



River Park Glen
Convenience, Comfort & Community

2024 MANAGEMENT DISCUSSION AND ANALYSIS



Aerial of River Park Glen and Downtown

PLEASE NOTE: *The purpose of this MD&A (Management Discussion and Analysis) is to provide all owners with a general update about the state of our condominium corporation prior to the AGM. Please read through this document, and if you have any questions or concerns you may contact us at theboard@rpqcondo.ca.*

A MESSAGE FROM YOUR BOARD

Dear Owners,

In January we renewed the corporation's insurance policy. The new annual premium was \$789,247, down from \$960,491 in 2023. Insurance remains our largest line item, representing 23% of the 2024 operating budget. We anticipate the cost decreasing again for the 2025 renewal, but cannot know for certain until January, so we will budget conservatively.

Utilities are our second largest expense, representing 22% of the total operating budget in 2024. This includes electricity, natural gas for heating, water, sewer, and waste removal. Utility costs in 2024 have been higher than expected due to increases in usage and the rising impact of the federal carbon tax. The carbon tax has now added approximately \$130,000 per year to the cost of heating the property. It is currently set to continue to increase again in April and each year thereafter through to 2030.

During the year the corporation was awarded three grants under the municipality's Downtown Revitalization Incentives Program, which provided a total of \$45,342 towards improvements to the Tower Two, Low Rise, and Mews facades. This was additional to the \$169,296 received under the program in 2021 and 2022. The new projects included concrete work to improve accessibility, installation of new awnings, lighting, signage, and planter boxes at a number of 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. Other non-grant projects completed in 2024 include improvements to the heating and plumbing systems in the Low Rise, repairs to exterior siding throughout the Low Rise and Mews, significant tree removal and landscaping work, the construction of five additional community garden beds, and CCTV upgrades.

Last year TELUS and the condominium corporation signed an Agreement to upgrade River Park Glen from copper wires to high-speed fiber-optics. Installation in Tower One, Tower Two, and the Upper Mews was completed in October and November. Residents in these buildings can now upgrade to high-speed fiber optics internet and digital television. We would like to have TELUS to upgrade the Low Rise and Lower Mews units in 2025, but because TELUS is paying for the work, the timelines will depend on their budget.

The site staff continue to work hard to keep the property clean, well maintained, and running smoothly. This has been reflected in our online reputation, with River Park Glen remaining the highest rated multifamily property in Fort McMurray based on a Google rating of 4.6/5 stars, from over 600 unique reviews.

During the year we engaged Reliance Consulting to update our Reserve Fund Study, a process that involves a physical inspection of the common property completed by a qualified third party. This report will be used to develop our reserve fund plan and guide the budgeting and capital investment priorities for the next 5 years at River Park Glen. A copy of the study will be made available at rpgcondo.ca once it is completed. We expect the next couple of years will involve minimal capital projects, with the focus being on building up the corporation's reserve fund.

The 2025 budget has recently been set by the Board of Directors. Fees will remain unchanged in 2025. It is always the goal of the Board to keep condominium fees as low as possible while ensuring the property is appropriately maintained and serviced, and that we account for the unique long-term needs of a property with River Park Glen's age and characteristics, as well as the impacts of inflation.

We thank you for your continued support.

Sincerely,

Your Board of Directors

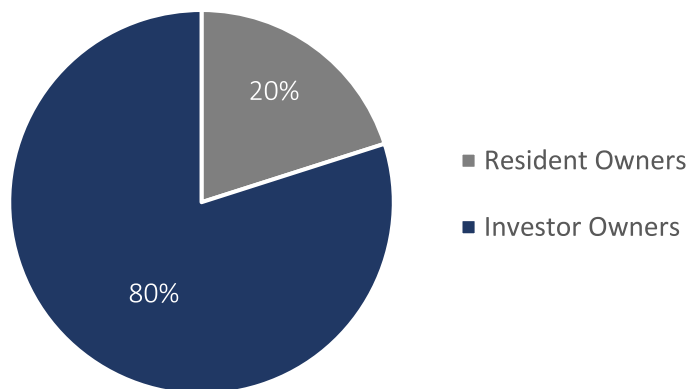
OVERVIEW OF RIVER PARK GLEN

River Park Glen (legally known as Condominium Corporation No. 112 2235) is a self-governing community with bylaws to guide its operations and affairs. When owning a condominium unit, you own your individual unit and share in the ownership and expenses of maintaining the common elements – things such as hallways, elevators, roofs, and the grounds.

A condominium project is run collectively by the unit owners, all of whom are members of the Condominium Corporation. The Condominium Corporation manages the property, security, finances, official records, reserve fund study agreements, and all related matters. Owners elect a Board of Directors at an Annual General Meeting (AGM) to supervise operations and set policy. The Board may hire a property management company to oversee day-to-day operations of the condominium corporation.

At River Park Glen, the Condominium Corporation has five volunteer Directors who oversee all aspects of the project, while On-Site Solutions Inc. is the contracted management company and oversees the project's daily operations through policies and procedures established by the Board and the Bylaws of the Corporation. On-Site Solutions reports directly to the Board of Directors.

A unique aspect of River Park Glen is that most River Park Glen owners are investors. In fact, about 80% of the project is owned by investors, and 20% by owner-occupiers (owners who live in their River Park Glen condominium unit).



The Directors and Managers have a duty to do what is best for the Condominium Corporation, and therefore all owners. This requires a Board of Directors and Management Team who understand the ambitions of investors as well as the needs of resident owners.

When tough decisions need to be made, they usually involve balancing the cost with the impact and the intended benefit for the owners. Most often, what is good for one owner is usually good for another. Whether it is an improvement to the buildings, grounds, or day-to-day operations – all owners benefit from the change either in quality of life for resident owners or happier tenants for investment owners. Any increases in capital value benefit both as well. We are, truly, all in this together.

THE BOARD OF DIRECTORS & NOMINEES

President, Gene Dobie

Mr. Dobie has lived in Fort McMurray for over 40 years and, through his company, Rooftech Ltd., owns one two-bedroom residential unit in High Rise Two as well as a parkade stall. He pays \$612.68 per month in condominium fees.

Mr. Dobie has a Business Management Certificate from SAIT and has studied Communications at Keyano College. For over 20 years he has been a committee member with Construction Labour Relations of Alberta. He is also the President of Barrington Condominium Association. He believes in fiscal responsibility, strategic planning and doing it right the first time.

Gene is also the President of GENRON, who have completed a number of roofing and other projects at River Park Glen which were awarded through competitive bidding.

Vice President, Bryce Chapman

Mr. Chapman is a professional real estate investor with over 40 years of experience in property management. Between his company Property Team Inc. and himself, he owns thirteen one-bedroom residential units and two two-bedroom residential units in High Rise One, each with a parkade stall; nine one-bedroom residential units and six two-bedroom residential units in High Rise Two, each with a parkade stall; one two-bedroom unit in the Low Rise with a parkade stall; six three-bedroom residential units, and two two-bedroom residential units in the Lower Mews, each with a parkade stall, four three-bedroom residential units in the Upper Mews, each with a parkade stall, thirty six additional parkade stalls, and the four laundry rooms in the property. He pays \$27,060.39 in condominium fees each month.

Mr. Chapman is also a minority shareholder of On-Site Solutions Inc., the condominium corporation's contracted management company. As the largest single owner within River Park Glen, Mr. Chapman is heavily invested in River Park Glen's well-being.

Director, Robert Steinbach

Mr. Steinbach has over 30 years' experience in roles in architecture/project management, private wealth management and workflow & productivity consulting. He received a degree in Architecture from Carleton University in Ottawa, a master's degree in Business Administration (MBA) from York University, and also carries the coveted Chartered Financial Analyst (CFA) designation.

He is the author of three books, was a member of the President's Advisory Council at Carleton University and continues to serve on the Board of Directors of the Maurice Price Foundation (since 1993) and the Salt Spring Island Community Foundation. He is the past president of the trade association now known as the Portfolio Management Association of Canada (PMAC).

Mr. Steinbach owns one three-bedroom residential unit in the Upper Mews, and one three-bedroom residential unit in the Lower Mews, each with a parking stall. He pays \$1,531.70 per month in condominium fees.

Director, Lorie Ephgrave

Ms. Ephgrave served as a member of the River Park Glen Board of Directors from 2009 through 2014 and rejoined in 2021. She and her husband lived in River Park Glen for many years and are the owners of a three-bedroom residential unit in

the Upper Mews with a parking stall. They pay \$816.91 per month in condominium fees.

Lorie is a Maintenance Administrator with the Wood Buffalo Housing and Development Corporation. She has worked with Wood Buffalo Housing for 13 years. Since moving to Fort McMurray, she has made it a point to volunteer some of her time through the youth of her community and church, McMurray Gospel Assembly. She is an individual that wants transparency, to be humble & honest, and to help people understand that it is the best interest of everyone involved in River Park Glen when we work together towards the same thing - our investment succeeding.

Director, Jamie Kobi

Mr. Kobi is a Senior Sports Analyst at Western Canada Lottery where he has been working for almost 20 years, and where he and two other colleagues set the odds for most of the major sport events in US, Canada, and Europe.

He graduated with a diploma of Business Management from the Southern Alberta Institute of Technology (SAIT) and is currently part of the board of Stettler Community Church and a member of both ELKS Club and Curling Club in Stettler, Alberta. His past experience also includes working at a financial institution where he gained significant knowledge in investing.

Mr. Kobi owns two one-bedroom residential units in High Rise Two and one three-bedroom residential unit in the Low Rise. He pays \$1,633.83 per month in condominium fees.



Lower Mews and Tower One

COMMUNICATION

The Condominium Corporation maintains a website for owners that can be found at: rpgcondo.ca It contains legal documents, insurance documents, budget information, financial reports, the bylaws, a summary of the bylaws, all approved board meeting minutes for this year and previous years, and contact information for your Board of Directors. Basically, most everything you could need as an owner is on the website, neatly organized and available for download.

Our goal is to be as transparent and accessible for information as possible. Owners may contact or visit the site administration office with any questions or concerns, to make payments, deal with keys and parking passes, or speak to a member of the management company's staff about site issues.

Location: #103 11721 MacDonald Drive (Leisure Centre Building)

Hours of Operation: 9:00am to 5:00pm, Monday to Friday (excluding statutory holidays)

Telephone: (780) 790-2077

Email: info@riverparkglen.ca

Owners may also send communications for review by the Board of Directors to: theboard@rpgcondo.ca, which will be presented for consideration at the next Board Meeting.



Borealis Park from Tower One

MANAGEMENT

On-Site Solutions is the River Park Glen condominium corporation's contracted Property Management company and has managed at River Park Glen for over 25 years. Throughout this service, their team has cultivated a deep knowledge of the site and its many complexities and has been a key contributor to the ongoing work of maintaining and improving River Park Glen. Each member of On-Site's senior management team is a unit owner at River Park Glen and personally invested in the success of our community.

On-Site Solutions provides the following services:

- Collection of all condominium fees, levies, and contributions, and any other charges due to the Corporation from Unit Owners
- Enforcement of the corporation's bylaws including the issuing notices of bylaw infraction and imposing and enforcing related sanctions
- Management of the regular maintenance and cleaning of all common property and grounds
- Management of all contractors hired by the corporation for both the regular maintenance and capital improvement of all common property and grounds
- Management of pest control services for the site, including and provision of the requisite licensed staff, registrations, and insurance coverage
- Management of the River Park Glen site administration office
- Provision and management of sufficient managerial, office, maintenance, cleaning, and groundskeeping staff required for the regular operation of the site
- Negotiation and administration on behalf of the corporation of all contracts for water, electricity, gas, telecommunications, and other such services required for the regular operation of the site
- Negotiation and administration of the corporation's requisite insurance coverage and overseeing and administering any associated claims
- Preparation of annual budgets for the corporation's Board of Directors to review and approve
- Development and maintenance of the corporation's website and owner portal at "rpgcondo.ca"
- General administration of the corporation's affairs and ongoing maintenance of requisite records
- Periodic reporting and communication with the corporation's Board of Directors and regular attendance of board meetings and other meetings of the corporation
- Communicating with stakeholders and promoting River Park Glen to the public
- Other activities, as instructed by the corporation's Board of Directors from time to time

Licensed & regulated by



On-Site Solutions is a member of the Fort McMurray Real Estate Board and is licensed by the Real Estate Council of Alberta to provide property management, condominium management, and real estate sales services.

In addition to holding the management contract for the Condominium Corporation, On-Site Solutions also provides property management services for the majority of the rental units within River Park Glen, as well as property sales and renovation services for River Park Glen owners. Please visit on-site-solutions.ca to learn more.

CONDOMINIUM FEES

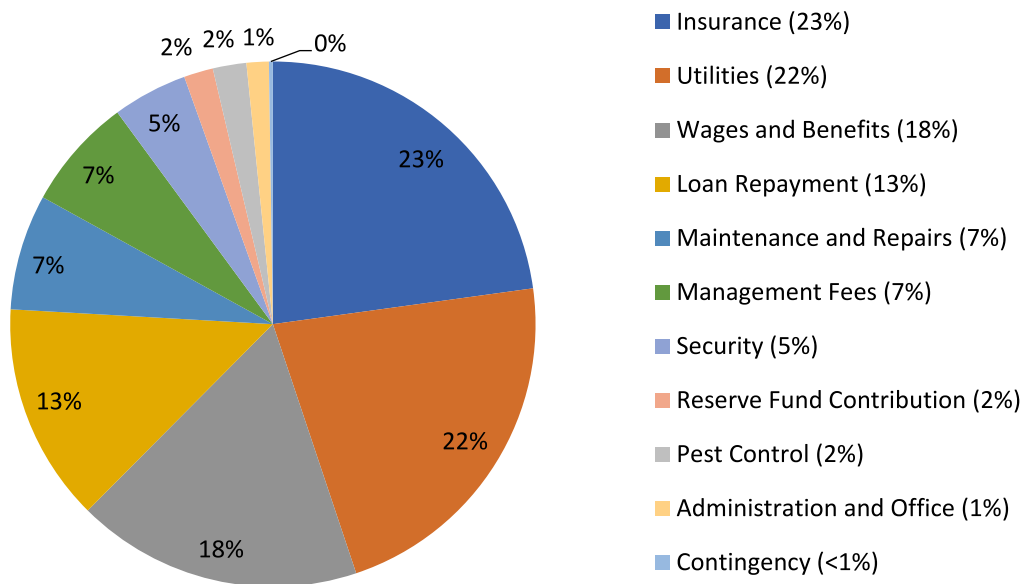
Condominium fees are fees paid to maintain the property’s common elements. Common elements are those things that are shared and service more than one unit, such as condominium insurance premiums, legal and accounting fees, maintenance, cleaning, hallways, elevators, plumbing, roofs, groundskeeping, pest control, security, property management, utilities, and waste removal.

For units in the Low Rise or High Rise, your condominium fees include heat and water as both are supplied by the common boilers and hot water tanks. For owners in the Upper and Lower Mews your water and heat only supply your individual units and therefore are not common elements and not included in condominium fees. This does not mean that the Mews owners pay more than their share – their buildings require higher capital costs, with each owner’s fees averaging out over time to represent their portion of all expenditures, whether operating or capital. Unit factors were set by a professional third-party to reflect these differences.

Context is very important when evaluating condominium fees. River Park Glen sits on an expansive 15-acre site. It has far more lawns, parking lots, hallways, stairwells, et cetera than most condominium projects. This requires more utilities to light and heat the property and more labour, supplies, and equipment to maintain it. It would be misleading to compare River Park Glen’s expansive grounds, kilometers of hallways, and over forty years of age with a new single-building downtown high-rise or a predominately town house project. The buildings are very different. Their condominium fees, and available benefits and amenities, will reflect this.

Each fall the Board of Directors and management team set a budget that is developed to try and forecast the needs of the condominium corporation for the forthcoming year. In 2024, the budget totaled \$4,162,650 and broke down as follows:

2024 Budget



RESERVE FUND

Condominium Corporations are required to put money aside in a Reserve Fund that will be used to pay for major repairs and replacement of common property. The Reserve Fund does not cover routine day-to-day maintenance.

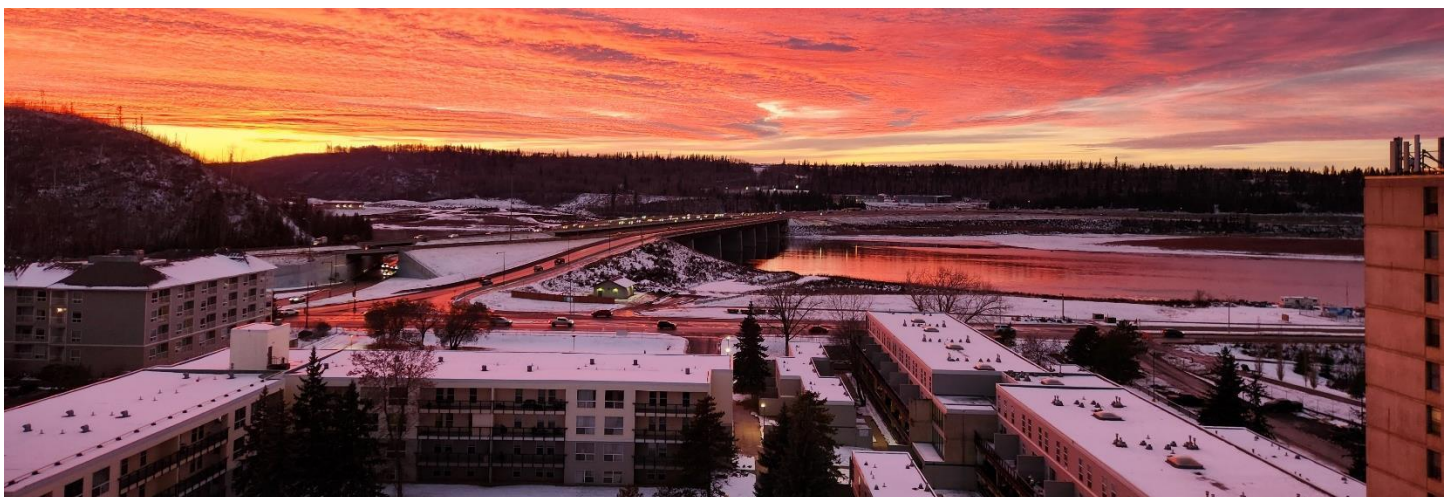
Having a strong reserve fund is important. However, it is also a balancing act. On the one hand, it provides the Condominium Corporation with a cushion of funds, but on the other hand retaining too much capital with limited investment options isn't financially prudent either. We need to make sure that we have enough capital on hand to take care of unexpected capital expenses, but also manage our budget wisely.

Historically, we have been able to secure funding for large projects such as roof replacement and elevator modernization via financing. We then repay them over 5-10 years, thereby spreading the costs over time to reduce the immediate financial impact on owners. This proactive financial management contrasts with how many condominium corporations operate across Canada where it is not uncommon for owners to receive special assessment for tens of thousands of dollars when major capital projects are required.

In early 2021, the condominium corporation passed an ordinary resolution permitting the corporation to borrow up to \$3.0M to fund numerous capital projects. This allowed us to complete necessary reserve fund projects and make River Park Glen a more desirable place to own and live without having to significantly increase condominium fees or levy additional special assessments. More recently it allowed us to take advantage of temporarily available building improvement grants offered by the Regional Municipality of Wood Buffalo under their Downtown Revitalization Incentives Program, which have provided us over \$200,000 in government funding for projects to date.

The loan was split into two tranches. The corporation began making payments on the first tranche of \$2.3M in January 2022 and it will be fully repaid by December 2027. The second tranche allowed borrowing up to \$700,000, but only \$460,000 was drawn. The corporation began making payments on the second tranche in April 2024, and it will be fully repaid by April 2030.

At the end of 2023, River Park Glen's reserve account was valued at \$120,893. As of the end of December 2024, the balance was \$90,000. Annual contributions are needed to maintain and strengthen the fund, and the Board decides the amount to be contributed each year as part of the overall budgeting process. In 2025, \$150,000 from condominium fees will be directed to replenishing the Reserve Fund.



Sunset over Athabasca River from Tower One

ANNUAL GENERAL MEETING

On Saturday, December 14th, 2024, at 10:00 am, Condominium Corporation 112 2235 (River Park Glen) will be holding its Annual General Meeting (AGM) at the River Park Glen Leisure Centre.

Please feel free to contact us at theBoard@rpgcondo.ca if you have any questions or concerns.

We look forward to seeing you there.



River Park Glen from Borealis Park