

256
Jarvis Street
MTCC 600

NOTICE TO OWNERS

2026 MAINTENANCE FEES

December 27, 2025

The Board of Directors has approved the 2026 Operating Budget for MTCC No. 600. Maintenance Fees will increase by \$75 per month for the coming year. This is an 5.3% increase.

The 2026 rates are as follows:

Residential Units	\$1,490.00 per month
Commercial Unit	\$1,650.00 per month

Setting the 2026 Maintenance Fee

Our objective is to set the maintenance fee at a level that maintains the operations of the building at low cost. For several years in the last decade we have been able to maintain nominal increases. However, the last three years we have had to increase costs at a higher rate. Unfortunately, we have limited or no control over most of the costs, including utilities and service contracts, and the required contribution to the reserve fund, which increases by 8.0% per year. The net cost of the increase this year is \$75 per month, or \$900 per year. This is an increase of 5.3% over last year’s rate compared to an 8.8% increase last year.

YEAR	MONTHLY FEE	INCREASE	
		\$	%
2016	\$1,020.00	\$25.00	2.5%
2017	\$1,040.00	\$20.00	2.0%
2018	\$1,050.00	\$10.00	1.0%
2019	\$1,060.00	\$10.00	1.0%
2020	\$1,080.00	\$20.00	1.9%
2021	\$1,120.00	\$40.00	3.7%
2022	\$1,155.00	\$35.00	3.1%
2023	\$1,215.00	\$60.00	5.2%
2024	\$1,300.00	\$85.00	7.0%
2025	\$1,415.00	\$115.00	8.8%
2026	\$1,490.00	\$75.00	5.3%

Average Increase	
1 year	5.8%
5 year	6.0%
10 year	3.9%
20 year	3.3%

The table at the right shows the historical increase in fees since 2016. The increases up to 2020 have been very low, because of lower inflation rates. Since then the increases have been largely due to required increases in the reserve fund contribution.

2025 Anticipated Expenditures versus 2025 Budget

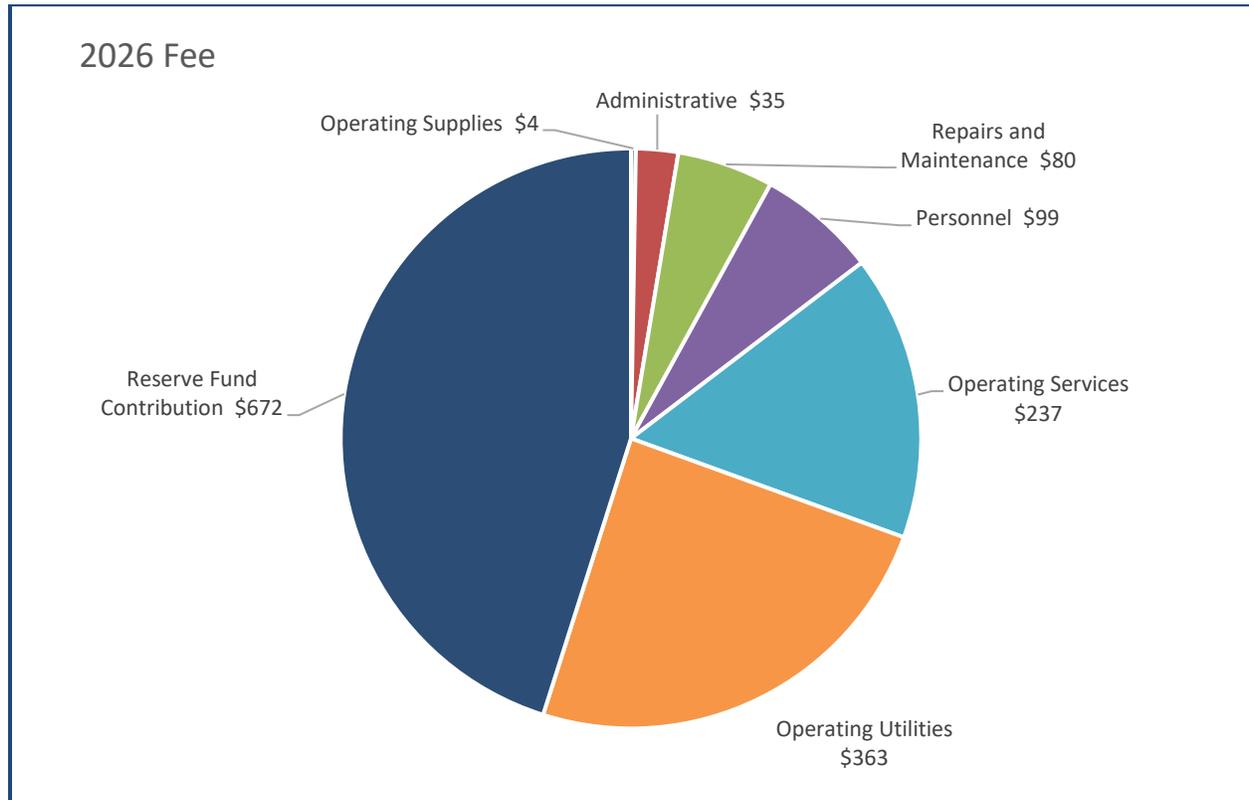
We are currently anticipating being under our 2025 budget by approximately \$17,000, dependent on the final utility and other bills for the year. This is the first year in a few years that we have had a surplus rather than a deficit. The deficits the last few years were caused by unexpected repair costs and price increases.

The variances against budget are as follows:

- Administrative costs are slightly under budget. We had no legal costs for the year, which helped keep overall costs lower.
- Personnel expense are \$1,500 under budget, primarily because of less use of outside relief work.
- Operating services are over budget by \$26,000. The largest contributor is fire safety costs which are \$22,000 over budget. There were several repairs to the system required during the year, and for the first time we were required to have an engineer perform an air pressure test for the building that cost over \$5,000.
- Operating Supplies are essentially on budget.
- Operating Utilities is the category where we usually have our largest variances, due to the high costs and difficulty in budgeting these items. This year is no different except that the variances worked in our favour. Overall, the costs are \$26,000 under budget. Of that \$26K, Electricity and Gas are each roughly \$5K below budget, but Water & Sewer is a notable \$16K under budget. The last couple years has shown substantial variability in charges from the city based on volume of usage, which the city has so far failed to explain to our satisfaction. The budget was based on the big increase we experienced in 2024, but the 2025 charges showed a decrease.
- Repairs and maintenance costs are \$15,000 under budget in total. These accounts are difficult to estimate during budgeting because most of the expenditure is from unexpected repairs. However, there were relatively few repairs required in 2025 as compared to prior years.

Components of the 2026 Fee

A significant portion of the maintenance fees, 45%, goes towards the contribution to the Reserve Fund. As required by the Reserve Fund Study, the contribution for 2026 is \$445,114, an 8% increase over 2025.



Utilities are another significant cost at 24%, while operating services, such as HVAC, security, and elevator contracts account for another 16% of costs. It is relevant and significant to note that, in total, the reserve fund contribution, utilities and fixed maintenance contracts account for 85% of our monthly fee, or \$1,272 of the \$1,490. There is little to no discretion in these costs.

Budget for 2026

The effect of the budget change from 2025 to 2026 on how your monthly fee is spent is shown in the chart to the right. The budget for 2026 reflects our experience with actual costs in 2025. Therefore, there is some shifting of costs between categories.

2026 Monthly Fee Budget Components			
	2026 Budget	2025 Budget	Change
Operating Supplies	\$ 4	\$ 4	\$ -
Administrative	35	31	\$ 4
Repairs and Maintenance	80	82	\$ (2)
Personnel	99	98	\$ 1
Operating Services	237	207	\$ 30
Operating Utilities	363	371	\$ (8)
Reserve Fund Contribution	672	622	\$ 50
Total Monthly Fee	\$1,490	\$1,415	\$ 75

We are decreasing the budget for repairs and maintenance versus prior year budget. Although costs were much less in 2025 than budgeted, we are not decreasing it to the lower level we experienced as we expect that repair costs may increase in 2026.

Operating utilities is decreasing by \$8 versus 2025 budget because these costs were lower in 2025 than budgeted (particularly water/sewer) and this is expected to continue. However, we have still made an allowance for an overall increase of 9.4% for all utilities in total.

For the reserve fund contribution, the \$50, or 8%, increase is required under the Reserve Fund Study. We are following the funding plan in the current study, which calls for an annual 8% increase.

By separating the operating expense component of the monthly fee from the required contribution to the reserve fund, we can see that the increase in operating expense component is 3.2%, while the increase in the required reserve fund contribution is 8.0%. These two increases combined give the overall fee increase of 5.3%.

Reserve vs Operating (monthly fee)				
	2026 Budget	2025 Budget	Change	
			\$	%
Reserve Fund Contribution	672	622	50	8.0%
Operating expenses	818	793	25	3.2%
Total Monthly Fee	1,490	1,415	75	5.3%

2026 Operating Budget

Overall, the budget is prepared to minimize increases to the owners. These increases are from either price increases, or allowances for repairs. No new services or costs have been planned. We continue to be a self-managed building and rely on significant time and effort from owners in order to save these costs to all owners.

A detailed description of our Operating Budget is attached, showing each item of the 2025 Forecast, 2025 Budget and 2026 Budget.

Reserve Fund Expenditures

The reserve fund expenditures are not part of the annual operating budget. These projects are treated separately and are initiated when needed. We will keep you informed regarding the status of significant projects.

Payment of Maintenance Fees

For the 95% of owners who are on the Pre-Authorized Payment Program, the monthly fee withdrawn from your account will be automatically updated and withdrawn on January 2.

For the few of you still paying by cheque, please provide post-dated cheques for the year dated the 1st of each month commencing January 1, 2026, payable to MTCC #600 and deliver them to the Office – Suite 2C, by or before December 31, 2025.

If you are not on the Pre-Authorized Payment Program and wish to join, please place a void cheque in an envelope to the attention of Greg Geralde, and deliver it to the office as soon as possible. You can switch to the automatic program at any time during the year.

A handwritten signature in blue ink, appearing to read "Alan Gracan", is displayed on a light grey rectangular background.

Alan Gracan, CPA, CA
Treasurer
On Behalf of the Board of Directors, MTCC 600

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Email – alan.gracan@sympatico.ca

MTCC 600

2026 Operating Budget

	2025			2026		
	Forecast	Budget	Variance	BUDGET	Variance to Forecast	Variance to Budget
INCOME						
Maintenance Fees	935,640	935,640	-	985,320	49,680	49,680
Other Income	2,005	1,400	605	1,400	(605)	-
TOTAL INCOME	937,645	937,040	605	986,720	49,075	49,680
OPERATING EXPENDITURES						
Administrative						
Audit	6,272	6,320	48	6,650	(378)	(330)
Bank Charges	628	720	92	720	(92)	-
Legal	-	900	900	900	(900)	-
Office	5,726	4,017	(1,709)	6,246	(520)	(2,229)
Professional Fees	7,899	8,800	901	8,400	(501)	400
Total Administrative	20,525	20,757	232	22,916	(2,391)	(2,159)
Personnel						
Regular Wages and OT	54,701	55,690	989	55,690	(989)	-
EI Expense	1,624	1,500	(124)	1,750	(126)	(250)
CPP Expense	4,046	3,650	(396)	4,200	(154)	(550)
WSIB	1,016	1,200	184	1,200	(184)	-
Third Party Wages	730	1,600	870	1,600	(870)	-
Parking	1,000	1,000	-	1,000	-	-
Total Personnel	63,117	64,640	1,523	65,440	(2,323)	(800)
Operating Services						
Cleaning Services (Exterior)	5,770	6,000	230	6,480	(710)	(480)
Cleaning Services (Interior)	9,477	5,480	(3,997)	8,100	1,377	(2,620)
Compactor	920	500	(420)	500	420	-
Elevators	14,060	16,100	2,040	16,100	(2,040)	-
Fire Safety	35,698	14,000	(21,698)	24,500	11,198	(10,500)
Grounds	8,633	8,500	(133)	8,750	(117)	(250)
HVAC	47,801	45,300	(2,501)	50,000	(2,199)	(4,700)
Insurance	37,046	39,900	2,854	41,000	(3,954)	(1,100)
Pest Control	3,242	1,200	(2,042)	1,500	1,742	(300)
Property Taxes	-	-	-	-	-	-
Total Operating Services	162,647	136,980	(25,667)	156,930	5,717	(19,950)

2026 Operating Budget

Continued

	2025			2026		
	Forecast	Budget	Variance	BUDGET	Variance to Forecast	Variance to Budget
Operating Supplies						
Cleaning Supplies	969	1,000	31	1,000	(31)	-
Grounds Supplies	1,437	1,200	(237)	1,500	(63)	(300)
Lighting Supplies	35	200	165	200	(165)	-
Recreational Supplies	-	200	200	200	(200)	-
Total Operating Supplies	2,441	2,600	159	2,900	(459)	(300)
Utilities						
Cable TV	33,683	33,720	37	33,720	(37)	-
Diesel Fuel and Equipment	3,893	4,000	107	4,000	(107)	-
Electricity	74,892	80,000	5,108	82,000	(7,108)	(2,000)
Gas	40,371	47,000	6,629	45,000	(4,629)	2,000
Water & Sewer	57,165	73,000	15,835	66,000	(8,835)	7,000
Garbage	9,580	8,000	(1,580)	9,500	80	(1,500)
Total Utilities	219,584	245,720	26,136	240,220	(20,636)	5,500
Repairs & Maintenance						
Electrical Repair	172	1,000	828	1,000	(828)	-
Mechanical Repair	-	1,200	1,200	1,200	(1,200)	-
Plumbing Repair	5,114	3,500	(1,614)	5,000	114	(1,500)
Recreational Repair	85	1,000	915	1,000	(915)	-
General & Misc. (Exterior)	2,795	5,500	2,705	3,000	(205)	2,500
Repair & Misc. (Interior)	2,926	12,000	9,074	12,000	(9,074)	-
Security	28,441	30,000	1,559	30,000	(1,559)	-
Total Repairs & Maintenance	39,533	54,200	14,667	53,200	(13,667)	1,000
TOTAL OPERATING COSTS	507,846	524,897	17,051	541,606	(33,760)	(16,709)
OPERATING SURPLUS	429,799	412,143	17,656	445,114	15,315	32,971
Reserve Fund Contributions						
Current Year Contribution	412,143	412,143	-	445,114	(32,971)	(32,971)
Total Reserve Fund Contributions	412,143	412,143	-	445,114	(32,971)	(32,971)
NET OPERATING INCOME (LOSS)	17,656	-	17,656	-	(17,656)	-