

Lake at Heritage Pointe Owners Association

Minutes of Annual General Meeting

Tuesday, June 8th, 2021- Via Zoom Conference

Note: Due to the COVID-19 mandated restrictions regarding group gatherings, the AGM was conducted via Zoom teleconferencing. A copy of the slide deck presentation is contained on the LAHPOA website at: www.lahp.ca > Homeowners > Annual General Meetings

A summary of the meeting items is as follows:

- 1) Call to Order: 5:00 p.m. MDT. Meeting was conducted by Glenn Ruskin, Chair.
- 2) Quorum and Proof of Notice of Meeting:
 - a. Quorum- 27 proxies and 72 registered participants.
 - b. Proof of Notice of Meeting: the AGM package was hand-delivered to every residence in the community on May 8th, 2021.
- 3) Approval of Agenda- was accepted as presented.
- 4) A total of seven (7) names were received for consideration to the new Board of Directors. As a result, no election was required for the 2021/2022 Board. The new Board members will be announced at the end of the AGM.
- 5) Introduction of the 2020/2021 Board of Directors:
 - a. Glenn Ruskin- Chair and member of the Water Committee
 - b. Carey Donkervoort- Treasurer
 - c. Paul Taylor- Secretary and Lead - Life Cycle Committee & Lead of the hiring committee for the new Community Manager (CM)
 - d. Brent Fraser- Lead, Architectural Guidelines Committee
 - e. Matt Secord- Vice Chair and member of the Life Cycle Committee, and Member CM hiring committee
 - f. Jo Scott- Lead, Playground Committee, and Member CM hiring committee
 - g. George Canyon- Lead, Safety & Security file, with a background in law enforcement

Note: Matt Secord and Paul Taylor decided not to stand for re-election, so the Board expressed their thanks for Matt and Paul's significant contributions to the community over the years.

- h. Louise Ascah- Past Chair, involved in Community Communications and landscape oversight. Louise is retiring later this year and the Board thanked her for her tremendous contributions to the community over many years.
- i. Amanda Philips- is our new bookkeeper. She will be working with us part time and collaborating with our Treasurer and CM to ensure timely and accurate financial statements.

- j. Special shout out to the Water Committee – Bryan Ysebaert, Bryan Dozzi, Graham Purves, Mike Nerbas, Jim Chuey and Glenn Ruskin.
- 6) Don Waldorf- Retirement
- a. Don has decided to retire and his last day at The Lake will be June 30th, 2021.
 - b. Don has made a significant contribution to the community of the past 6 years. As Glenn stated during the AGM: “Don successfully managed all aspects of the community with a down to earth communication style, giving us a community that we are proud of and feel safe living in.”
 - c. Don will continue to live and volunteer in the community. One of his favourite work tasks was setting cross country ski trails throughout the community, which he has already volunteered to continue doing for us in the future, as well as offering X-C Skiing and waxing clinics.
 - d. Don announced that he is running for the MD – Division 6 “Councillor” position in the upcoming Civic Election, being held October 18, 2021.
- 7) New Community Manager:
- a. Following an exhaustive recruiting process, the LAHPOA is delighted to welcome Les Turner as the incoming Community Manager, succeeding Don.
 - b. Les has extensive community development and recreational management experience throughout his career. Most recently, he was General Manager of the South Fish Creek Recreation Association, a not-for-profit association that operates the Cardel Recreation Centre in Shawnessy.
 - c. Les is working with Don through the transition period and has already proven himself committed to following Don’s legacy of continually improving the aesthetics and services within the community.
- 8) Approval of the 2020 AGM Minutes- No errors or exceptions were noted, so the 2020 Minutes were accepted as presented.
- 9) Councillor’s Comments:
- a. With the recent passing of Councillor and long-time supporter of the LAHP, Larry Spilak, Glenn contacted Reeve Suzanne Oel, who provided an update on MD items of interest to the community.
 - b. To remember Larry, the Board and residents will be dedicating the community entrance “Heritage Tree”, along with a commemorative plaque at an upcoming public ceremony, once we can all gather together again.
 - c. Councillor Oel’s detailed comments are included in Glenn’s speaking notes and covered:
 - i. Serenity Development- residential development
 - ii. Dunbow Road Traffic Study- between Macleod Trail and Deerfoot Trail
 - iii. Launchpad- at the golf course
 - iv. ‘My Walkies’ – private dog park application
 - v. Calgary Metropolitan Region Board- regional growth plan.

- d. For further information on these and other topics affecting our community, Councillor Oel referred all residents to the Foothills County Website, under the “Council” section.

10) Board Mission Statement:

- a. Preserve appearance and protect the property values of our community through active volunteers, professional management services and friendly, engaged staff who provide exceptional service for our residents to enjoy the Lake House, beach, amenities and event programs.
- b. This mission statement guides all of the decisions of the Board including the fiduciary responsibility to safeguard the assets of the Association and judiciously use its finances in the achievement of the mission.

11) Continual Improvements:

- a. In seeking to achieve its mission, the Board regularly undertakes a series of investments intended to maintain/improve the appeal of our community. This year, those investments included:
 - i. Replacing the roof at the Lake House- completed in 2020.
 - ii. Replacing the Upper Lake pump
 - iii. Repaving of the Upper Lake pathways and North Dock area
 - iv. Extensive repair work on the irrigation system
 - v. Purchased a new Kubota tractor and attachments to help with landscaping, snow & lake ice clearing.
- b. This past winter, Divcon, one of our main contractors, built old fashioned, practical benches to enable skaters using the lake to change into and out of their skates. The Board expressed its thanks to Divcon for this initiative.

12) Dunbow Recreation Board (DRB):

- a. Thanks to Larry Spilak’s involvement in founding the DRB and being such a huge Heritage Lake supporter, we have been fortunate over the years in receiving in excess of \$50,000, which has enabled us to provide much of the equipment that is available for use at the Lake House, beach, ball diamond and soccer pitch.
- b. The Board expressed their sincere appreciation to the DRB for their generosity in providing these grants. We will continue to avail ourselves of these opportunities whenever they are available.
- c. In the meantime, and in the spirit of collaboration, we have offered to set cross country ski trails for the communities that surround us. Don Waldorf has kindly offered to organize this and be the snowmobile operator to set all of these ski tracks in the coming years.
- d. Most recently, we have received a matching grant from the DRB for junior sized paddleboards and pickleball equipment for the community. These will be available for use once the AHS restrictions are lifted.

13) Summer- 2021

- a. We will continue to follow the AHS guidelines regarding inside and outside gatherings.
- b. As the restrictions are lifted, we will adjust access to the beach and Lake House operations accordingly.
- c. Concerns and questions have been raised about unruly behaviour by young people (primarily) on the North Dock. The Board takes these complaints very seriously and is currently developing a plan to deal with the situation.
- d. In the meantime, if any residents observe any unacceptable behaviour by anyone in the community, they are requested to contact the Community Manager.

14) Community Events:

- a. Although most of our community events have been curtailed for the past 18 months, we expect that as the AHS restrictions are lifted, these events will resume.
- b. Unfortunately, due to the amount of pre-planning required and continued uncertainty re timing of restrictions being lifted, this year's Stampede breakfast will not proceed. We fully expect that this signature community event will resume in 2022.

15) Aquatic Ecosystem;

- a. The lake is our Crown Jewel of the community.
- b. Great care is taken to preserve the tranquility of the lake and protect the habitat of all of the fish and wildlife who inhabit it.
- c. Last month, the lake was stocked with 500 Brown Trout. In September, we have a good number of Rainbow Trout on order. In addition, we will be one of the first lakes in Calgary to receive a small allotment of Tiger Trout. This breed is a cross between Brook and Brown Trout and will help to control the numbers of naturally reproducing invasive population of Ling Cod (Burbot) minnows in the lake.

16) Real Estate Update:

- a. According to information received from Mike Niemans of Re/Max (and a long time supporter of community events), the market is very active with the average selling time down from the historic 90 days to 53 days. The average selling price year-to-date for our community is \$928,000 or 95-98% of asking price.

17) Architectural Guidelines:

- a. Residents were reminded that the guidelines- which are on title for every homeowner- apply to any changes to the exterior of the home or major appearance change around the property, including but not limited to:
 - i. Addition of fencing to the property
 - ii. Major landscape changes
 - iii. Exterior material changes such as stone, stucco or siding
 - iv. Color changes to the exterior
 - v. Home additions
 - vi. Sheds, gazebos, privacy screens and decks
 - vii. Driveway replacements

- b. All of these need to be pre-approved and residents must follow the Architectural Guidelines, which can be found on the HOA Website.
- c. Anyone contemplating any exterior changes should submit their detailed plans to the Community Manager for Board approval, prior to proceeding with any changes.

18) Financial Commentary- Presented by Carey Donkervoort, Treasurer

- a. Carey presented a pie chart which broke down the expenses as a percentage of the total Operating Fees collected:
 - i. 48%- Waste removal, Landscaping and Repairs & Maintenance. These are managed through 3 maintenance contractors under separate service contracts- T & T Disposal Services (waste removal), Divcon Inc (landscaping, repairs & maintenance) and PLNT Inc (landscaping & snow removal)
 - ii. 14%- Management Consulting services
 - iii. 10%- Lake House operations & special events
 - iv. 9%- Annual amortization of capital assets
 - v. 6%- Utilities, including lake water top-ups
 - vi. 6%- Administration
 - vii. 1%- Fish stocking
 - viii. Remaining 6%- Operating surplus to cover contingencies and operating cash reserves to cover future expense items.

- b. Statement of Operations- 2020 Actual Results compared to 2020 Budget and 2019 Actual Results
 - i. The presented spreadsheet provided a brief explanation of variance to budget and prior year, for each line item.
 - ii. In summary, total revenues of \$750k were \$13k less than budget and \$7k down from prior year. This was mainly due to the COVID-19 pandemic where we had no event sponsorships nor Lake House facility rentals against a total budget of \$12k and prior year actual of \$14k.
 - iii. Total expenses of \$553k were \$141k less than budget and \$105k less than the prior year. Some of this reduction was due to COVID-19 while the balance was due to the Association's ongoing diligence in expense control.
 - iv. One significant change, which improved the bottom line, was the reclassification and revised amortization period for land improvements and park equipment. This realignment reflects the useful economic life of these assets. These changes were approved by our external auditors, resulting in a reduction of our amortization expense of \$36k. for the year.
 - v. Overall, we finished the 2020 year with an excess of revenues over expenses (i.e., operating surplus) of \$197k, which was \$169k over budget and ahead of last year by \$98k. As a result, we increased our operating funds by \$91k and increased our restricted capital reserve funds by \$94k over the prior year.

 - vi. In response to 2 questions received prior to the AGM:

1. "Given that we have excess revenues over expenses, will there be any tax issues with the CRA?"

Answer: The LAHPOA is a non-profit organization and as such does not pay income tax. Although we don't pay income tax, we are still required to file an annual tax return with the CRA, which is submitted by our Auditors.

2. "Is the LAHPOA losing ground on the time value of the invested cash reserves in comparison to inflation and what actions and other options are being considered to improve investment returns?"

Answer: The LAHPOA invests surplus funds in one-year GICs and T-Bill savings accounts in order to preserve capital and earn a reasonable rate of return, relative to the low risk involved.

Over the past three years, the interest earned on our restricted capital reserve fund averaged 1.8%, which exceeded the average inflation rate of 1.4%

We recognize the ongoing threat of continued low interest rates and continue to examine our alternatives to meet our investment objectives. We welcome any ideas/input from residents in this regard.

- c. Statement of Operations- 3-year comparison of 2021 Budget compared to 2020 and 2019 Actual Results:
 - i. The assumption for the 2021 Budget is that the COVID-19 restrictions will be lifted in time for the normal start-up of our summer season during the last week of June.
 - ii. Total budgeted revenues of \$767k reflects a marginal increase over prior year.
 - iii. Total budgeted expenses of \$717k are up by \$164k over prior year, due to increased expenses in staffing, landscaping, repairs and maintenance, utilities and lake water top-ups.
 - iv. Overall, excess of revenues over expenses (i.e., Operating Surplus) is budgeted for \$50k. We have planned for an increase in unrestricted operating funds for any unexpected cash flow requirements that may arise.
- d. Restricted Capital Reserve Fund- 2020 Actuals compared to 2020 Budget:
 - i. The restricted capital reserve fund increased by \$93k for the year, closing the year with a balance of \$303k.
 - ii. The major reason for this increase was due to a number of capital items being deferred due to COVID-19 from 2020 to 2021.
- e. Restricted Capital Reserve Fund- Cash Flow Chart 2018-2032:
 - i. This chart was provided to show the ebb and flow of the capital reserve account depending upon the timing and magnitude of capital investments throughout the period.

- ii. The cash flow chart that was presented covers a 15-year period (2018-2032), so it reflects the past 3-year actual results and the coming 12-year forecast.
- iii. Our goal is to maintain a minimum balance ranging between \$275k-\$300k over the next 7-years, then gradually increasing to a balance of \$450k by the end of 2032.
- iv. In developing the planned capital investment each year, the Board refers to the Life Cycle Study projections and applies its own knowledge, which is based on the current condition of each asset plus any new items that might come to the Board's attention throughout the year.
- v. The Board is mandated to conduct a formal independent Life Cycle review every 5 years to ensure that it remains relevant to the needs of the LAHPOA. The next review must occur in 2023.

19) Board of Directors for 2021/22:

- a. We received 7 nominations for the 7 available Board positions, which meant that there was no requirement to hold an election this year.
- b. The 7-member volunteer Board of Directors are:
 - George Canyon
 - Jim Chuey
 - Carey Donkervoort
 - Brent Fraser
 - Rick Gallant
 - Glenn Ruskin
 - Jo Scott
- c. As required, the Board Executive (Chair, Vice-Chair, Secretary and Treasurer) will be determined at the 1st meeting following the AGM. Currently, this meeting is scheduled for June 22, 2021.

20) Thanks to everyone for attending the 2021 AGM. We look forward to meeting in person next year.

There being no further business, the meeting was adjourned at 6:10 p.m. MDT.