



*Springside Residents' Association*  
406, 917 85 Street SW, Box 142 • Calgary, AB T3H 5Z9

*Website: www.springsideresidents.com*  
*Email: info@springsideresidents.com*

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## **SRA Board of Directors Meeting Minutes – December 6, 2018**

**Present / Quorum met:** Tom Dickey, Brenda Merz and Barbara Eliuk (via telephone)

**Absent:** Michella Pritchard

Preceding this meeting, Michella Pritchard was given an opportunity to speak before the Board as per the SRA Bylaws (4.10) and as indicated in the petition hand-delivered on November 14, 2018 to Michella notifying her of the Board's intent to expel her from the SRA Board of Directors due to conflict of interest with the association. Michella did not take the opportunity to appear before the Board to discuss her conflict of interest. According to the bylaws, a second petition will be given to Michella finalizing her expulsion from the Board effective December 13, 2018.

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Meeting called to order at 6:28pm. Residents in attendance included Drago Crnogorac & Zoran Ivkovic.

Drago was given the floor to express his concerns. The majority of information Drago was asking for was covered at the November Special Meeting. His questions as well as the Board's responses are below.

- A. Question: Why is the Board paying an administrative assistant 2½ to 3 times the market rate?

Response: Tom indicated that the amount paid for administrative support is not more than the market rate. The value in using this particular individual is what she brings to the SRA in terms of historical knowledge. The Board's acknowledges that using contractors is expensive and would prefer to utilize community volunteers and the intent is to lean on volunteers more and the contractor less in the future.

- B. Question: Drago requested a detailed report of the expenses related to holding the Special Meeting.

Response: Tom explained that the special meeting expenses consist of administrative support, development, printing and mailing of the required notices to 609 homes, plus paper and roadside signage. No more additional detail than what is provided in the financial statements will be made available.

Tom drew attention to the fact that two special meetings, both held in 2018, require a great deal of work to be done in a short time frame which results in an increased need for the services provided by the contracted administrative support and in turn more expense to the Association.



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- C. Question: Drago indicated that the Association has one purpose only – maintenance.

Response: Tom corrected Drago in that the Board of the Association must both collect annual fees and use those collected fees to beautify the community as per page five of the Encumbrance.

Drago went further to ask why the Association has been spending more on maintenance than it has collected in annual fees over the past four years... as he believes they are spending into a deficit.

Response: Tom explained that this Board (and the previous Board) spent money on maintenance obligations only once fees had been collected as there were several years when significantly less than 100% of the annual fees were actually being collected.

The financial statements that have been provided are presented on an accrual basis, which means that the revenues are recorded in the year that they are to be paid to the Association, regardless of whether they are actually collected. That is why it is important to look at the Income Statement and Balance Sheet together. The Balance Sheet (accounts receivable line) for each of the respective years is where members can see that historically fees were not being collected. That is also why there has been catchup on maintenance activities in the last few years as the fees were collected and there was cash in the bank to actually pay for the activities. Tom indicated that the Association is NOT spending into a deficit and the bank balance is over \$120K. No more details other than what is included in the financial statements will be provided.

Drago suggested that the Board is not permitted to use fees collected to pay for administrative support.

Response: As per 7.1 of the SRA Bylaws (included below), the Board of Directors may authorize the employment of other persons to carry out the objects of the Association.

**7.1 The Directors may from time to time by Ordinary Resolution, appoint such agents and authorize the employment of other persons as it deems necessary to carry out the objects of the Association, and such agents and employees shall have such authority and shall perform such duties as from time to time may be prescribed by the Directors by Ordinary Resolution.**

- D. Drago asked who and when were the annual fees increased from \$100 to \$125. Drago would like to see supporting documentation to justify this fee increase.

Tom indicated that he and the other current Directors were not part of the Board when this fee increase was done; therefore, will be unable to provide any further comment or documentation. However, Item #2 of the Encumbrance states that the \$100 principal sum represents an



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estimate and more or less than this amount may be charged as the Association may determine in its sole discretion. See Item #2 from the Encumbrance below:

**2. The Principal Sum represents the estimated and budgeted cost to the Association plus GST, as at the date hereof, in respect of the Maintenance Obligations. In the event that the actual cost of the Maintenance Obligations shall, at any time and from time to time be greater or less than the Principal Sum, this Encumbrance shall include, charge and secure such sums as the Association may determine in its sole discretion, all in respect of the Lands for the benefit of the Owners and for its successors-in-title to the Lands.**

Please let it be noted that a response to this same question can be found in the FAQs on the Association's [website](#). The response from the website has been captured below:

The original annual fee of \$100 per property (as documented in the Encumbrance) was set by the developer when it formed the Springside Residents' Association. The initial Board of Directors kept with this amount. In 2010, the Board determined that an increase to the annual fee was required to cover expenses and the fee was increased to \$125 per year. The fee is evaluated annually and is subject to change if deemed necessary by the Board.

It should also be noted that the current board has no plans to increase fees.

E. Drago asked if the Board knew that the Secretary had been illegally expelled from the Board.

Tom responded and said that three legal opinions had been obtained each one confirming the Board followed the process as outlined in the Bylaws, therefore the expulsion was legitimate

At the time of Michael's expulsion, there were five board members, but only four make up the voting pool as Mr. Schlueter is not eligible to vote on the matter of his own expulsion. Three of the four voting board members signed the two petitions confirming the expulsion.

F. Barbara then asked Drago what value he is providing to the Association... what is it he is trying to do?

Drago indicated he is protecting his personal interests. He then indicated that Barbara was illegally appointed to the Board. Barbara responded by saying that all board members agreed to have her join. Tom suggested that Drago secure a copy of the full Encumbrance and not just the two pages he had at the meeting. Tom also suggested that Drago read both the Encumbrance and the Bylaws again.

Below is an excerpt from the June 26/18 meeting minutes where a motion is passed unanimously supporting Barbara's appointment. In the August 16/18 minutes, Barbara is welcomed to the Board.

Tom made a motion to ask the two residents who put their name forward for nomination at the Special Meeting in January, but were then not elected, to see if they would be interested in filing vacancies within the Board of Directors. Michella seconded the motion. Motion passed. Tom will follow-up.



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- G. Question: Drago asked who audited the three years of Financial Statements and requested that he review the audit reports. He also asked who appointed this particular auditor.

Response: Brenda told Drago it was a volunteer member of the Association who holds a CPA designation. No further detail will be provided other than what appears in the audited financial statements. At the January Special Meeting, Tom asked the members in attendance if anyone would like to come forward and audit the financials. Ms. Griffiths came forward following the meeting and has generously volunteered her time auditing the last three years. Being as this position was vacant, as per the Bylaws (10.2 included below), the Directors may fill the vacancy.

**10.2 The Directors may by Ordinary Resolution fill any casual vacancy in the office of auditor, but while the vacancy continues the surviving or continuing auditor, if any, may act.**

- H. Lastly, Drago indicated he will be taking the current directors to court over these issues.

Drago excused himself from the meeting at 7:10pm. Zoran was given the floor to express his concerns.

Zoran's main concern is that it appears that the Association is spending more money than it is collecting. Tom's response is that in the current year and the past few years this is true. Former Boards, in prior years, did spend less as a considerable amount of fees were NOT being collected.

In the last couple of years, the Boards have been successful in collecting fees and have been catching up on maintenance that had been deferred in prior years. It is the Board's intent to work towards a balanced budget in 2019. There is also discussion happening at the Board level that some of the current surplus of funds will be set aside to as a contingency for future stucco fence maintenance. The payment rate is currently 99% for 2018.

Zoran thanked the Board and excused himself from the meeting at 7:25pm.



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Regular Board Meeting Agenda:

1. Financial Update: No major changes to the reports. Updated reports following the minutes.
2. Board Expansion: Tom, Brenda and Barbara unanimously agreed to welcome John Park back to the SRA Board of Directors (John resigned in July 2018, but is now offering to come back). John will re-join the SRA Board effective December 7, 2018.
3. AGM Planning: March or early April would be the ideal time frame. It was decided that the space Amica is able to offer the Association is perhaps not large enough for the upcoming AGM. Inquiries will be made for nearby spaces that can comfortably fit a minimum of 100 people. Booking a better venue for the meeting will help narrow down the possible dates for the AGM.

The remainder of the meeting was spent engaging with seven new volunteers that came forward following the November 14th Special Meeting – each member with a keen willingness to help and support the Association in some capacity. The energy these new volunteers brought to this meeting was appreciated and welcomed by the current Board. Next steps are for the Board to discuss the best opportunity for each of these eager volunteers and get back to them shortly so that some projects could start immediately.

Meeting was adjourned at 10pm.

Next meeting is scheduled for Thursday, January 10, 2019 at 6:30pm in Amica's Private Dining Room.



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8:23 PM  
 12/07/18  
 Accrual Basis

**Springside Residents' Association**  
**Profit & Loss**  
 January 1 through December 6, 2018

	Jan 1 - Dec 6, 18
<b>Ordinary Income/Expense</b>	
<b>Income</b>	
Annual Dues Income	76,125.00
Interest Income	70.23
Late Payment Fee Income	365.34
Legal Fee Recoveries	7,833.57
<b>Total Income</b>	84,394.14
<b>Gross Profit</b>	84,394.14
<b>Expense</b>	
<b>Administrative Expenses</b>	
General Administration	36,480.18
Online Payment Services	2,460.88
Website Maintenance	2,183.40
<b>Total Administrative Expenses</b>	41,124.46
Bad Debt Expense	24.99
<b>Collection Expenses</b>	
Collections Administration	1,805.47
Legal Fees	7,833.57
<b>Total Collection Expenses</b>	9,439.04
Community Events	558.60
Insurance	1,018.42
<b>Maintenance</b>	
Fence Maintenance	2,709.00
Landscape Maintenance-Contract	49,271.28
Landscape Projects-Extras	7,886.00
<b>Total Maintenance</b>	59,866.28
<b>Total Expense</b>	111,831.79
<b>Net Ordinary Income</b>	-27,437.65
<b>Net Income</b>	-27,437.65



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8:25 PM  
 12/07/18  
 Accrual Basis

**Springside Residents' Association**  
**Balance Sheet**  
 As of December 6, 2018

	<u>Dec 6, 18</u>
<b>ASSETS</b>	
Current Assets	
Chequing/Savings	
Bank - ATB Chequing	126,157.40
Total Chequing/Savings	<u>126,157.40</u>
Accounts Receivable	
Accounts Receivable	8,025.00
Total Accounts Receivable	<u>8,025.00</u>
Other Current Assets	
Prepays & Deposits	21.67
Total Other Current Assets	<u>21.67</u>
Total Current Assets	<u>134,204.07</u>
<b>TOTAL ASSETS</b>	<b><u>134,204.07</u></b>
<b>LIABILITIES &amp; EQUITY</b>	
Liabilities	
Long Term Liabilities	
Deferred Liability	6,611.00
Total Long Term Liabilities	<u>6,611.00</u>
Total Liabilities	6,611.00
Equity	
Retained Earnings	155,030.72
Net Income	-27,437.65
Total Equity	<u>127,593.07</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b><u>134,204.07</u></b>