



Helen's Court Co-op Handbook

Section 10. Replacement Reserve

The Replacement Reserve Fund is currently being managed by The Maintenance Committee. The Replacement Reserve Fund covers the costs of replacing capital items, such as roofs, carpets, and appliances.

REPLACEMENT RESERVE RESPONSIBILITIES

to be carried out by the Maintenance Committee are:

- To oversee the use of the Replacement Reserve Fund.
- To ensure that the Fund is used responsibly to maintain the long-term integrity and safety of the buildings of Helen's Court.
- To ensure that a reasonable minimum is retained in the Fund and that the Fund is replenished yearly through the budget process.
- To maintain and analyse a database in order to implement planning and preventative programs, and to prioritize expenditures.
- To research new items and materials as the need arises.
- ~~To liaise with Maintenance Committee on a regular basis to ensure efficient and timely upkeep of co-op's needs.~~

REPLACEMENT RESERVE POLICY

As goods or materials are replaced at Helen's Court Housing Co-op, it is the policy of the Co-op to match or exceed the specifications of the original goods or materials used.

Helen's Court Housing Co-op encourages Co-op members to upgrade the goods supplied to their individual units (eg: floor covering, appliances, hardware, etc.) because these improvements are to the benefit of the Co-op as a whole. If Co-op members wish to upgrade the goods supplied to their units they may do so, provided:

- They get prior approval from the Replacement Reserve Committee, to ensure overall conformity of design (aesthetics) and integrity (quality). In the event of a dispute between the member and the Replacement Reserve Committee, the matter will be referred to the Board.
- They pay the difference in actual costs (materials and labour) between what they would like and what the Co-op can provide. The goods remain the property of Helen's Court Housing Co-op on member's move-out.

On move-out, any alterations that have been made to the unit will be accepted (ie: the unit does not have to be returned to original condition), provided:

- Permission for the changes made had been previously given by the Board, or
- The Board considers the changes made to be improvements to the unit's original condition.

Otherwise, the unit must be returned to its original condition at the member's expense.

LIST OF STANDARD CAPITAL ITEMS

MAJOR BUILDING COMPONENTS

- Roofs, including coating, flashing, eaves trough and downspouts.
- Exterior wall finishes having a generally expected definite useful life expectancy that is less than the life expectancy of the project, including exterior painting and stucco.
- Exterior doors and windows.
- Exterior caulking where accessibility is a major restriction (e.g., requiring scaffold and the replacement is therefore a major undertaking).
- Above ground waterproofing including vapour barriers.

MAJOR BUILDING SERVICES

- Heating systems, including boilers (hot water or steam), forced air furnaces, radiant heat components, solid fuel burning systems, chimneys and related components.
- Domestic hot water tanks, booster pumps, circulating pumps and sump-pumps found in multiple unit buildings (fittings and controls replaced during the course of regular, routine maintenance are not eligible).
- Septic tanks and tile beds.
- Required air handling systems.

BASIC FACILITIES

- Kitchen facilities such as stoves and refrigerators, sink and faucet installations, countertops and cabinets.
- Bathroom facilities such as toilets, sinks and fixtures, vanities, tubs and fixtures.

SAFETY FEATURES

- Fire alarm systems such as hardwired smoke alarms, smoke and heat detectors linked to central alarm.
- Required fire-fighting or prevention equipment.
- Emergency lighting.
- Intercom system in multiple unit buildings.
- Other safety items.

OTHER MAJOR FACILITIES, EQUIPMENT AND FEATURES

- Parking lot, enclosed garage, driveway and walkway surfaces including multiple unit garage surfaces and concrete slabs
- Garbage disposal systems in multiple unit building (e.g., compactors, disposers)
- Interior floor coverings, including common areas and suites
- Exterior fences
- Laundry equipment
- Water softeners where hardness of well water makes these a necessity

REGULATED CHANGES

Regulatory or legislated requirements for changes that apply to existing buildings and where the authority.

EXTENSIONS TO THE STANDARD LIST

Items which were designed, manufactured and installed to function and perform indefinitely but due to a construction or manufacturing deficiency or to external environmental factors, are failing or are about to fail can be added to Standard List.

Because of the variety of construction types and ages within the portfolio, some projects, such as older existing building acquisitions, may have one or more items that would be considered extensions to the Standard List.

The deficiency must be investigated and reported on by a qualified technical expert. The cost of consulting or engineering fees would be eligible for funding from the replacement reserve.

Use of the replacement reserve to pay for the cost of replacement or major repair to these items must be approved by CMHC on a project specific basis.

In these cases, the CMHC Branch will usually carry out a site visit.

Extensions to the Standard List can include:

- Repairing foundations or significant sections of foundations
- Other structural components such as wall, floor and roof framing
- Brickwork, pre-cast concrete panels
- Emergency generators
- Retaining walls
- Plumbing systems

- Electrical installations incl project transformers, emergency generators
- Balconies

NOTE: Every effort should be made to determine and establish an appropriate and comprehensive project specific list at the time a capital item assessment report is prepared by or on behalf of the sponsor for inclusion in the next replacement reserve review.