



## **Minutes of Meeting of the Board of Directors of The Tower Ranch Community Association (TRCA)**

**Date:** Tuesday, 9 May 2017 7:00 PM  
**Place:** Members Lounge, Tower Ranch Clubhouse  
**In attendance:** Directors - Don Spruston, Craig Fowler, Jennifer Bridarolli,  
Transition Committee - Glen Wood, Donna Welda, Don Folstad, Jim Roe, Jon Durkin, Danny Funk.

### **Opening and Introductory Comments**

Don Spruston opened the meeting at 7:02 PM and the Meeting agreed that he would act as Chairman for BOD-1. The Chairman welcomed the Directors and Transition Committee to the first meeting of the TRCA Board of Directors (BOD) following the SGM on 2 May 2017 which marked the transition from developer to homeowner management of the Association. He advised that the Organizing Committee will now become the Transition Committee and together the team would serve equivalent to an expanded board until an AGM is held in the fall.

Participation on the Transition Committee will continue to be based on homeowners volunteering to participate. Bert Farrant has advised that he would like to step aside, although he will continue to help if there are specific tasks for him. Another homeowner, Rick Watt, advised that he would like to help, so Members recommended he be invited to join the Committee.

The Chairman advised that the three TRCA directors signed a letter to Emil Anderson Consulting (EAC) in support of the Petition filed to remove relevant easements on new Lot 2 development. The construction to the north west of Tower Ranch Blvd is where EAC wishes to subdivide part of Lot 2 into a number of home sites. The letter to EAC specifies that removal of the easement must be conditional on retention of the Rent Charge for all subdivided lots and any lots in the future.

### **Schedule of Board Meetings**

The Meeting discussed the need for frequent meetings during the early days of the transition. It was agreed that for the first four weeks weekly meetings would be held and a decision would be made in a month regarding the schedule for future meetings.

### **Organization and Division of Work**

The meeting discussed the extensive amount of work required to implement good management practices and to resolve a number of serious financial problems. It was agreed that the BOD and Transition Team would be organized with a lead and supporting team for each of the major issues. The issues and the volunteers are as follows.



1. Finances Lead - Donna Welda
2. Boulevard landscaping Lead - Glen Wood  
Assist- Jon Durkin, Jim Roe
3. Clubhouse Amenities Lead - Jon Durkin  
Assist- Danny Funk
4. Strata Corporation Lead - Don Spruston  
Assist- Donna Welda, Don Folstad, Glen Wood
5. Communications Lead - Don Spruston  
Assist- Jon Durkin, Darryl Stewardson
6. Membership Lead - Craig Fowler  
Assist- Danny Funk

## Meeting with Key Resource People

The Chairman advised that he has talked with some individuals who can provide insight to our issues as well as some managers who are in a position to help. Examples include managers from Carrington, Emil Anderson, and the Condominium Home Owners Association. It was agreed that meetings would be scheduled in approximately 3 to 4 weeks time.

## TRCA Legal Representation

The chairman advised that he had been in contact with the lawyer who has been representing the TRCA for the last few years. It was clear that the lawyer represented Parkbridge and was therefore in conflict of interest for the Association to continue to use him as legal representative. It has also been evident that over the last year the lawyer has not been serving in the best interests of the homeowners. The lawyer was advised that TRCA would seek alternate representation. The meeting agreed that a lawyer with expertise in strata corporation law would best serve the Association interests. Knowledge of the Not for Profit Act would also be of value. Following a review of options it was agreed that Craig Fowler would contact Christy Lovig, a partner with Doak Shirreff who assisted many homeowners in dealings with their respective stratas. Craig is to report back on preliminary discussions with Ms. Lovig.

## Review of Financial Status

Donna Welda advised that the financial status inherited from Parkbridge management presented a very significant problem. The finances present considerable debt and many issues to resolve. A summary of the presentation by Donna is attached.

The meeting agreed that the financial situation must be clearly documented so that homeowners can be informed of the significant problems inherited from the previous TRCA management team. Once the current status is clearly established, the Board will have to work with organizations that are imposing financial burden.



## **Banking Strategy**

The Chairman advised that the current TRCA bank account is in fact a Parkbridge subsidiary account in Penticton BC. The account cannot be moved to Kelowna so a new account will be set up at a nearby bank. When this is done, the remainder of the funds in Penticton will be transferred to the new account. There may be some work required to re-establish Pre-Authorized Debit payments if the current PADs cannot be transferred.

Donna Welda is investigating three potential banks in the local area. She will advise of the preferred bank and the three directors will be named for signing authority.

## **Financial Policy Issues**

The Chairman advised that it would be advisable if the Board set up a Financial Policies Document that can be posted on the website so that homeowners are aware of Board decisions. The By-Laws contain financial rules but in most cases it is not sufficiently specific and the Board will need decisions to ensure uniform application and fairness. The intent is for the Board to approve financial policies from time to time and have them included in an omnibus policy document which will be amended when policies are approved.

A memorandum dated 9 May 2017 sent to the Board and Transition Committee provides some of the more urgent policy issues. These issues are being tabled by the Chairman at this meeting, but consideration and approval is to be given at future meetings. The memorandum is attached and Members are encouraged to become familiar with the issues..

## **Insurance**

The Chairman advised that he is awaiting two quotes for Directors and Officers Liability insurance. Brokers have also advised that TRCA likely requires general commercial liability insurance as well. In addition, Neil Schmidt advised that the clubhouse has insurance for the Amenity and exercise rooms. The Chairman suggested that the Clubhouse Amenities team review the Carrington insurance so that all insurance is summarized. Neil Schmidt will be advised accordingly. The Chairman also agreed to check the D & O insurance to see if the Transition Committee can be covered, perhaps under a unnamed insured rider.

## **Communication Strategy**

The Chairman advised that during discussions at the open house following the SGM, attendees were in favor of using e-mail and website as the primary means of communication. Work has started on a TRCA web site and it is expected that a preliminary concept will be available for review within a couple of weeks. Board and Transition Committee members will have a chance to review and make comment prior to this site being made available to homeowners. It is expected that a web site for general use will be ready within four weeks. Work still is required to obtain e-mail addresses for some residents. Jon Durkin agreed to work on Tower Ranch Blvd, and Glen Wood and Don Spruston will work on Split Rail. Jennifer Bridarolli will work on Northpoint. When the list is in reasonable shape it will be passed to the Membership Team to keep it up to date.



## Adjournment and Next Meeting

The Chairman adjourned the meeting at 8:45 PM, advising members that the next meeting would be in one week, at 7 PM on Tuesday, 16 May 2017.

## Attachment 1 to BOD-1 9 May 2017

### Agenda Tower Ranch Community Association Meeting of the Board of Directors TRCA BOD-1

**Meeting of** - TRCA BOD and TRCA Transition Committee

**Place** - TRCA Lounge in Tower Ranch Clubhouse

**Time** - Tuesday, 9 May 2017 at 7 pm

1. Schedule of Board Meetings
2. Organizing and Division of Work
3. Meetings with Key Players (Carrington, Dilworth, CHOA)
4. TRCA Legal Representation
5. Review of Financial Status
6. Banking Strategy
7. Financial Policy Issues
8. Insurance
9. Communication Strategy (Website, emails etc)

## Relevant References from TRCA By-Laws

### 12. Notice of Meeting of Board of Directors

Notice of the time and place of each board meeting shall be given to each director by the following means:

- i) by mail, courier or personal delivery to each director, 14 days before the day on which the board meeting is to be held; or
- ii) by telephonic, electronic or other communication facility to each director, 7 days before the day on which the board meeting is to be held.

Unless the by-law otherwise provides, no notice of meeting need specify the purpose or the business to be transacted at the meeting except that a notice of meeting of directors shall specify any matter referred to in subsection 138(2) (Limits on Authority) of the Act that is to be dealt with at the meeting.

### 13. Regular Meetings of the Board of Directors

The board may appoint a day or days in any month or months for regular meetings of the board at a place and hour to be named.

The board may from time to time fix the quorum necessary for the transaction of business and unless so fixed the quorum shall be a majority of the directors then in office.

No director may at any time appoint a proxy to represent him at a board meeting.

The president shall be chairman of all meetings of the directors; but if at any meeting the president is not present within 30 minutes after the time appointed for holding the meeting, the vice-president shall act as chairman, but if neither is present the directors present may choose one of their number to be chairman at that meeting.

### 14. Votes to Govern at Meetings of the Board of Directors

At all meetings of the board, every question shall be decided by a majority of the votes cast on the question. In case of an equality of votes, the chair of the meeting shall not have a second or casting vote.

### 15. Committees of the Board of Directors

The board may from time to time appoint any committee or other advisory body, as it deems necessary or appropriate for such purposes and, subject to the Act, with



such powers as the board shall see fit. Any such committee may formulate its own rules of procedure, subject to such regulations or directions as the board may from time to time make. Any committee member may be removed by resolution of the board of directors.

#### 16. Appointment of Officers

The board may designate the offices of the Corporation, appoint officers on an annual or more frequent basis, specify their duties and, subject to the Act, delegate to such officers the power to manage the affairs of the Corporation. A director may be appointed to any office of the Corporation. An officer may, but need not be, a director unless these by-laws otherwise provide. Two or more offices may be held by the same person.

All officers of the Corporation shall hold office for a term of 1 year from the date of appointment or until their successors are appointed in their stead. Any vacancy occurring in respect of any office may be filled at any time by the board of directors.

The president and vice-president shall at all times be directors and if the president and vice-president, or either of them, ceases to be a director then they shall also cease to hold the office of president or vice-president, as the case may be.

#### 17. Description of Offices

Unless otherwise specified by the board (which may, subject to the Act modify, restrict or supplement such duties and powers), the offices of the Corporation, if designated and if officers are appointed, shall have the following duties and powers associated with their positions:

1. President – **If** appointed, the president shall be the chief executive officer of the Corporation and shall be responsible for implementing the strategic plans and policies of the Corporation. The president shall, subject to the authority of the board, have general supervision of the affairs of the Corporation.
2. Vice-President – **If** appointed, the vice-president shall carry on the duties of the president during his absence.
3. Secretary – **If** appointed, the secretary shall attend and be the secretary of all meetings of the board, members and committees of the board. The secretary shall enter or cause to be entered in the Corporation's minute book, minutes of all proceedings at such meetings; the secretary shall give, or cause to be given, as and when instructed, notices to members, directors, the public accountant and members of committees; the secretary shall be the custodian of all books, papers, records, documents and other instruments belonging to the Corporation.



4. Treasurer – If appointed, the treasurer shall keep such financial records, including books of account, as are necessary to comply with the Act and render financial statements to the directors, members and others when required.

Officers shall not receive any remuneration or any profit from their position as officer either directly or indirectly, other than reimbursement for reasonable disbursements and expenses reasonably incurred in discharging such office.

The powers and duties of all other officers of the Corporation shall be such as the terms of their engagement call for or the board or president requires of them. The board may from time to time and subject to the Act, vary, add to or limit the powers and duties of any officer.

#### 18. Vacancy in Office

In the absence of a written agreement to the contrary, the board may remove, whether for cause or without cause, any officer of the Corporation. Unless so removed, an officer shall hold office until the earlier of:

- a. the officer's successor being appointed,
- b. the officer's resignation,
- c. such officer ceasing to be a director (if a necessary qualification of appointment) or
- d. such officer's death.

If the office of any officer of the Corporation shall be or become vacant, the directors may, by resolution, appoint a person to fill such vacancy.



## Attachment 2 to BOD-1 9 May 2017

### Financial Report

Parkbridge financial information that was provided to the new board has been reviewed. At this time we have summarized the details and once we are able to meet with all the related parties to clarify what our potential past liabilities are, financial statements and budgets will be prepared.

As at April 30, 2017, Parkbridge recorded expenses (rounded) paid on behalf of the TRCA of \$115,000. They have paid the majority of these with their own funds and have paid themselves \$50,000 just before handover to homeowners to recover part of the amount outstanding. Parkbridge now claims that the TRCA owes them \$52,000. The TRCA had \$7,600 remaining in the bank account and \$8,130 in net homeowner fees receivable (\$13,515 due, \$5,385 prepaid).

The board has not accepted this debt to Parkbridge at this time.

The accounts paid by Parkbridge do NOT include any expenses that Carrington may have requested for the maintenance of the Strata Lots or on behalf of the Strata. Limited information has been provided to the board at this time, however, these expenses could greatly increase our deficit position.





## Attachment 3 to BOD-1 9 May 2017

### Memorandum

**To: TRCA Directors and Transition Team**  
**From: Don Spruston**  
**Date: 9 May 2017**

### Re: Financial Policies

Over the next couple of months we will have to sort out a number of policy issues with respect to TRCA finances, some of which are already generating questions from TRCA Members. Some of these will take some time, but I think a few require fairly rapid BOD decisions. I suggest that we consider a few of the immediate issues at the first few Board meetings. I would like to table the following policy considerations at the first meeting tonight (9 May), with the idea that we work towards Board decisions at the second or third meetings over the next few weeks.

#### **Date at Which Contributions Commence**

Homeowners should have been advised by the sales staff and their lawyer of the Rent Charge registered against all lots. The Rent Charge was established through the Land Title Act by way of the Statutory Right of Way Agreement/Rent Charge signed by the Tower Ranch Holding Company and the TRCA and the subsequent Covenant filed against all Tower Ranch properties. Those who purchased early in the community development were told that eventually a \$45 charge per month would be applicable but no information was provided when that charge would commence. The Rent Charge Agreement does not specify when the monthly charge should commence. Nor do the TRCA By-Laws stipulate when the Charge should commence.

During the first number of years of the community, Intrawest was the master developer and principal of the Tower Ranch Holding Corporation. Intrawest made no effort to collect the contributions per the Agreement and Bylaws. Later, after Parkbridge became the master builder, and in effect, took over the BOD of the Tower Ranch Community Association, owners were sent a letter indicating that the maximum rent charge of \$45.00 would be collected. The initial letter sent in June 2016 advised that contributions would commence in January 2016 and consideration would be given to prior years. Parkbridge did not follow up on collecting for prior years, likely only because there was never an approved budget established in accordance with the By-laws. Parkbridge later advised verbally that they would collect contributions from January 2016 onward, but this was never established in any kind of policy.

In the case of Solstice residents, this issue does not apply as Parkbridge started collecting the TRCA Contribution from the time of occupancy. The first homeowner took possession early in 2016.



The TRCA By-Laws state in part.

(a) *The board may from time to time set annual membership fees to be paid by the members, which fees will be in addition to any other amounts which the members may be required to pay pursuant to these by-laws.*

(b) *Prior to each fiscal year of the Corporation, the board will prepare an annual budget of Maintenance Costs which will set out by categories their best estimate of the Maintenance Costs for the next fiscal year. The budget will include a reasonable provision for contingencies and future replacements. If any budget is not approved by the members pursuant to clause 21, each member must, until a new budget is prepared and approved, continue to pay to the Corporation such member's Proportionate Share of Maintenance Costs as such member was required to pay under the budget for the previous fiscal year.*

(e) *The following provisions shall apply to monthly payments on account of Maintenance Costs:*

i) *During each fiscal year of the Corporation, each member who is an Owner must pay to the Corporation such member's Proportionate Share (in respect of each Property owned by such member) of the budgeted Maintenance Costs for that fiscal year, by payment of twelve equal instalments in advance on or before the first day of each month during that fiscal year or as otherwise determined by the directors from time to time.*

The By-Laws includes at 10. (d) ii the following

i) *For greater certainty no Proportionate Share of Maintenance Costs shall be payable in respect of any particular Property until such time as Tower Ranch Holding Corporation has transferred its registered interest in such Property to another person.*

The Agreement states at 8.3 that:

*TRHC, on behalf of the Owners, covenants and agrees with the Community Association that each Owner must become a member of the Community Association, in accordance with the terms of the Bylaws thereof, forthwith upon an Owner acquiring registered title to a Property.*

Given that there is no formal acceptance of when the contributions should start, it is recommended that the TRCA BOD approve the date of January 2016 as the official date when TRCA contributions would commence. The Policy proposal would be:

TRCA Finance Policy - TRCA Contributions made in accordance with the TRCA By-Laws are to commence on 1 January 2016 or the date the homeowners takes possession of the TR property, whichever comes latest.



There is also no provision within the Agreement or By-Laws with respect when a contribution payment must be made when a homeowner occupies his new home part way through a given month. It is proposed that the TRCA BOD approved a policy whereby contributions would start on the first day of the month following the date of property transfer. The Policy proposal is:

TRCA Finance Policy - TRCA Contributions made in accordance with the By-Laws are to commence on the first day of the month following the date a homeowner takes possession of the property.

### **Commencement of Interest Charges on Overdue Contributions**

The Right of Way Agreement and By-Laws provide for overdue Member accounts to be charged at a rate of 15% per year compounded monthly. The Right of Way Agreement states:

6.4 (a) *If an Owner is late in paying to the Community Association any amount payable pursuant to section 6.1 or section 6.2, the Owner must pay to the Community Association interest on the late payment in the amount of 15% per annum compounded monthly, commencing the date the payment was due and continuing until paid.*

Parkbridge and the BOD of the TRCA have not been charging the interest, likely because of the significant disorganization in all matters related to the TRCA prior to the Transition Date. However, at some point such an interest charge should be applied in accordance with the legal provisions given that it represents the only incentive for homeowners to contribute on a timely basis. I recommend the TRCA BOD give consideration to a policy for the commencement of the interest charge provisions. Since we are still progressing through the transition and trying to introduce some reasonable management and information practices the date should probably be at a time when we are comfortable that we have established good practices. The fall Annual General Meeting would be a good time to make an announcement to Members of the legal provision. To ensure fairness and to allow homeowners time to make their payments, I suggest January 1, 2018 might be a good target date.

TRCA Finance Policy - Overdue Member Contributions pursuant to the Statutory Right of Way Agreement/Rent Charge and the TRCA By-Laws will be charged interest in accordance with the Agreement commencing on January 1, 2018.

### **Banking Policies**

We are still researching options for establishing a bank account in Kelowna. When this is done the funds currently in the TD Bank account established by Parkbridge will be moved to the new account. We are advised that the Pre-Authorized Deposits can be transferred to the new account (currently 48 are filed in Penticton). We will have to establish banking policies within the broad BOD Finance Policy.

Potential Banking Policies for discussion at the BOD meeting are.

1. Authorization signatures (2 or 3 BOD Members) on cheques.
2. Member contribution payments - PADs, cheques, cash, email, etc
3. Petty Cash Fund
4. Maintenance of Records



I plan to open discussion of these policies at the BOD meeting on Tuesday 9 May. No decisions are requested at that time, but given the urgency of some of these issues we should consider decisions at the BOD-2 meeting in the following week.

Don Spruston