



## NOTICE TO OWNERS

### 2013 MAINTENANCE FEES

November 30, 2012

The Board of Directors has determined the 2013 Operating Budget for MTCC #600. Maintenance Fees for the coming year will **increase by only 1.0%**.

**The 2013 rates will increase by \$10 per month or 1.0% over 2012 (\$15 for the commercial unit) to the following levels:**

Commercial Unit	\$1,125.00 per month
Residential Units	\$990.00 per month

#### **How the Increase Breaks Down**

All of the \$10 monthly residential increase goes towards the contribution to the Reserve Fund. We recently received a draft of the tri-annual Reserve Fund Study and have based next year's contribution on the engineer's calculated required contribution. The contribution for 2013 is up 4% from 2012.

Comparing the 2013 budgeted operating expenditures to the 2012 budget, you will see the total is virtually unchanged. However, this does not mean that we are not budgeting for increases in costs next year. We have budgeted an overall 17% increase in expenditures for 2013 over what we anticipate in 2012, as explained below.

#### **History of Maintenance Fee Increases**

YEAR	MONTHLY FEE	INCREASE	
		\$	%
2006	\$795.00		
2007	\$850.00	\$55.00	6.9%
2008	\$885.00	\$35.00	4.1%
2009	\$895.00	\$10.00	1.1%
2010	\$895.00	None	0.0%
2011	\$955.00	\$60.00	6.7%
2012	\$980.00	\$25.00	2.6%
<b>2013</b>	<b>\$990.00</b>	<b>\$10.00</b>	<b>1.0%</b>

### **Where did we save the most in 2012?**

We are currently anticipating spending approximately \$66,000 less than what was budgeted.

The most significant area in which the costs are less than budgeted is the category of General Exterior Repairs, which is about \$37,000 lower. During the budget process last year, there were two potentially significant repairs identified: repairs to the concrete slabs on the exterior building walls, and water leakage into the garage. Regarding the concrete slabs, the engineer has made an allowance in the Reserve Fund for these repairs so that money does not need to be spent from our operating budget. For the water leakage, some relatively inexpensive repairs have been made which appear to have alleviated the issue; we hope that the problem has been solved without spending the significant amount that was budgeted.

We are also seeing favourable variances to the budget for electricity and gas costs, which are highly dependent on the weather, and therefore difficult to predict. However, we continue to see a significant savings in gas costs compared to a few years ago because of the investment made in energy efficient hot water boilers.

The remaining savings are spread throughout other repair and maintenance and other items in which we provide for unexpected items, but hope to not have to spend. These items are also difficult to predict.

### **Where Are We Investing More in 2013?**

There are some items that have been budgeted beyond an expected inflation increase over the 2012 costs. Some of the more significant items follow.

Utilities, as explained above, are difficult to predict and are largely dependent on weather. Because of a relatively mild winter last year, we have budgeted a 14.4% increase in costs. Although not as dramatic, electricity is also budgeted higher than we experienced in 2012. Water and sewer have been increased by 9% because of a preliminary expectation from the city of a 9% rate increase.

Elevator costs are up because of safety improvements in the machinery room that guard the moving parts of the system. Also, the moving pads need to be replaced. These should hopefully be one-year expenditures so that we see a decrease in costs in 2014.

Another increase is for recreation supplies. As you are aware, we will be embarking on a significant improvement to the common room areas on the second floor. These costs will substantially be covered by the Reserve Fund. However, there are restrictions on items that can be paid from this Fund, so we have made a provision for items which may not be covered.

For the HVAC system, we benefited from a one-time reduction in Honeywell maintenance costs. We are now budgeting for normal costs going forward.

Finally, the plumbing and general exterior repair accounts are up because of some specifically identified repairs that need to be made. None of these are individually major projects.

A detailed description of our Operating Budget is attached, showing each item of the 2012 Forecast and 2013 Budget, along with notes explaining the calculation of each.

**Please provide post-dated cheques for the year dated the 1<sup>st</sup> of each month commencing January 1, 2013, payable to MTCC #600 and have them delivered to the Office – Suite 2C, no later than Friday, December 21st, 2012.**

**For those of you who are on the Pre-Authorized Payment Program (which is the majority of the building), you don't have to lift a finger.**

**If you want to be on the Pre-Authorized Payment Program, please place a void cheque in an envelope to the attention of Alan Gracan, and put it in the office mail box before the December 21st deadline.**

Alan Gracan, CA  
Treasurer for  
The Board of Directors, MTCC #600

Alan Gracan  
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**M.T.C.C. 600**  
**STATEMENT OF OPERATING INCOME AND EXPENDITURE**  
**2013 OPERATING BUDGET**

	<u>Column 1</u>	<u>Column 2</u>	<u>Column 3</u>	<u>Column 4</u>
	<u>Oct. 2012</u>	<u>2012</u>	<u>2012</u>	<u>2013</u>
	<u>YTD</u>	<u>BUDGET</u>	<u>FORECAST</u>	<u>BUDGET</u>
<b>INCOME</b>				
Maintenance Fees	\$486,270.00	\$648,360.00	\$648,360.00	\$655,020.00
Key/Card Fees	100.00	100.00	100.00	100.00
Status Certificate Fees	300.00	300.00	300.00	300.00
Moving Fees	450.00	300.00	450.00	300.00
Lease income	400.00	400.00	400.00	400.00
Other Income	<u>950.00</u>	<u>1,200.00</u>	<u>950.00</u>	<u>1,200.00</u>
Total Income	\$488,470.00	\$650,660.00	\$650,560.00	\$657,320.00
<b>EXPENDITURES</b>				
<b>Administrative</b>				
Audit	\$4,294.00	\$4,200.00	\$4,294.00	\$4,400.00
Bank Charges	629.35	1,100.00	900.00	1,100.00
Legal	310.75	1,500.00	310.75	1,500.00
Office	4,236.63	4,500.00	4,500.00	4,500.00
Professional Fees	<u>14,191.34</u>	<u>18,000.00</u>	<u>16,691.34</u>	<u>5,000.00</u>
Total Administrative	\$23,662.07	\$29,300.00	\$26,696.09	\$16,500.00
<b>Personnel</b>				
Regular Wages	\$30,589.90	\$39,800.00	\$40,320.72	\$41,698.00
Weekend Relief	3,200.00	4,160.00	4,160.00	4,160.00
E.I. Employer	864.42	1,110.00	1,176.00	1,248.00
C.P.P. Employer	1,953.11	2,400.00	2,307.00	2,356.00
WSIB Employer	725.47	1,600.00	1,450.00	1,518.00
Third Party Relief Wages	1,350.00	3,500.00	2,100.00	3,500.00
Telephone / Internet	<u>1,891.48</u>	<u>2,500.00</u>	<u>2,391.48</u>	<u>2,500.00</u>
Total Personnel	\$40,574.38	\$55,070.00	\$53,905.20	\$56,980.00

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	<u>Oct. 2012</u>	<u>2012</u>	<u>2012</u>	<u>2013</u>
	<u>YTD</u>	<u>BUDGET</u>	<u>FORECAST</u>	<u>BUDGET</u>
<b>Operating Services</b>				
Cleaning Services (Exterior)	\$4,503.05	\$4,000.00	\$4,503.50	\$4,600.00
Cleaning Services (Interior)	678.00	1,400.00	1,018.00	1,400.00
Compactor	693.91	2,000.00	693.91	2,000.00
Elevators	17,762.53	21,000.00	21,143.00	31,500.00
Fire Safety	8,031.22	11,000.00	11,257.51	8,700.00
Grounds	3,251.48	3,500.00	3,551.48	2,000.00
HVAC	24,995.76	29,000.00	25,824.00	33,300.00
Insurance	15,812.44	16,000.00	15,813.00	16,300.00
Laundry	0.00	0.00	0.00	0.00
Pest Control	584.21	750.00	690.00	800.00
Property Taxes	2,868.86	2,900.00	2,870.00	3,000.00
Security	<u>14,660.55</u>	<u>18,550.00</u>	<u>17,293.00</u>	<u>17,520.00</u>
Total Operating Services	\$93,842.01	\$110,100.00	\$104,657.40	\$121,120.00
<b>Operating Supplies</b>				
Cleaning Supplies	\$2,122.49	\$3,000.00	\$2,600.00	\$3,000.00
Grounds Supplies	833.31	1,500.00	834.00	1,500.00
Lighting Supplies	250.90	500.00	350.00	500.00
Recreational Supplies	<u>0.00</u>	<u>3,000.00</u>	<u>0.00</u>	<u>6,400.00</u>
Total Operating Supplies	\$3,206.70	\$8,000.00	\$3,784.00	\$11,400.00
<b>Operating Utilities</b>				
Cable TV	\$27,182.75	\$33,000.00	\$32,711.00	\$32,960.00
Diesel Fuel & Equipment	2,857.08	2,000.00	3,357.00	2,000.00
Electricity	46,519.55	60,300.00	57,327.00	60,500.00
Gas	30,072.47	47,000.00	41,072.00	47,000.00
Water & Sewer	<u>20,483.03</u>	<u>28,500.00</u>	<u>29,000.00</u>	<u>31,600.00</u>
Total Operating Utilities	\$127,114.88	\$170,800.00	\$163,467.00	\$174,060.00

**M.T.C.C. 600**  
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	<u>Column 1</u> <u>Oct. 2012</u> <u>YTD</u>	<u>Column 2</u> <u>2012</u> <u>BUDGET</u>	<u>Column 3</u> <u>2012</u> <u>FORECAST</u>	<u>Column 4</u> <u>2013</u> <u>BUDGET</u>
<b>Repair &amp; Maintenance</b>				
Electrical				
Repair	\$831.40	\$2,000.00	\$831.40	\$2,000.00
Mechanical Repair	0.00	1,000.00	0.00	1,000.00
Plumbing				
Repair	6,919.52	10,000.00	6,920.00	18,000.00
Recreational Repair	322.05	1,000.00	322.00	1,000.00
General & Misc. (Exterior)	6,206.26	45,000.00	7,500.00	30,000.00
General & Misc. (Interior)	<u>14,986.51</u>	<u>20,000.00</u>	<u>18,000.00</u>	<u>20,000.00</u>
Total Repair & Maintenance	\$29,265.74	\$79,000.00	\$33,573.40	\$72,000.00
Total Expenditures	\$317,665.78	\$452,270.00	\$386,083.09	\$452,060.00
Operating Surplus (Deficit)	\$170,804.22	\$198,390.00	\$264,476.91	\$205,260.00
One Time Surplus				
Less, Contribution to Reserve	<u>-148,024.00</u>	<u>-197,365.00</u>	<u>-197,365.00</u>	<u>-205,260.00</u>
<b>Net Operating Income (Loss)</b>	<b><u>\$22,780.22</u></b>	<b><u>\$1,025.00</u></b>	<b><u>\$67,111.91</u></b>	<b><u>\$0.00</u></b>

**M.T.C.C. 600**  
**NOTES TO 2013 OPERATING BUDGET**

	<u><b>2012</b></u> <u><b>FORECAST</b></u>	<u><b>2013</b></u> <u><b>BUDGET</b></u>
<b>MAINTENANCE FEES</b>		
2012 Fees (54 units x \$980 + \$1,110 commercial).....	\$648,360.0 0	
2013 Budget - Increase of 1.0% based on		
January to December (54 units x \$990 + \$1,125 commercial).....		\$655,020.0 0
<b>KEY CARD FEES</b>		
2012 Forecast - October 31st Actual. No more anticipated .....	\$100.00	
2013 Budget based on 2 cards at \$50 each.....		\$100.00
<b>STATUS CERTIFICATE FEES</b>		
2012 Forecast - October 31st Actual. No more anticipated .....	\$300.00	
2013 Budget assumes 3 moves .....		\$300.00
<b>MOVING FEES</b>		
2012 Forecast - October 31st Actual. No more anticipated .....	\$450.00	
2013 Budget assumes 3 moves in and out .....		\$300.00
<b>LEASE INCOME</b>		
2012 Forecast - October 31st Actual. No more anticipated .....	\$400.00	
2013 Budget.....		\$400.00
<b>OTHER INCOME</b>		
2012 Includes rental of space for scooters	\$950.00	
2013 Includes rental of space for scooters		\$1,200.00
<b>AUDIT</b>		
2012 Forecast - no more expected .....	\$4,294.00	
2013 Budget based on 2012 Forecast .....		\$4,400.00
<b>BANK CHARGES</b>		
2012 Forecast - Oct 31st Actual plus estimate for Nov & Dec .....	\$900.00	
2013 Budget .....		\$1,100.00
<b>LEGAL</b>		
2012 Forecast - no more expected .....	\$310.75	
2013 Budget to include general provision .....		\$1,500.00
<b>OFFICE</b>		
2012 Forecast - Oct 31st Actual plus estimate for Nov & Dec .....	\$4,500.00	
2013 Budget based on 2012 Forecast .....		\$4,500.00
<b>PROFESSIONAL FEES</b>		
2012 Forecast - Oct 31st Actual plus estimate for Nov & Dec	\$16,691.34	
2013 Budget - allowance includes \$200 for Hook Anchor		\$5,000.00

**REGULAR WAGES**

2012 Forecast based on \$30590 YTD plus 6 pay periods, plus Christmas bonus	\$40,320.72	
2013 Budget based on 3% increase effective Sept. 2013. plus provision for additional cleaning		\$41,698.00

**WEEKEND RELIEF**

2012 Forecast based on YTD plus 6 pay periods at \$160.....	\$4,160.00	
2013 Budget based on \$160 per pay period x 26 pay periods.....		\$4,160.00

**E.I. EMPLOYER**

2012 Forecast based on annual maximum.....	\$1,176.00	
2013 Budget based on annual maximum.....		\$1,248.00

**C.P.P. EMPLOYER**

2012 Forecast based on annual maximum.....	\$2,307.00	
2013 Budget based on annual maximum.....		\$2,356.00

**WSIB EMPLOYER**

2012 Forecast .....	\$1,450.00	
2013 Budget based on 5% increase		\$1,518.00

**THIRD PARTY RELIEF WAGES**

2012 YTD plus one week at \$750	\$2,100.00	
2013 Budget based on \$750 per week for 3 weeks plus provision for special cleaning.....		\$3,500.00

**TELEPHONE / INTERNET**

2012 Forecast - Oct 31st Actual - no more expected .....	\$2,391.48	
2013 Budget based on 2012 Forecast plus provision for increase		\$2,500.00

**CLEANING CONTRACTS (EXTERIOR)**

2013 Forecast - Oct 31st Actual (3 cleanings plus vents)	\$4,503.50	
2013 Budget for usual 3 window cleanings @ \$1,400 plus vent cleaning .....		\$4,600.00

**CLEANING CONTRACTS (INTERIOR)**

2012 Forecast - Oct 31st Actual plus 1 more carpet cleaning .....	\$1,018.00	
2013 Budget for 3 treatments of carpet cleaning at \$350 and spot cleaning for \$350.....		\$1,400.00

**COMPACTOR**

2012 Forecast - no more expected .....	\$693.91	
2013 Budget for garbage bin maintenance, spring and fall chute cleaning, and provision for compactor repairs.....		\$2,000.00



**ELEVATORS**

2012 Forecast - Oct 31st Actual plus 2 monthly charges of \$1,690 per month .....	\$21,143.00	
2013 Budget based on \$1,690 with 3.5% increase and provision for inspection and licenses, emergency call provision \$1000, safety cages for pulleys \$6,0000, moving pad replacement \$2,400		\$31,500.00

**FIRE SAFETY**

2012 Forecast - Oct 31st Actual plus one more quarterly ADT alarm plus door closers \$3000 .....	\$11,257.51	
2013 Budget for annual inspection \$4,000, plus \$3,200 for dryer vent cleaning, \$1,000 for ADT and provision for smoke detectors .....		\$8,700.00

**GROUNDS CONTRACTS**

2012 Forecast - October 31st Actual, plus November clean up .....	\$3,551.48	
2013 Budget .....		\$2,000.00

**HVAC**

2012 Forecast - October 31st Actual includes Honeywell reduction plus Internet access for automated usage control system.....	\$25,824.00	
2013 Budget assumes Honeywell at \$6500 per quarter \$4,200 for Merrit for Filter replacement, \$1,600 for Aris for automated control system, \$1,500 for wireless router		\$33,300.00

**INSURANCE**

2012 Forecast - October 31st Actual. No more anticipated .....	\$15,813.00	
2013 Budget based on prior year plus 3.5% .....		\$16,300.00

**LAUNDRY**

Coinamatic contract cut in previous year as cost savings.....	\$0.00	
Coinamatic contract cut in previous year as cost savings.....		\$0.00

**PEST CONTROL**

2012 Forecast - October 31st Actual plus 2 more months	\$690.00	
2013 Budget based on prior year plus 3%, plus provision for possible additional services ...		\$800.00

**PROPERTY TAXES**

2012 Forecast - October 31st Actual. No more anticipated .....	\$2,870.00	
2013 Budget based on 2012 Forecast plus 3 % .....		\$3,000.00

**SECURITY**

2012 Forecast - October 31st Actual plus 2 months at \$1,250 plus 2 months of Bell Enterphone monitoring .....	\$17,293.00	
2013 Budget at \$1,270 x 12 months plus enterphone at \$65 per month plus \$250 for FOB's and \$1,500 for other		\$17,520.00

**CLEANING SUPPLIES**

2012 Forecast - Oct 31st Actual plus estimate for Nov & Dec .....	\$2,600.00	
2013 Budget		\$3,000.00

**GROUNDS SUPPLIES**

2012 Forecast - no more expected .....	\$834.00	
2013 Budget .....		\$1,500.00

**LIGHTING SUPPLIES**

2012 Forecast - Oct 31st Actual plus estimate for Nov & Dec .....	\$350.00	
2013 Budget to be maintained at 2012 budget		\$500.00

**RECREATIONAL SUPPLIES**

2012 Forecast - no more expected .....	\$0.00	
2013 Budget to allow for new equipment as part of renovation		\$6,400.00

**CABLE TV**

2012 Forecast - Oct 31st Actual plus estimate for Nov & Dec .....	\$32,711.00	
2013 Budget based 8 months \$2,765 and 4 months at \$2,850		\$32,960.00

**DIESEL FUEL & EQUIPMENT**

2012 Forecast - Oct 31st Actual plus estimate for Nov/Dec.....	\$3,357.00	
2013 Budget remains at 2012 level.....		\$2,000.00

**ELECTRICITY**

2012 Forecast - October 31st Actual plus provision for November and December.....	\$57,327.00	
2013 Budget based on 5% increase .....		\$60,500.00

**GAS**

2012 Forecast - Oct 31st Actual plus estimate for Nov & Dec .....	\$41,072.00	
2013 Budget based on 2012, plus provision for heavy winter same budget as 2012		\$47,000.00

**WATER & SEWER**

2012 Forecast - Oct 31st Actual plus estimate for Nov & Dec .....	\$29,000.00	
2013 Budget based on 2012, plus 9% increase.....		\$31,600.00

**ELECTRICAL REPAIR**

2012 Forecast - October 31st Actual. No more anticipated .....	\$831.40	
2013 Budget		\$2,000.00

**MECHANICAL REPAIR**

2012 Forecast - October 31st Actual. No more anticipated .....	\$0.00	
2013 Budget same as 2012.....		\$1,000.00

**PLUMBING REPAIR**

2013 Forecast - October 31	\$6,920.00	
2012 Budget set at normal repairs 10k, boiler room drain 4k Rabba recirculating headers 4k .....		\$18,000.00

**RECREATIONAL REPAIR**

2012 Forecast - October 31st Actual. No more anticipated .....	\$322.00	
2013 Budget estimate same as 2012.....		\$1,000.00

**GENERAL & MISCELLANEOUS REPAIR (EXTERIOR)**

2012 Forecast - Oct 31st Actual plus estimate for Nov & Dec .....	\$7,500.00	
2012 Budget includes provisions of 6k boiler exhaust roof, 5k Rabba leak 3k front pavers repairs, 1k for trellis repairs		\$30,000.00

**GENERAL & MISCELLANEOUS REPAIR (INTERIOR)**

2012 Forecast - Oct 31st Actual plus estimate for Nov & Dec .....	\$18,000.00	
2013 Budget estimate.....		\$20,000.00