

The Lake at Heritage Pointe Owners Association

Minutes of Annual General Meeting

Tuesday, June 7th, 2022 - Via Zoom Conference

Note: Based on results of a community survey which indicated that the majority of residents would prefer a virtual meeting, the AGM was conducted via Zoom teleconferencing with voting conducted using PollEv.com. A copy of the PowerPoint presentation and associated speaking notes are 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 Rick Gallant, Chair.
- 2) Quorum and Proof of Notice of Meeting:
 - a. Quorum - 28 proxies and 46 online participants (62 residents registered in advance for the meeting).
 - b. Proof of Notice of Meeting: the AGM package was hand-delivered to every residence in the community prior to May 7th, 2022.
- 3) Approval of Agenda – the agenda was unanimously accepted as presented.
- 4) Approval of 2021 AGM Minutes – the minutes were unanimously approved as presented.
- 5) 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 2022/2023 Board. The new Board members will be announced at the end of the AGM.
- 6) Introduction of the 2021/2022 Board of Directors:
 - a. Rick Gallant – Chair, Secretary and Life Cycle Committee Lead
 - b. Glenn Ruskin – Vice-Chair and Water Committee Lead
 - c. Carey Donkervoort – Treasurer and Contractor Lead
 - d. Jo Scott – IT, Communications, and Playground Committee Lead
 - e. Brent Fraser – Architectural Design and Landscape Guidelines Lead
 - f. Jim Chuey – Safety and Security Lead

The chair thanked the board members for the contributions over the last year.

- 7) Introduction of contractors and committee volunteers supporting LAHPOA activities:
 - a. Amanda Philips – is our bookkeeper. She works with us part time and engages with our Treasurer and CM to ensure timely and accurate books of account and financial statements.
 - b. Divcon and PLNT – our mechanical and horticultural contractors. They execute all of our mechanical maintenance and repairs, lawn mowing, garden, shrub and tree maintenance, fertilizer and weed control and sidewalk snow removal.

- c. Special shout out to the Water Committee – Glenn Ruskin, Bryan Ysebaert, Bryan Dozzi, Graham Purves, Colin Anderson, Don Waldorf, and Jim Chuey.
 - d. Special shout out to the Playground Committee – Jo Scott, Diane Anderson, Jonathan Cassetta, Bill Duke, Christine Gordon and Ryan Nieszner.
- 8) New Community Manager:
- a. Les Turner has now been in place as our CM for a year and has extensive community development and recreational management experience throughout his career. He brings an unending passion and incredible work ethic to the position.
 - b. Les has been working tirelessly on expanding community engagement and improving the aesthetics and services within the community.
- 9) Councillor’s Comments:
- a. Councillor Don Waldorf, provided the board chair with an update on MD items of interest to the community.
 - b. Councillor Waldorf’s detailed comments are included in the AGM speaking notes and covered:
 - i. A brief summary of 2022 tax changes for county residents
 - ii. Dunbow Road Traffic Study - between Macleod Trail and Deerfoot Trail
 - iii. Various developments proposed in and around the Hamlet of Heritage Pointe
 - iv. Calgary Metropolitan Region Board – recent changes by the province and expectations on final timing for implementation
 - v. Launchpad – new golfing entertainment facility at the HP golf course
 - c. For further information on these and other topics affecting our community, Councillor Waldorf referred all residents to the new Foothills County Website.
- 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. Repaving the Upper Pond and North Dock pathways
 - ii. Extensive repair work on the community irrigation system
 - iii. Ongoing work on restoration efforts for the community garden beds.
 - iv. Replacement of community mailboxes and upgrades to mailbox shelter.
 - v. Acquisition of additional lake equipment with support from the DRB.

- vi. Upgrades to west entrance cameras and access gates to improve reliability and cold weather performance.

12) Dunbow Recreation Board (DRB):

- a. The Board expressed their sincere appreciation to the DRB for their generosity in providing grants over the years for much of the equipment that is available for use at the lake house, beach, ball diamond and soccer pitch.
- b. Most recently, we submitted an application for a grant to replace/upgrade the Heritage Isle playground. The grant was approved and we used the commitment of those funds plus a planned contribution from our Reserve Fund to support an application for a \$125,000 Alberta Community Facility Enhancement Program grant to allow us to install a much more modern playground that will engage children of all ages and abilities.

13) Summer 2022:

- a. While we will continue to follow AHS guidelines regarding any COVID restrictions, we expect that those restrictions are now behind us.
- b. As such, our plan is to officially open the lake house and beach on June 18th with a full complement of staff so that residents can enjoy all that our beach and lake area has to offer.
- c. Concerns and questions raised last year about unruly behaviour by young people (primarily) at the North Dock were addressed with a variety of actions including: regular patrols by our community manager, installation of cameras to monitor the area, repairing the North Dock access gates, and installation of additional signage to discourage this behaviour. We also engaged concerned residents to help us find a solution and to let us know when things were getting out of hand.
- d. We plan to continue with these mitigations this summer and if any residents observe any unacceptable behaviour by anyone in the community, they are requested to contact the Community Manager.

14) Community Events:

- a. With the lifting of COVID related AHS restrictions, we plan to resume a full and expanded list of community events this year. Les, our community manager, has been a key driver of these plans and activities and is always looking for your ideas for other events and for folks to lead a new activity.
- b. We are also delighted to report that planning is well underway for this year's Stampede breakfast. Mark July 9th in your calendars and plan to spend the morning with us in the lake house parking lot for a Stampede breakfast prepared by our own Foothills Fire Department.

15) Aquatic Ecosystem:

- a. The lake is our crown jewel of the community.
- b. Great care is taken to preserve the health and quality of the lake and to protect the habitat of all of the fish and wildlife who inhabit it.

- c. In June, the lake will be stocked with 100 Tiger Trout and 400 Brook Trout creating some diversity with our already healthy populations of Rainbow Trout and Brown Trout. In the Fall we will be doing another stocking of Rainbow Trout as we did last year.

16) Real Estate Update:

- a. According to information received from Mike Niemans of Re/Max (a long time supporter of events in our community), the housing market is “going gang busters” with the average selling price in our community up by about \$400,000 and selling time down from the historic 70-90 days to 20 days so far this year with some homes selling in hours. The average selling price year-to-date for our community is \$1,323,000, with a range of \$915,000 to \$2,250,000. Mike indicated house prices are now higher than they have ever been for our community.
- b. The key message here is that we live in a very desirable estate community where the value of our home investment is in very good shape.

17) Architectural Design and Landscaping Guidelines:

- a. Residents were reminded that the AD&L Guidelines - which are registered covenants 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, siding or garage doors
 - iv. Color changes to the exterior
 - v. Structural changes or additions to your home
 - vi. Sheds, gazebos, privacy screens and decks
 - vii. Addition of solar panels to your roof
 - viii. Driveway replacements or repairs
- b. All of these need to be pre-approved and residents must follow the Architectural Design and Landscape Guidelines, which can be found on the HOA Website and were included in the AGM package delivered to each home.
- 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 planned 2022 expenses as a percentage of the total LAHPOA Fees collected:
 - i. 51% - Waste removal, Landscaping, Snow Removal, 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, tree maintenance & snow removal)
 - ii. 11% - Management consulting services
 - iii. 9% - Utilities, including lake water top-ups

- iv. 6% - Administration, including insurance and professional fees (bookkeeping, audit, legal)
 - v. 6% - Wages and benefits for summer staffing to operate lake house and beach
 - vi. 6% - Annual amortization of capital assets
 - vii. 3% - Capital additions, including lake equipment and replacement of damaged 3-stream waste bins
 - viii. 1% - Fish stocking
 - ix. Remaining 4%- Operating surplus to cover contingencies and operating cash reserves to cover expense items early in the next fiscal year prior to collection of HOA fees.
- b. Statement of Operations - 2021 Actual Results compared to 2021 Budget and 2020 Prior Year Results
- i. The presented spreadsheet provided a brief explanation of variance to budget and to prior year, for each line item.
 - ii. In summary, total revenues of \$759k were \$7k less than budget and \$9k up from prior year. The increase from the prior year was mainly due to a 1.2% CPI increase in fees and slightly higher events revenue. We were lower than budget due to COVID restrictions on lake house rentals and some events. Reduced interest rates also reduced revenues.
 - iii. Total expenses of \$649k were \$68k less than budget and \$96k more than the prior year. The increase over the prior year was primarily due to increased work on garden bed restorations and irrigation system repairs plus the need for additional lake water top ups due to the very hot dry summer. We were under budget due primarily to waste removal being less than planned, fewer irrigation system repairs getting completed than planned and a revised strategy for staffing the lake house during the summer which reduced wages expenses.
 - iv. Overall, we finished the 2021 year with an excess of revenues over expenses (i.e. operating surplus) of \$110k, which was \$60k over budget but \$87k less than last year. As a result, we increased our operating funds by \$17k and increased our restricted capital reserve funds with a transfer of \$33k of the excess operating funds to the reserve fund.
- c. Reserve Fund 2021 Actual Results compared to the 2021 Budget:
- i. The restricted Reserve Fund increased by \$8k for the year, closing the year with a Reserve Fund balance of \$311k.
 - ii. Allocated funds from the Homeowner Association fees of \$126k was on budget. The board approved transfer of \$33k from the Operating account to the Reserve Fund was not planned.
 - iii. Total expenditures from the Reserve Fund were \$153k which was \$7k higher than budget. Underspent versus budget were several items including irrigation system repairs (\$9k), Kubota tractor replacement (\$10k), lake house eaves trough replacement (\$3k) and deferment of aeration system diffuser replacement (\$4k). These savings were offset by a number of unplanned

expenditures on equipment and infrastructure improvements including the lake house hot water heaters (\$8k), a lift for storage of seasonal equipment in the garage (\$6k) and our share of the cost of paddleboards funded 50% by the DRB (\$8k).

- d. 2022 Operating Budget compared to 2021 Actuals.
 - i. In summary, total budget revenues of \$787k are planned to be up by \$28k or 3.7% over 2021. Association fees, including both operating and those allocated to the reserve fund are planned to be up by \$21k in line with the CPI for Calgary region of +2.8%. Facility rentals are planned to be up by \$7k based on a return to normal operations.
 - ii. Total budget expenses of \$706k are planned up by \$57k, up 8.8% over 2021. With a return to normal operations and increased community events we have allocated an additional \$15k towards spending in this area. Landscaping has been planned to be up by \$13k to complete the garden bed restoration work and ongoing maintenance of our gardens and trees. Repairs and maintenance are planned to be up \$23k over 2021 to complete the major repairs to the irrigation system. Utilities and lake water top ups are planned to be up by \$18k over 2021 to cover increased raw water transfer rates from Corix and increased utility rates.
 - iii. Overall, we are budgeting for an \$81k excess of revenues over expenses for 2022. This surplus will be used to manage any contingencies, add to our unrestricted operating funds to manage future expenses and potentially to make an additional Reserve Fund transfer to help fund the planned capital spending on the Heritage Isle Playground.

- e. 2022 Restricted Capital Reserve Fund Budget:
 - i. The restricted capital reserve fund is budgeted to increase by \$109k for the year, closing the year with a balance of \$421k.
 - ii. Total capital expenditures of \$67k are budgeted for 2022 which is down \$85k from 2021. Deferred from 2021 is \$5k to replace the lake's aeration system diffusers. Other capital projects include repairs and upgrades to the irrigation system (\$25k), restoring garden beds (\$8k), rebuilding aeration system compressors (\$3.5k), and dock maintenance (\$3.5k). Additional capital projects include upgrading the west entrance cameras and access gates 5 & 6 power supply (\$7.5k), purchasing replacement waste bins to replenish inventory (\$8k), purchasing kayaks (5k), and replacing decorative flags at community entrances (\$1.5k).

- f. 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 4-years of actual results and the forward 11-year forecast. It is based on the Life Cycle Study commissioned and completed in 2018.
- iii. 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.
- iv. During the next 11 years we are projecting to spend \$1.7M from the Capital Reserve Fund, against deposits of \$1.8M in Reserve Fund fees and interest revenue.
- v. The chart reflects a significant increase in planned expenditures in 2023 associated with the Heritage Isle Playground Replacement and Enhancement Project. The planned cost of the playground project is \$300k. We have applied for and expect to receive substantial government grants of \$160k to help subsidize the cost of this project. The remaining \$140k will come from the Reserve Fund.
- vi. 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 will occur in 2023.

19) Appointment of Auditors for 2022:

- a. The board recommended we appoint Kenway, Mack, Slusarchuk, Stewart LLP as our auditors for 2022. This motion was approved unanimously.

20) Questions:

- a. The board chair and treasurer answered a few questions regarding the status of the vacant lot on the lake, access to the lake house in off hours, the status of the Community Pathways Project and some clarifications on the financials.

21) 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 appointed by acclamation are:
 Jim Chuey
 Carey Donkervoort
 Brent Fraser
 Ed Gaw
 Rick Gallant
 Glenn Ruskin
 Jo Scott
- c. As required in our bylaws, the Board Executive (Chair, Vice-Chair, Secretary and Treasurer) will be determined at the 1st meeting of the Board following the AGM. Currently, this meeting is scheduled for June 29, 2022.

22) Thanks to everyone for attending the 2022 AGM. We hope the presentation has provided some insight into what is happening in and around the community and provided some details on how your HOA fees are managed.

There being no further business, the meeting was adjourned at 6:15 p.m. MDT.