



Sonoma Pines Homeowners Management Ltd.

TOWNHALL Meeting Recap Notes

Held at Sonoma Pines Clubhouse

Monday, February 13, 2023, (4:30pm – 5:50pm)

Attendance: Randy Benson, Gary Kitchen, Danielle Renaud, Dawn Spence, Jim Burkinshaw

Residents: Approximately 66 SP Residents attended in person, and 8 SP residents attended by Zoom

AGENDA:

Meeting called to order at 4:30 pm

1. Financial Report Q3 and Upper Gate Cost Report

- Jim Burkinshaw provided the Q3 financial report and a summary of costs to install the upper gates and upgrading lower gate.
- All residents were provided with a copy of the Q3 Financial Report and upper gate cost summary by email and copies were also available at the meeting.
- Upper gate: Over budget by \$22,379.
- Lower Gates – there was a separate project to replace the motor. Over budget \$1533.
- SP is looking at reconfiguring the Contingency Reserve Fund with respect to what is paid out of that fund.
- A new account was created for the installation of the Upper Gates. Those expenses were being charged to the General Maintenance and Repair account but have now been separated into the new account.
- Snow Removal – The 2022/23 budget was not seasonalized for snow removal. As of the last snow fall, snow removal cost was at \$102k. Next year's budget will need to be adjusted.
- Consideration will be given to another town hall to review the draft budget before the AGM.

2. Schedule E Bylaw Revisions

- A draft of the revised Schedule E Bylaws were provided to homeowners with the January Board meeting package.
- Randy Benson provided a summary of the revisions.
- According to section 27.6 of the Articles of Incorporation, these revisions were accepted and approved by the Board.
- The RV Lots Rules and Regulations are in the process of being revised to include both RV lots.

3. Committee Needs

- Sonoma Pines has many committees and there is always a need for homeowner involvement. Please call the office if you are interested in joining any of the committees.

4. Discussion re AGM

(a) Date – Monday May 29, 2023 @ 6:30pm.

Location - Westbank Lions Hall.

The Board wants to ensure that the year end financials are completed.

Administration will make sure there are mics available for the meeting.

(b) Articles of Incorporation Revisions

Revisions to the Articles of Incorporation need to be presented at the AGM.

The Board will be presenting two revisions:

- Number of Directors – At the May 26, 2016, AGM there was an adopted motion to have an increase in the number of Board of Directors from three to seven. However, the Articles of Incorporation did not get revised to reflect that motion. This will be brought forward at the 2023 AGM as an agenda item.
- Term of Directors – The Board will be seeking a motion to change the term of Board members from one year to two years.

(c) Board of Director's Election

The Board is encouraging nominations before the AGM; however, nominations will be taken from the floor at the AGM.

Nomination forms will be sent out prior to the AGM. It would be preferable to have candidate biographies available prior to the AGM to inform residents of the candidates.

(d) Voting and Nomination Procedures

Restricted proxies were used as a result of Covid and not being able to have in-person meetings.

Regular proxies will be back in effect at this year's AGM.

5. Questions

- How do we prevent over budget on future projects? Defining all needs up front and possibly putting in place a project manager for the next big project.
- Is there a sense to what is over and/or under budget for 2022/23? Jim Burkinshaw is still working through items as he has only been the treasurer for a couple of months.
- How much is left over from things that did not get done in the fall because of the early winter for example: landscaping, gutters, painting? House painting will commence as soon as weather permits. A list of new houses is being compiling for this year as well. Landscaping will commence in March if not earlier. Gutters are ongoing weather permitting.
- Does the painting/fascia funds roles over into 2023? Yes
- How does a homeowner get their house painted? Contact Jon Connick at the administration office.
- Why did Jim Burkinshaw go from being ex-officio to board member? Jim decided it was an opportunity for him to contribute to the community.
- Can the \$90k refund from the insurance be clarified?
There are actually two \$90,000 figures 'out there' that get confused:

- There was no actual \$90,000 ‘insurance refund’. That amount came from a supposed \$60,000 saving on our multi-family insurance and a \$30,000 surplus from a previous year. There was a saving on our insurance but only because SP was able to cancel the very expensive BFL policy a month earlier than was expected (courtesy WFN); in other words, the savings are not ‘in the bank’, they are just funds we thought we would have to spend but didn’t. Keeping in mind that we were already being forced to pay tens of thousands of dollars more on insurance until we were able to cancel it and do our own individual MF policies.
- Actual Insurance Refund: When insurance for multi-family homes and common property skyrocketed in April 2020, SP was forced to pay BFL a \$698,000 premium, up front. To fund this, SP borrowed from its Contingency Reserve Funds (CRF). When we were able to cancel the BFL policy five months later and do our own insurance we received a refund of \$519,000 and repaid our CRF borrowings.
- Totally coincidentally there was a \$94,000 surplus in the multi-family accounts in fiscal 2020-21. The Board of the day expensed \$90,000 to ‘Multi-family General Maintenance & Repairs’ and ‘parked’ the \$90,000 on the Balance Sheet for future use. The \$90,000 is still on the Multi-family Balance Sheet and can be used for Multi-family Maintenance & Repairs with no impact on the current years’ expense line.
- Will upper gates not be depreciated? SP does not capitalize any of its assets, be it RV parking lots, gates, or gym equipment because SP is on leased land. If assets are not capitalized, then there is no need to depreciate assets over a number of years. SP expenses the purchase of assets in the year that they are purchased.
- Do the recently revised Schedule E Bylaws need to be approved at the AGM? No, the revisions made can be approved by the Board.
- How is a decision made as to what the Board can approve? There has to be some element of trust in the Board to make some decisions. Decisions of significant changes goes to the homeowners.
- Where do complaints go? All complaints need to be in writing, forwarded to the office, and then it is forwarded to the Complaints and Disciplinary Committee.
- What is Coldwell Banker’s role regarding SP finances? Coldwell Banker does a good job. They are a registered property manager and handle a large volume of logistics for SP. Jim Burkinshaw explained how SP bills/invoices are paid.
- Gym equipment starting to fail - how are we going to start replacing the “old” equipment? This is being worked on for the upcoming budget with the help of clubhouse committee.
- Would leasing gym equipment be more effective when its time for replacement? Leases can be cost effective, and this may be a consideration.
- Why are broken windows caused by golfers paid by SP? Golfers are on their honor, if they don’t fix the window, SP will fix the window. You can claim it on your home insurance, but this can affect home insurance rates significantly. Can homeowners look to the golf course for payment of broken windows? No.
- If you are a Golf Canada member, there is a fund that will pay for \$1k for a broken window.
- Can correspondence go back on the Board’s agenda at Board meetings? When correspondence comes into the office it goes directly to Jon Connick. If Jon is unable to resolve the matter it is filtered to the appropriate Board member/committee.

- Who is the emergency contact? Mike Makin from Coldwell Banker has a 24/7 phone number for homeowners. Please refer to the SP website for contact information.
- A Zoom comment was sent in by a homeowner thanking the Board for all of the clarification that took place at this Town Hall meeting.

Meeting adjourned: 5:50 pm

1 COMMON	
2	Balance Sheet
3	As at Dec 31, 2022
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6	ASSETS
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8	CURRENT ASSETS
9	General Bank Account - BMO; Common and MF -57,026
10	Contingency Reserve Fund
11	Bank of Montreal operating account 410,506
12	G.S.T. Input Tax Credit Receivable from CRA 12,500
13	Lower RV Lot Investment Loan - from CRF 235,732 < to be repaid from RV lot rent
14	Designated Funds - Solana Gate Fund 12,366 < contributed by Solana homeowners
15	GIC Account - Valley First Credit Union 1,423,994
16	Total Contingency Reserve Fund 2,095,098 < Matches row 36
17	Credit Union Rewards & Shares 6
18	Fees Receivable -107,426 < offset with row 27
19	Prepaid Insurance 9,124
20	TOTAL CURRENT ASSETS 1,939,776
21	TOTAL ASSETS 1,939,776
22	
23	LIABILITIES & EQUITY
24	
25	CURRENT LIABILITES
26	Accounts Payable 78,244
27	Prepaid Strata Fees -107,722 < offset with row 18
28	G.S.T. Payable 4,807
29	TOTAL CURRENT LIABILITIES -24,671
30	
31	Contingency Reserve
32	Contingency Reserve Opening Balance 1,956,819
33	Contingency Reserve - Interest Earned 17,829
34	Contingency Reserve YTD Appropriations 150,433
35	Contingency Fund Expenditures -29,976
36	TOTAL CONTINGENCY RESERVE 2,095,104 < Matches row 16
37	
38	SHAREHOLDERS EQUITY
39	Retained Earnings -130,658
40	TOTAL SHAREHOLDERS EQUITY -130,658
41	TOTAL LIABILITIES & EQUITY 1,939,776

COMMON

Revenue and Expense
 April 1 2022 - December 31, 2022

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	YEAR TO DATE (9 months)			ANNUAL BUDGET
	Actual	Budget	Difference	
REVENUE				
Monthly Maintenance Fees	937,258	936,887	371	1,249,183
Other Income	0	150	-150	200
Clubhouse Rental Fees	2,011	1,125	886	1,500
Parking/Storage Income	42,739	37,500	5,239	50,000
TOTAL REVENUE	982,007	975,662	6,345	1,300,883
EXPENSES				
UTILITIES				
Water & Sewer-billed every 3 months	236,445	246,147	9,702	328,196
Garbage	64,500	63,000	-1,500	84,000
Electricity	4,528	3,000	-1,528	4,000
TOTAL UTILITIES	305,474	312,147	6,673	416,196
INSURANCE				
Insurance	68,106	69,000	894	92,000
TOTAL INSURANCE	68,106	69,000	894	92,000
SECURITY/SAFETY				
Security Patrols	258	750	492	1,000
Security Alarm Monitoring	258	0	-258	0
Gate Expense	697	0	-697	0
Fire Hydrant Testing & Repairs	294	0	-294	5,000
Back Flow Valve Testing	637	1,500	863	1,500
Gate Maintenance	0	1,875	1,875	2,500
Miscellaneous	0	750	750	1,000
TOTAL SECURITY	2,143	4,875	2,732	11,000
ADMINISTRATION				
Management Fees - Coldwell Banker	37,800	42,000	4,200	56,000
Legal & Accounting	1,771	7,500	5,729	10,000
Website & Information Tech	378	3,375	2,997	4,500
Bank Charges	135	150	15	200
Uncollectable Debt	63	0	-63	0
Salaries - office only	61,681	61,541	-140	82,054
Welcome Committee	0	2,063	2,063	2,750

COMMON

Revenue and Expense
April 1 2022 - December 31, 2022

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44 Office Expenses
45 Professional Consulting Fees
46 TOTAL ADMINISTRATION
47
48 **LAND & LOT**
49 Land & Lot General
50 Common Area Landscape Maintenance
51 Single Family Landscape Maintenance
52 Gate Maintenance
53 New Upper Gates
54 Street Lights
55 Electric Cart - maintenance
56 Groundskeeping-Miscellaneous
57 Tree Maintenance
58 Irrigation Repairs & Maintenance
59 Snow & Ice Maintenance
60 Signage
61 Roads, Walks, Parking Sweeping
62 Lower Lot Loan Repayment
63 Concrete & Asphalt Maintenance
64 TOTAL LAND & LOT
65
66 **EXTERIOR R & M**
67 Window & Patio Door Repairs
68 Door Repairs & Maintenance
69 Roofing Repairs
70 Pest Control
71 Repairs & Maintenance : General
72 Eaves & Gutters R & M
73 Common Fence Repair & Painting
74 TOTAL EXTERIOR R & M
75
76 **RECREATION/COMMON**
77 Gym Equip. Repairs & Maintenance
78 Clubhouse Maintenance
79 TOTAL RECREATION
80
81 **MISCELLANEOUS**
82 Miscellaneous
83 TOTAL MISCELLANEOUS

YEAR TO DATE (9 months)		
Actual	Budget	Difference
13,869	4,500	-9,369
853	3,750	2,897
116,550	124,879	8,329
5,258	0	-5,258
88,041	73,500	-14,541
134,201	119,000	-15,201
15,732	0	-15,732
41,671	0	-41,671
702	0	-702
9,202	0	-9,202
181	0	-181
0	10,000	10,000
19,553	12,600	-6,953
80,325	22,500	-57,825
805	0	-805
5,145	0	-5,145
0	18,750	18,750
69	0	-69
400,884	256,350	-144,534
3,341	0	-3,341
20	0	-20
9,970	0	-9,970
3,414	0	-3,414
37,146	54,124	16,978
16,757	0	-16,757
5,739	0	-5,739
76,387	54,124	-22,263
106	0	-106
10,040	14,250	4,210
10,147	14,250	4,103
328	1,588	1,260
328	1,588	1,260

ANNUAL BUDGET
6,000
5,000
166,504
0
90,040
151,937
0
0
0
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45,000
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336,977
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69,588
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69,588
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2,118

New landscaping at upper entrance
\$6,896 landscaping at upper entrance; \$1,617 deposit on rock wall; Asahi \$9,940 x 8 months
Asahi \$16,775 x 8 months
Lower gate motors and software
\$45,000, plus tax, approved by previous Board
Capital purchase
All wages
Snow!!
From April 2022, so last year
3 roofs
Budget not subdivided into categories
All SOS Custom Gutters
\$3,470 was for 81' of chain link fencing last summer
Last year we underspent by \$32,000; last 4 years underspent by \$64,000

COMMON

Revenue and Expense
 April 1 2022 - December 31, 2022

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CONTINGENCY RESERVE FUND
 Contingency Fee
 TOTAL CONTINGENCY
 TOTAL EXPENSES
 NET INCOME

YEAR TO DATE (9 months)		
Actual	Budget	Difference
150,433	140,625	-9,808
150,433	140,625	-9,808
1,130,452	977,838	-152,614
-148,444	-2,175	-146,269

ANNUAL BUDGET
187,500
187,500
1,300,883
0

Will be corrected by CWB

323,045 Remaining Budget

MULTI-FAMILY

Balance Sheet

At December 31, 2022

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6	ASSETS			
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8	CURRENT ASSETS			
9	General Bank Account - BMO, MF and Common	201,653	-57,026	144,627
10	Contingency Reserve Fund			
11	Contingency Reserve Fund - BMO Trust account	954,326		
12	GIC Account - Valley First Credit Union	759,144		
13	Total Contingency Reserve Fund	<u>1,713,470</u>	< Matches row 27	
14	Fees Receivable	<u>-43,565</u>	< offset with row 22	
15	TOTAL CURRENT ASSETS	<u>1,871,558</u>		
16	TOTAL ASSETS	<u>1,871,558</u>		
17				
18	LIABILITIES & EQUITY			
19				
20	CURRENT LIABILITES			
21	Accounts Payable	-25		
22	Multi-Family Maintenance Reserve	90,000	< can be used for MF Maintenance	
23	Prepaid Strata Fees	<u>-43,245</u>	< offset with row 14	
24	TOTAL CURRENT LIABILITIES	<u>46,730</u>		
25	Contingency Reserve			
26	Contingency Reserve Opening Balance	1,623,521		
27	Contingency Reserve YTD Appropriations	<u>89,949</u>		
28	TOTAL CONTINGENCY RESERVE	<u>1,713,470</u>	< Matches row 13	
29				
30	SHAREHOLDERS EQUITY			
31	Retained Earnings	<u>111,358</u>		
32	TOTAL SHAREHOLDERS EQUITY	<u>111,358</u>		
33	TOTAL LIABILITIES & EQUITY	<u>1,871,558</u>		

MULTI-FAMILY

Revenue and Expenses April 1 - December 31, 2022

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Year to Date (9 months)			Annual Budget	
Actual	Budget	Difference		
REVENUE				
Monthly Maintenance Fees	396,122	396,813	-691	529,084
TOTAL REVENUE	396,122	396,813	-691	529,084
EXPENSES				
SECURITY/SAFETY				
Fire Hydrant Testing & Repairs	7,959	0	-7,959	0
TOTAL SECURITY	7,959	0	-7,959	0
LAND & LOT				
MF Area Landscape Maintenance	227,697	182,965	-44,731	237,177
Groundskeeping-Miscellaneous	0	3,892	3,892	5,004
Irrigation Repairs & Maintenance	6,738	15,554	8,816	19,998
TOTAL LAND & LOT	234,434	202,411	-32,023	262,179
EXTERIOR R & M				
Window & Patio Door Repairs	5,569	0	-5,569	0
Wood Accent, Pergolas & Fascia	242	0	-242	0
Repairs & Maintenance : General	7,198	93,135	85,937	119,745
R & M ELLA Common ??	0	15,911	15,911	20,457
Eaves & Gutters R & M	9,284	0	-9,284	0
TOTAL EXTERIOR R & M	22,293	109,046	86,753	140,202
CONTINGENCY RESERVE FUND				
Contingency Fee	89,949	89,949	0	119,932
TOTAL CONTINGENCY	89,949	89,949	0	119,932
TOTAL EXPENSES	354,635	401,406	46,771	522,313
NET INCOME	41,487	-4,593	46,080	6,771

\$5,000 budget in Feb 2023

Asahi \$28,460 x 8 months; \$54,000 in budget Feb and Mar

Windows Replaced broken by golfers

SOS

COST OF UPPER and LOWER GATES

SUMMARY SHEET

GL Apr 20, 2020 - Nov 22, 2022

Upper Gates

\$45,000 plus tax approved for upper gates at January 28, 2021 AGM	\$50,400
Amount spent on gates, fobs and RFID	\$83,076
Recoverd from sale of 2/3 of the fobs and RFID stickers	<u>- \$10,297</u>
Net cost of upper gates:	<u>\$72,779</u>
Over budget by:	<u><u>\$22,379</u></u>

Lower Gates

\$12,000 plus tax approved for new motors at January 28, 2021 AGM	\$13,440
\$7,500 plus tax approved for controls/software at April 12, 2022 AGM	<u>\$8,400</u>
Total amount approved:	<u>\$21,840</u>
Cost of lower gate motors and RFID readers	\$28,521
Recovered from sale of 1/3 of the fobs and RFID stickers	<u>- \$5,148</u>
Net cost of lower gates:	<u>\$23,373</u>
Over budget by:	<u><u>\$1,533</u></u>

Upper Gate access control cost overruns analysis.

1. There was no real contract written for this project, only a couple of vague estimates for some of the equipment. There were no milestones nor any proof of performance requirements identified.
2. The installation of the gates themselves took place under the previous Board's direction.
3. When the new Board was elected (April 12, 2022) Gary Kitchen undertook to complete the task of making them work. He was told that a contractor had been hired to complete the job but this was not the case. There was significant under-performance and delays by the contractor for the controls portion; but we were already 'into it' and carrying on with him seemed the least problematic. The contractor is also the only authorized dealer for the gate controls (which themselves work well)
4. There were many delays caused by the contractor, Covid restrictions, labour shortages, supply delays and significantly - Telus and Shaw. Gary did much of the work necessary to fill in the gaps left by the contractor and keep the project moving. The delays all resulted in some technology becoming obsolete during the process. Significant changes had to be made 'on the fly' to adjust (E.g. RFID and fob readers, controls).
5. The database of community members and phone numbers also did not work as promised and took considerably more time and effort to get up and running than we were told by the contractor.
6. Gary put it very well in his final report: There is no fault to be placed on anyone but AVS Security who were incompetent and misleading all the way. With no real contract to go on we had no other choice but to see it through. I am fortunate to have the skills necessary to understand this technology, and keep him on track to where we are today. I am sure that my predecessor could not have foreseen what we in for. Sometime we just have to play the hand that was dealt, and try not to lose our shirt.
7. The gates were finally operational November 14, 2022

Some of the specific cost increases (approximate):

1. Concrete cost more than 4 times the original plan; concrete forming was more complex than the original slab concept; \$3,500
2. Extra RFID reader required; controls cost more; \$4,800
3. Extra fob readers and compatible locks required for the pedestrian gates; \$2,500
4. Postal locks, RFID posts and pedestal not anticipated; \$1,500
5. Wireless and wired phone controls for visitor entry; \$1,200
6. New upgraded software, relays, cabinets, wiring for gate controls; \$3,150