



Final Minutes of the Annual Meeting
held on December 10, 2022
via Google Meet, 10:00 a.m. to 11:45 a.m.

1. **Call to Order:** D. McFarland opened the meeting at 10:00 a.m., acting on behalf of N. Ceccarelli at the latter's request.
2. **Attendees:** All board members were present. Roll call of other attendees was not taken. Members/POs identified by video or phone presence were: B. Crouch, E. Ahearn, B. Hilgart, J. Browning, D. Beard, J. Rossbach, K. Tribby, M. Shelburne, R. Beusgens, T. Miller, T. Smith, R. Barfield, R. Chaboya, Lepard, and additional phone numbers.
3. **Agenda:** The association's insurance agent was invited to speak, but could not attend, so the alternate published agenda was pursued: Budget, Long-term planning for roads, ARR processes, and Plans for bylaws update. The bylaws topic was not addressed at the meeting.
4. **Long-term planning for roads.** P. McCawley reported that the committee met for the first time on Nov. 30 to share information. Budget was a primary concern, as fixes to the roads are going to require money. Also discussed were the need for a prioritization process, how to accomplish repairs, and to find out if external funding is available to us.
5. **Architectural Review Request process.** D. McFarland went over the details of the online ARR process. The form is on the association website.
6. **Budget and financial report.** D. Vlasic presented reviews of the 2021 and 2022 fiscal years and presented the proposed 2023 budget.
 - a. 2021: See attached review of the 2021 fiscal year provided by R. Kling, the treasurer during that year.
 - b. 2022: D. Vlasic presented a status report of 2022 finances to date. See attached. We began 2022 with \$40,839.46 in the bank (checking and savings accounts) and are projected to end the year with \$25,015.21 in the bank. The savings (reserve) account has \$21,000, and the rest is in the checking (operating) account. We will end the year with about \$4,000 in the checking account, much less than in prior years.
 - c. 2023: D. Vlasic presented details of the proposed 2023 budget (attached). Three options for proposed revenue are included, representing zero increase in the annual assessment, a 10% increase, and a 20% increase. The proposed 2023 budget requires income equivalent to to the 20% assessment increase. The budget was developed by

looking at 2022 expenses and adding increases where increases are expected. The main increases are expected in the categories of legal services, road grading and repairs, and website/communications. Some details:

- i. The road grading estimate from the contractor is \$14,000 for one full grading. If fuel prices increase, the contractor will add a fuel surcharge, so the price may be higher. It will not be lower.
- ii. The road repair estimate is lower than was spent in 2022. If we have another big monsoon like this year, it may not be enough. The preventive maintenance category was deleted.
- iii. Per ARS 33-1803, the board can increase the assessment no more than 20% over the preceding year's assessment.

7. Discussion was opened to all members. Members raised the following topics.

- a. There was concern about the 20% increase in assessment, especially in this time of inflation. Suggestions were made for decreasing certain budget lines and moving \$1000 from the reserve fund to the operating fund so there wouldn't have to be an increase. If there is another historic monsoon, do a special assessment.
- b. The assessment has been at the same level, or only slightly increased, for more than 5 years. We can hope that we don't have a repeat of the monsoon and legal expenses of this year. In the past, the assessment has been reduced when expenses went down.
- c. Perhaps we can use the reserve fund for road repairs, but the reserve fund would have to be refilled. Does reserve fund need to be \$20,000? Study is needed.
- d. Questions about why ARRs are not discussed in open meetings. The prior board decided this process earlier this year.
- e. Will all expenditures be voted on in open meeting before checks are written? Recurring, budgeted expenditures shouldn't require permission but unusual or unbudgeted expenses should be brought to the board. This board voted on a financial development committee to refine all processes. Even recurring expenses such as insurance should have annual review.
- f. Will there be a financial review of 2022? Yes board wants to get one.
- g. How many delinquent accounts do we have and how much owed? Board is still researching. Rough estimate for 2022 is \$1400-\$1500.
- h. We used to get multiple gradings, why only one now? Prices have increased.
- i. Is there a way to make sure the assessment increase goes to roads only, not to legal expenses? If there are legal challenges, we have to respond. Have to trust in the board to spend funds wisely. Can't eliminate the possibility there will be unexpected costs. The board should always try to adhere to the budget.
- j. Thanks for keeping the membership informed.

8. Adjourned at 11:50 a.m. J. Levin moved, D. Vlastic seconded, carried by voice approval with no objections.

Submitted by Claire Peachey, HLRPOA Secretary

HLRPOA Proposed 2023 Budget

PROPOSED REVENUE

136 members X \$180.00 = \$24,480.00 with zero increase
 136 members X \$198.00 = \$26,928.00 with 10% increase
 136 members X \$216.00 = \$29,367.00 with 20% increase

TAXES

Arizona income tax	\$ 50.00
Cochise county property tax	\$ 35.00
Arizona corp commission fee	\$ 10.00

SERVICES

Insurance	\$ 1,900.00
Legal	\$ 2,000.00

COMMON AREA

Road grading	\$ 14,000.00
Road repair	\$ 9,800.00
Windmill	\$ 350.00

ADMINISTRATION

Website	\$ 340.00
P.O. box	\$ 75.00
Recording fees	\$ 150.00
Financial review	\$ 125.00
Mailings	\$ 250.00

Budgeted amount	\$ 29,085.00
Less assessment plus 20%	\$ 29,367.00
Surplus amount	\$ 282.00