



Monday September 24, 2018

An Update from your Volunteer Board of Directors, 2018/2019

Dear Residents of the Lake at Heritage Pointe Community:

At the Annual General Meeting of the LAHPOA in 2017, discussion was tabled around the commissioning of a Life Cycle Study for the Lake at Heritage Pointe community. Recognizing the need for a strong annual contribution to build the Association's Capital Reserve Fund, the Life Cycle Study is designed to provide insight into what an annual contribution should look like to support repair and replacement of assets now and through the next 25 years.

At this meeting, the motion to levy a \$100 per-household contribution to the Reserve Fund in 2018 was adopted. Further, it was agreed that, following the findings of the Life Cycle Study, the Board would present at the AGM in 2018 the recommended annual Reserve Fund contribution for future years.

The Life Cycle Study was concluded in May of this year and the immediate recommendation made by consulting firm Morrison Hershfield was an annual per-household contribution of \$275, indexed by CPI. At the AGM in June, the Board requested additional time to review this recommendation, ideally to reduce this amount while remaining in the position to make a strong contribution to Reserves. It was agreed that a Special Meeting would be convened this fall, at which time the outcome of that review would be presented and voted upon by residents.

Following extensive discussion and examination, the Board has determined that an annual contribution of \$250 per-household to Reserve Funds is necessary. However, given that some line items in the Life Cycle Study have been covered historically under our regular operating budget, the net new contribution per-household will be \$185 over the base 2018 homeowner's fee. Realigning the capital and operating contribution portions of your Annual Fee will still permit the contribution of \$250 per-household to Reserves.

In 2018, your Homeowners Association invoice looked like this:

Annual Fee (inclusive of 2% CPI)	\$1,292.32
One Time Reserve Fund Contribution	100.00
Subtotal	1,392.32
GST 5%	69.62
Total LAHPOA Annual Fee	\$1,461.94

In 2019, the Board's proposal is this (assuming CPI at 2%)

Operating Expenses	\$1,218.17
Reserve Fund Contribution	250.00
Subtotal	1,468.17
GST 5%	73.41
Total LAHPOA Annual Fee	\$1,541.58

This year-over-year change represents an increase of \$75.85 per household, pre-GST, or 5.4% in 2019 versus the previous year.

The Life Cycle Study methodology is a best practice for Home Owner Associations. It has been recommended we re-engage the study every five years, providing an opportunity to refresh and update information as well as make course corrections by adjusting the reserve fund contribution up or down as indicated.

As agreed upon at the AGM in June, the Board will convene a Special Meeting to pass the following Special Resolution:

***"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 date for this Special Meeting has been set for **Tuesday October 30, 2018** at Carnmoney Golf Club, call to order at 6:45 p.m. In accordance with LAHPOA Bylaws, Section 3.2, "Special Meetings of the Association", the method of voting, the use of proxies and quorum required for any Special Meeting shall be the same as the Annual General Meeting. Should you be unable to attend this important meeting, please exercise your right to vote through submission of your proxy.

As defined in the Alberta Societies Act (*Societies Act*, R.S., c. 435, s. 1.):

**"Special Resolution" means a resolution passed by not less than three fourths of such members entitled to vote as are present in person or by proxy, where proxies are allowed, at a general meeting of which notice specifying the intention to propose the resolution as a special resolution has been duly given. R.S., c. 435, s. 2.**

We look forward to your participation. For the benefit of those residents unable to attend the AGM this year, a review of how and why the Life Cycle Study was commissioned will be presented.

Sincerely,



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Board Chairperson  
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