

Welcome!



Annual General Meeting

Lake at Heritage Pointe Owners Association

June 5, 2017

Agenda

Call to Order, 6:45 PM
Confirmation of Quorum/Proof of Notice of Meeting
Approval of Agenda
Approval of Minutes, AGM 2016

Introductions
Welcome Guests; Comments from Mayor Larry Spilak

Board of Director's Report
* Special Resolution: Repeal & Replace of LAHPOA Bylaws

Treasurer's Report (audited financials)

Question Period
Election of Board of Directors 2017/2018
Adjournment

Your Board of Directors 2016/2017

- Louise Ascah
 - Chairperson/Communications & Social Media (3rd term)
- Don Francis
 - Vice Chairperson/MD Liaison (3rd term)
- Bryan Dozzi
 - Secretary/Water Committee Lead (2nd term)
- Heather Harris
 - Treasurer/Architectural & Landscape Committee (1st term)
- Mark O'Henly
 - Finance/Architectural & Landscape Committee (1st term)
- Glenn Ruskin
 - Director/AB Environment & Parks Lead (1st term)



Introductions

- **Don Waldorf**

Community Manager and Programs Director

- **Brett Oliver**

Property Manager

- Larry Spilak, Mayor, MD of Foothills No. 31
- Harry Riva-Cambrin, Municipal Manager, MD of Foothills No. 31
- Captain Chad Sartison, Heritage Pointe Fire Station
- Samantha Seigenberg, Branch Manager, ATB Walden
- Giovanni Silvestri, Personal Banking Specialist, ATB Walden



Conversation with our Mayor, Larry Spilak



Responding to the Needs in 2016/2017

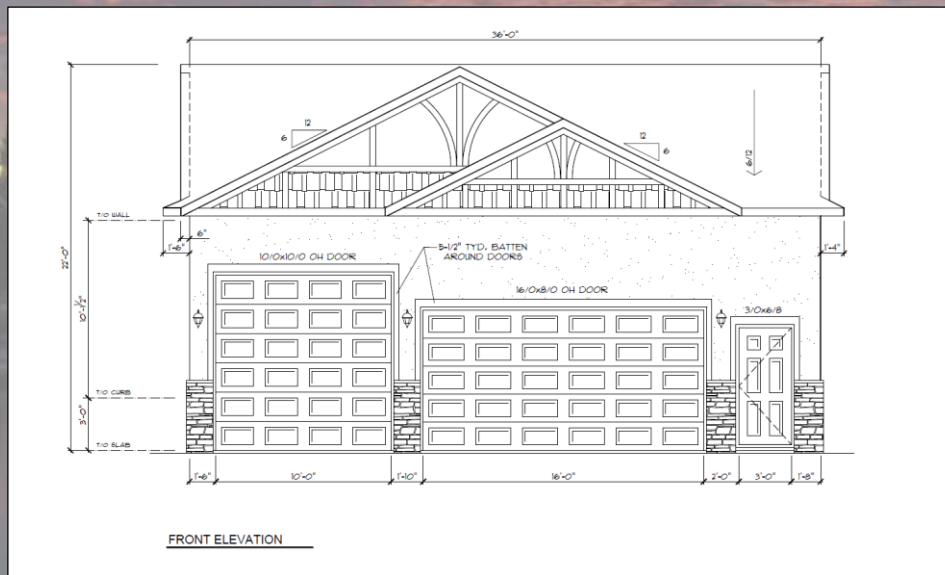


- Infrastructure
- Health of our Aquatic Ecosystem
- Environmental Stewardship
- Growing Community Relationships
- Strong Financial Management
- Planning for our Future

Infrastructure: The Priorities

Garage Build

- Protection of our Assets
- Space to support future procurements



AGM 2016



AGM 2017



Infrastructure: The Priorities

The Lake House

- Construction Repairs to begin June 11th
- CFEP Use of Funds Report extended to early August 2017



Concept Drawing April 2001



Infrastructure: The Priorities

Lake Aeration System 2017

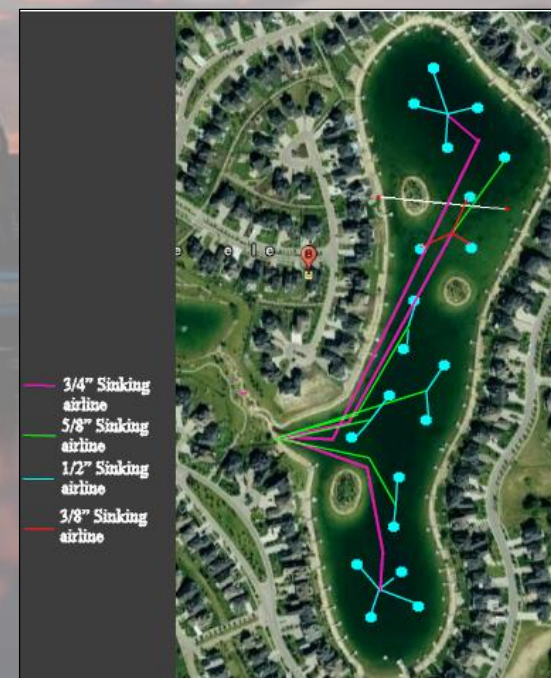
- Replace 5 HP compressor with 9 x 1/2 HP Compressors
 - Quieter
 - Built in redundancy
 - Parts available in Alberta
- Inspect and service air diffusers
- Will look at running 16 hours vs. 24 hours per day



Energy Efficient Compressors



Twenty Air Diffusers



Our Aquatic Ecosystem

Fish Stocking & Whirling Disease

- Disease detected in Bow River Basin & beyond;
- **CATCH & RELEASE** POLICY in effect until further notice;
- Governance by AEP and CFIA;
- Trout stocking uncertain now and in immediate future.



Environmental Stewardship

November 2016



Enhancing the Heritage Lake “Brand!”

Environmental Stewardship



The Universal Cart Program

- Diverting 213.5 metric tons of LAHP Organic Waste from landfill is possible in 2017;
- Co-mingled Blue Cart recycling up to 90% participation;
- Moving to “every other week” Black Cart collection at end of June.



Grant Successes





Community Partnerships!





Community Supporters!



Community Programs & Events!



Community Programs & Events!



Canada

**“Heritage Day at the Pointe”
Sunday August 6, 2017**

Special Resolution

Updating our LAHPOA Bylaws

Special Resolution

To **REPEAL** the “Lake at Heritage Pointe Owners Association” Bylaws registered through the Alberta Societies Act in 2001;

And

To **REPLACE** the aforementioned Bylaws with those presented and voted upon through a Special Resolution of Association Members at the Annual General Meeting of the Society, convened June 5, 2017.

Special Resolution

Alberta Societies Act:

FUNDAMENTAL CHANGES: AMENDING THE BYLAWS

Changes must meet approval of the members of the society. The changes must appear in a Special Resolution. There must be a general meeting, either the Annual General Meeting or a Special Meeting. There must be at least 21 days notice to all members of the proposed change. At least 75% of the members who vote at the meeting must approve the change.

Source: <https://www.muttart.org/wp-content/uploads/2015/11/Drafting-and-Revising-Bylaws-2009.pdf>

Special Resolution

LAHPOA Bylaws:

ARTICLE 7: BYLAWS AND DISSOLUTION OF THE ASSOCIATION

7.1 The Bylaws may be rescinded, altered or added to by a Special Resolution of the Association at a general or special meeting of which at least twenty-one (21) days written notice specifying the intention to propose the resolution as a Special Resolution has been duly given.



Special Resolution

MOTION:

To **REPEAL** the “Lake at Heritage Pointe Owners Association” Bylaws registered through the Alberta Societies Act in 2001;

And

To **REPLACE** the aforementioned Bylaws with those presented and voted upon through a Special Resolution of Association Members at the Annual General Meeting of the Society, convened June 5, 2017.

Treasurer's Report

Financial Stability:
Now and in the Future



Highlights of Financial Statements

GICs

- Within reserve account – 3 GICs
- GIC for \$45,000 is a matching grant to repair Lake House

LOAN

- Short term loan to establish credit rating
- Paid off in May

CAPITAL ASSETS

- Garage
- Landscaping equipment
- Aeration pump replacement
- Paddle Boards

DEFERRED CONTRIBUTIONS

- Grant funds for paddle boards, baseball and fishing equipment
- Grant for Lake House repair

Annual Fee Collection

2016 Fees

- All paid as of February 2017;
- 6 required Legal Assistance to collect.

2017 Fees

- 2 accounts outstanding as of June 5;
- 11 were sent to Legal Collection in April;
- 125 homeowners paid past Due Date requiring follow up by Community Manager.

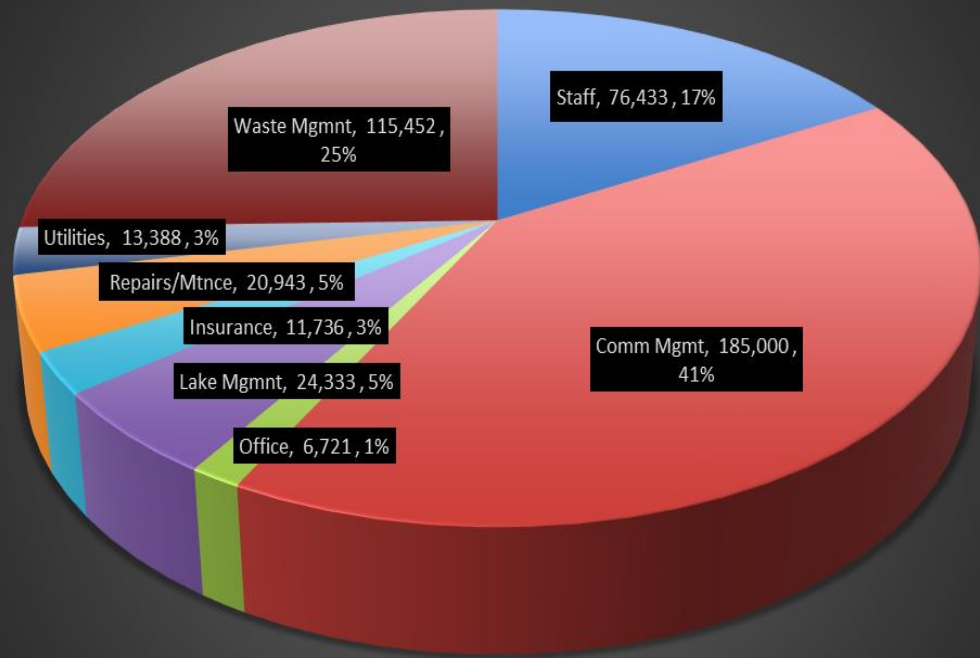


2016 Budget to Actual Variance

- Budget assumed \$5,000 added to reserve fund
- Under Operating Expenses by \$10,000
- Revenue over by \$6,000
- Tapped into reserve fund for:
 - Unanticipated repairs to Lake Aeration System
 - Garage Build overrun – relocating Shaw and electrical lines
- Net result was decrease of \$12,000 from Reserve Fund

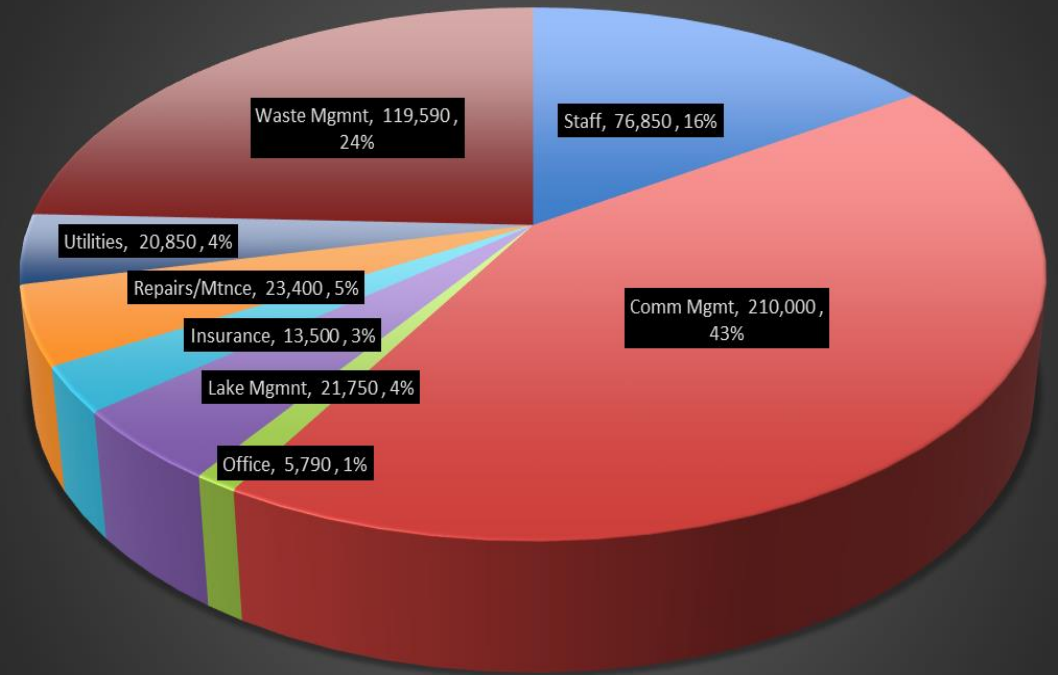
Operating Expense 2016 actual vs. 2017 plan

2016 ACTUAL EXPENSES



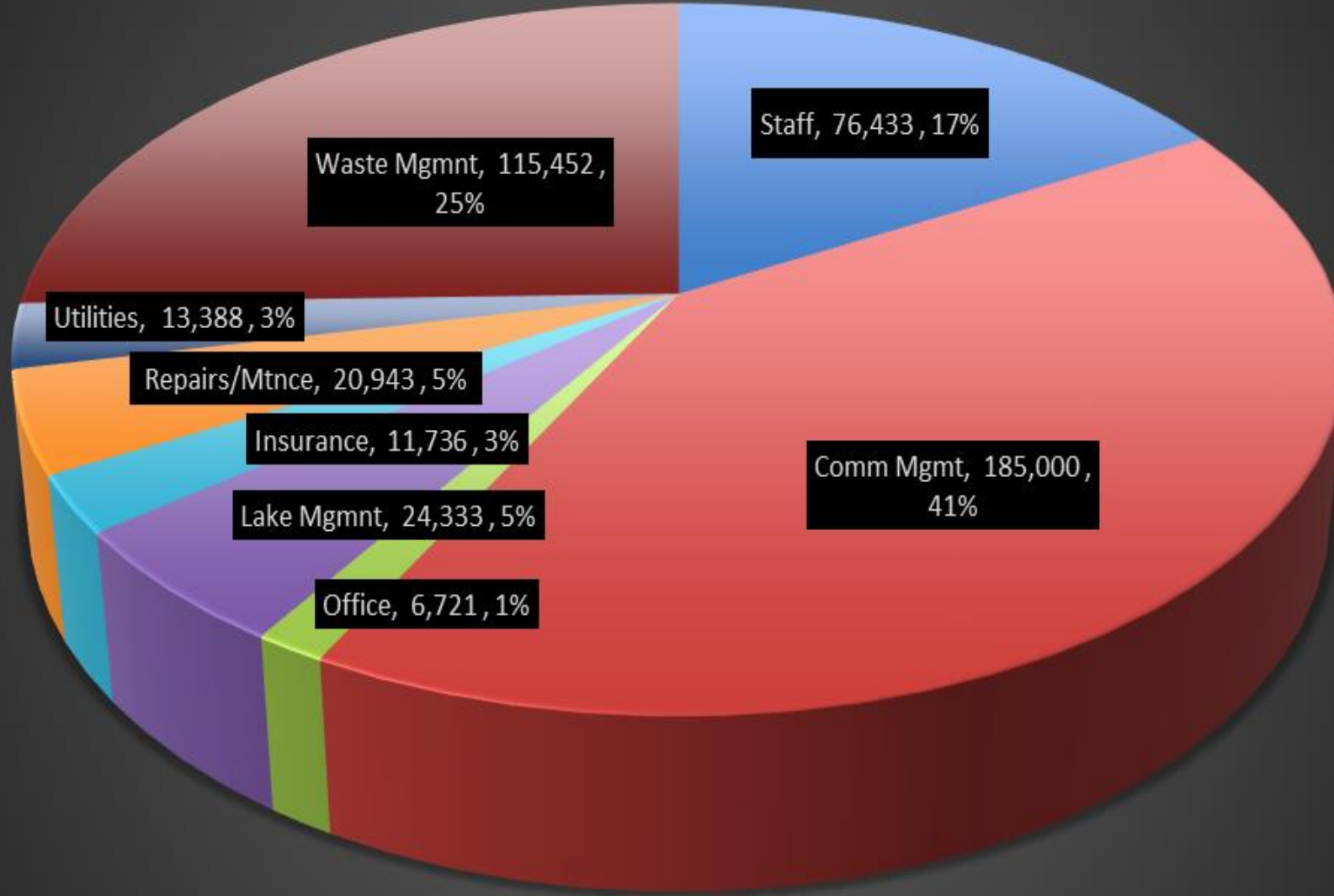
■ Staff ■ Comm Mgmt ■ Office ■ Lake Mgmt ■ Insurance ■ Repairs/Mtnce ■ Utilities ■ Waste Mgmt

2017 BUDGET



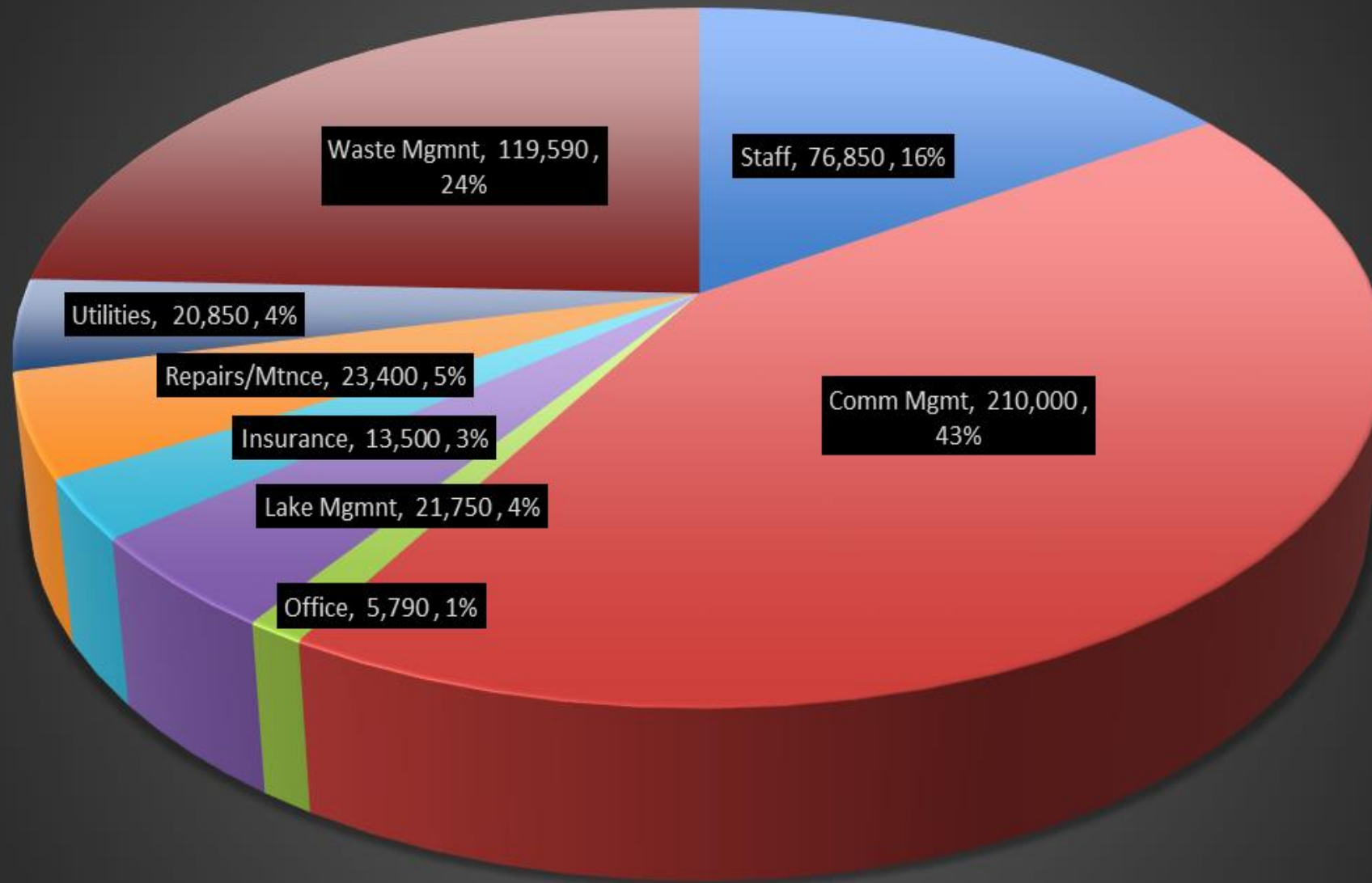
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2016 ACTUAL EXPENSES



■ Staff ■ Comm Mgmt ■ Office ■ Lake Mgmt ■ Insurance ■ Repairs/Mtnce ■ Utilities ■ Waste Mgmt

2017 BUDGET



■ Staff ■ Comm Mgmt ■ Office ■ Lake Mgmt ■ Insurance ■ Repairs/Mtnce ■ Utilities ■ Waste Mgmt

Operating Plan

| | |
|------------------------|----------------|
| REVENUE | 769,823 |
| EXPENSE | |
| Staff | 76,850 |
| Professional Fees | 18,450 |
| Community Management | 210,000 |
| Office Supplies | 5,790 |
| Events | 10,000 |
| Lake Management | 21,750 |
| Insurance | 13,500 |
| Motor Vehicle Expenses | 5,300 |
| Repair & Maintenance | 23,400 |
| Utilities | 20,850 |
| Waste Removal | 119,590 |
| TOTAL EXPENSE | 525,480 |

Capital Expenditures

| | |
|------------------------------------|----------------------|
| Lakehouse Repairs | 35,000 |
| Purchase 3 Waste Carts per home | 117,183 |
| Landscaping at Lakehouse | 5,000 |
| Fertilize common green areas | 3,000 |
| Replace Aerator pump & motor | 10,000 |
| Install surge protection | 3,000 |
| Website Overhaul | 4,000 |
| Security upgrades at LH and Garage | 2,500 |
| TOTAL CAPITAL | 179,683 |
| TOTAL DISBURSEMENTS | 705,163 |
| NET TO RESERVE | <u>64,661</u> |

Growing the Reserve Fund

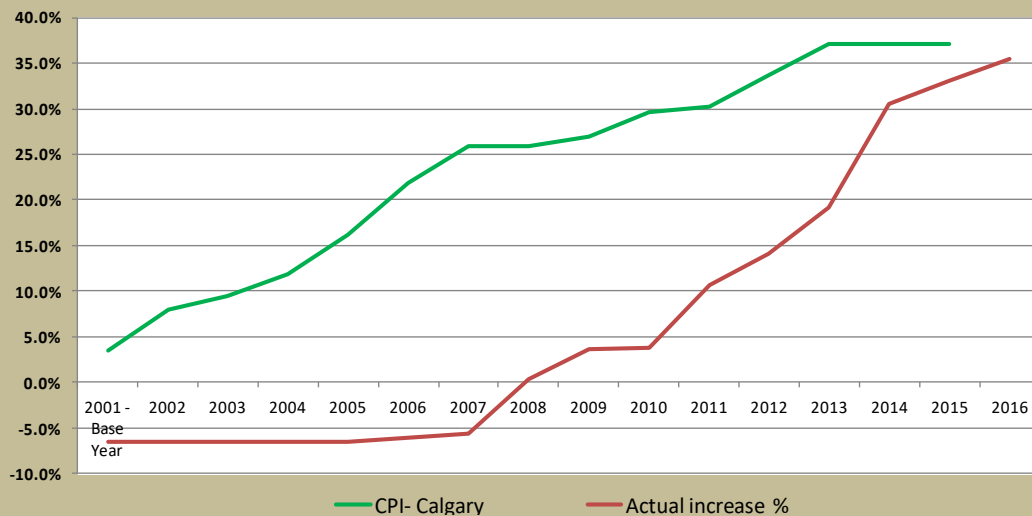
- Association Fee increase history and lost opportunity to build up the Reserve Fund
- What is a Reserve Fund? How big should it be?
- Lake Bonavista experience with Reserve Fund and Life Cycle Study
- Proposed path forward for our Association



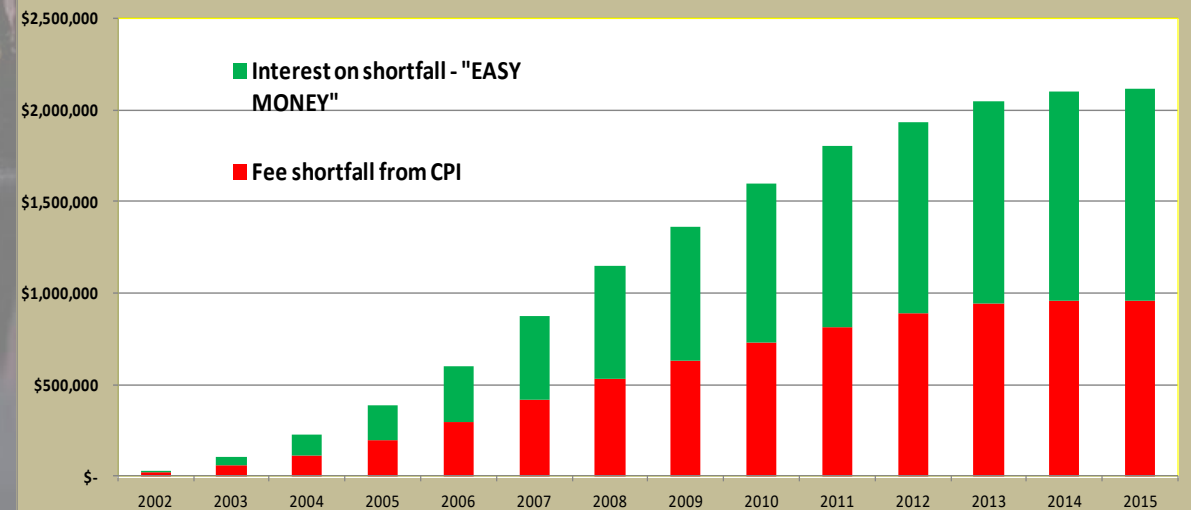
Fee Increase History

- Fee increases are based on Statistics Canada Consumer Price Index (CPI) for Calgary
- However, fees remained below or at the initial 2001 amount of \$900 until 2009
- Gap in the early years resulted in significant lost opportunity to build up the Reserve Fund to handle future costs

Calgary CPI vs LAHPOA fee rate changes - Historical



Fee Shortfall to CPI and interest lost



What is a Reserve Fund?

• Operating Fund

- Services required to carry out the everyday functions of the association
 - Contracted services: Community Management, Lakehouse staff, landscaping in common areas, waste removal, snow removal on common property
 - Ongoing maintenance
 - Insurance and taxes
 - Utilities
 - Office expenses (printing, postage, office supplies)
 - Accounting and Legal Fees

• Reserve Fund

- Expenditures that don't occur on an annual basis
- Used on larger projects
 - Replace Lakehouse roof
 - Repair asphalt pathways
 - Replace lawn maintenance equipment
 - Maintenance of irrigation and aeration systems
 - Maintenance and replacement of fencing in shared areas
 - Replace recreational equipment
 - Upgrade lake access control
 - Dock maintenance

How big should our Reserve Fund be?

- A decade ago, Lake Bonavista hired a consulting firm to conduct a Life Cycle Study
 - Inventory of Assets
 - Analysis to forecast future maintenance and cost of Assets
 - Recommendation: Contribute \$40K per year to Reserve Fund to ensure sustainability



Advantages to Hiring a Consultant for a Life Cycle Study

- Provides a rational basis for determining the target Reserve Fund size
- Consultant will draw on experience and database to estimate future maintenance requirements and costs
- Will provide an asset inventory and a start on a long term maintenance plan
- Provides an independent assessment
- Commonly-used tool for Condo and Strata Boards



Proposed Path Forward

- Implement a “Reserve Fund Contribution” of \$100 per household beginning in 2018 to begin building up the Reserve Fund more quickly
- Conduct a Life Cycle Study to determine future spend profile and the required target savings rate
- Adjust the annual Reserve Fund Contribution up or down, per the Life Cycle Study, beginning in 2019 and presented for approval at the 2018 AGM.



Review of “Why?”

Protect the Lake at Heritage Pointe Brand & Lifestyle

- Unparalleled Aquatic Ecosystem
- Quality Buildings and Green Spaces
- High-end Lifestyle Living
- Investing in our Future



Preparing for the Future

RESTRICTIVE COVENANT & ENCUMBRANCE:

Section 4.0 COVENANT FOR ANNUAL FEES AND MAINTENANCE ASSESSMENTS

4.2 “Homeowners Association's Costs” for any period shall mean any and all costs incurred or to be incurred in such period (including without limitation, reasonable reserves for future maintenance, repair and replacement costs) by the Homeowners Association in respect of carrying out and exercising its rights, duties and obligations hereunder, as determined by the Board of Directors of the Homeowners Association from time to time.

Preparing for the Future

RESTRICTIVE COVENANT & ENCUMBRANCE:

Section 4.0 COVENANT FOR ANNUAL FEES AND MAINTENANCE ASSESSMENTS

4.1 The LAHPOA may introduce an amount representing an increase over the prior year's Annual LAHPOA Fee equivalent to the increase, if any, in the Consumer Price Index as it applies to Calgary or such other amount as is determined pursuant to paragraph 4.2 hereof.

4.2 Notwithstanding the foregoing, and notwithstanding paragraph 4.1 hereof, the Homeowners Association's Costs for any Subdivided Lot shall not exceed the amounts set forth and described in paragraph 4.1 unless authorized by a majority of fifty percent plus one (50% + 1) of HOA members represented at the Annual General Meeting of the Association or by a Special Resolution of the Association at a general meeting. **(2015 amendment).**

Preparing for the Future

MOTION:

- To increase the Annual Homeowners Association Fee by \$100 in 2018, as an initial Reserve Fund Contribution per household. Based on results of a Life Cycle Study, a motion will be tabled at the 2018 Annual General Meeting to set the recommended Reserve Fund Contribution amount for future years, beginning in 2019. The value of Calgary CPI will remain as the annual increase applied to sustain Operating Funds.



Question Period



Election of Board of Directors 2017/2018 Term

- Bryan Dozzi (standing for 3rd term)
 - Heather Harris (standing for 2nd term)
 - Mark O'Henly (standing for 2nd term)
 - Glenn Ruskin (standing for 2nd term)
 - Paul Taylor, new nomination
-
- Nominations from the floor?



Thank you!

