

ANNUAL GENERAL MEETING MINUTES, Saturday, June 10th, 2023

Meeting Call to Order 9:40 a.m.

Motion to call the meeting to order by: President-Holly Strickland; Second by-Brad Fortner.

36 property owners present.

required 66% for approval of present members to pass a motion = 23 votes required

Review and Approval of Past AGM Minutes:

A copy of the Minutes of our last AGM (2022), was provided to all in attendance. - Approved and Carried by the Members present.

CHANGE IN NUMBER OF BOARD OF DIRECTORS

Our 1997 By-Laws state seven (7) directors and in 2013 this was changed to ten (10). We are returning to seven (7) as it is now easy to meet quorum for board meetings with internet attendance.

INTRODUCTION OF THE BOARD:

President Holly Strickland announced the retirement of two (2) valued Directors from the Board after 15 years of dedicated volunteering with a heartfelt thank you to Mary-Ann Kosela and Chris Kosela.

2022 Directors – President, Holly Strickland; Secretary, Kelly Green (regrets); Treasurer, Mary-Ann Kosela; Bookkeeper, (paid 3rd party) Faye French; Governance/Budgeting, Allison Kikauka; Road Maintenance Team Lead, Ed Kikauka; Directors, Chris Kosela; Dan Srgo; Dave Taylor; Sharron Taylor;

2023 Directors - President, Holly Strickland; Secretary, Kelly Green (regrets); Treasurer, Allison Kikauka; Bookkeeper, (paid 3rd party) Faye French; Governance/Budgeting, Allison Kikauka; Road Maintenance Team Lead, Ed Kikauka; Directors, Dan Srgo; Dave Taylor; Sharron Taylor;

PRESIDENT'S COMMENTS: - Holly Strickland

We recognize the importance of meeting members' expectations and delivering long term value, because it benefits everybody including property values, vehicle maintenance, and safety for all who use the road. The Board's goals are Accountability and Fee Collection, Road Maintenance and Upgrading, and Creating a Sense of Community by means of participating on our Facebook Page and our Community Message Board and the Balsam Chutes Website.

GOVERNANCE REPORT: - Allison Kikauka

We are collecting HST as of 2023 as directed by the Canada Revenue Agency.

BCRA is a Provincial Corporation reporting our Director information to Service Ontario every year. Starting next year, we are to keep an annually updated member list so with your road fees invoice, you will receive a form required to be filled in with certain particulars that the Government now requires Corporations to keep.

REVISION OF BY-LAWS, June 10, 2023

As mandated by the new Ontario Corporations Act, Directors Allison Kikauka and Sharon Taylor revised the originals from 1997.

A **vote** was held to accept the revised By-Law as a whole document - *Carried by 27 votes.*

ADDITIONS TO BY-LAWS

Special Assessments 4.06:

406.1 New Builds - Owners of new builds cause excessive wear and tear to the road from heavy vehicle traffic and will be assessed a Special Assessment; Schedule "H"

Schedule "H" - New Builds - Owners of new builds will be invoiced a one time assessment based on the cost of purchasing and delivering 22 tonne $\frac{7}{8}$ " granular "A" crusher run.

Voted on motion to accept new By-law 4.06.1 and Schedule "H" Special Assessment for New Builds – *Carried by 33 votes*

4.06.2 Significant and unplanned costs which reduce the amount in the Reserve Fund (bylaw 4.07) to less than ten (10) percent such as major damage from a severe weather event may necessitate a special assessment levied to *all* members.

4.06.3 Members ratification must be obtained for a Special Assessment that is to be levied to *all* members in the case of significant and unplanned costs in the way of a Special Meeting of Members or written or electronic approval from a majority of Members.

There was much discussion on why a special assessment might be needed if the Reserve Fund dropped to less than 10%. It was explained that if it ever happens and we are far from the end of the year, we may have to levy to all members an invoice to restore it in case there could be another significant event. If we ever have to levy a Special Assessment to all members, it will go forth to the members first – (you won't just receive an invoice in the mail) - you will be asked to ratify the decision and the amount.

Voted on motion to accept new By-law 4.06.2 and 4.06.3 – *Carried by 28 votes*

4.06.4 Much conversation was held regarding wording of 4.06.4 - “the Board may from time to time assess individual owners one-time special levies to funds costs associated with operating the Road without limitation to, driveway culverts being replaced or installed; correction of drainage over the road caused by site alteration, etc.”

Voted on motion to accept 4.06.4 - *denied* - 17 members voted - needed 23 to carry

It was decided the board will further work on the wording and present it back to the members at the next AGM.

Reserve Fund 4.07

- a. The Board shall establish and maintain a Reserve Fund to cover unplanned costs that can occur including, and without limitation to, road bed augmentation and other costs that may occur such as trees down in a storm, etc;
- b. The Reserve Fund is a portion of the monies paid by All Members;
- c. The Board may draw monies at its discretion from the Reserve Fund to cover unexpected costs and such draws to be replenished in the following years budget or as quickly as possible.
- d. The Board may determine the level of monies in the fund and alter the amount from time to time; with approval by the members at their AGM;

There was much discussion on the need for a Reserve Fund and the amount we should hold. It was explained the Board has always had a reserve but it felt the need to set aside a set amount for emergency use. A question was asked if our insurance would cover extreme weather event damage. The insurer answered “no” when contacted.

Voted on motion to accept By-law 4.07 - holding a Reserve Fund of \$40,000 - *carried* by 26 votes

FINANCIALS - Faye French-Bookkeeper

Faye French reviewed the provided financial statement in its entirety.

Holly Strickland moved to approve the Treasury report. Seconded by Linnea Dempsey and *carried by 32 votes*.

AUDITOR

Holly thanked Linnea Dempsey who was our auditor for 2022. We have two members who have volunteered for the position for 2023. Tina McCall and Cindy Warby. Thank you.

voted to accept Tina McCall and Cindy Warby as auditors for 2023 year - *carried by 30 votes*

STATE OF THE ROAD: - Holly Strickland

We're now at 81% as occupied lots; 17% vacant lots and the town of Huntsville still owns 5 lots, on the Riverside. But the town of Huntsville does not pay road fees. Those properties are there for use by the membership. If you don't know where, you are welcome to come ask, and we will direct you. Some property owners actually have deeded access. We can't build on any of the town lots, however we can put stairs down to the water's edge and a pathway.

COLLECTING ROAD FEES: - Holly Strickland

Our current fee structure approved last year was \$375.00 + HST for an occupied lot and \$250.00 + HST for a vacant lot.

If we were to collect 100% of those fees, we would be at \$58,750 + HST. Keeping in mind, we must pay the HST to the government, but we also get to subtract the amount we're charged by companies. The balance right now is \$2,000.00 that we must pay and by the time the year is over, it will be less.

Outstanding from 2023 – we sent out invoices at the beginning of March 2023 and currently have \$11,530.00 owing – that's property owners who still haven't paid. Previous years outstanding, we were at \$10,036.00. Dixon Collection Agency has made leeway with collections. If needed, request to set up a payment plan with us. We need to have the road fees paid, because having \$11,000 outstanding, is not acceptable

Member Comments: As a Board, do you put liens on properties for outstanding payments?

Response: Yes. Last time we put a lien on two properties. We find, right now, it is more efficient to have Dixon process the collection of outstanding fees. Dixon was contracted to collect \$16,754.00. If we have to escalate an outstanding account, we can take people to Court, we can have liens against properties, we can garnish wages. When at Phase 3 of Dixons' collection, which we have three (3) outstanding accounts at this level now, that can escalate it to take people to court. We are paying money to have collections done on our behalf but at the moment they collected and paid us \$8,500.00. We also have about \$2,000.00 that we are waiting on – we just haven't received the cheque, as yet. That's almost \$10,000 for a cost of about \$3,100.00. If I go back to when I was President, the last time we took two people to small claims court. It was unjust enrichment for both. It ruled in our favor and one person paid us and took care of the lawyer's fees. The other one we had to take care of the lawyer's fees and there was a lien put on the property. We didn't get that back for about five (5) years, but we did get it back. For two properties, for all the effort, time and procedures we went through to go with the Lawyer versus this, where somebody is doing this on our behalf, to me, to us, it makes sense financially, and explaining this to you as members is important. It is not fair if some people aren't paying their road fees. We want to ensure that members understand that this is an absolute must. It's the law, it truly is.

Member Comments: Could we explain what is meant by Phase 3, with collections from Dixon?

Response from Holly Strickland: Dixon has their own time line. Our process for collections is; invoices go out March 1st, - reminder notices are sent out April 30th to anybody who hasn't paid - registered letters are sent out around May 30th. By sending a registered letter we know that the person has received the invoice when it's signed for. Then at the end of the year, if they still haven't paid, we send it

to Dixon. The property owner has essentially from March 1st to the end of December to contact us to set up payments. If somebody can't for whatever reason pay the full amount, they have lots of time to get in touch with us before it's sent to collections.

When it goes to Dixon for collection. Phase 1 – they send letters. Phase 2 – Dixon does not have to ask our permission to go into Phase 2. This would be a phone call, your employer, garnishing wages and Phase 3 is registered letters, damage to credit rating and starting the process for small claims Court if the amount outstanding is significant enough, ex: \$2,500.00.

Member Comments: Has anyone taken the time to investigate the practice of this, to make sure we are not getting off-side when we start to do damage to a person's credit rating, that doesn't somehow open the Board or us to some kind of cross claim? Is this a practice we know that other road associations do?

Response: Other Road Associations are doing the same thing, and have the same collection issues as us.

WINTER ROAD MAINTENANCE: - Holly Strickland

Twenty-one (21) companies were contacted regarding snow removal between the end of last AGM and November. That includes contacting our last contractor Paul Fuller several times. Unfortunately, he did not respond.. There was even a board discussion about offering to pay for a portion of the increase to his insurance, so he could continue sanding as well.

We reached out to FOCA. We were not the only association having this problem. Many were in dire straits as many contractors have stopped plowing because the cost of insurance has become prohibitive. Two companies showed promise in August and into September and fell through with insurance issues on their end. It had nothing to do with our requirements. Literally, at the 11th hour, Muskoka Landscapers (ML) came through with a three-year maintenance contract and a fee structure that included a discount if they got more than fifteen (15) driveways for snow blowing. Cam James stepped up and allowed ML to keep their equipment on the road. The tractor with the snow blower on, belongs to the ML, and is parked on Cam James' property. We thank you so much for that.

We have a three-year winter maintenance contract. It does come with a 5% increase per year.

This year, we had fourteen (14) property owners sign up to have their driveways cleared at \$500.00 - it's about \$20 per time - and if we had gotten over fifteen (15) properties, there would have been a \$200.00 per time decrease for the Road Association fee. We paid \$1600.00 per time but if we had reached fifteen (15), it would have come down to \$1400.00..

That does not include the application of sand on the whole Road. It does include the north and south (east and west ends) of the roads and hills and corners. To sand the whole road is \$800.00.

ML are not gouging us. We did check what others are paying, and it is similar.

2023 SUMMER MAINTENANCE AND GRADING– Holly Strickland

We have an ongoing agreement with C. A. T. T. That's James Miller for Road maintenance improvements and grading.

We know where we are going. We aren't working blindly to fix problems. Ditching needs to be done – drainage needs to be done – materials need to be ordered. We are pleased to have somebody who has the expertise and is giving us good guidance and direction, so our money is being used efficiently and effectively.

We've set up an account with Hutcheson, Sand and Aggregates and we get a contractors' rate for any material that we purchase; we are getting about 15 to 20% off.

We will do additional road signing which coincides with safety and insurance requirements.

Dead tree and brush removal to facilitate proper grading and maintain clearances.

Applying calcium chloride as a dust suppressant. Ed has investigated and we've acquired a water tote. We could potentially do the dust suppressants ourselves at a cost of about \$1500 each application. We will require a heavy-duty truck and trailer.

2023 ROAD COSTS: - Holly Strickland

In 2021 expenses for road maintenance were \$28,000.00. In 2022, we spent \$91,330.00. For 2023, we have budgeted for \$70,000.00.

\$17,500.00 was spent from January until the end of the winter on plowing and sanding; \$17,500.00 was spent on gravel put down during the spring when the road got extremely mucky and the cross culvert and grading.

There is \$15,000.00 earmarked for winter plowing for October November December leaving 20,000 to do summer and fall grading, brushing and possibly a little more.

We budgeted with an emergency Reserve Fund of \$40,000.00 and a forecast for a 5% increase from the Muskoka Landscapers' winter contract.

ROAD FEES: - Holly Strickland

The road was purchased in 2017 and is owned by our association. Therefore we must cover all costs.

If you look at the FOCA survey for other associations, from 2019 - almost four years old, the average road length being approximately 2 to 4 kilometres long with 31 to 50 properties, we have more than that and the permanent residents are paying somewhere between \$500.00 and \$900.00 for road fees. We are currently paying much less for a road that looks to be an average length, in comparison.

Member Comment: Are you looking into seasonal owners?

Response: We are not looking into seasonal owners. We have two levels in our By-Laws, and two (2) tiers of payments. The occupied lots and the vacant lots. The reasons for – and the reasons why many associates do it that way – is one: how do you designate who is a seasonal resident and who isn't - how do you make sure that they're actually only coming up when they're supposed to come up according to our By-Law. The other - two: even if they don't come up in winter, the property still needs to be

accessible for emergency vehicles. Also, insurance requires property to be accessible, and if the property isn't accessible, insurance is null and void. The definition of an occupied lot is any lot that has a service or temporary or permanent structure on it.

Holly Strickland initially put forth the Board motion: MOTION to accept an increase in road fees: \$600.00 plus HST for occupied lots in 2024; and \$450.00 plus HST for vacant lots in 2024 allowing for general operating expenses. Road maintenance and upgrading and an emergency Reserve Fund of \$40,000.00. Seconded by: Brad Fortner.

Following much discussion the vote was not taken and a second motion was put forth by Holly Strickland: MOTION to accept an increase for Road Fees as follows: \$530.00 plus HST for occupied lots for 2024; \$400.00 plus HST for vacant lots in 2024. Seconded by: Brad Fortner

Voted on the motion and Carried by 31 votes

Following the vote there was a great concern by some Board members that this was not going to allow for the necessary upgrading of the road in 2024 and 2025 particularly relating to water drainage.

Member Comments: Do we have a quote for what is required for all the ditching and crossroad culverts.

Response from Ed Kikauka, is: No but it's definitely been addressed. We have James Miller here from C. A. T. T. We did an audit, an inventory this spring of road drainage and the damage. Using the section of road which James worked on last year, from Stephenson Road #1 E to the top of the first hill, you see the kind of work and results. That was done with a laser and involved new culverts where there weren't any and it substantially improved drainage. We know from the inventory this spring the section of the road in the 400's is in dire need of attention. Because Balsam Chutes Road is nothing more than a shelf between the river lots and the non river lots, all the water drainage works its way to the river. Now would be the time to explain what our intentions are and let us introduce James Miller, who owns C. A. T. T. We've been working with him now for over a year on designing a plan. James has done significant repair so far on the road and he's done a great job at that.

Response from James Miller, Owner of C.A.T.T., is: Well, we certainly had some challenges at the beginning as you remember. I will say as a professional builder, we always work with surveyors, and plans for an open and thorough project. Unfortunately, your area is broad and a new road would be way out of your limits. So, we must take sections of the road, at a time.

For those of you who work in dirt and are developing properties as contractors, etc., you will be aware that once you expose the property, and given the close proximity to the river, and swamp areas, once that is now opened, the water has to, and does, freely flow more than it used to. Some of it used to be stagnant and now it's finding its way a little quicker to the river. So that's what's called GeoDepths Elevations and the natural course of water getting away. One of the things we are finding along your road is that adjacent properties are now beginning to affect other people's properties from larger areas, hills, and solid rock that water cannot penetrate. Removal of trees and vegetation means now your running water is going to be eroding and coming rushing at the road at certain times throughout the seasons. So, these are some of the things we're kind of approaching and trying to eliminate one at a time. In your area A. J. It's

definitely an issue. Steve gave some help earlier identifying a few cross culverts that I didn't know existed so that we can repair them so they will vacate the water more quickly than what they have in the past. Those are the kind of things that I am suggesting to the Board. Of course, suggestions sometimes can be expensive if you need to hire a professional engineer or surveyor. Contractors are used to doing this when they're developing, but they have a result of a profit, to absorb the cost. Because your road is privately funded it requires a balancing effect financially on how to make decisions and that's where we are at now. That's my expertise and suggestions and then whatever the Board has decided, we go ahead and fix, in a progressive way.

Response from Holly Strickland, is: Thank you James. Basically we go to James and say we have \$35,000.00 to work with this year, because that's what our budget is for upgrading and we know that Grading is going to cost us X number of dollars on top of that. James has been very good about working within that. But it's really limited as to what he can do. For example, we would like to replace at least two(2) more cross culverts in the area around the #400's – and the #500's. because those cross culverts are important for drainage and flow. We'd like to put more gravel down this year, put up more signage, do some dead tree and brush removal and put down a dust suppressant. We had Davey Tree Service quote the dead tree removal, but that was two (2) years ago and the quote would not be valid now and was around \$15,000.00 so it's low on our priority list now as is the signage unless it's imperative because of insurance and safety.

Member Comments: I think this discussion came about as a result of the Road Fees going up to \$600.00. I don't see the need to go on, and on. There's nothing that's stopping the Board from lowering the fees down the road if we don't see the need for the money. But what I'm hearing from the Board here, is that there *is* a need for the money for a variety of reasons. To me it sounds legit. If maintenance is delayed, it is just something that is going to happen later, down the line. I think you made that point. The road needs some help. I read our Facebook page like everyone else, especially in the spring and the road needs maintenance, the road needs help.

Response from Holly Strickland, is: We would not ask for this increase in fees if we truly did not believe that moving forward the increase is needed.

MOTION from Holly Strickland to retract the previous vote to accept an increase of Road Fees for \$535.00 plus HST for occupied lots for 2024; and \$400.00 plus HST for vacant lots for 2024.
Seconded by: Brad Fortner.

voted to retract the previous motion. *27 voted. Motion carried.*

MOTION from Holly Strickland to accept the original proposed increase in Road Fees of \$600.00 plus HST for occupied lots in 2024; and \$450.00 plus HST for vacant lots in 2024. The increased fees allow for general operating expenses, such as road maintenance and upgrading and an emergency Reserve Fund of \$40,000.00, for this year. Seconded by: Brad Fortran.

voted on the above increase. *28 voted. Carried..*

We are part of FOCA and will continue to be part of FOCA this year. They represent a key number of road associations, 140 to be exact and approximately 500 cottagers' associations.

They are our united voice at the government level. For example, right now they are advocating about this whole winter maintenance and the insurance and what problems it is causing. They provide our Board with support and guidance and also offer individual member benefits. see <https://foca.on.ca/cottage-roads/>

INSURANCE – Holly Strickland

It is our responsibility to keep the road safe to reduce our liability. Our current insurance is with PROLINK -Canada's Insurance Connection (PROLINK). We received a quote of \$970.00 for 2023. It's approximately \$40 over last year and they have been very good at answering our questions.. PROLINK was promoted by FOCA.

Right now, FOCA is advocating for a company named Cade Associates Insurance Brokers Limited. We've contacted them and their rates are higher than PROLINK.

Reminder, that the wearing of helmets is law for those under the age of 18, while riding bicycles and any recreational motorized vehicle. The Highway Traffic Act does not apply on a private road, however, should an accident happen, they could be charged under the Criminal Act. If you see unsafe driving on our road, you could video the incident. Then, we are suggesting calling the OPP non-emergency line.

COMMUNITY MATTERS: - Holly Strickland

Frenchs' and Stephens' property update. There is a new sign that Mr. French put up on their property. It also goes for the Stephenson family property as well. Please be respectful of that. The signage was read aloud and can be viewed on the property at your leisure.

A member thanked Mr. Larry French and the Stephenson families for granting the long-standing access and pleasure of using their trail system.

Mr. Larry French spoke about the Chutes Trail stating, the French family owns the parcel of land we know as 'the Chutes' at the end of the Chutes laneway, having frontage along the water chutes and the rivers' edge. Mr French stated, "I have proposed to the town of Huntsville, I would grant a 20 ft right-of-way from my property, down to the river. People couldn't drive down it, however, it will be there permanently as a nature trail/walking trail with access to view the Chutes waterway. In turn, I am asking the Town to generously grant to myself approximately 2/3 of their river frontage that would add to my property.

I think the Town could make this trail system/portal/ happen. That would still leave the existing Chutes portage, as we know it presently, for the continued use of the canoe portage, and walking trail, anticipating it will not be cut off should our property ever change ownership. New owners may not desire people accessing their property on an ongoing basis."

Response from Holly Strickland: At least our membership is aware of what you're trying to do, and perhaps we can assist you, by putting out a Petition to support that idea for anybody who uses the Chutes, whether it's for fishing or swimming, or using the Portage or just going to walk there, because it's beautiful. We can put that petition out in the next little while electronically as well as on paper.

Mr. French thanks us for our support.

MESSAGE BOARD – At the north end of the road, (Pinedale). We seem to have difficulty keeping information that we post, to remain posted! We don't know why that is? It's been a prolonged thing that has been happening. We put up the fire ban sign on this Message Board and it probably got taken down. It didn't fall off and it hasn't rained. We're having a problem. Even at the south end Message Board, we've noticed that any Board business or notices seem to be taken down? This type of activity doesn't help to build community and makes things unsafe for people and in turn, members don't know what is going on.

A community member at the north end of the road, has stated that we have their permission to relocate the north end Message Board onto their road allowance, in front of their property. Thank you!

SHORT TERM RENTALS – We have property owners who actively partake in the business of short-term rental and are registered with the town of Huntsville. Thank you, to owners who are registered. Our Road Association does not have authority, whatsoever, for this matter.

Because the Chutes has become an increasingly more prevalent safety issue with increased visitors, we as citizens may contact our Minister of the Environment-Gradon Smith, or the Ministry of Natural Resources and Forestry, for added signage to alert of possible dangers.

Reminder, that the wearing of helmets is law for those under the age of 18, while riding bicycles and any recreational motorized vehicle. The Highway Traffic Act does not apply on a private road, however, should an accident happen, they could be charged under the Criminal Act. If you see unsafe driving, you could video the incident and call the OPP non-emergency line.

MOTION for Closing Adjournment by Holly Strickland, President. Seconded by Brad Fortner.

Meeting Adjourned: 12:22 p.m.

