

Minutes
Life Cycle Study Special Meeting
October 30, 2018, Carnmoney Golf Club

Meeting called to order at 6:45pm: Louise Ascah, Board Chair

Quorum confirmed: 94 households represented through combined attendance and proxy submission.

Proof of Notice of Meeting confirmed.

Motion to approve Agenda: Peter Newton; Seconded by Michael Lariviere.

1. Louise Ascah introduced fellow volunteer Board Members, extending a special thank you to Past President Mark O'Henly for his substantial contribution in introducing the Life Cycle Study process, as well as Director Paul Taylor and Community Manager Don Waldorf who dedicated significant time working with engineering firm Morris Herschfield.

Attendees were requested to withhold questions until the floor was opened for this purpose at the end of the presentation.

2. Director Paul Taylor presented the first segment of the presentation via PowerPoint, explaining the timelines related to the Life Cycle Study's 25-year forecast, as well as remarking on the results/recommendations that the study provides. A key factor in the success of working with a Life Cycle Study will be the commitment to re-engage the study every five years to monitor the value of the Reserve Fund contribution and ongoing performance/expectations.
3. Director Rick Gallant conducted the second segment, presenting and explaining a series of graphs. These included the Reserve Fund Cash Flow recommendation of the Life Cycle Study; a Reserve Fund Cash Flow adjusted to reflect near-term needs for the next 15 years; the way in which Annual Fees will be presented to distinguish between contribution to Operation Expenses and Reserve Fund Contribution.
4. Question Period Highlights
 - a. "Will the Reserve Fund portion of Annual Fees be GST exempt?" An attending resident, who is an area realtor having significant experience with this subject, responded that all fees related to Home Owners Associations/Condo Fees are subject to GST. Confirmed by board Treasurer, Heather Harris.

- b. "What credits or values can we reclaim from the government via the depreciation of assets?" As the LAHPOA is a registered Not for Profit organization, it is not eligible for credits in the way in which for-profit businesses may be. Confirmed by board Treasurer, Heather Harris.
- c. "Will future budgets and financial statements reflect the distinction between operating and capital accounts and expenses?" Yes, this distinction has already been introduced to the Association's accounting operations by board Treasurer, Heather Harris.
- d. "Why is there any need to increase fees by the value of CPI every year? For 10 years, no increases were made. Since the application of CPI increases, the annual fee has increased by 60%. If it wasn't added back then, does this indicate the Board is failing to manage costs?" Increasing the annual fee by the value of CPI forms part of the Bylaws of the Association as the method by which operating expenses can be met while permitting the development of reserve funds. The failure to index by CPI for ten years resulted in the Association having zero in reserves. It has been demonstrated repeatedly that, had annual fees been indexed appropriately during that period, the Association would have a reserve fund of approximately \$2M at present. The board works with exceptional due diligence to manage costs as has been demonstrated at the AGM in the past several years.
- e. "Why should we spend annual fees to upgrade the Lake House when it gets used by outsiders? There are so many events and activities that residents wanting to rent the facility don't get first choice." Rental of the Lake House is a revenue source for the Association. Further, it is our responsibility to maintain the assets of the Association and the Lake House is a significant one. Residents are encouraged to plan ahead should they wish to rent the facility, as all applicants are treated equally in this regard.
- f. "Could you please provide examples of the type of projects being undertaken now?" The Board has prioritized the following items for 2018: Remove/repair/replace all community signage; sand & stain docks (two fixed, one floating); paint interior walls and ceiling in Lake House; patch & seal cracked pavement in parking lot. These items in 2019: Replace Lake House deck surface; mill, resurface and paint stall lines on parking lot; paint exterior trim of Lake House; replace/upgrade Access Control System; replace service desk & closet in Lake House; replace snow removal tractor.
- g. "Is there any kind of government regulation that dictates how much of any Homeowner Association Fee must be contributed to Reserve Funds annually?" No, there is not.

- h. “Is there any way to place a cap on how long we’ll be contributing \$250 annually to the Reserve Fund? In the Special Resolution, for example, could we state that a review of the \$250 annual Reserve Fund contribution will be undertaken at the five-year mark when the next Life Cycle Study will be conducted?” Yes, this is possible to state. With the verbal support of those in attendance, it was agreed that the Special Resolution would be tabled as follows:

“In support of the recommendations of the Life Cycle Study commissioned by the LAHPOA, an annual Reserve Fund Contribution of \$250 per household will form part of the Annual Homeowners Association Fee becoming effective in 2019. This contribution will be indexed annually by the value of the Consumer Price Index of Calgary, as is the practice with Annual Fees historically. The value of the Reserve Fund contribution will be reviewed with each successive Life Cycle Study”

5. Board Chair Louise Ascah read out the full Resolution including this amendment and made the motion that those in attendance provide a show of hands either in favour or against the motion. Of the 94 households represented, a total of 83 supported the proposed Special Resolution, 11 counted not in favour. In keeping with the definition of a Special Resolution within the Alberta Societies Act, it was acknowledged that the 75% required to pass this Special Resolution had been exceeded and the Resolution is approved.

Motion to adjourn the meeting, 7:55pm: Peter Newton; seconded by Eugene Nagai.

Meeting Adjourned.