



## 2020 Virtual Annual General Meeting

### Tower Ranch Community Association (TRCA)

#### AGENDA

##### 1. Notification of Quorum

In accordance with Section 22 of the Bylaws, this meeting can be held by electronic means. By sending this notification electronically to email addresses of all members in good standing as registered with the TRCA it is deemed that a quorum is present.

##### 2. Summary of Achievements 2019/2020

- See Note #1

##### 3. Financial Reports

###### A. TRCA 2019 Financial Summary

- See Note #2

**MOTION #1:** It is moved that the membership accept the 2019 Financial Summary as posted on this document.

Moved by: Glen Wood, Director

Seconded By: Craig Fowler, Director

###### B. TRCA 2020 Budget

- See Note #3

**MOTION #2:** It is moved that the membership accept the TRCA 2020 Budget as posted on this document.

Moved By: Glen Wood, Director

Seconded By: Craig Fowler, Director

4. Appointments

A. Appointment of Bookkeeping Service

- See Note #4

**MOTION #3** It is moved that the membership ratify the selection of Boris Enterprises as the TRCA Bookkeeper of record

Moved by: Glen Wood, Director

Seconded by: Larry Bray, Director

B. Appointment of Audit/Consulting Firm

- See Note #5

**MOTION #4:** It is moved that the membership ratify the selection of MLP LLP as the TRCA Auditor/Accounting Consultants of record

Moved by: Glen Wood, Director

Seconded By: Jon Durkin, Director

C. Appointment of Legal Counsel

- See Note #6

**MOTION #5:** It is moved that the membership ratify the selection of David Towill as the TRCA Attorney of record

Moved By: Craig Fowler, Director

Seconded By: Jim Roe, Director

5. Election of Directors

- See Note #7

**MOTION #6:** It is moved that the membership ratify the election of the following individuals to serve as Directors of the TRCA until the next Annual General Meeting:

Jon Durkin    Glen Wood

Jim Roe        Craig Fowler        Larry Bray

Moved By: Jim Roe, Director

Seconded By: Larry Bray, Director

6. Voting on Motions:

- See Note #8

## NOTES

### **NOTE #1 - Amenities**

Because the time of the year that we are holding this AGM, this summary will incorporate a blending of significant items and accomplishments for both 2019 and year-to-date in 2020. For purposes of clarity, this commentary will follow the respective internal duties of the current Board of Directors (BOD).

#### **A. Amenities**

##### **1. Fitness Centre**

- Restoration of the clubhouse following the Feb 2019 flood allowed for the reopening of the centre in May 2019 with insurance-approved upgrades including rubberized flooring and new mirrors.
- A new set of dumbbells and rack were purchased in the fall of 2019. New workout mats, as well as a new cabinet and radio (with Bluetooth) were purchased for the grand reopening in June.
- A commercial grade rowing machine was purchased in July 2020 to compliment the array of machines in place. The machine software indicates

that more than 120 workouts have been performed on the unit since its installation.

- A TR community-based cleaning service was contracted in January 2020 to replace a commercial provider who had become increasingly ineffective in maintaining Lounge and Gym cleanliness. We remain very pleased with the consistent high quality of work being provided.

### **GYM reservations**

- The development and worsening of the COVID19 crisis in March 2020 forced closure of the centre. It was reopened on June 6 strictly following Interior Health guidelines on social distancing and sanitization protocols. Wall mounted hand sanitizers and disinfectant towels were installed, and an online reservations system established in order to restrict and monitor usage of the centre to two persons at any time. These processes have proved highly successful and remain in place.

## **2. Lounge**

- A new AC condensing unit was installed in the spring of 2019 to replace the original unit which terminally failed on start up.
- The lounge reservation system indicates that approximately 120 reservations were made for community activities during 2019. We were on track for even better numbers in 2020 before the facility was closed in March due to the worsening COVID-19 crisis.
- Our anticipated reopening of the lounge was put on hold August 1 2020 due to the surge in local coronavirus cases at that time and the July 27 order from BC's Provincial Health Officer substantially limiting the number of people allowed to congregate in hotel and rental properties. The Lounge remains closed presently and we continue to monitor the situation on an ongoing basis.

## **B. Insurance**

- Under the way in which the TRCA is structured falls under the "Strata and Condominium" category for insurance rating
- In 2020 this sector throughout Canada was severely impacted with dramatic increases and significantly changed deductibles
- The BOD examined various ways to mitigate this financial impact, seeking multiple quotations.

- In the end, working with our present provider and modifying coverages turned out to be the best solution
- In comparison to the original quotation the net result was a reduction of approximately 50%.
- In conjunction with this decision, a general cash reserve of \$50K that has been on deposit with Interior Savings has now been deemed “Designated” and is held as a reserve for those areas of insurance where the TRCA is now “self-insured”.

### **C. Developer Relations**

- Since the residents assumed the operation of the TRCA four years ago, a concentrated effort has been put forth to improve relations with Parkbridge Lifestyle Communities (PLC) in its role as Master Developer of the Tower Ranch Lands.
- The benefit of this effort was realized in early 2020 when PLC worked cooperatively with the TRCA in drafting a new set of Bylaws that provided Solstice residents with their individual votes in the affairs of the TRCA.
- Additionally, PLC has financially supported your organization by paying the monthly TRCA dues on all lots under development, whether or not there was an occupied dwelling on that lot.
- Unfortunately, relations between the TRCA and Emil Anderson Construction (EAC) doing business as Dilworth Construction have not been as positive. (See “Legal” section for additional comments).
- The TRCA continues to work to establish an improvement in relations with Carrington Group, owners of the Tower Ranch Golf Club. This is important because the TRCA is title holder to approximately 27% of the clubhouse, representing primarily the Gym and Members’ Lounge. Efforts in this regard will continue.

### **D. Landscaping**

- Under a Contract with the City of Kelowna dating back to the original Development Permit, the TRCA is obligated to the maintenance of the boulevards along Tower Ranch Boulevard.

- This maintenance obligation includes mowing, weeding and irrigation.
- The City owns the facilities, including lawns, gardens, trees and irrigation systems.
- The TRCA has employed the same contractors for Lawn and Irrigation services for the last 4 years, and plan to continue to enjoy the value of these relationships which has also been reflected in lower maintenance costs.
- An addition in 2020 was the extension of irrigation on the west side of the Boulevard to water existing and future trees on that side.
- The City has advised the TRCA that it wants the west side of the Boulevard to be left in a “natural” state.
- As a result, the TRCA will only do a monthly trimming maintenance to meet the requirement of a semi-wild state for this area.
- Residents on Tower Ranch Boulevard are again asked to NOT park on the grass boulevard and ask their guests and trades to refrain from doing so. Every time a vehicle encroaches on the grass, it breaks a sprinkler.
- Our irrigation contractor checks our entire system every two weeks....and every 2 weeks 4 to 8 damaged sprinklers are replaced.

## **E. Bylaws**

- The BOD of the TRCA is very pleased to announce that revised Bylaws were overwhelming approved by the members at a Special General Meeting (SGM) held in August 2020.
- The major revision is to provide Solstice residents with the same voting privileges as all other residents.
- Previously PLC held and voted all the homeowner votes under the terms of a General Proxy.

- The BOD wishes to extend thanks to PLC for their cooperation in restructuring the Bylaws, and the Bylaw Committee who worked tirelessly through many drafts and rewrites to derive the final version.
- The Bylaws may be viewed by going to the TRCA website at [trcamembers.ca](http://trcamembers.ca) and looking under the appropriate heading.

## **F. Legal**

- As noted earlier in this text, EAC and the TRCA have had a strained relationship.
- EAC has adopted the position that only when a lot is occupied do the TRCA dues become payable.
- Because the TRCA dues, formally noted as “Rent Charge” are attached to the title of each registered lot, the position of the TRCA is that dues become payable at the time the lot is registered in Land Titles.
- As noted, earlier PLC has been cooperative and exemplary in demonstrating that dues are payable at the time of registration of each section of the subdivision.
- The position of EAC and the accumulating amount owed to your association has left the TRCA with no alternative but to seek legal redress under the Court System.
- Consequently, the TRCA has laid legal claim against EAC in Small Claims Court.
- Matters held in this court are limited to a maximum award of \$35,000. Although this is less than the current amount currently owed by EAC to the TRCA, it was the advice of the TRCA Legal Counsel that this was the least costly way to proceed.
- If the TRCA is successful in winning this legal challenge, a subsequent proceeding will be immediately launched for the remaining outstanding EAC debt.
- The first step of this process is a Settlement Hearing under which a Judge attempts to bring reconciliation of the two parties and perhaps a

compromise settlement. This was held May 20, 2020 without any resolution being reached.

- We are awaiting advice from the Court on the date of the next step in this action.

## **G. Communications & Membership**

The BOD contracted a community-based IT Manager in February 2020 in order to improve our effectiveness in various areas including:

- Updating and maintaining the master homeowner's database (now 250 homes) as needed and ensuring the data is consistent with that held by our bookkeeping service.
- Updating and maintaining the master Mailchimp email list to more effectively communicate with TR homeowners as needed.
- Updating and maintaining the TRCA website as required based on information provided. This includes establishing and monitoring the Fitness Centre online reservation system. This venture has proved very successful in minimizing any gaps we had in our databases. We are also communicating with the TR community more often and effectively on various matters of community interest.

## **H. Summary**

- Your 5-member volunteer Board of Directors has been challenged over the past 18 months with some complex and important decisions, not the least of which was the requirement to be in accord with all guidelines governing COVID-19 protocols
- This resulted in the necessity to hold both a "virtual" SGM for voting on revised Bylaws as well as designing and testing a format to allow us to proceed with this virtual Annual General Meeting
- With a continually expanding number of residents the requirements to meet satisfaction levels of all members will continue to be a topic of considerable discussion going forward
- A reminder that the TRCA is a Homeowners Association. Your participation in matters of interest or concern is most welcomed



- In particular we are interested in residents coming forward to assist in areas such as Facility Management, Insurance, Finance, Legal and Social Committees
- If you would like to be involved in assisting the TRCA going forward, please contact any Director to express your interest

### **NOTE #2 – Financial**

- The Financial position of the TRCA continues to be in a positive condition and performed closely to the Budget approved for 2019
- The reduction from the 2018 homeowner rate of \$45./mo to the current \$35./mo was offset by the increasing resident count
- A revised monthly financial reporting format has allowed the BOD to closely monitor the line item expenses vs budget on both a monthly and YTD basis

### **A. The 2019 Year-End Financial Report is in Schedule “A” of this document**

### **NOTE #3 – 2020 Budget**

This is an unusual year. The BOD had planned to have this AGM in early May of this year, and had all arrangements made in early spring, including a deposit on the meeting venue. As we moved into April, it became obvious that our original date would be sidelined, but we still held out hope that summer may provide the opportunity to hold a meeting with members in attendance. Added to that was the fact that the revised Bylaws needed to be presented at a Special General Meeting (SGM) in order to have Solstice residents being able to vote at an AGM

That is a long way of saying we wish we could have done this sooner. Please be assured that your BOD has been governed throughout the year by the budget being presented here, and that it has guided us in our expenditures this fiscal year.

- The 2020 Budget was prepared in March 2020 utilizing both the current homeowner monthly dues as well as working through another scenario of a \$5.00 monthly reduction
  - For purposes of prudence, it was decided that the present rate of \$35.00 per household would be retained for 2020

- Key components of increased expenses over the previous year are noted in Legal and Accounting. Legal increase is because of the previously mentioned action against EAC. Accounting costs are as a result in considerable time involvement on behalf of our new accountant to correct a major deficiency in performance of a previous accounting firm.
- Reasonable and prudent allowances have been made for contingencies recognizing the aging of assets

**Budget – the 2020 Operating Budget is presented below**

TRCA BUDGET 2020							
				Actual 2019		Budget 2020	
						at \$35./mo	
<b>Revenue</b>		<b>LOTS</b>					
Foxtail		20		3,770		8,400	
Northpoint on 18		42		19,945		17,640	
Solstice		160		57,900		67,200	
Split Rail Place		29		13,720		12,180	
Tallgrass phase 2 (6 mo's)		20				4,200	
Tallgrass		29		6,760		12,180	
Tower Ranch Blvd.		35		16,855		14,700	
Lounge Rental				700		700	
		<b>Total Revenue</b>		119,650		137,200	
<b>Budget Expenses</b>							
Amortization				765		800	
Bad Debt Expense				185		200	
Bank Charges				1,200		1,200	
		<b>Total</b>		2,150	2,150		2,200
Repairs and Maintenance - Irrigation				7,300		8,000	
Repairs and Maintenance - Landscaping				19,500		21,000	
Snow removal				980		2,000	
		<b>Total Blvd Maintenance</b>		27,780	27,780		31,000
<b>Clubhouse Amenities</b>							
Clubhouse Janitorial				2,100		2,400	
Repairs and - Gym				300		1,000	
Repairs and Maintenance - Lounge				660		1,000	
Supplies - Lounge and Gym				30		1,200	
Cost share - Strata KAS3569						18,000	
		<b>Total Clubhouse</b>		3,090	3,090	23,600	23,600
<b>Contractors</b>							
Worksafe BC				20		200	200
		<b>Total</b>		20	20		
<b>Dues, Licenses &amp; Subscriptions</b>							
Insurance				4,600	4,600	6,200	6,200
<b>Office Expense</b>							
AGM/SGM Cost				470		1,000	
Office Supplies				300		300	
		<b>Total Office Expense</b>		770	770	1,300	1,300
<b>Professional Services</b>							
Accounting/Bookkeeping				24,500		19,000	
Audit/Review				2,000		2,000	
IT/Communications - Contract				560		3,600	
Legal				5,600		10,000	
		<b>Total Professional Services</b>		32,660	32,660	34,600	34,600
Property Taxes KAS3569				2,400	2,400	2,700	2,700
Utilities				1,100	1,100	1,500	1,500
<b>Social/Community</b>						1,000	
Communications						500	
Volunteer Costs						1,000	
		<b>Total</b>				2,500	2,500
Annual Contingency				10,000		10,000	
West Side Replacements-Irrigation				2,000		10,000	
General Reserve				5,000		5,000	
Payable PLC				1,000			
Allowance for Doubtful Accounts						1,500	
		<b>Total</b>		18,000	18,000	26,500	26,500
<b>Total Operating Expense Budget</b>					92,570	132,300	
<b>Revenue over Expenses</b>					27,000	4,900	

#### **Note #4 – Appointment of Bookkeeping Service**

- It became obvious to the BOD in mid- April of 2018 that the previous Bookkeeping service was not only providing a sub-par performance but was also deficient in maintaining the TRCA accounts to a standard accepted accounting practice.
- A decision was made to terminate the services of this firm, and the firm of Boris Enterprises Ltd. was engaged
- This new bookkeeping service immediately discovered major deficiencies which have resulted in significant costs to get the 2017 and 2018 accounts properly restated. This correction process carried forward through 2019 and early 2020
- All accounts are now reconciled, new and accurate monthly reports are prepared for the BOD, and homeowner arrears are essentially zero thanks to the efforts of this company

#### **NOTE #5 – Appointment of Auditors/Accounting Consultants**

- Our new Bookkeeping service recommended the firm of MNP LLP, Chartered Professional Accountants to serve in a consulting capacity including year-end Review, CRA filings, and the final draft of TRCA year-end Financial Statements.
- This firm has provided counsel including Capital Assets, provided interest calculation Excel workbook and formulas, as well as advice on Contingency Fund allocations
- Upon advice of MNP, the TRCA will continue to have year-end Reviews performed by their firm rather than the expense (\$20K+) of an audit

#### **NOTE #6 – Appointment of Legal Counsel**

- The selection of David M. Towill, Partner, Thomas Butler LLP in Kelowna as our legal representative has proven to be a valued decision
- David has provided continual counsel in terms of resident fee debt collection, Carrington and the Clubhouse Strata, Bylaws review, Building Guidelines, and the ongoing EAC legal action, all at a reasonable fee

### **Note #7 – Election of Directors**

- The present 5 Directors currently serving as your Board of Directors have allowed their names to stand to serve the 2020 Fiscal Year and until the next Annual General Meeting
- On the advance notice for the TRCA 2020 AGM it was noted that additional nominations for the position of Director was open until midnight September 15, 2020.
- No new nominations for Director have been received by the deadline

### **Note #8 – Voting on Motions**

- **Under separate cover on September 22, 2020 you will be sent an email a special document that will allow you to vote on each of the motions requiring membership approval.**
- **Voting will remain open until 9:00 pm Sunday, September 27, 2020**
- **You are allowed one vote per household, providing that address is a member in good standing of the TRCA**
- **Results will be tabulated by independent auditors and the results communicated to the BOD on September 28, 2020**
- **The results will be communicated to the membership on September 29, 2020**

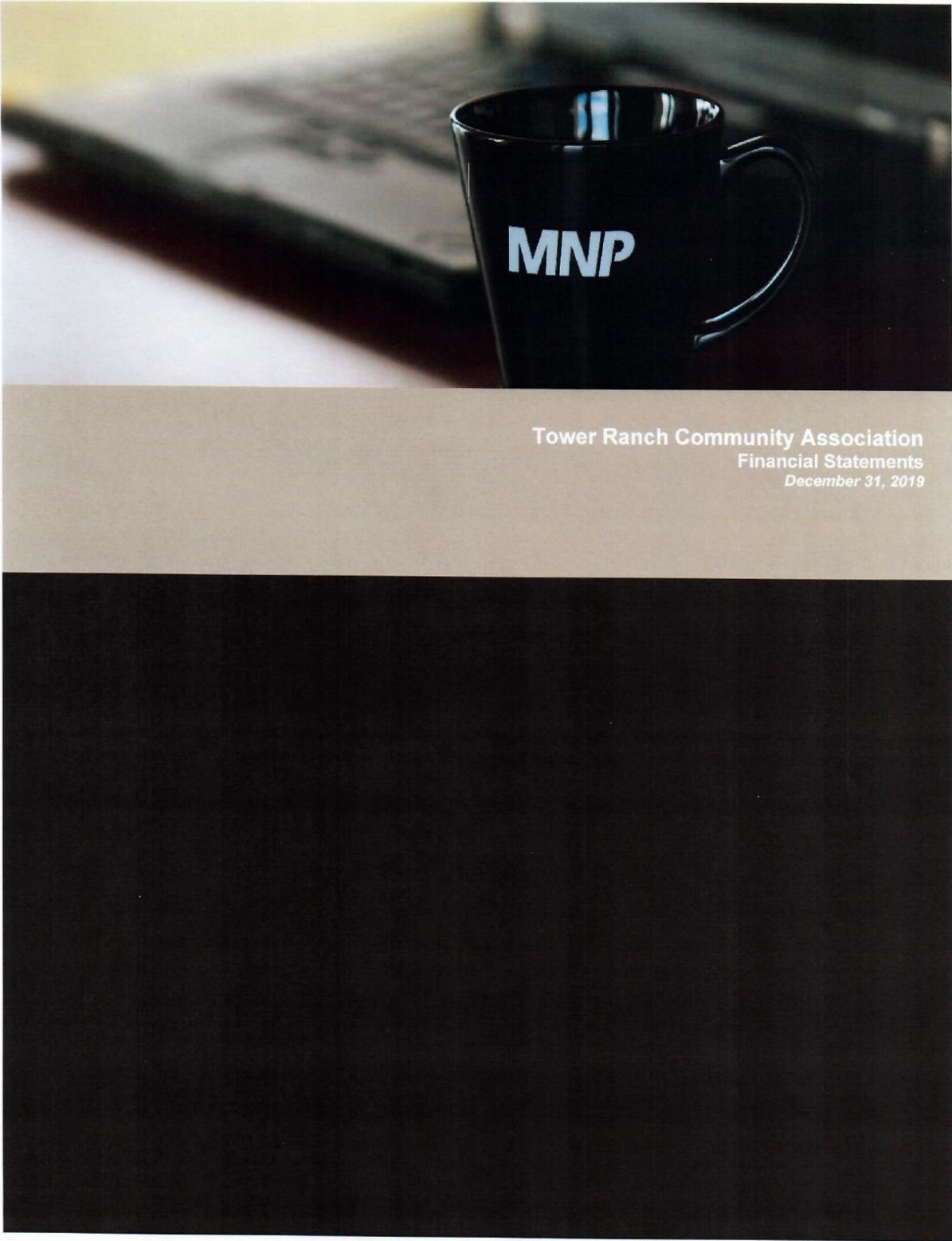
**On behalf of the Board of Directors of the Tower Ranch Community Association (TRCA) we extend our thanks for your time and active participation in this Virtual Annual General Meeting.**

**It is our sincere hope that the World will return to normal soon and we can go back to having these important meetings with personal attendance.**

**Questions and comments may be submitted to [trcacommittee@gmail.com](mailto:trcacommittee@gmail.com)**

*Stay well and look after each other!*

Schedule A



**Tower Ranch Community Association**

**Financial Statements**

*December 31, 2019*

*(Unaudited - see Notice to Reader)*



## Notice To Reader

On the basis of information provided by management, we have compiled the statement of financial position of Tower Ranch Community Association as at December 31, 2019 and the statement of operations and changes in net assets for the year then ended. We have not performed an audit or a review engagement in respect of these financial statements and, accordingly, we express no assurance thereon. Readers are cautioned that these statements may not be appropriate for their purposes.

Maple Ridge, British Columbia  
May 5, 2020

*MNP* **LLP**  
Chartered Professional Accountants



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**Tower Ranch Community Association**  
**Statement of Financial Position**

*As at December 31, 2019*  
*(Unaudited - see Notice to Reader)*

	2019	2018
<b>Assets</b>		
<b>Current</b>		
Cash	103,293	66,562
Accounts receivable	805	7,753
	104,098	74,315
<b>Capital assets</b>	<b>447,892</b>	<b>-</b>
	<b>551,990</b>	<b>74,315</b>
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accruals	2,502	2,501
Deferred revenue	640	1,980
	3,142	4,481
<b>Due to Parkbridge</b>	<b>-</b>	<b>2,128</b>
	<b>3,142</b>	<b>6,609</b>
<b>Net Assets</b>		
Unrestricted fund	510,158	46,016
Future capital asset fund	4,000	2,000
Contingency reserve fund	18,690	8,690
General reserve fund	16,000	11,000
	548,848	67,706
	<b>551,990</b>	<b>74,315</b>

Approved on behalf of the Board

*GLEN WOOD (ON FILE)*   
 Director

**Tower Ranch Community Association**  
**Statement of Operations**

*For the year ended December 31, 2019*  
*(Unaudited - see Notice to Reader)*

	2019	2018
<b>Total revenue</b>	<b>119,750</b>	<b>112,164</b>
<b>Expenses</b>		
Amortization	766	-
Bad debts	186	8,794
Bank charges and interest	1,197	375
Insurance	4,620	1,812
Office supplies	1,830	1,023
Professional fees	32,632	36,075
Property taxes	2,325	-
Repairs and maintenance	30,867	19,558
Salaries and benefits	21	-
Utilities	1,100	1,791
	<b>75,544</b>	<b>69,428</b>
<b>Net income before other items</b>	<b>44,206</b>	<b>42,736</b>
<b>Annual contingency</b>		
Annual contingency	-	(1,880)
<b>Net income</b>	<b>44,206</b>	<b>40,856</b>

**Tower Ranch Community Association**  
**Statement of Changes in Net Assets**

*For the year ended December 31, 2019*  
*(Unaudited - see Notice to Reader)*

	<i>Unrestricted fund</i>	<i>Future capital asset fund</i>	<i>Contingency reserve fund</i>	<i>General reserve fund</i>	<b>2019</b>	<b>2018</b>
<b>Net assets, beginning of year</b>	46,016	2,000	8,690	11,000	<b>67,706</b>	26,851
<b>Net income</b>	27,205	2,000	10,000	5,000	<b>44,206</b>	40,856
<b>Net asset contribution</b>	436,937	-	-	-	-	-
<b>Net assets, end of year</b>	<b>510,158</b>	<b>4,000</b>	<b>18,690</b>	<b>16,000</b>	<b>111,912</b>	67,707