

Minutes of the Meeting of the Board of Directors of Condominium Corporation No. 9710379 operating as Square Butte Ranch

Date and Time: November 24, 2022 at 4:00 p.m. The meeting was held electronically and in-person.

Directors Present: Max Gibb, Denise McMullen, Steve Banzsky, Gary Bennett, Lori Young, and Yvonne Gaudet.

Regrets: Terry Royer

Present by Invitation: Bob Lunge and Grant Kelba for portion of the meeting.

1. The meeting was called to order at 4:05 p.m. with Denise McMullen acting as Chairman.

2. Agenda

The agenda as prepared by Denise McMullen was reviewed.

Moved by Max Gibb and **seconded** by Denise McMullen that the agenda be approved.

Passed unanimously.

3. Minutes (of prior meeting)

Moved by Max Gibb and **seconded** by Denise McMullen that the minutes of the last board meeting (being the October 27 meeting) as previously circulated to members by Yvonne Gaudet be approved.

Passed unanimously.

4. Renaissance Management Report

The focus of discussion was the 2023 Operating Budget and related Reserve Contributions as initially drafted by Renaissance Management for Board review, revision and approval.

Reserve Contributions Update

Bob first noted that the determination of monthly owner contributions requires that each annual operating budget set out anticipated operating expenditures as well as required asset replacement, repair and maintenance reserve contributions. He further noted that Reliance Asset Consulting, as an independent firm specializing in the preparation of condominium reserve studies, had provided SBR with an updated reserve study and related 5-year contributions/funding schedule in 2021 as is required by law every 5 years. Bob reported that he provided Reliance with updated information in respect of anticipated expenditure requirements and received the following advice from Reliance:

- For the Common Areas Replacement Reserve, the contribution requirement determined in 2021 for 2023 will remain the same as for 2022, at \$53,200.

- For the Townhome Replacement Reserve, the contribution requirement determined in 2021 for 2023 will require the previously scheduled \$5700 increase from \$38,000 in 2022 to \$43,700 for 2023.

During the discussion Lori Young raised a concern and asked a question about the material increase in the Townhome Reserve Contributions and it was explained that the additional increase year over year is based on the recommendations from the Townhome Reserve report.

2023 Operating Budget Update

Bob then walked the board through the draft 2023 operating budget prepared in respect of each cost centre maintained by SBR (Water and Waste, Townhome and Common Area) and circulated prior to the meeting. The board spent considerable time reviewing and discussing the key budget line items with the objective of minimizing increases without compromising services or statutory requirements.

Bob noted that there were certain cost drivers over which the Board has little control including the cost of property insurance. As had been discussed at several previous meetings and in accordance with past practices, Renaissance Management will initiate the competitive quote process as soon as possible with the view to obtaining proper insurance coverage at the best possible price. Lori Young requested clarification on why there is a 3.3% financing fee charge related to the Townhome Property Insurance Premium. Bob indicated that this is something that he would look into. Another major cost driver is the cost of water treatment and the board reviewed the 2022 actual versus budgeted expenditures carefully and concluded that 2023 budgeted expenditures would need to show increases.

On the other hand, the Common Area Cost Centre budget was able to reflect an overall decrease from last year, with the major driver being the expiry of the monthly lease of the ranch pick-up truck. The costs of replacing the leased truck may be funded from the common area replacement reserve fund.

Moved by Denise McMullen and **seconded** by Steve Banzsky that:

Waste and Water: \$106,900, to be assessed in proportion to unit factors, be budgeted and assessed as the 2023 contribution to water supply costs.

Passed unanimously.

Moved by Denise McMullen and **seconded** by Yvonne Gaudet that:

Common area: \$291,940 to be assessed in proportion to unit factors, be budgeted and assessed as the 2023 contribution to common area costs;

Townhomes: \$50,600 to be assessed in proportion to unit factors, be budgeted and assessed as the 2023 contribution by townhome owners to townhome costs.

Passed unanimously.

The 2023 approved budget will be sent by Renaissance Management to owners no later than December 2, 2023 as required by law.

AGM

Bob advised the Board that the auditor was unavailable for the December AGM date that the board had proposed at the previous board meeting. The board identified a date for January based on information Bob had received from the auditor. Bob will confirm our lawyer's and our auditor's availability for this new date.

Bob noted that under the current legislation owners must be given the opportunity to participate in person, by proxy and electronically. He agreed to provide the board with recommendations on how to proceed. Denise will work with Bob to identify a person willing to host the electronic format option for the AGM meeting.

5. Water Committee Report

Steve Banzsky presented the water committee report.

Water Usage/Cost Allocation - Steve reported that over use invoices have been sent to owners by Renaissance and that nothing unusual has occurred since his last update to the Board on water use issues.

Meter Replacement Program - Steve reported that work on the installation of the new meters has begun. New meters that have arrived will be first installed in units where the meters have shown nil meter readings and then in any units where the meters have shown unusual readings.

Main Well Production - Steve reported that SBR's main well production was recorded as being down significantly (5% - 6%) in level and volume. He emphasized the importance and necessity of testing the production capabilities of a currently dormant well that was approved in the 2023 budget.

Foothills County Notice - Steve reported that Foothills County has provided notice to SBR to ban the saddling of horses along the fence closest to the water plant (being the fence that is north of the water plant) due to concerns of water contamination by horse fecal matter. The board discussed the approach of a notice going out to horse owners in conjunction with the Ranch Club board and staff.

6. Operations Management Report (Grant Kelba)

Grant was invited for a portion of the meeting and advised of the following:

- He reported that he is seeking direction from the Board on new projects and tasks. The board requested that he prepare a year in review maintenance highlight report that can be presented at the AGM. The board also requested that he prepare a maintenance plan for 2023.

- He reported that he is following up with the Insurance Company as the hay shed roof that was damaged in the windstorm has apparently not been repaired.

7. Operations Report

Gary Bennett presented the operations report.

Chargebacks - Gary put forward a proposal for the board to consider an increase to the fee charged back to owners who requested services from Doug and Clay. The current fee is \$50 per hour. Discussion followed. After careful review of the proposal the board came to a consensus that the current fee would remain unchanged.

Annual Bonus for SBR Operations Staff - The board discussed and confirmed support that an annual bonus be provided to SBR operations staff.

Moved by Denise McMullen and **seconded** by Yvonne Gaudet that based on the 2022 budget and staff performance the board resolved to approve an annual bonus for SBR Operations Staff.

Passed unanimously.

Square Butte Ranch Operations Equipment Proposal - Gary Bennett presented a proposal for replacement of some operations equipment as previously circulated to the board. The board spent considerable time reviewing the listing of proposed equipment replacement values and the quotes on new 2023 equipment. The existing machinery outlined for replacement included the 2002 Mahindra Tractor with front end loader, the 1997 Bobcat Skid Steer Loader and the 2014 Polaris Ranger UTV. After considerable discussion a recommendation by Gary was accepted.

Moved by Denise McMullen and **seconded** by Gary Bennett that the 1997 Bobcat Skid Steer Loader be sold for fair market value of not less than \$9,000. Additionally, a front end plough blade for the 2002 Mahindra Tractor be purchased with the sales proceeds once received, for not more than \$5,500.

Passed unanimously.

Grant Kelba's Consulting Contract - It was noted that Grant Kelba's consulting contract was due to expire at the end of 2022 and discussion followed concerning its renewal for 2023. Discussion followed concerning the diminished requirement at this time for large general project management. The board voiced appreciation for Grant's help with coordinating service providers at the ranch, particularly in connection with the wind storm remediation project and related insurance claim.

Moved by Max Gibb and **seconded** by Yvonne Gaudet that Grant Kelba's Consulting Contract not be renewed.

Passed unanimously.

8. Previous Business

Saloon Bookings - Yvonne Gaudet reported that the small working group has met and the work to prepare recommendations for the board's consideration is in progress. Operations staff have been consulted for their input as part of the process and will be kept informed. Recommendations are expected to be brought forward at the next board meeting.

9. New Business

10. Next Meeting

The next meeting of the Board is scheduled to be held December 15 at 4:00 p.m.

11. Adjournment

Moved by Denise McMullen that the meeting be adjourned at 7:18 p.m.

Passed unanimously.