

# Tower Ranch Community Association AGM Minutes

**Secretary:** M.E. Watt

**Date:** December 5, 2017

**Meeting Location:** Tower Ranch Golf Course Clubhouse

**Members Present:** 75 attendees; 94 votes; (includes 53 votes held by Parkbridge)

**Eligible Votes Cast:** 94 Total votes cast at the Meeting\*

\*(74 persons attended; 41 Homeowner votes presented + 53 Owner votes presented of 90 held by Parkbridge)

**Meeting Called to Order:** 7:06 p.m.

**1. Welcome:** Craig Fowler, Director

## **2. Appointment of Chairperson for the Annual General Meeting**

### **Motion # 1: Appointment of Don Spruston as Chairperson**

Craig Fowler                      Second: Bert Farrant

Adopted: 94      Opposed: 0      Abstained: 0                      **Motion Passed**

**3. Opening Remarks/Introductions:** Don Spruston, Director

**4. Notification of Quorum:**

**Quorum Achieved**

94 votes of 166 eligible votes\*

\*(Total TRCA Eligible Votes: Tower Ranch Blvd: 25; Split Rail Place: 19; North Point: 32; Parkbridge: 90, including Solstice 1 @ 28; Solstice 2 @ 62)

## **Business Agenda**

**5: DIRECTORS' REPORT:** *See Directors' written reports (Attached below; distributed at meeting)*

### **5.1 TRCA in Transition:** Don Spruston, Director, Chair AGM

Discussion:

At the Special General Meeting in May 2017 the membership agreed to change the number of Directors from Three (3) to a minimum of three (3) and maximum of nine (9), the number at any given time to be determined by workload. The Board is recommending expansion of the Board to five (5) this year. During the year Directors ran meetings with inclusion of Transition Committee members with five Committees established (five issue leads). A renewed request was made for residents to get involved in

TRCA at Committee level. New TRCA members are invited to meet individually with Directors to learn more about the Association.

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### **5.2 Board Meetings: Don Spruston, Director, Chair AGM**

Twenty-two (22) meetings held since May 2017. Minutes of Board meetings are posted on the TRCA Website.

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### **5.3 Strata Corporation #3569 Up-Date: Don Spruston, Director, Chair AGM**

Discussion:

A briefing was provided on how TRCA participates in the Strata Corporation. Strata Owners consist of Carrington (Golf Course) and TRCA Association (26.7per cent). Since the early days of the Strata Corporation in 2007 no Strata meetings have been held. The TRCA will continue to work with Carrington to establish the Strata Council.

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### **5.4 TRCA Bylaw Changes: Don Spruston, Director, Chair AGM**

Discussion:

The background was presented on Intrawest TRCA By-Law establishment in 2007; minor amendments were made by PLC in 2015 with Articles of Continuance. The By-Laws need to be brought up to date in coming year in thorough review and modernization to reflect current status of TRCA. The current Bylaws are available on the TRCA web site. TRCA will also be required to adjust Bylaws for Societies Act by next November. Interwest visualized a resident association, but did not envision the Parkbridge Leasing Property business model approach. Bylaw changes must be presented to the membership & require  $\frac{3}{4}$  support.

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### **5.5 Financial Negotiations with Parkbridge Lifestyle Communities: Craig Fowler, Director**

Discussion:

TRCA Directors have been involved in months of negotiation regarding past financial management of the Association. Parkbridge managed the properties from corporate revenues prior to change-over to a Resident Managed Association. Parkbridge recovered \$61,000 against claimed expenditures by deducting funds at source before transition. This left an outstanding amount of \$51,980 owing to them by TRCA, according to Parkbridge.

TRCA Directors suggested Parkbridge write off these accounts, however our request was declined. Parkbridge further decided to withhold payment of fees to TRCA for 62 new lots until 100% offset on arears were paid off in full.

TRCA then reviewed copies of all expensed invoices. Following review of expenditures and challenges by TRCA, Parkbridge agreed to reduce \$52,980 claimed by \$22,000 (subsequently clarified to be \$29, 262 (see written Directors Report), including over \$13,000 write-off of Management fees charged by Parkbridge. A Settlement Agreement executed between TRCA and Parkbridge provides for PLC to deduct \$1,000 per month against adjusted debt, backdated to May 2017.

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### **5.6 TRCA Membership & Voting Rights of Solstice Homeowners: Craig Fowler, Director**

Discussion:

Parkbridge (PLC) pays the TRCA Membership Fee given that it is the property owner – the Corporation currently own 90 lots, including Solstice Phase 1 and 2 plus lots under construction.

Solstice residents do not currently hold a vote as all property is owned by Parkbridge. PLC presented only 53 votes of 90 votes they hold at the AGM meeting. Progress is being made as PLC has made a preliminary proposal to allow Solstice homeowners to have a proxy vote. TRCA hopes to ratify an agreement by the Spring.

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## 6. COMMITTEE REPORTS *See Committee written reports (Attached below; distributed at meeting)*

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### 6.1 LANDSCAPING: Glen Wood, Committee Chair

Discussion:

The car damaged controller for irrigation is now repaired. Expenses were paid by ICBC but the TRCA had to spend \$2,200 due to depreciation costs. Homeowners are advised that sprinkler head repairs cost approximately \$100 each. **Members are encouraged to please police visitors and themselves by refraining from parking on the grass where sprinkler heads are located.** Mowing is done every second week, providing significant savings. Next year the same contractors will be used. Work has commenced on trails for the Municipal Park. The Black Mountain Park on the other side of the Municipal Park will be connected eventually.

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### 6.2 CLUBHOUSE FACILITY REPORT: Jon Durkin, Committee Chair

Discussion:

The TRCA wishes to thank the Clubhouse Manager and staff for their support and cooperation. **Gym:** 144 FOBs were issued but following review this was reduced to ensure current TRCA membership was in effect. Cleaners hired for weekly cleaning. Security issue resolved: gym door acts as EXIT ONLY now.

**Meeting Lounge Room:** Now open for homeowner access whereas Parkbridge had it secured and locked. Brought facility up to TRCA standards, and it is now available for membership use, as well as third party booking for fees, etc. We replaced furniture (Generous donation from TRCA residents, Mark and Susan Dollevoet, owners of The Brick, Powell River & Gibson). Thank-you! Carpets have been cleaned; the air-conditioning and appliances repaired etc.

**Operational side:** A booking system is in place. The FOB system is now applied to the Lounge door. Liquor License questions have been resolved following a review with licensing authorities. As TRCA partly owns the building, which is secure, the Lounge can be viewed as an extension of owners' property. As a result, members in good standing can bring in liquor for personal moderate consumption, as long as it is not sold. This finding requires further investigation to ensure liability insurance covers the TRCA appropriately.

**Lounge Booking calendar:** to be loaded onto TRCA website in New Year. TRCA Management plan to review FOB system, which is very old and is accepting tenders from local suppliers to up-date the security system. At member request, the 90 minute timer with alarm (Gym and Lounge) has now been extended to two (2) hours before re-set of the FOB is required.

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### 6.3 COMMUNICATION REPORT: Don Spruston, Director

Discussion:

The primary method of communications, as approved at the last meeting was web site and e-mail. A policy has been established accordingly. Some people in community are refusing to provide email addresses so communications are not perfect. We have changed e-mail notification accordingly and now use *Mail Chimp* program that allows mail out individually and protects privacy. Everything is on web site. Discussion followed on Browser Search problems using Google etc. Members were encouraged to try the Hyperlink.

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#### **6.4 Finance: Don Spruston, Director**

Discussion:

Appreciation was expressed for the work done by Donna Welda who did bulk of work on TRCA Books. Massive work done, plus analysis of Parkbridge invoices etc. The meeting was briefed on the establishment of TRCA banking in Rutland. Three motions were proposed for bookkeeping, review engagement and fiscal year.

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#### **MOTIONS:**

##### **Motion # 2: to Appoint Bookkeeping Service: Kerr & Company**

Moved By: D. Spruston    Seconded By: Glen Wood

Adopted: 94      Opposed: 0      Abstained: 0      Approved: **Motion Passed**

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##### **Motion # 3: to Appoint Review Engagement Accountant for Audit\*: Banka & Company**

Moved By: D. Spruston    Seconded By: Jim Roe

Adopted: 94      Opposed: 0      Abstained: 0      Approved: **Motion Passed**

**\*NB:** The Not for Profit Corporations Act does not require an Audit for our Association.

*Q: What is the fee per hour for Bookkeeping Services? A: \$ 45.00/hour. There will be initial set-up costs to transfer significant data over to new software, however monthly costs should be reasonable once completed.*

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##### **Motion # 4: to Accept Calendar Year (January – December) as TRCA Fiscal Year:**

Moved By: D. Spruston    Seconded By: Alex Pavolic

Adopted: 94      Opposed: 0      Abstained: 0      Approved: **Motion Passed**

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**Notification of Legal Counsel of Record:** Doak Sherrif, Christie Lovic

**No Motion Required:** Informational

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#### **7. Financial Report & Proposed 2018 Budget:**

*See written Financial Report (Attached below; distributed at meeting)*

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##### **7.1 Textual Summary:**

The meeting was briefed as per the Directors Report attached.

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##### **7.2 TRCA Balance Sheet**

The meeting was advised that the Balance Sheet reflects the end of October. Since that time the Settlement Agreement was signed with Parkbridge. The result is approximately \$30,000 has been added to the bottom line equity position. Members will receive the end year financial statement via email and this should reflect approximately a \$30,000 positive equity position.

### **7.3 TRCA Statement of Income**

The meeting was again advised of changes since the October report. The PLC management fee has been waived and the legal costs have been reduced via the Settlement Agreement.

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### **7.4 Proposed Budget for 2018**

The 2018 proposed budget was explained and approval was recommended.

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### **Motion # 5: To Accept Proposed Budget as Submitted for 2018:**

Moved By: D. Spruston    Seconded By: Craig Fowler

Adopted: 94      Opposed: 0      Abstained: 0      Approved: **Motion Passed**

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*The Meeting Chairperson introduced the chair of the Nominating Committee – Rick Watt.*

## **8. NOMINATION COMMITTEE Report, Rick Watt, Chair**

### **8.1 Introduction:**

The By-Laws require a TRCA membership vote to permit its elected Directors to determine the specific number of Directors to be in position at any given time, as long as the number is within the boundaries of the Articles previously approved. That Article allows between three (3) and nine (9) positions in total. The Board recommends five (5) Director positions be filled for the coming year. A Motion was presented to accept the directors' authority to adjust the number of Directors within the boundaries of the Bylaw.

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### **Motion #6:**

### **Allow Directors to Increase Number of Directors within the Boundaries of the Bylaws (3-9):**

Moved By: D. Spruston    Seconded By: Craig Fowler

Adopted: 94      Opposed: 0      Abstained: 0      Approved: **Motion Passed**

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### **8.2 Mandate of Committee:**

Rick Watt briefed the meeting on the work of the Nomination Committee.

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### **8.3 Continuity:**

Our intent is to develop a process for ensuring continuity on the Board. Our goal is to expand the Board in future, making change as work is conducted to find members willing to serve on committees and as Directors.

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### **8.4 Election Process:**

Rick Watt advised that the three elected directors have agreed to stand for re-election, and two new nominees have been selected by the Nominating Committee (Glen Wood and Maureen Watt)

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*The Chair called for Nominations from the Floor: NO NOMINATIONS*

## 8.5 Call for Election:

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**Motion # 7: to Re-Elect: Don Spruston**

Moved By: R. Watt      Seconded By: Jim Roe

Adopted: 94      Opposed: 0      Abstained: 0      Approved: Motion Passed

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**Motion # 8: to Re-Elect: Craig Fowler**

Moved By: R. Watt      Seconded By: Jon Durkin

Adopted: 94      Opposed: 0      Abstained: 0      Approved: Motion Passed

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**Motion # 9: to Re-Elect: Jennifer Bridarolli**

Moved By: R. Watt      Seconded By: Glen Wood

Adopted: 94      Opposed: 0      Abstained: 0      Approved: Motion Passed

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**Motion # 10: to Elect: Glen Wood**

Moved By: R. Watt      Seconded By: Glen Wood

Adopted: 94      Opposed: 0      Abstained: 0      Approved: Motion Passed

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**Motion # 11: to Elect: Maureen Watt**

Moved By: R. Watt      Seconded By: Craig Fowler

Adopted: 94      Opposed: 0      Abstained: 0      Approved: Motion Passed

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*The Chairman invited questions from the Membership Floor.*

### **QUESTIONS FROM THE FLOOR:**

*Q: Who is responsible for clearing walkways in winter? A: Bylaw question for City of Kelowna. Property owners are normally required to clear walkways in front of their property. Q. Does that include Golf Course? A: Again, that is a Bylaw question that should be addressed to the City which has responsibility for the Tower Ranch Boulevard. Q: Will the Tower Ranch Water Feature at the bottom of Development be repaired? A: Pump is broken. The TRCA will find a water pump and make repairs. We would like to have the sign lit, with the water feature restored.*

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## **9. Adjournment:**

The Chairman moved that the meeting be adjourned.

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**Motion # 12: to Adjourn:**

Moved by: Don Spruston      Seconded By: Craig Fowler

Adopted: 94      Opposed: 0      Abstained: 0      Approved: Motion Passed

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**Meeting adjourned: 9:43 p.m.**



## **AGENDA**

### **TOWER RANCH COMMUNITY ASSOCIATION**

#### **ANNUAL GENERAL MEETING**

DECEMBER 5, 2017 AT 7:00 PM

TOWER RANCH GOLF CLUB

#### WELCOME

1. APPOINTMENT OF CHAIRPERSON
2. OPENING REMARKS
3. NOTIFICATION OF QUORUM
4. DIRECTORS REPORTS
5. COMMITTEE REPORTS
  - a. LANDSCAPING
  - b. FACILITY
  - c. COMMUNICATION
  - d. FINANCE
    1. APPOINTMENT OF ACCOUNTANT
    2. APPOINTMENT OF AUDITOR
  - e. LEGAL
    1. APPOINTMENT OF LEGAL COUNCIL
6. FINANCIAL REPORT
  - a. TEXT SUMMARY OF FINANCIAL HISTORY AND CURRENT STATUS.
  - b. TRCA BALANCE SHEET TO 31 OCT 2017
  - c. TRCA STATEMENT OF INCOME TO OCT 31 2017
  - d. TRCA PROPOSED 2018 BUDGET
7. ELECTION OF DIRECTORS
8. ADJOURNMENT

# Directors Report Highlights

## Board and Transition Team Activity May to December

- Correspondence and discussion with Parkbridge to force a change to homeowner management of the TRCA -fulfilled through a Members General Meeting vote May 2nd.
- 22 formal Board meetings over 7 months with many more informal meetings.
- Lounge opened for regular use and a booking system established.
- Repairs made to the lounge and exercise room and procedures for use established.
- Legal representation changed.
- Bank account established in Rutland and funds transferred from Penticton.
- Efficient process for payment of TRCA Membership fee established.
- Website, e-mail system and Member Newsletter developed.
- Insurance policies for D&O and Liability taken out.
- Bookkeeping and Audit/Review services contracted.
- All invoiced costs incurred by Parkbridge on behalf of the TRCA were reviewed, producing \$30,000 in savings to the TRCA.
- Financial data scrutinized, rationalized and spreadsheets established.
- Invoicing system established.
- Agreement signed with Parkbridge to spread remaining debt over a two year period, with \$1,000/mos payments.
- Parkbridge agreed to solve Solstice residents Membership and Voting rights issue.
- Member fee payment system established reducing delinquent accounts to approx 5%.
- Landscape contracts renegotiated and irrigation equipment repaired.
- Options for reducing landscaping costs assessed.
- Legal Agreements and relevant Acts reviewed in preparation for By-Law changes and to ensure Rent Charge receivables are legally justified.
- Options for modernizing the By-Laws considered.
- Consultations held with Carrington to re-establish a Strata Council for the clubhouse.
- Budgets proposed to Carrington for Strata and Amenity maintenance.

## Financial Status

- Improved TRCA financial status evolved over the seven months, with only a few potential liabilities remaining.
- Remaining challenges include receivables not yet paid to TRCA and formalizing a Strata Corporation Budget with Carrington.
- A positive balance exists for 2017 and the TRCA is in an overall positive equity position.
- The proposed Budget for 2018 calls for retention of the \$45/mos, while establishing a moderate reserve to offset potential contingencies.



# Directors Report

## **The TRCA in Transition**

The Tower Ranch Community Association (TRCA) was managed from its inception in 2007 to May 2, 2017 by the principle developing companies, initially Intrawest and then Parkbridge Lifestyles Communities (PLC). A Special General Meeting (SGM) of the TRCA was held in May to elect a homeowner Board of Directors (BOD). This Report summarizes the actions of the BOD since it assumed responsibility for the Association.

The May AGM elected three Board Members and voted to change the Association Articles to allow for up to nine directors. Articles of Amendment were filed following the SGM to record the new directors and to establish the minimum (3) and maximum (9) number of directors. The current Board recommends that for the present time five directors is sufficient, with the objective being to increase the number as the community grows.

The focus of the Board over the first months of homeowner management was to transition to a homeowner inclusive management system, using volunteer services to maximum advantage, after approximately 10 years of management by the developers. The Transition Team that was established during the lead up to the AGM continued after the meeting through the period of transition. From time to time members of the Transition Team changed as some members dropped off and others added. Team Leads were assigned to work on various issues such as finances, landscaping, clubhouse facilities, communications and membership and legal. These issue groups proved to be a good division of work and as the transition progressed it was agreed that these groups would form the steady state TRCA committee structure. Committee chairpersons will provide reports at this AGM.

## **Board Meetings**

The TRCA Board held 22 formal meetings between the May AGM and the present time. Minutes of all Board meetings are posted on the TRCA website. Transition Team Members were invited to all BOD meetings and the meetings were conducted to simulate an expanded Board. The BOD and Transition Team worked through a vast range of issues over the seven months, with most applying to our financial situation, landscaping and clubhouse operations. A significant number of specific issue team meetings were held with reports by leaders made to the BOD meetings. Procedures and policies were needed to establish ongoing management systems for the Association. New contracts were required for professional and maintenance services. Communication systems were established. Committee Chairs will provide more specific information.

## **Strata Corporation #3569**

As part of the community concept visualized by the initial developer (Intrawest), the Corporation registered a Strata Corporation in 2007 which included the TR clubhouse and property described as Lot 7 of the TR Lands. Twenty-six decimal seven (26.7) percent of the dedicated property including the Lounge and Exercise Room were given to the Association (consisting of Lot 2 of the Strata). The remainder of the Strata (Lot 1) belongs to Carrington, the golf course owners. Although a Strata Council was nominally established in 2007, it has been completely inactive to the present. No Minutes or Budgets for the Strata have been registered.

Following the May SGM the TRCA Board contacted Carrington management with a request to have the Strata Council activated. Two meetings with Carrington management followed at which there was general agreement to re-establish the Council, hold formal Council meetings and establish agreements on the shared operation of Strata common property and maintenance of TRCA dedicated property. The TRCA Board drafted a proposed budget that would attend to the maintenance of the common property, with the proposed TRCA share being \$15,500 annually. The Board also established a proposed budget for an agreement with Carrington to provide maintenance and cleaning services on the lounge and exercise room. Both budgets were proposed for the 2017 and 2018 years.

To date Carrington has not yet responded to the budget proposal and the Council has yet to be activated. The TRCA Board does not propose to pay for the common property maintenance until the Strata Council has been formalized and a budget approved. Maintenance for the Lounge and Exercise room will be conducted by contracts for specific services until such time as an Agreement is established with Carrington.

#### TRCA By-Law Changes

The TRCA By-Laws were initially established by Intrawest in 2007. They were amended slightly by PLC with an Article of Continuance filed in 2015. The TRCA Board along with our legal representatives assessed a number of options for amending the By-Laws. It was hoped that an amendment might be made at this AGM to bring the By-Laws up to date but following review of a couple of options the Board decided that the issue was too important to rush a change through the membership. The Board decided that a thorough review and modernization of the By-Laws should be done in 2018.

#### Financial Negotiations with Parkbridge Lifestyle Communities (PLC)

From 2013 until the transition to homeowners on May 2, 2017, Parkbridge Lifestyle Communities (PLC) governed and managed the affairs of the TRCA. The TRCA Board of Directors was comprised of 3 senior executives of PLC, and the day-to-day affairs were managed by 2 PLC managers.

During this time, PLC spent their corporate funds on costs associated with managing the TRCA. Upon transition to the homeowners, PLC claimed the TRCA owed PLC the amount of \$51,980 as expenses incurred by PLC in the management of the TRCA over the noted period. This sum resulted from a total amount paid by PLC of \$113,183 on behalf of the TRCA over a four year period, reduced by approximately \$61,000 recovered by PLC prior to the transition. The TRCA Board wrote the President of PLC and asked that this be written off as developer goodwill. This request was denied.

Following this denial, the TRCA Board reviewed copies of every invoice for expenditures from 2013 to 2017. A list was compiled of invoices that were either questionable or objectionable to the TRCA. Further personal meetings and conference calls were held with both parties, and a decision agreeable to both parties was reached which saw a reduction of the amount owed to PLC by the TRCA reduced from \$51,980 to \$23,128, which included PLC writing off over \$13,000 in management fees.

The first action once this agreement was reached was a decision by PLC to deduct the entire monthly payables on their 90 lots as a 100% offset against this agreed debt until it was paid in its entirety. The TRCA appealed this decision by PLC on the basis that the TRCA needed a positive cash flow to fund its ongoing operating costs. PLC agreed, and a Settlement Agreement has now been executed whereby PLC will deduct \$1000. per month as an offset against the debt, backdated to May 1, 2017. This agreement, satisfactory to both parties, will see the total debt retired by May 1, 2019 while still generating a positive cash flow to the TRCA.

#### TRCA Membership and Voting Rights of Solstice Homeowners

The TRCA continues to lobby PLC on the issue of granting individual TRCA voting rights and TRCA Membership to the present and future homeowners in the Solstice subdivision. Under the present situation, the votes are granted to the “property owner” and because this area is under a Developer Lease, these votes presently accrue to PLC. Recent conversations with PLC and suggestions by the TRCA as to how this might be handled have been met with increased interest by PLC, and it is understood that some form of compromise Solstice voting rights grant is under serious consideration. The TRCA Board would be remiss in not thanking Mark Bourree of PLC for his ongoing patience and professionalism in working through both issues with the TRCA.

## **Committee Reports**

### a) Landscaping – (Submitted by Glen Wood)

**Controller-** By now homeowners will have seen the shiny new irrigation controller at the lower end of TR Blvd, replacing controller destroyed by a car in the spring. There were many frustrations on the way to the installation, but it is in place and it just needs Fortis to hook up the power and it will be ready to go when needed next Spring. As a result of depreciation and some uninsured hook-up charges the sum of about \$2200.00 will accrue to the TRCA. Thanks go to Head to Head Irrigation for their patience and service.

**Irrigation-** Taking over from Parkbridge on May 2nd certainly got the Spring start-up off to a later start than desired. We engaged Mainstream Irrigation to get us going and provide ongoing maintenance as was required throughout the season. As a result of their efforts and the volunteer help from Jon Durkin and Lois Stupar, who together with myself (Glen Wood) logged some sixty hours fixing and adjusting sprinklers, our boulevards finally turned green and looked the way they should by mid-summer. With the knowledge gained and a proper start, our landscaping should look even better next year-hooray for green grass. Thanks go to Jon, Louis and the guys from Mainstream for all their work.

One of our main challenges, and therefore expenses, is broken sprinklers on the boulevard where the grass and curb meet. We ask all homeowners, and their guests to try to keep tires on the road as the sprinklers are right next to the curb hidden in the grass. Thanks.

**Maintenance** -Again a late start, but we hired Tyger-Boyz and they took care of our boulevard lawns and our gardens for the season. Your board opted to have the lawns mowed every two weeks for a saving of about \$2500.00 over the seven month season. Spring and Fall clean-up and our regular maintenance are ably handled by Maria and her crew at a reduction in our previous costs.

Next Year (2018) should see us get off to a great landscaping start with these same contractors. Also being considered by your Board for 2018 is the possible revival of our waterfall entrance.

b) Clubhouse Facility (Submitted by Jon Durkin)

The Facility Committee, chaired by Jon Durkin, is responsible for liaison with the golf course and the operations of TRCA Amenities (Lounge and Exercise Room). The Gym was and continues to be actively used and is accessed through a monitored FOB system. One hundred and forty four FOBs have been issued and recently reduced to 111 by eliminating those issued to homeowners no longer in the community, FOBs issued to developers and others, as well as those issued to homeowners not in good standing. By contrast, prior to May 2 2017, the Lounge was for the most part not openly available to Homeowners for a variety of reasons.

Initial goals and achievements

**To establish a good working relationship with Carrington's Operational Management at the Clubhouse -** Jon Durkin and Neil Schmidt (NS), Director of Clubhouse Operations meet on a regular basis (at least weekly) to discuss issues related to TRCA Facilities and their intersection with Clubhouse operations.

**To gradually transfer day to day operations of the Lounge and Gym to the TRCA**

-Historically, the golf course treated the TRCA Facilities as part of its Clubhouse operations as a positive gesture to the Community (issuing of FOBs and developing SOPs for their usage, routine cleaning of the rooms, etc.). While much appreciated by the TRCA, over the past six months much of the operational responsibilities for the Lounge and Gym have been assumed by the TRCA. As mentioned below, the TRCA continues to work closely with the golf course in specific issues such as security, Lounge bookings, and other items of common interest.

**To bring the Lounge up to a TRCA- defined standard and to make it available to all Homeowners for activities ranging from pre-booked functions to a casual drop-in centre. –**

- Furniture has been upgraded (new couch, chairs, tables, etc.) thanks to the generous donation of Mark Dollevoet from his Brick stores in the Sunshine Coast.
- Repairs were made on the AC system in the Lounge prior to summer heat and a semi-annual preventative maintenance program for the heating/cooling system initiated. A cleaning service was hired to perform weekly cleaning of the Lounge and Gym. Carpet cleaning has been done in the Lounge.
- A functional booking system for homeowner events has been developed for the Lounge.
- A process by which the Lounge can be booked by outside parties for events (trade shows, company meetings, etc.) for a rental fee to the TRCA (\$100 half day, \$150 full day). This brought in \$700 dollars in our first year with expectations of it being a better revenue centre in 2018.
- The FOB system that has been used for Gym access has been extended to the Lounge. This allows oversight of Lounge use.
- A newsletter was sent to all residents detailing the procedures for entering and exiting the Clubhouse, the Lounge and Gym during the Winter Season (Nov. 1 to April 30).
- An unsecure exit door in the Lounge has been converted to exit-only to enhance Lounge (and Clubhouse) security.

- Due in part to the new FOB security system, a Policy Analyst of the Liquor Control and Licensing Branch of BC deemed the Lounge to be an area for the enjoyment of the residents. This statement means that Homeowners can bring in and consume liquor in the Lounge provided it is not sold. As a courtesy, we have provided the golf course this finding to allow a determination if this could have an impact on the Clubhouse liquor license. (Please note that the TRCA has yet to confirm and announce this finding pending confirmation that our liability insurance policy fully protects the TRCA from any and all alcohol related circumstances.)

**To effect improvements in the Gym** - A cleaning service was hired to weekly clean the room and equipment. Unsecure exit doors have been converted to exit-only doors to improve security.

### **Other issues to be addressed**

Following input from the golf course, regulations and recommendations for use of alcohol in the lounge will be established. A calendar will be placed on the TRCA website showing Lounge bookings. Outstanding issues with the TRCA liability insurance policies related to TRCA Facilities and Common Property will be clarified. Cost effective improvements will be made to the FOB security system to make it easier and more foolproof. The broken blind in the Gym will be fixed. Proper signage for equipment use/procedures in Gym will be placed strategically (e.g.; TV set up, clean up procedures) and Lounge (e.g. use of AV equipment)

### c) Communication (Submitted by Don Spruston)

The TRCA Membership agreed at the May 2<sup>nd</sup> SGM to use email and the TRCA website as the primary means of communication. The TRCA Board passed a motion to establish a TRCA Policy in this regard to ensure continuity. This Policy was approved at the BOD Meeting held on September 12, 2017, and the Policy is posted on the TRCA website.

The TRCA website ([www.TRCAMembers.ca](http://www.TRCAMembers.ca)) was established following the May SGM with the main objective being an easy to use site aimed at informing the Membership of events, policy and as a repository of TRCA legal documents. Minutes of the 22 Board of Director meetings held since May 2<sup>nd</sup> have been posted, as have both financial and communication policies. A plain language explanation of how the TRCA community is structured is also posted.

A TRCA mail protocol has been established and some mailings were made over the past few months using this system. The system ensures that email addresses remain private as there was some concern amongst residents that the original mailing system disclosed neighbour email addresses. A few homeowners have chosen not to provide emails with the result that they do not receive information relative to TRCA activities and warnings such as that issued about bear activity. Some issues with the mailing system remain but these are being resolved.

### d) Finance (Submitted by Don Spruston)

The Board would like to acknowledge the very extensive work of Donna Welda, one of our TR neighbours. Donna served on the Transition Team until the beginning of October and has since embarked on extended

travel. Donna conducted a very extensive review of the finances inherited from the previous TRCA managers. She also conducted a vast amount of research to determine accounts receivable in a relatively complex legal structure. The financial material to be presented at this AGM is essentially a simplified representation of Donna's work as the amount of material she produced is exhaustive and the detail is such that it would be impossible to present at a meeting in under a few hours. However, additional information can be made to residents who wish to spend a few hours going through the material.

Following the May SGM the Board established banking with Interior Savings in Kelowna and funds were transferred from the TRCA/Parkbridge account in Penticton. Banking policies were established such as the need for Committee chair sign-off and two signatures on each cheque. Regular financial summaries were made by the Committee Lead at BOD meetings.

The Board established policies to formalize positions taken by the previous managers, such as accepting the start date for paying fees in accordance with the Rent Charge at 1 January 2016. The Right of Way/Rent Charge Agreement also provides for a 15% interest to be paid for outstanding fees owed, but this had been waived by Parkbridge and the TRCA Board for an interim period. A policy has been established to start the interest charges effective 1 January 2018. Both policies are posted on the TRCA website.

Although the TRCA financial analysis over the first six months was conducted by voluntary contribution, over time it was concluded by the Directors and Transition Team that the Association needed more continuity that can only be gained through a contract with bookkeeping service. A search resulted in Agreement that a local company, Kerr and Company, could provide the services at a reasonable cost. Similarly, an audit/review engagement is required of NFP Act Corporations, so a local firm was approached to conduct the relevant services.

Three motions are to be made at the meeting as follows:

- Appointment of Bookkeeping Services
- Appointment of Auditor
- Acceptance of TRCA Fiscal Year (Calendar Year)

### **Motion for Appointment of Bookkeeping Service**

TRCA Directors Don Spruston and Jennifer Bridarolli assisted Donna Welda, Team Leader for Finance to review selected small accounting/bookkeeping firms. Three were short-listed. The firm of Kerr & Company, CPA was selected as the most appropriate based on speciality with small business and experience with non for profit societies, cost and location. Chris Kerr is the firm's principle.

Kerr & Company CPA, Suite 205 – 145 Asher Road, Kelowna, B.C. V1X 3H5, Telephone: 250-448-6299,  
E-mail: [chris@kerrtaxcpa.com](mailto:chris@kerrtaxcpa.com) website: [www.kerrtaxcpa.com](http://www.kerrtaxcpa.com)

Kerr & Company CPA is located in the Rutland neighbourhood of Kelowna. Specializing in small business accounting offering both accounting and bookkeeping services. Kerr & Company has been in business for 15 years serving both individual and corporate clients.

*Moved by Don Spruston; Seconded by \_\_\_\_\_ that Kerr & Company CPA be endorsed as the provider of bookkeeping service to the Tower Ranch Community Association.*

### **Motion for Appointment of Review Engagement Accountant**

The Not-for-Profit Corporations Act does not require a full audit for non-soliciting societies. A process termed as “an Review Engagement” provides an intrinsic third party review of a societies financial records. Chris Kerr, CPA who provides bookkeeping services for the TRCA has experience with Banka & Company in review engagements. Donna Welda, TRCA team leader for finance discussed this service with Gabriele Banka and was comfortable with the responses received.

Banka & Company is a public accounting firm founded by Gabriel Banka, an experienced CPA and CGA. Gabriele has more than 25 years’ experience in commercial accounting including 10 years working in controllership positions with a variety of industries including construction, lumber, tourism, remanufacturing, engineering, retail sales, banking and property management and development. Gabriele also writes for the Kelowna Capital News twice per month.

Banka & Company provide review engagements for small to medium sized businesses, real estate trusts, lawyer’s trusts, collection agency trusts and not for profit organizations (charities, societies and associations).

Banka and Company, 303-1630 Pandosy Street, Telephone: 250-763-4528

E-mail: [gbanka@bankaco.com](mailto:gbanka@bankaco.com)

*Moved by Don Spruston, Seconded by \_\_\_\_\_, that the firm of Banka and Company be appointed to provide a review engagement of the bookkeeping/finances for the Tower Ranch Community Association for the 2017 fiscal year.*

### **Motion to Accept the Calendar year as TRCA Fiscal Year**

The TRCA By-Laws provide for the selection of a Fiscal Year for Financial Record Keeping (TRCA By-Laws s.5). The TRCA Board is recommending the selection of the Calendar Year.

*Moved by Don Spruston that the Calendar Year be accepted as the TRCA Fiscal Year.*

e) Legal (Submitted by Craig Fowler)

The legal affairs of the TRCA while under the management of Parkbridge Lifestyle Communities (PLC) were handled by the firm of Pushor Mitchell from their Kelowna office. After the transition on May 2, 2017, it was determined that Pushor Mitchell would be in conflict by representing both PLC and TRCA, so the TRCA Board advised the firm of the intent to change representation.

The TRCA then approached Doak Sherriff, specifically Christie Lovig of that firm, to see if she had an interest in becoming the TRCA legal counsel. Christie's background includes specific training in Strata titling and the associated legal requirements of Strata Law. She agreed, and she and her associates have been advising the TRCA on legal issues since June of 2017.

***The TRCA recommends that Doak Sherriff be our legal counsel of record.***



# Financial Report

The Financial Report consists of:

- a) Textual Summary of the Financial Status.
- b) TRCA Balance Sheet to October 2017
- c) TRCA Statement of Income to Oct 2017
- d) Proposed TRCA Budget for 2018

## **Textual Summary of Financial Status (amounts rounded for simplicity in explanation)**

1. During the period 2013 to May 2017, the TRCA was managed by PLC. During that period PLC expended \$113,183 on behalf of the TRCA (mostly on landscape maintenance and legal fees). PLC started collecting the TRCA annual fees in 2016.
2. By the time homeowners assumed control in May of this year PLC had recovered \$61,203 from the TRCA account, thus leaving \$51,980 owed to PLC from the TRCA account.
3. On assuming control of the TRCA in May, the new Board and Transition Team conducted a thorough review of all invoices paid by PLC resulting in a challenge of 11 invoices. Following negotiations, PLC agreed to reduce the amount owing by \$29,262. Effective on Transition in May the TRCA owed PLC \$23,128.
4. A Settlement Agreement has been signed between Parkbridge and the TRCA calling for repayment of the debt through monthly payments of \$1,000, thus assisting TRCA's cash flow.
5. The financial reports with this Directors Report do not include the \$29,262 cost reduction to TRCA per the Settlement Agreement as it was signed subsequent to the Oct 31 reporting date.
6. It is projected that the TRCA will be in a positive equity position of approximately \$30,000 at the end of the year. The TRCA has recorded surpluses over the last two years.
7. Two financial challenges remain as of this AGM. First, EAC/Dilworth is challenging payment of approximately \$8,500 for Rent Charges for the registered lots being developed. Secondly, the Strata Council for Strata Corporation #3569 has not been established by TRCA and Carrington, the result being that no Strata fees have been paid. TRCA has estimated its share to maintain common property to be approximately \$15,500 annually.
8. The 2018 Budget has been developed based on the TRCA proposal to Carrington for a Strata Budget which has not yet been accepted. Costs for maintaining TRCA owned property is also included.
9. The projected revenues and expenditures for next year are such that we could feasibly lower the TRCA annual fees next year, but the TRCA Board and Transition Team recommend that the Rent charge at \$45 be retained for one more year to enable creation of a TRCA General Reserve Fund that will cover potential liabilities for resolution of outstanding issues.
10. By the following year the TRCA should be able to reduce the monthly Rent Charge and as the number of homes increases this can be further reduced.

**TOWER RANCH COMMUNITY ASSOCIATION**  
**Balance Sheet**  
**October 31, 2017**

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**ASSETS**

**CURRENT**

Cash	24,912
Accounts receivable	18,268
Prepaid insurance	915

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\$ 44,095

**LIABILITIES**

**CURRENT**

Accounts payable	\$ 6,576
Accrued liabilities	7,524
Prepaid rent	2,520

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16,620

Due to (from) Parkbridge 32,653

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49,273

TRCA Surplus (Deficit) to date (5,178)

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\$ 44,095

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**TOWER RANCH COMMUNITY ASSOCIATION**  
**Statement of Income**  
**For the Period Ended October 31, 2017**

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**REVENUE**

Tower Ranch Boulevard residential lots	\$	15,750
Split Rail residential lots		13,500
Northpoint on Eighteen strata lots		18,572
Solstice Phase 1		12,600
Solstice Phase 2		17,661
Hall Rental		950
Interest		4

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79,037

**EXPENSES**

Bank charges		1,341
Insurance, licences and dues		654
Legal fees		26,878
Miscellaneous		564
Office		364
PLC management fees		3,360
Repairs and maintenance		14,980
Telephone and utilities		795

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48,936

**NET INCOME**

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30,101

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## Tower Ranch Community Association Proposed 2018 Budget

	# Units	Annual Totals
<b>Revenue:</b>		
Northpointe on Eighteen	42	\$22,680
Split Rail	30	\$16,200
Tower Ranch Blvd.	35	\$18,900
Tall Grass	24	\$12,960
Solstice Phase 1	28	\$15,120
Solstice Phase 2	62	\$33,480
<b>Residential &amp; Strata Lots</b>	<b>221</b>	
<b>Total Maintenance Fees</b>		\$119,340
<b>Expenses:</b>		
<b>Administration</b>		
Insurance (directors & officers/liability)		\$2,000
Legal Fees		\$16,000
Accounting and Audit		\$12,000
Bank Charges		\$1,000
Office Supplies		\$1,500
		\$32,500
<b>Boulevard Maintenance</b>		
Landscaping		\$16,000
Irrigation		\$9,000
Other repairs & maintenance		\$3,000
		\$28,000
<b>Clubhouse Amenities</b>		
Janitorial Services		\$6,000
Supplies		\$500
Repairs & maintenance - lounge		\$2,500
Repairs & maintenance - fitness centre		\$2,500
Strata KAS3569 - common area, as per strata budget		\$15,650
		\$27,150
<b>Operational Expenses</b>		\$87,650
<b>Other Expenses (Income)</b>		
Amenity Centre Rental		-\$2,000
Future capital replacements, as per 10 (b)		\$2,000
Annual Contingency, as per 10 (b), 10%		\$8,690
TRCA General Reserve (2018 only)		\$11,000
Debt retirement to Parksbridge		\$12,000
		\$31,690
<b>Total Expenses</b>		\$119,340

## **Election of Directors** (Rick Watt, Chair, Nominating Committee)

Since the May 2017 Special General Meeting, the TRCA has been managed by 3 directors, Donald Spruston, Craig Fowler and Jennifer Bridarolli . Several other community residents filled committee positions in job specific roles such as landscaping, strata management as well as other required operational functions.

This year the Board unanimously decided to expand the number of Directors from 3 to 5. In October an appeal was made to the community membership asking for nominees for Board and committee positions.

As we enter into our second year as a resident managed association the Board and the TRCA transition committee members agreed that continuity is important. For this reason, the 3 current elected board members were asked to stand for re-election with 2 new members being added. Our goal in the coming year is to conduct outreach and recruiting efforts with community residents, asking for volunteers to serve at the committee level, in order to develop an understanding of our association's goals and objectives. As new members come forward these individuals will be phased into future Board positions.

Following assessment by the nomination committee the following slate of Directors is proposed for re-election: Donald Spruston, Craig Fowler and Jennifer Bridarolli.

A further 2 individuals have been identified and are endorsed by our current Board for election: Maureen Watt and Glen Wood.

Glen has been a member of the Transition team since its inception and the lead member of the Landscaping portfolio. Glen further was instrumental in the initial formation of our resident association. Maureen is recently retired from the financial services sector and has extensive experience with non-profit organizations and is currently serving as a member of the TRCA's insurance portfolio.