
Dear Owners

December 1, 2023

After a challenging year in 2022, we experienced a more normalized year in 2023, with the exception of two water main breaks which resulted in just under \$125,000 in emergency repair and remediation costs and slowed down a few of our Summer 2023 projects.

In April, we submitted three new grant applications under the municipality's Downtown Revitalization Incentives Program. These were approved in September and are expected to provide \$45,880 towards improvements to the Tower Two, Low Rise, and Mews facades, additional to the \$169,296 received under the program in 2021 and 2022. New projects include concrete work, installation of new awnings, lighting, and signage, and planter boxes at building entrances, replacement of handrails on the Low Rise exterior, window replacements on the Upper Mews, and cleaning and painting of the Tower Two main level exterior. Many of you have noticed the projects that have been completed to date and we have received positive feedback. The awnings are up, the flowerbeds are almost completed and the new Low Rise railings will be added in the next few months. The improvements are really starting to show.

We are currently starting the process of renewing our insurance, the largest line item on our budget at 22.82%, with the new policy to begin January 31st. We are optimistic that we will see our rates decrease again this year as the parkade fire claim that occurred in 2019 will no longer be part of our five-year insurance track record. We are also approaching additional carriers for coverage. However, we should note that in accordance with the Condominium Property Act, we are required to carry insurance for the full replacement cost of the property (the cost to fully rebuild the complex to its current specifications). In 2023, that was \$163,725,000. With inflation driving increasing prices on almost everything, the replacement cost of our complex will likely rise too, and thus we will need to insure for a somewhat higher amount. An appraisal is underway to determine our replacement cost for 2024. Though we are optimistic there will be a reduction in our premiums, we have not factored that into our budget, as it is still unknown. If a reduction is achieved, any cost savings in 2024 will be reallocated to our Reserve Fund.

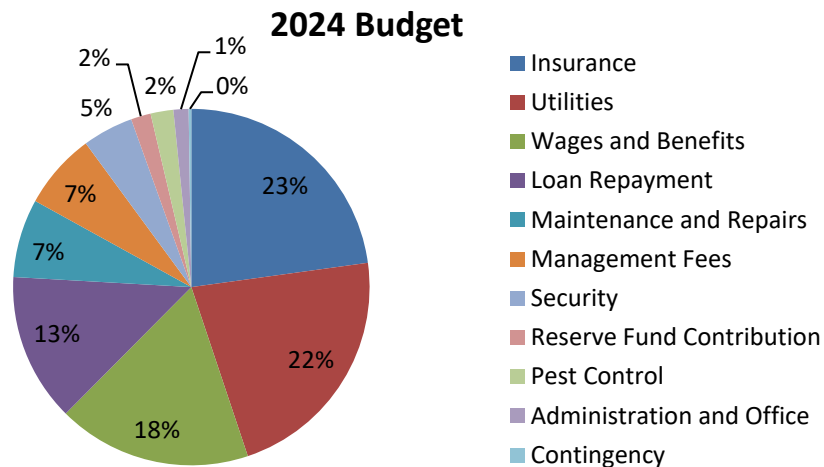
Utility costs have continued to climb and are the second largest line item at 22.04%. Last year we entered into fixed rate contracts for natural gas and electricity to help mitigate the expense. This has resulted in savings through 2023 and has made our budget planning more reliable. However, usage and the rate paid generates only a portion of our costs (42% of costs in 2023). Utility companies also charge large distribution fees (42% of costs in 2023) and we also pay the Federal Carbon Tax (16% of costs in 2023). We can convert our fixed rate contracts to variable rate with 30 days' notice should spot rates fall to where it becomes advantageous. We have recently negotiated a lower cost contract for waste removal with our existing vendor to help offset some of our utility costs.

Staffing is the budget's third largest line item, representing 17.58% of our budget in 2024. We have 10 full-time staff and 10 part-time staff. Two of our staff members (1 full-time and 1 part-time) are currently on family leave. This represents 15 full-time equivalent positions in: administration, cleaning, maintenance, and grounds to take care of this very large property with miles of hallways, fifteen acres of grounds and between 1,500 and 1,800 residents. River Park Glen is the size of a small town. The wages line item on the budget includes wages, benefits, workers' compensation, and training. Our team works very hard for all the owners at River Park Glen and if you

ever have an opportunity to thank them, please do. Some have been with us for years, a number live on site, and together they have formed a very strong team.

In early 2021, the condominium corporation passed an ordinary resolution permitting the corporation to borrow up to \$3.0M to fund numerous capital projects. The loan was split into two tranches. The corporation began making payments on the first tranche of \$2.3M in January 2022, and will have paid the loan off in full by December 2027. At year end, it is expected \$450,000 will have been drawn from the second tranche, at which time payments will begin, with the loan forecast to be paid off in full by December 2029. These payments are the fourth largest line item on the 2024 budget, at 13.45% of the total.

Ultimately, the impacts of inflationary pressures have resulted in the need to increase monthly fees by approximately 6.8% in 2024. We have included a Reserve Fund Contribution of \$75,000 in monthly fees (plus any savings from a decrease in insurance premium) and are not contemplating any Special Assessments in 2024. Below is the graph showing the allocation of expenses that make up your 2024 condominium fees.



PLEASE SEE THE ATTACHED OWNERS' FEE LISTING FOR UNIT SPECIFIC FEES.

If you are currently paying your fees by automatic withdrawal, you do not need to do anything, the new amount will be withdrawn, starting in January 2024. For those of you who pay by cheque, kindly ensure you provide 12 post dated cheques, as outlined in Bylaw 87.1.

When budgets are tight, as ours are, any delays in the payment of fees can create challenges for the Condominium Corporation to meet its obligations to lenders, staff, and contractors. In accordance with our bylaws, fees are due the first of each month and must be paid by electronic means or post-dated cheques.

We work hard to balance the needs of the property and the financial goals of Owners. In tough times this is an even greater challenge, but one we are each very committed to. Thank you for your continued support.

Your Board of Directors

Gene Dobie, President
Lorie Ephgrave, Director

Bryce Chapman, Vice President
Jamie Kobi, Director

Robert Steinbach, Secretary/Treasurer

**CONDOMINIUM CORPORATION NO. 112 2235
OPERATING FUND BUDGET
JANUARY 1 TO DECEMBER 31, 2024**

	APPROVED 2024 BUDGET	APPROVED 2023 BUDGET
REVENUE:		
Common Element Fees	\$ 3,964,885	\$ 3,712,150
Parking and Recreation Income	85,000	75,000
Commercial Rental Income	45,000	62,000
Telus & Rogers Cell Tower Leases	40,765	40,765
Keys, Pest Control Recoveries & Other	12,500	15,000
Administrative and Interest Income	14,500	3,000
TOTAL REVENUE	\$ 4,162,650	\$ 3,907,915
EXPENDITURES:		
Insurance	950,000	900,000
Utilities	917,500	901,000
Wages and Benefits	732,000	693,500
Loan Repayment	560,000	480,000
Maintenance and Repairs	296,450	310,950
Management Fees	287,000	287,000
Security	191,700	191,700
Pest Control (Contractor + Supplies)	86,000	65,265
Reserve Fund Contribution	75,000	--
Administration and Office	57,000	63,500
Contingency	10,000	15,000
TOTAL EXPENDITURES	\$ 4,162,650	\$ 3,907,915