



**Final Minutes of the Board Meeting
held on August 17, 2023
via Google Meet, 6:00 p.m.**

1. **Call to Order:** The vice president opened the meeting at 6:05 p.m., noting the president would be a few minutes late, and asked for a roll call of board members. The president arrived at 6:07 and took the chair.
2. **Attendees:** Board members N. Ceccarelli, D. McFarland, D. Vlastic, C. Peachey, J. Levin, K. Whitmire, G. Barton, and R-W. Barfield. Absent: C. Barney, P. McCawley. Roll call of other attendees was not taken; several other POs were in attendance by phone and video. The meeting was recorded using Google Meet.
3. **Approval of minutes of the June 15, June 29, and July 20 meetings:** Minutes were distributed to the board again before tonight's meeting. Some clarifications were discussed for the July 20 minutes: (a) C. Barney had reported to D. McFarland that additional people were present in person at the meeting; this was found to be an error, so no changes were required. (b) Due probably to operator error, the meeting was not recorded using Google Meet, so that statement was removed from the minutes. (c) Secretary will add date of approval to all minutes from now on. No other comments. J. Levin **moved to approve all three sets of minutes by unanimous consent.** D. McFarland seconded. A roll call vote was taken and **the motion carried 8-0-0.**
4. **Officer Reports**
 - a. **President's report**
 - i. **Legal updates and advice from corporate counsel.** The president summarized the July 20 meeting and the result that R-W. Barfield was not recalled at the July 5, 2022, election and is now a seated board member with 2 years remaining in his term. Corporate counsel and our assigned counsel advised that operating with a board of 10 is not unusual; our bylaws say we shall have a board of 9 elected members; because of the court action, we now have 10 elected members. Their advice is that we can proceed with 10 members until our next election in March 2024. There is no update on attorney's fees. The association owes a \$1000 deductible as specified by our insurance policy.
 - ii. **Comments regarding conducting board business.** The president encouraged board members to read minutes, reports, other items of business, think about issues, and submit comments. Board members can discuss these things with each other, remaining aware of quorum issues, and with other POs. Please engage on the issues so we can make progress.

- iii. **Comments regarding judge's admonishments.** The judge in the Order to Show Cause Hearing strongly admonished all parties during this hearing and was angry that our association was unable to solve our problems ourselves. It was a condemnation. The president hopes and expects that association members will be professional, keep personality conflicts out of association business, not act negatively, and take into consideration the different backgrounds of all members.
 - b. **Vice President's report.** The VP read a prepared report, How a Functional Corporate Board Works, attached.
 - c. **Treasurer's report.** The treasurer read the distributed financial report, attached (bank statements removed).
 - d. **Secretary's report**
 - i. **Agenda schedules.** To allow more time for meeting preparation, the secretary will send out a call for agenda items with a deadline of 14 days before a meeting. We can finalize the agenda and post it and any read-aheads at least 7 days before a meeting.
 - ii. **Posting of minutes.** The secretary looked into a report that board meeting minutes from March 2022 had been removed from the website and found no evidence of it. She looked through association files and posted minutes written in February and March 2022 that had not been posted previously. POs can find draft minutes of recent meetings posted on the website.
 - iii. **Our insurance company** contacted us to set up a meeting to go over our policies.
5. **Committee Reports.** None.
6. **Old Business**
- a. **Discussion of association records** (item raised at June 15 meeting). Recap: We have no minutes for a period of months in 2022, so no record of decisions and actions from that period. Corporate counsel suggested we can choose to leave as is; review recordings that may exist from those meetings and create minutes from them; or use some other method to determine actions of 2022. Some board members reported that volunteers have prepared minutes from recordings. Others felt they cannot approve minutes of meetings they did not attend, without listening to all recordings. Various opinions as to willingness to listen to hours of recordings. If legal actions were taken at the meetings, we need to document them; and/or we can bring such actions to the current board to be voted on and documented. K. Whitmire offered her transcription skills to listen to the recordings to see if they match the drafted minutes. We need a list of the meetings and an estimate of the number of hours of recordings available so we can gauge the scope of the project. Counsel advised if we are going to do it, we should do it soon. R-W.

Barfield was at some of these meetings; G. Barton volunteered to help; K. Whitmire offered her time. President would like to have this finished by October if we are doing it.

7. New Business

a. Discussion of proposed draft election procedures.

- i. We will have an election in March. R-W. Barfield previously distributed draft procedures and expressed that we need them for consistency, fairness, transparency, ballot integrity, legal compliance, and full participation. Various opinions expressed as to the suitability of these procedures, new procedures, or any procedures; as to how the August election was or was not a model to follow; as to whether we do or don't have or need an election committee; as to whether we should or shouldn't amend the bylaws to remove the election committee and have the officers run elections; as to having a third party run the next election and how that would work; and more.
- ii. President stated we want to: cater to all members whether they are on site or not; provide proper notice to everyone; ensure everyone can cast a ballot; ensure everyone can participate; get people to run for the board; find people willing to do the work of serving on the board. We need to build something we can execute. A third party would need controls and guidance from us.
- iii. President would like the VP to work with board members to come up with what is good and what needs fixing. We need something to look at by the September meeting. We can have work sessions between now and then as needed.

8. Comments from board members. None.

9. Next meeting date. September 21, 2023.

10. Adjourned at 8:11 p.m. G. Barton **moved**, K. Whitmire seconded. Any discussion? No. Motion **carried by voice approval with no objections.**

Submitted by C. Peachey, HLRPOA Secretary

Approved Sept. 28, 2023

The VP report:

How a functional corporate board works..and yes, HLRPOA is a corporation

It has been a very long time since our board has functioned like a corporate board, if ever, so many people are confused about the purpose and function of board meetings and corporate directors on a board of directors. Some will say the HLRPOA board is not really a corporate board, that it is something different. Under the law, it very much is a REAL corporate board.

This new corporate board is an opportunity for a reset, but it will be successful only if we all understand how a corporate board, with six directors, plus four directors serving as corporate officers, is supposed to function. This is especially critical when the directors are volunteers. Note that the Articles of Incorporation and the Declaration only specify that two of the legally required officers be directors.

General functions of corporate officers:

- To implement board legal actions
- To carry out assigned administrative duties - such as setting meeting dates
- To research and prepare proposed resolutions/legal actions to go to the agenda for board action
- To operate within the authorities under the law and as provided in the community documents

HOA BOARD PRESIDENT

In every sense, the association president serves as the face of the operation. It's similar to being the CEO of a company. Although each association is different, the HOA president duties and responsibilities remain largely the same.

For one thing, the president chairs all board meetings per our documents and as we use Robert's Rules of Order, has to have a reasonable degree of knowledge of how they work. They also carry out contracts, orders, and documents on behalf of the association. The president also handles the daily administration of the association. In addition, they make sure all HOA board duties are fulfilled with the community's best interests in mind.

Learning how to be a good HOA president takes effort. Based on the president's job description, anyone who takes on this role must have excellent leadership, management, and communication skills. They must know how to delegate and be a team player.. A president is not a dictator. Rather, a president makes sure the entire board works like a well-oiled machine with the community's best interests in mind.

HOA BOARD VICE PRESIDENT

The HOA vice president, in simple terms, assumes the role of president when, for any reason, the latter is unable to. In that case, the VP fulfills the president's responsibilities. Of course, the vice president can only exercise these powers in the president's absence.

HOA SECRETARY

Some of the HOA secretary responsibilities include maintaining and keeping a majority of the association's records. This refers to membership records, board meeting records, and other official HOA records.

The secretary also takes down meeting minutes and sends out notices of the meeting. Other than that, HOA secretary duties include filing corporate annual reports and attesting to legal documents signed by the president on behalf of the HOA.

Carrying out HOA board secretary duties often comes with challenges. Thus, it requires a person with great organizational skills and an eye for detail.

HOA TREASURER

The treasurer manages the association's finances. As part of the HOA treasurer duties, they keep all financial records and serve as the custodian of securities and funds. The treasurer is also in charge of preparing — or, if you outsource to a CPA, overseeing the preparation of — all financial statements and reports. In addition to that, the treasurer works closely with other leaders to plan the annual budget.

The officers are required by Arizona Statute and by the community documents and serve the corporation. In general, they can be ex officio members of the board of directors if the controlling documents provide for that but do not legally need to be directors. The HLR documents require that they be directors (only the president and secretary are so required in the Articles and Declaration and the treasurer and vice president by the Bylaws). It is important to understand that the officers cannot abandon their positions under the law as they have fiduciary duties and must continue to serve until they are removed or replaced.

General functions of corporate directors:

- To vote on legal actions at the board business meetings
- To assist and advise the officers by preparing ahead of time for the board actions - this can include independent research into the issue or questioning the officers about the background of the action prior to the meeting, if it is not clear on the agenda
- To support the officers in carrying out legal actions.
- To follow the governing documents AND the law of the land (case law and legislated statutes)

Purpose of Board Business Meetings:

These are business meetings and not community member social events or forums to bring up topics for discussion that are not on the agenda. **Members are welcome to organize member meetings for those purposes and the officers will host any members meetings.**

The purpose of board business meetings is to provide a forum:

- To provide the officers and committees an opportunity to report on their actions taken in implementing board legal actions to the community.

- To debate and to vote on resolutions in the agenda. Note that Robert's Rules of Order do not allow for discussion of an item or for cross talk as all comments must be directed to the chair. Directors need to be prepared for a meeting and to already understand each proposed legal item on the agenda

Board meetings should be concise, to the point, and short. That is why each director is allowed three minutes to speak on an item before voting and only a suitable number of owners are allowed to speak for up to three minutes. The chair has the right to cut off repetitive speakers.

In a normal setting in almost any organization, consensus is rarely achieved. In fact, where there is a healthy variety of experience and opinions, it is rare. The board needs only five directors to be present for a quorum (six temporarily) and with that quorum, a majority of three (temporarily four) will be sufficient for a legal action to pass.

It has been said that the expanded board is difficult to work with but that simply isn't true once it is understood. If a quorum of directors cannot organize themselves to attend a meeting, there is a problem. If a majority of the quorum present doesn't support an action, it's probably a bad idea or not enough homework has been done to make its benefits to the community clear.

The expanded board allows the officers to meet to discuss their daily duties and how those duties interact without forming a quorum and to perform administrative functions assigned to them by the board as a whole. It also allows the additional directors to form and lead committees for specific purposes, such as the Common Areas Maintenance Committee (the common areas are where you find the roads and the space on either side of them and the well), without necessarily burdening one of the officers with managing the committee.

TREASURER REPORT FOR 17 AUGUST 2023 BOARD MEETING

Checking account activity for 2023

Starting balance	\$5,278.09
Deposits	\$28,758.79
Withdrawals	\$2,633.46
End balance	\$31,403.42

Checks paid	1. \$600.00 Smith & Wamsley	5. \$82.00 PO Box rental
	2. \$180.00 Jacob Throckmorton	6. \$596.46 Bernardo Espinoza
	3. \$50.00 Arizona income tax	7. \$1000.00 Attorney's fees
	4. \$125.00 CNJ bookkeeping	

OUTSTANDING ASSESSMENTS 2022 AND PRIOR

3 members have a total of \$628.32 owed. Includes assessments and interest.

* This amount does not include interest or late fees for 2023.

OUTSTANDING ASSESSMENTS FOR 2023

7 members have paid no assessments for 2023, total owed \$1529.00

4 members have paid 1/2 assessments for 2023, total owed \$432.00

* Of the 7 members who have paid nothing, this includes the 3 previous mentioned members
2 of which have had \$8.50 added to their accounts for the mailing of the certified letters.

Total assessments still outstanding is **\$2589.32** this does not include any current interest or late fees.

All members who have any monies outstanding for 2023 and prior were invoiced in June with a due date of 07-15-2023. All outstanding amounts now will have interest and late fees added to their accounts.

The 2 members with outstanding amounts for 2022 and prior that have not been turned over
For collection will be turned over to our attorney of record of collection.