>
<b>Net Operating Income (Loss)</b>	<b><u>\$15,934.00</u></b>	<b><u>\$2,356.00</u></b>	<b><u>\$22,886.00</u></b>	<b><u>\$3,945.00</u></b>

**M.T.C.C. 600**  
**NOTES TO 2006 OPERATING BUDGET**

	<b><u>2005</u></b> <b><u>FORECAST</u></b>	<b><u>2006</u></b> <b><u>BUDGET</u></b>
<b>MAINTENANCE FEES</b>		
January to December (54 units x \$760 + \$835 commercial)...	\$502,500.00	
Increase to fees of X% (54 units x \$795 + \$875 commercial).....		\$525,660.00
<b>KEY CARD FEES</b>		
October 31 balance of \$310 plus \$30 for each of Nov-Dec....	\$370.00	
2006 Budget kept the same as 2005 Budget.....		\$400.00
<b>STATUS CERTIFICATE FEES</b>		
October 31 balance of \$507.....	\$507.00	
2006 Budget kept the same as 2005 Budget.....		\$200.00
<b>MOVING FEES</b>		
October 31 balance of \$400 - no more moves scheduled.....	\$400.00	
2006 Budget based on 2005 Forecast .....		\$400.00
<b>LEASE INCOME</b>		
October 31 balance.....	\$400.00	
2006 Budget.....		\$400.00
<b>INTEREST</b>		
No interest on Fees in 2005	\$0.00	
2006 Budget.....		\$0.00
<b>AUDIT</b>		
2005 Forecast expected to be on 2005 Budget.....	\$4,200.00	
2006 Budget based on 2005 Forecast .....		\$4,200.00
<b>BANK CHARGES</b>		
2005 Forecast.....	\$600.00	
2006 Budget - will include Auto Debit Program at \$60 per month.....		\$1,320.00
<b>LEGAL</b>		
October 31 balance of \$481 plus \$975 for BSG opinion paid in Nov. ...	\$1,456.00	
2006 Budget increased to include general provision .....		\$2,000.00
<b>OFFICE</b>		
October 31 balance of \$4,244 plus \$800 for Nov-Dec.....	\$5,044.00	
2006 Budget based on 2005 Forecast .....		\$5,000.00
<b>PROFESSIONAL FEES</b>		
October 31 \$3,762 + \$600 for Thermo Graphic report on electrical.....	\$4,362.00	
2006 Budget for Roof Anchor inspection, Reserve Fund update and annual Thermo Graphic report.....		\$3,500.00

**REGULAR WAGES**

2005 Forecast based on \$26,829 YTD plus 4 pay periods...	\$32,129.00	
2006 Budget based on 3% increase effective Sept. 2006 .....		\$32,000.00

**WEEKEND RELIEF**

2005 Forecast based on YTD plus 4 pay periods at \$160.....	\$4,080.00	
2006 Budget (\$160 per pay period x 26 pay periods)		\$4,160.00

**E.I. EMPLOYER**

2005 Forecast based on annual maximum of .....	\$1,065.00	
2006 Budget.....		\$1,065.00

**C.P.P. EMPLOYER**

2005 Forecast based on annual maximum of .....	\$1,861.00	
2006 Budget assumes 3% increase.....		\$1,915.00

**THIRD PARTY RELIEF WAGES**

2005 Forecast. - YTD of \$500 plus w/o Dec. 25th vacation	\$1,700.00	
2006 Budget based on three weeks at \$750 per week for 3 weeks.....		\$2,250.00

**TELEPHONE**

October 31 balance of \$1,070 plus \$70.00 for Nov & Dec.....	\$1,140.00	
2006 Budget based on 2005 Forecast with no provision for inflation .....		\$1,200.00

**CLEANING CONTRACTS (EXTERIOR)**

Oct. 31 balance of \$2,031 plus \$950 / month in Nov-Dec.....	\$1,900.00	
2006 Budget for 3 window cleanings @ \$1,016 plus 3%...		\$3,150.00

**CLEANING CONTRACTS (INTERIOR)**

Only did 2 carpet cleanings this year	\$746.00	
2006 Budget \$1,500 for 3 treatments of carpet cleaning		\$1,500.00
Underground cleaning now in Exterior Maint category		

**COMPACTOR**

October 31 balance of \$2,658 plus \$0.00 for Nov-Dec.....	\$2,658.00	
2006 Budget for garbage bin rental, spring and fall chute cleaning, and provision for compactor repairs.....		\$2,700.00

**ELEVATORS**

October 31 balance of \$13,034 plus 2 times monthly contract charge of \$1,202.....	\$15,438.00	
2006 Budget {(\$1,238 x 12 months) plus \$650.00 for inspection and licences.....		\$15,500.00

**FIRE SAFETY**

October 31 balance of \$7,022 plus bills not yet received for fire inspection and repairs to fire panel	\$10,522.00	
2006 Budget for annual inspection \$2,600, plus \$4,000 for duct cleaning and kitchen fan cleanout, plus \$2,000 for fire audit deficiencies		\$8,600.00

**GROUNDS CONTRACTS**

October 31 balance of \$5,235 plus 250 for remainder of year	\$5,485.00	
2006 Budget to include rebuilding of NW planter based on estimate.....		\$5,000.00

**HVAC**

October 31 balance of \$26,800 which includes quarterly billing to end of year	\$26,800.00	
2006 Budget \$6,872 per quarter		\$27,500.00

**INSURANCE**

Oct. 31 balance of \$11,968 with no more spending.....	\$11,968.00	
2006 Budget is based on 3% increase and reevaluation of Liability Insurance		\$12,800.00

**LAUNDRY**

October 31 balance of \$0.00.....	\$0.00	
2006 Budget (contract renegotiated with Coinamatic).....		\$0.00

**PEST CONTROL**

October 31 balance of \$677 plus 2 times monthly charge including ant control.....	\$827.00	
2006 Budget based on prior year plus 3%		\$850.00

**PROPERTY TAXES**

Oct. 31 balance of \$2,657 with no additional cost this year	\$2,657.00	
2006 Budget based on 2005 Forecast plus 6%.....		\$2,825.00

**SECURITY**

October 31 balance of \$11,514 plus 2 times monthly system charge of \$970.00 and 2 times monthly telephone charge of \$100 .....	\$13,654.00	
2006 Budget for regular services (\$990 maintenance x 12) and \$100 telephone line x 12) plus provision for access cards (\$300) plus 2 alarm calls (\$400) and ADT at \$200 per quarter for Fire Monitoring.....		\$14,580.00

**CLEANING SUPPLIES**

October 31 balance of \$2,439 plus \$600 for Nov-Dec.....	\$3,039.00	
2006 Budget estimate maintained at 2005 Budget.....		\$3,100.00

**GROUNDS SUPPLIES**

Oct. 31 balance of \$1,089 plus \$390 for Rock Salt.....	\$1,479.00	
2006 Budget estimate maintained at 2005 Level .....		\$1,500.00

**LIGHTING SUPPLIES**

October 31 balance of \$331 plus \$200 for Nov-Dec.....	\$531.00	
2006 Budget estimate maintained at 2005 Budget.....		\$500.00

**RECREATIONAL SUPPLIES**

Oct. 31 balance of \$16 plus 0 for Nov-Dec.....	\$16.00	
2006 Budget estimate .....		\$200.00

**CABLE TV**

Oct. 31 balance of \$28,432 - no additional expense expected	\$28,432.00	
2006 Budget based 7 months at 38.13 and 5 months at \$39.27 plus GST and PST.....		\$28,800.00

**DIESEL FUEL**

Oct. 31 balance of \$1,509 plus semi annual load test and generator inspection	\$2,609.00	
2006 Budget estimate.....		\$2,000.00

**ELECTRICITY**

Oct. 31 balance of \$45,751 plus Oct of 3,300, Nov and Dec at 5,000 per month	\$59,051.00	
2006 Budget reflects change from 5 cents to 7 cents per KW hour which represents a 40% increase from April onwards and based on no increase in usage. Therefore 2006 based on 3 months at \$5,000 and 9 months at \$7,000		\$78,000.00

**GAS**

Oct. 31 balance of \$49,998 to Oct. plus Nov of 7,000 and Dec. of \$8,000.....	\$64,998.00	
gas contract ends Aug 31 2006 Budget reflects current gas contract ending Aug 31/06 where we paid 25 cents per cubic meter. Current 5 year contracts are at 40 cents. Assumes 8 months at \$5,500 and 4 at \$8,800		\$79,200.00

**WATER & SEWER**

Oct. 31 balance of \$20,485 which includes charges to Dec. \$4,500.....	\$20,485.00	
2006 Budget estimate (based on \$400 per suite annually, which reflects 7% increase per City of Toronto estimates.....)		\$21,600.00

**ELECTRICAL REPAIR**

October 31 balance of \$103 plus estimate of \$900 to correct Thermographic deficiencies as per report.....	\$1,000.00	
2006 Budget estimate.....		\$600.00

**MECHANICAL REPAIR**

Oct. 31 balance of zero and no additional expenses.....	\$0.00	
2006 Budget estimate.....		\$1,000.00

**PLUMBING REPAIR**

Oct. 31 balance of \$3,886 plus replace shut off valves of \$5,000.....	\$8,886.00	
2006 Budget estimate (maintained at 2005 Budget amount).....		\$10,000.00

**RECREATIONAL REPAIR**

Oct. 31 balance of \$4,241 with no more spending this year....	\$4,241.00	
2006 Budget estimate.....		\$2,500.00

**GENERAL & MISCELLANEOUS REPAIR (EXTERIOR)**

Oct. 31 balance of \$9,299 plus \$2,000 for caulking and rebar repair in Nov.	\$11,299.00	
2006 Budget estimate (maintained at 2005 Budget amount).....		\$11,500.00

**GENERAL & MISCELLANEOUS REPAIR (INTERIOR)**

October 31 balance of \$13,151 plus 1,200 for three remaining jobs this year	\$14,351.00	
2006 Budget will reflect ongoing replacement of weather stripping and rollers on windows at \$1,000 per unit.....		\$20,000.00