

AGM 2024 Speaking Notes

Good evening everyone and welcome to the 2024 Lake at Heritage Pointe Owners Association annual general meeting. My name is Rick Gallant, and I'm the current chair of the Board of Directors here at the Lake at Heritage Pointe.

We sincerely appreciate your continuing interest and participation in this very important annual community meeting. In order to facilitate the meeting, we have prepared a presentation to provide an overview of the association's activities over the last year and at the end of the presentation we will open the floor for questions.

(Slide: 2024 AGM Meeting Agenda – Quorum)

We are pleased to confirm that with 57 homeowners here tonight and with a total of 73 proxy forms having been received, we have quorum for tonight's meeting.

As far as the "Proof of Meeting" requirement is concerned, we hand-delivered the AGM package to every residence in the Lake at Heritage Pointe on May 15th.

In addition to the notification of the AGM, the delivered package also contained a letter to residents from the board chair, the agenda for the meeting, a proxy form, a board of directors nomination form, a copy of the 2023 AGM Minutes, and a copy of the 2023 Audited Financial Statements.

At this point I would like to entertain a motion to approve the agenda as presented in the AGM package. **(Motion – Second – Show of Hands)**

(Slide: 2023 AGM Meeting Minutes)

Now I would like to entertain a motion to approve the minutes of last year's AGM as presented in the AGM package. **(Motion – Second – Show of Hands)**

We have received a few emails that had questions or issues for us to cover during the AGM.

We appreciated getting these questions in advance and hope that we cover them adequately during the presentation.

A total of eight names were received for consideration to being nominated to the 2024/2025 Board of Directors. In addition, we will be entertaining nominations from the floor later in the meeting to fill our allowed complement of 7 directors for the 2024/25 Board. If you would like to get a better idea of what is involved in running our community, and to provide your time and talents to that effort, please consider putting your name forward.

We have targeted to keep this presentation to about an hour, but will take as much time as is necessary to answer questions. Our speaking notes and the AGM presentation will be posted on the LAHP website in the weeks ahead.

(Slide: Here's what's ahead)

OK, so here's what's ahead.....

- A reminder of who is currently on the association board as well as acknowledgement of our great community manager and the rest of our contracting team that supports him to keep our community operating well.

- An update on developments being planned in and around the Hamlet as well as a few county related items.
- We'll talk about our Board Mission Statement before providing updates on the various initiatives and work efforts of the Board over the last year.
- You'll hear about Capital Improvements that have occurred and ones that are planned for this year.
- An update on our water diversion licences and the sale of a portion of one of them to Heritage Crossing.
- We'll acknowledge the support we have received from the Dunbow Recreation Board over the last couple years and we'll discuss our plans for the Isle Playground scheduled for installation beginning in late June.
- We have a couple slides on our Security Initiatives Committee work and a slide on the Larry Spilak memorial that was installed at the south entrance this winter.
- We have updates for The Summer Ahead and what our community event calendar is looking like.
- Similar to past AGM's you'll hear about our aquatic ecosystem and our ongoing green space enhancement efforts.
- As with last year, I have included a Real Estate Update plus I will review how our Architectural Design and Landscape Guidelines work.
- Then we'll provide an overview of our financial performance for 2023 and our budget for 2024. We'll also be looking for your support in appointing our auditors for next year.

- Lastly, we'll be seeking nominations for the 2024/2025 Board of Directors and having an election vote.

(Slide: Your 2023/24 Board of Directors)

Let me begin by introducing you to your current volunteer Board of Directors

Rick Gallant – Chair, Secretary and Life Cycle Committee Lead

Glenn Ruskin – Vice-Chair and Water Committee Lead

Gareth Davies – Treasurer and Contractor Lead

Jo Scott – IT, Communications, Playground Committee and Events Committee Lead

Brent Fraser – Architectural Design and Landscape Guidelines Lead

Todd Brown – Safety and Security Lead (not able to attend tonight due to another commitment)

I would like to personally thank all of the board members for their contributions over the last year. We had quite a year with lots of great events and activities and are well positioned for the future with the work we have done with the update to our Life Cycle Assessment and the pending sale of a portion of one of our water licences. We undertook a significant clean-up of the vegetation around the upper pond, continued our garden bed enhancements, obtained CFEP funding for the Heritage Isle playground upgrade and purchased all of the equipment for installation in June. I think you will see we accomplished a lot.

(Slide: Extended Family)

Now I would like to reacquaint you with our extended team that helps us advance all of the work in our community.

Amanda Philips is our book keeper and has been part of our extended team for 3 years now. She is working with us part time, having a full time position working with a not for profit organization in Calgary as a Senior Operations Manager. Amanda is originally from the UK, and lives in Calgary, just 10 minutes down the road in the community of Somerset. Thank-you Amanda for all you do to help keep our books of account in order.

Also part of our team are our contractors, Divcon and PLNT. Brandon Pool and his staff with Divcon are our mechanical contractors who handle a myriad of tasks and projects around the community and their staff also take care of all of our lawn mowing in the community green spaces. Brandon's mom Mary Pool takes care of all the plants in our garden beds and led the effort on our upper pond rejuvenation. James Littlewood and Branden Gartley with PLNT are our horticultural contractors and are responsible for maintaining the lake house park and our community shrubs and trees. They also do all of our sidewalk and parking lot snow removal.

While we are recognizing extended family, I would like to extend a quick shout out to the Water Committee. This is a group of residents that meet once a month for 7 months of the year, with a mandate entitled, Eyes on the Lake, assisting the board with everything and anything related to our lake. They meet once a month during the open water season. Joining Glenn on this

committee are: Bryan Dozzi, Graham Purves, Colin Anderson, Ryan McKimmie, Sean McGee and Jim Chuey. If you have an interest in joining this committee, contact Les or Glenn and they'll point you in the right direction and answer any questions that you might have.

Finally, a quick shout out to all the folks who have come forward to volunteer their time and talents to help organize and lead a myriad of events and activities throughout the year. There are too many to name them all here but they do a great job providing a host of activities covering a wide spectrum of interests. If you are on our email or social media feeds, you will have seen all of these activities advertised and if you are not, now is the time to get signed up.

(Slide: Les Turner)

Our community manager, Les, has worked in community development and recreation management his entire career, and has been an incredible asset to our community since coming on board in 2021. Those of you who have engaged him over the last couple years will attest that he brings an unending passion and an incredible work ethic to the position. If you have not met him yet, his office is at the lake house and if the gate is open he is there. Please reach out and introduce yourself if you have not done so already.

Since Les joined us, he has been working tirelessly on expanding community engagement through numerous community events and activities. Les has been amazed at the breadth and scope of the job and has thoroughly enjoyed rolling up his sleeves and getting things done. The

favourite part of the job for him is engaging with all of you and, through your feedback, working to make our community a great place to live and play.

(Slide: Larry Spilak Memorial)

Many of you will remember our late councillor and former Reeve, Larry Spilak and the incredible job he did representing our community as part of his Division 6 responsibilities. In 2021, shortly after Larry's passing after a brave battle with cancer, one of our residents proposed that we erect a small memorial to Larry at our south entrance. We're happy to report that a bronze plaque recognizing Larry's contributions was unveiled in February with Larry's immediate family in attendance. The recognition was very well received and highly appreciated by Larry's family.

(Slide: Hamlet of Heritage Pointe Development)

As we discussed last year, there is a lot of development going on in the Hamlet of Heritage Pointe and we have been monitoring progress and engaging as necessary to make sure these developments don't adversely affect the Lake at Heritage Pointe.

The Serenity Residential project, located southeast of the Heritage Pointe golf course, has had its Area Structure Plan, Land Use applications and Request for Subdivision approved by Council. Site clearing is now underway.

A second development, Pine Springs Estates, by Rarebuilt Homes off Pine Creek Road, just north of Heritage Lake Mews is well underway with their first home going up for sale recently. They plan to develop 22 lots for a small community of 22 acreages with a pond, walking path and lots of trees. Unfortunately, despite our best efforts and continual engagement, the work at the west entrance for them to tie into Corix's potable water and waste water systems was a disaster. Fortunately, that is now behind us.

We have not heard anything about the third development on the piece of land north of the Rarebuilt Homes development along Pine Creek Road. The initial concept was for 14 villas or senior's bungalows in a small community but we have not heard anything since the initial exploratory communication.

The new development called "Heritage Crossing" is a 163-home development for the land south of Dunbow Road, between 2nd and 8th Streets. The developers are continuing to progress all of their required approvals with the county and expect to begin clearing land shortly.

We have not received any updates on the developer that has applied to annex 400 acres of county land near the Sirocco golf club that we talked about last year. You should have all recently received a notice from the City of Calgary regarding the creation of an Area Structure Plan for West MacLeod Residual Lands and an invitation to an open house. This ASP will cover 500 acres of land south of Belmont and West of Legacy.

In addition to these developments, we have also continued to be engaged in the Corix rate application to the Alberta Utilities Commission. Working with the other Heritage Pointe communities, a detailed submission was made to the AUC for their consideration during the review process. As a result of their review, the AUC disallowed a number of Corix's rate application projections and required them to resubmit their application with modified projections. At the end of the day, our rates will still be going up but by somewhat less than originally proposed. We have also been working with the other Heritage Pointe communities to lobby the Alberta government to expand the AUC's mandate to include waste water regulation. Hopefully we will have more to report on that next year.

Finally, as part of the process for approving the Heritage Crossing development, the county approved a motion to obtain a detailed engineering design for the modification of the Dunbow Road and 2nd Street intersection that provides access to the firehall and Pine Creek Road. We provided some input on the proposed design since it will directly impact access to our community.

(Slide: Board Mission Statement)

You will see here our **Board Mission Statement** which is to:

- **Preserve the 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.

Know that your board works hard to pursue this mission statement and does their very best to meet this objective.

The picture on this slide shows the first impression one gets of our community when you first drive in. I know that the various boards over the years have worked hard on improving our entrance and this is an important continual improvement item for us. In fact, one of the projects we have for this year is to refresh the entrance sign with some repairs, cleaning and painting.

(Slide: Continual Improvements)

On the subject of continual improvements, here are some photos of what we've been working on over the last year. As we reported last year, our multi-year project to restore full functionality to our community green space irrigation system was completed. Unfortunately, this year we are facing a potential drought situation in the province and so our focus this year will be on optimizing and fine-tuning the performance of the system to ensure we can irrigate our green spaces with as little water as possible. On landscaping, we undertook a new project to significantly reduce and rejuvenate the vegetation around the upper pond. That work will continue this summer with plans now in place to keep this area properly maintained as part of our annual vegetation management program. We have just finished our bi-annual refurbishment of the community docks, will be rebuilding the aeration system compressors,

and cleaning the aeration system diffusers. Based on the recommendation of the Security Initiatives Committee, we upgraded both the south and west entrance camera systems with new technology allowing us to capture much better images and to record and monitor both entrances in real time. A major project for 2024, based on the 2018 Life Cycle Study, is the replacement and enhancement of the Heritage Isle playground and the upgrade of the other 2 community playgrounds. We've made significant progress and we will talk more about next steps in a few minutes.

I've lived in the community for 18 years and I know each and every board during this time has had a focus on continual improvement. The original Life Cycle Study, completed in 2018, provided a very detailed long term plan for maintaining the community's assets and supported the establishment of our community Reserve Fund. The Reserve Fund has allowed us to complete a number of major projects including the addition of the garage, the repaving of the main parking lot and the lake house, upper pond and north dock pathways, the structural and aesthetic improvements to the lake house, the replacement of the lake house shingles and eaves troughs, and the garden enhancement and irrigation projects, over the last 5 years. As mandated at the time of the establishment of the Reserve Fund, the Life Cycle Study was to be updated every 5 years and we are happy to report that we received the results of the updated study last September. We will be using the study results and recommendations to plan our project spending over the next 5 years. In the financials segment, we will give you an update on how all of these improvements are being accounted for in terms of budgeting and investment.

(Slide: Raw Water Diversion Licences)

As described in our previous communications, we have undertaken to sell the portion of one of our diversion licences that we do not need and have executed an agreement with the Heritage Crossing developers to purchase 80,000 m³ of this licence for \$650,000. We submitted an application to Alberta Environment and Protected Areas for the transfer of this volume to Corix Utilities, who will be providing potable water to Heritage Crossing, and just learned tonight that the transfer is now complete and we should receive the funds from Heritage Crossing in short order.

(Slide: Dunbow Rec Board)

I mentioned earlier the generous support that the Dunbow Recreation Board has made available to help us purchase a variety of recreational equipment for our community, from assorted watercraft, and cross country ski track setting equipment to a variety of sports equipment including fishing, baseball, soccer and pickleball equipment. Last year the DRB provided 50% funding for a new zodiac boat to serve as a fishing platform for our community anglers. We work hard at providing comprehensive and compelling applications for these grants that help leverage the funds from our Reserve Fund to provide a broad range of recreational equipment for your use.

(Slide: Heritage Isle Playground Replacement and Enhancement)

Last year we discussed the DRB grant for \$25,000 that was approved to help replace the Heritage Isle Playground. The DRB grant plus a \$125,000 CFEP grant from the province, that

was approved last July, and a planned contribution from our Reserve Fund will allow us to install a much more modern playground in place of the old one.

The pictures here show the final design chosen for the playground with equipment intended to engage children of all ages and abilities. We know that residents are very excited to see this new playground installed and work is planned to begin in June as soon as we have all of our permits in place. On that note, you should have all received a notice from the county regarding a land use re-designation that we had to undertake, to allow us to complete the playground upgrade, since the playground park was originally designated Residential Use only. When the community was initially developed, the county bylaws did not have an “Open Use” land use category and therefore our whole community, including all of the green spaces, was designated “Residential Use”. The county bylaws have since been updated to include additional land use designations and we needed to amend the playground park to Open Use in order to proceed with the playground upgrade. The land use re-designation has been approved and we are just waiting on the approval of our development permit.

As a final note, we will also be using some of the equipment from the old Isle playground to make some modest upgrades to the lake house and north dock playgrounds.

(Slide: Security Initiatives 1)

As mentioned previously, a Security Initiatives Committee was established in late 2022 to look at possible security enhancements for our community. As a result of the feedback received, the

Board decided to implement some of the easy quick wins identified by the Committee including: adding a security orientation for residents to our New Resident Welcome Package; standardizing our incident data gathering; formalizing a partnership with the RCMP; and reviewing best practices of other communities. This work is now complete.

(Slide: Security Initiatives 2)

In addition, we undertook to upgrade the entrance camera systems at both community entrances and to investigate options to have them monitored for suspicious vehicle activity. As mentioned previously, we upgraded both the south and west entrance camera systems with new technology allowing us to capture much better images and to record and monitor both entrances in real time. We connected the west entrance to Fortis power and added a cellular data communication upgrade so that we have monitoring and recording at the lake house. Unfortunately, we had a recent test of the system when a vehicle was stolen from a residence in our community. The cameras captured both the stolen vehicle and the suspect vehicle with clear licence plate recognition that we were able to provide to the RCMP.

(Slide: The Summer Ahead)

Ok, what will the summer ahead look like this year?

We officially opened the lake house and beach, for weekends only, on June 1 and will be opening full time for the season on June 29. We are fully staffed, helping residents enjoy all that our beach area and lake has to offer. We encourage you to come out and check out any of

the myriad of water craft and toys we have available to enjoy a day at the lake. We also have a new zodiac that is available to provide a stable platform for a day of fishing on the lake.

Subject to weather conditions, the lake house will be open and staffed from 12:00 pm to 6:00 pm Saturday and Sundays from June 1 to June 28. Between June 29 and August 5, the lake house will be open 7 days a week from 10:00 am to 9:00 pm. Come August 6, when the days start to get shorter, the lake house will be open 7 days a week from 10:00 am to 8:00 pm. The last day of the lake house park season will be Labour Day, Monday, September 2.

Finally, while we think we now have the North Dock behaviour issue under control, we will be continuing our efforts to address this issue this summer. If any community member sees an issue around the North Dock area or unruly or vulgar behaviour anywhere on the lake or in the community we ask you to immediately call the community manager. Thank you for your patience on this issue, and with your help we think we can keep it all under control.

(Slide: Community Events)

As part of our mission statement, the board (aka Les) actively promotes and organizes a variety of community events including our annual parade of garage sales, photos with Santa, light up the night sleigh rides, fly fishing and ice fishing clinics, an annual ice fishing derby, an Easter Egg Hunt, a haunted Hallowe'en walk, wine and paint night, games nights, Wine tasting, Scotch tasting, a hiking club, a Show and Shine, a Stampede breakfast and more. Les has been a key driving force over the last year in coming up with interesting new community events and in

promoting and organizing them. He is keen to hear your ideas for other events or activities and is always looking for folks to lead a new activity or to help organize an existing one.

Our third annual Show and Shine is planned for this weekend, Saturday, June 8th. The beer garden will again be sponsored by Stash Luxury Garages with the BBQ sponsored by High River Toyota and Chad Morgan Royal LePage Solutions Realty with proceeds donated to the Foothills Fire Department Society and Okotoks food bank. So, come on out and enjoy a burger, a beer and some great cars.

On the Stampede breakfast front, we are delighted to announce that planning is well underway for this very popular event. It takes months of preparation to put this event on, due to the fund raising that needs to happen and all of the logistics involved, and we got started a couple months ago. So mark Saturday, July 6th in your calendars and plan to spend the morning with us in the lake house parking lot for a Stampede breakfast prepared by our very own Foothills Fire Department.

(Slide: Aquatic Ecosystem)

The lake is our crown jewel of the community. We hear comments from residents who boast that our water quality and lake environment is unmatched. I think a good indicator of this is how nature has adopted our manmade lake as their own. On any given day you'll see our resident pair of loons and plenty of other bird life all around our lake. While Ospreys, Eagles and Loons can challenge our fish management program we're lucky to have them back year

after year. On fish management, we do stock our lake twice a year. This year, in the next couple weeks, we will be stocking the lake with 900 Tiger trout, adding to our already healthy populations of Rainbow trout, Brook trout and Brown trout. Once again, in the Fall, we will be doing another stocking as we did last year.

(Slide: Real Estate Update)

Continuing with our now annual real estate update, I reached out to Mike Niemans again this year for an update.

Mike Niemans is a Remax Real Estate agent that lives here in our community and is a huge supporter of the community, annually donating and funding such things as our Parade of Garage Sales event, pumpkin carving as well as light up the night.

Mike started our conversation with a comment that the housing market is still going strong and that the prices in Heritage Pointe continue to be the highest they have ever been! He also indicated this now the 4th year of sustained strong markets for housing which is unusual for Calgary and at this point shows no signs of slowing. Mike reiterated his comment from last year that the Lake at Heritage Pointe is no longer considered “way outside the city”. With communities like Legacy and Riverstone butting up against us, we’re now almost considered part of the city and we will continue to see the effect of this change in perception over the next 5 years. If someone is looking at a home in the south end of Calgary they now regularly include Heritage Pointe in the list of communities they are interested in when engaging a realtor.

The Lake at Heritage Pointe has a unique appeal with the type of homes found here, including the architectural designs, big lots, plenty of green space, a well maintained community plus the attraction of our lake. As demand has increased, the inventory of homes has gone down. In Pre-Covid times, there regularly were 30 to 40 listings in the community at any time. Mike remarked that in early May of this year there were only 6 homes for sale, and that 4 homes had sold in the previous 60 days, so there is effectively only a two to three month inventory of homes for sale.

So, with demand outstripping supply, homes are selling quickly and at higher prices. When you would regularly see homes sell in 70 -90 days in the past, the average days on the market for the past year are 23 with the average sale price, year to date, here for our community, being 1.317 M\$, with a range of 780k\$ to 2.4 M\$, which is up 11% over last year.

The message here is that we live in a very desirable estate community, one that we can be very proud of and one where the value of our home investment is in very good shape.

(Slide: Architectural Design and Landscape Guidelines)

As part of maintaining the unique appearance and appeal of our community, we have Architectural Design and Landscape Guidelines in place. As a reminder, these guidelines are for any changes to the exterior of your home or major appearance changes around your property.

Some of these changes would include:

The addition of fencing to your property - there are two approved styles in the guidelines.

Major landscape changes.

Exterior material changes such as stone, stucco, siding or garage doors.

Color changes to your home.

Structural changes or additions to your home.

Sheds, gazebos, privacy screens and decks.

Addition of solar panels to your roof.

Driveway replacements or repairs.

All of these need to be preapproved and follow the Architectural Design and Landscape Guidelines that are registered covenants on your property.

When you are in the planning stages of any of these potential changes to your property please alert the Community Manager, submitting your plans to him. Les will then consult with Brent Fraser, the board member dedicated to this file, who will then send the request to the Board for approval. Additionally, there is a signed declaration form that needs to be included, ensuring neighbors on both sides of your property have been made aware of your request. Note that a neighbour can't stop a project once Board approval is made, this is simply a mechanism of communication between adjacent property owners.

Thank you in advance to all the residents that are following these guidelines. More details on what these guidelines include can be found on the LAHP website.

(Slide: The Lake at Heritage Pointe)

This is the last slide before we dive into the financial report.

Here are just a few pictures that remind us all about the wonderful community we call home.

Your board of directors are dedicated to preserving and growing all aspects of living comfortably and safely at the Lake at Heritage Pointe.

Gareth Davies, our Treasurer, bravely stepped forward last year to take up the Treasurer role including managing our financial assets to ensure they generate some return until such time as we need them. While Gareth's background is in engineering, he quickly educated himself and sought support from Carey, Les and Amanda to learn the ropes in managing the financial affairs of our organization. In my opinion, he has done a very admirable job in picking up the reigns and keeping our organization on track financially, as well as implementing some new processes and efficiencies. Gareth, you're up!

Thank you, Rick. My first two slides will present the financial highlights of 2023 and 2024. Then I'll review several comparative financial statements. After that I'll show you our Operating and Reserve budgets for 2024. Finally I'll present a long-term outlook for the Reserve Fund cash

flow. It's a lot of information but as Rick mentioned it will all be posted on the website in the next week or so.

(Slide: Financial Highlights – 2023)

Here are the three financial highlights for 2023.

Interest income during the year increased significantly to \$42k thanks to higher interest rates and a growing Reserve Fund.

We received \$152k in capital grants from two levels of government, mainly for the Heritage Isle playground upgrade.

And we withdrew \$304k from the Reserve Fund for a number of improvements that I will detail in a later slide.

(Slide: Financial Highlights – 2024)

And here are the financial highlights for 2024:

When we developed our 2024 budget, we were able to refer to revenue and expense data going back as far as 2019. This data had been systematically compiled by Les and Carey Donkervoort, the previous treasurer, and allows increasingly informed budgets to be created.

The year over year average increase in the consumer price index for the Calgary region was 4.37%, but the Board determined that our finances are sufficiently robust that we did not need to raise the Operating and Reserve fees in 2024. And you may recall the 2023 fees were increased less than the CPI as well.

Because interest rates had increased significantly in 2023 and are expected to begin declining in the future, we developed a Cash and Investment Strategy to document how we manage our cash and GIC investments, and to facilitate board alignment. We approved the Strategy in conjunction with the 2024 Budget, and we expect to continue using this process with future budgets.

We are forecasting our interest income this year to be about \$50k, improving on 2023 which was already a very good year.

We expect to spend about \$290k from the Reserve Fund in 2024, of which the largest item is completion of the three community playground upgrades. Our spending forecast is also guided by the updated Life Cycle Assessment completed in 2023. I'll provide more detail on these Reserve expenditures in a later slide.

As a result of these highlights and other details to be provided in the upcoming slides, we believe the Association's finances continue to be very healthy and will be further enhanced when the Water License sale is completed.

When we receive the \$650,000 Water License proceeds, we expect the funds will be invested in a series of GIC's maturing over a number of years to coincide with our forecast Life Cycle expenditures.

(Slide: Consolidated Statement of Operations, 2023 Actual results compared to 2022 Actuals and 2023 Budget)

This next slide is the Consolidated Statement of Operations, which shows our total annual revenues and expenses. Even though we manage our Operating and Reserve Funds separately, our financial statements require us to report them on a consolidated basis.

The three columns summarize our Actual revenues and expenses at the end of 2022, our Budget at the start of 2023, and our Actuals at the end of 2023. The next column shows the change in Actuals from 2022 to 2023. On the far right is a brief explanation of the changes from the previous year.

I won't go through all the changes, however I will highlight and explain the significant ones.

First, I'll compare 2023 Actuals with 2022 Actuals.

Total revenues of \$880k for 2023 were higher by \$86k over 2022. Association fees were increased by 5%, which was less than the 2022 average Consumer Price Index for the Calgary region (6.9%). This accounts for \$38k of the increase. Interest income increased by \$30k due to an increase in interest rates, increased Reserve Funds available to invest, and a higher proportion of these funds residing in GIC's instead of the bank savings account. Event revenues increased by \$16k due to expanded event offerings managed by Les.

Further down, total expenses of \$709k for 2023 were \$13k, or 1.8% higher than 2022.

Waste removal costs increased by \$17k due to revised rates in a new 4-year contract that started in 2023. Landscaping and snow removal costs increased by \$18k primarily due to additional fertilizing and herbicide on our public green spaces. Repair and maintenance costs were down by \$23k due to completion of a multi-year improvement program on our irrigation system. Consulting fees were \$16k higher in 2023 compared to 2022 due primarily to the Life Cycle Assessment, which is conducted every five years. Lake water top-up was down by \$37k due to less make up water required in 2023. Event expenses increased by \$21k due to the increased number of programs and events offered, although much of that was offset by increased event revenues as shown above.

Overall, we finished 2023 with an Excess of Revenues over Expenses of \$170k, compared to 2022 which had an excess of \$97k.

Now, I'll compare the 2023 Actuals with the 2023 Budget: Our actual revenues were 22k\$ higher than planned mostly due to increased interest revenue. On the expense side, we were 22k\$ less than budget due primarily to significantly lower lake water top-up costs, and repair and maintenance costs which came in under budget. These expense savings versus budget were partly offset by increased event expenditures and the Life Cycle Assessment cost which was budgeted to the Reserve Fund but billed to the Consolidated Operating Statement as a non-capital item. Overall, this resulted in our Excess Revenues over Expenditures being 43k\$ higher than budgeted.

(Slide: Reserve Fund 2023 Actual Results compared to the 2023 Budget)

The next slide is the Reserve Fund 2023 Actual results compared to the 2023 Budget.

The allocated funds from Homeowner Association fees were collected in accordance with the budget in the amount of \$135k.

The first three expenditures were for the playground upgrades. \$72k was unspent due to installation being postponed to 2024.

Security cameras upgrades were overspent by \$11k because we were able to commence installation in late December 2023 rather than early 2024 as originally planned.

And the \$13k spent on the upper pond and creek refurbishment was an unbudgeted item.

Total expenditures of \$304k was spent from the Reserve Fund, which was \$62k lower than our planned budget.

The Reserve fund increased by \$180k for the year, closing the year off with a cash reserve balance of \$609k, which was \$34k above budget.

(Slide: Consolidated Statement of Operations, 2024 Budget Comparison to 2023 Actuals)

This next slide is again a Consolidated Statement of Operations showing our total planned annual revenues and expenses for 2024 versus our 2023 Actual results. Total budget revenues

of \$906k are planned to be up by \$26k, or 3% over 2023. As mentioned in the highlights earlier, our 2024 fees have not increased at all over 2023.

Most of the 2024 revenue increase is due to an additional \$14k interest income from our GIC's, which currently have maturities ranging from 1-month to 3-years and are typically earning 4 to 5% interest. We have been locking in our GIC's as much as we are comfortable in anticipation of interest rates starting to fall. As I mentioned before, the longer term GIC's are aligned with our forecast Life Cycle expenditures.

On the expense side, total budget expenses of \$733k are planned to be up by \$23k, or 3.3% over 2023. Our budgets for snow removal and lake water top up are higher than 2023 actuals, but are consistent with our historic costs. Our budget for repairs and maintenance is lower by \$18k due to the completion of several multi-year improvement projects.

The 2024 budget for amortization of capital assets is up by \$15k compared to 2023 because we will start depreciating the new Heritage Isle playground.

Overall, we are budgeting for \$173k in excess operating revenues over expenses for 2024, which is about the same as the 2023 Actual results.

(Slide: 2024 Reserve Fund Budget)

This next slide is the 2024 Reserve Fund Budget, expressed on a cash basis.

In addition to the Operating portion of your fees, there has been an annual contribution to the Reserve Fund in each of 2023 and 2024 of \$277 per household. Using Reserve Funds accumulated in previous years plus interest and government funding for the playground project, \$595 per household has been budgeted for Capital Asset Additions, Replacements or Enhancements and some non-recurring operating costs.

Total Reserve expenditures of \$292k are budgeted for 2024, primarily for the remainder of the Heritage Isle Playground upgrade, the relocation of the old Heritage Isle equipment to the other the two community playgrounds, and the West Entrance security system upgrade.

Other projects on which we have budgeted to spend in accordance with the Life Cycle Assessment include pathway asphalt repairs, replacing trees, elm scale treatment and tree well improvements.

The Reserve Fund is budgeted to increase substantially this year by \$548k thanks to the \$650k sale of a portion of one Water License, to close off the 2024 year-end with a Reserve Fund balance of \$1,157k.

(Slide: 2024 Operating Budget Per Household = \$1,343)

And here is a pie chart displaying the breakdown of the 2024 operating costs budgeted per household on a cash basis.

From the top of the chart and going clockwise, the expense items and cost per household are shown in descending order from largest to smallest.

\$757, or 56% of your fees are spent under the first three expense lines of Waste Removal; Landscaping and Snow Removal; and Repairs and Maintenance. Within these three categories, we outsource the work under maintenance service contracts and pay three main contractors:

1. T&T Disposal Services for our 3-stream waste removal
2. DIVCON Ltd. for landscaping, garden beds, and other repairs and maintenance
3. PLNT Inc. for landscaping, tree maintenance and snow removal

\$184, or 14% of your fees are spent on Management Consulting Services. This is within the range of fees normally charged by professional property and asset management service companies, which charge between 10-15% of total revenues, depending upon the size of the community and its related operations.

\$119, or 9% of your fees are used to pay for utilities for the Lake House, the irrigation pump and aeration compressors, and for pumping raw water from the Bow River to top up the lake each year.

\$98, or 7% of your fees are spent on Wages and benefits for the hourly paid staff required to operate the Lake House and beach over the summer months.

\$66, or 5% of your fees are spent on Administration, including insurance, professional fees (i.e. bookkeeping, audit, and legal fees), office and miscellaneous expenses.

\$30, or 2% of your fees are spent on purchasing fish stock for the year.

\$24, or 2% of your fees are spent on the operating costs related to the security initiatives discussed earlier.

\$65, or 5% of your fees are spent on events and programs, although two-thirds of this cost is recovered by revenues from the participants.

(Slide: Capital Reserve Fund Cash Flow Chart for years 2023 to 2047)

This Reserve Fund Cash Flow chart shows the:

- Reserve Fund special contribution in yellow;
- Reserve Fund annual contribution from homeowner fees in green;
- Reserve Fund interest income is shown in orange;
- The forecast annual expenditures in purple; and
- The Fund's year-end balances in blue.

The projected future timing and amount of expenditures is based on a Life Cycle Assessment study conducted by an engineering consultant every 5 years. As previously mentioned, the most recent Assessment was issued last October.

During the next 10 years (2024-2033), the study forecasts we will spend about \$1.1M from the Reserve Fund and receive about \$1.9M in Reserve Fund fees and interest revenue. The Life Cycle Assessment assumes the homeowner fees will remain the same as 2024, increasing 2% each year for inflation.

The Reserve Fund year-end balances are projected to increase steadily approaching almost \$2 million by 2035 with several very large expenditures forecast beyond that. Please note this Cash Flow chart does not make provision for unforeseen items.

In the near future we expect the Board will review the major projects forecast in the Life Cycle Assessment applying the board's experience and knowledge of our physical assets, including actual contract costs for similar work and alternative approaches for addressing some of the forecast expenditures. As a result, some of the costs and timings in this chart may be updated. In conjunction with that exercise, and assuming the successful completion of the water licence sale, we expect the Board to determine whether there is an opportunity to reduce the annual Reserve Fund fee going forward.

Thank-you for your attention, now back to Rick.

(Slide: Questions)

We would now like to open the floor for any questions you may have regarding any of the material presented or on any other community matters.

(Slide: Appointment of Auditors for 2023)

The Board recommends we appoint Kenway Mack Slusarchuk Stewart LLP as our auditors for 2024. They are familiar with our organization, having been our auditors for the last 10 years, and have conducted thorough audits of our financial records at a competitive rate.

Now I would like to entertain a motion to accept Kenway Mack Sluarchuk Stewart LLP as our auditors for 2024. **(Motion – Second – Show of Hands)**

(Slide: Board of Directors for 2024/25)

We received 8 nominations for the 7 available board positions in advance of the AGM, and now we would like to seek nominations from the floor in order to fill out all of the positions on the board.

Call for nominations once. // Call for nominations twice. // Nominations closed.

I would now like to ask each of the nominees to take a couple minutes to provide a brief personal background and their motivation for running for the board.

You should have all received voting ballots at the door which include the 8 nominations received prior to the AGM plus room for additional nominations from the floor. Since we had no nominations from the floor, please complete your ballots remembering to select at most 7 candidates. Once your ballot is complete, please drop it off with our staff at the back and feel free to mingle around while our staff count the ballots. We will be back to announce the results and close out the meeting as soon as they are done counting.

BREAK – Ballot count

Thank-you to all of the nominees that put their names forward to sit on the board. Our board exists to serve the community and plays a critical role in making our community such a desirable place to live and play. I would like you all to join me in thanking all of the candidates that put their names forward for election. The new board will have their first meeting together in the next couple weeks, and at that time the roles of Chair, Vice Chair, Secretary, Treasurer and committee leads will be assigned.

I would now like to entertain a motion to destroy the election ballots. (Motion – Second – Show of Hands)

(Slide: Thank You)

Thank-you for your attention tonight. I'm hoping this presentation has given you some insight into what's happening in and around the community and provided some details on how your HOA fees are managed.

If you have any questions about this presentation or want to share any thoughts you have, please send me a note, you can reach me through Les.

Thank you again and have a great night.