



**Final Minutes of the Board Meeting
held on November 16, 2023
via Google Meet, 6:00 p.m.**

1. **Call to Order.** The president called the meeting to order at 6:05 pm and asked for roll call.
2. **Attendees.** All nine board members were present. Roll call of other attendees was not taken. The meeting audio was recorded using Google Meet.
3. **Approval of minutes of Sept. 28, Oct. 12, and Oct. 19 meetings.** Two board members opposed accepting the revised 9/28 VP statement, considering it to still contain opinions and inaccuracies. As it is a record of the report read at the 9/28 meeting, a majority felt it could be accepted as written, and the issue of what constitutes an appropriate officer report can be discussed again as needed. J. Levin **moved to adopt the minutes from the September 28, October 12, and October 19 meetings.** D. McFarland **seconded.** No further board discussion. Property owners provided opinions about accepting the 9/28 VP report and about omission from the minutes of details of member comments and discussions. The secretary stated that minutes are mainly to record the decisions of the board and cannot include all details of discussions or verbatim comments. Audio recordings are available. In a voice vote, **the motion carried 7-1-1** (Barfield no, Peachey abstain).
4. **Reports**
 - a. **President's report**
 - i. Corporate counsel provided document links to legal opinions the firm has provided to the association. Counsel cautioned that if the documents are shared, the question of attorney-client privilege on particular topics becomes difficult to ascertain and might be waived (no privilege) going forward. There have been few legal opinions regarding the bylaws. Emails from corporate counsel have the quality of opinions and are to help and educate us but are not binding legal opinions.
 - ii. The association received a court order to pay attorney fees and costs in the recent lawsuit. Defense counsel asked the insurance company about coverage; insurance company said our policy does not cover these costs and fees as they are not losses and damages. Our corporate counsel agreed. We can explore our insurance options for the future, such as different provider and coverage options.
 - iii. K. Whitmire reported that the missing 2022 minutes project is ongoing, she is reaching out to people for notes and recordings.

- b. **Vice President's report.** Nothing to report.
- c. **Treasurer's report.** The treasurer reviewed the financial report, attached.
- d. **Secretary's report**
 - i. Updated the AZ Corporation Commission account with board member changes (Barfield, Barney).
 - ii. Corporate counsel Smith & Wamsley has begun sending educational newsletters. We can put a link to the S&W website on our website so members can sign up to receive the newsletters.
 - iii. Our annual meeting and election will be in March 2024, date is pending. We will solicit agenda items from members.
 - iv. Will pursue finding any board-recorded audio recordings of 2021-2022 board meetings so they can be archived in Association files.
- e. **Roads update.** G. Barton reported the roads are still dry.

5. Member Comments. The following summarizes topics/opinions presented by POs:

- Election procedures should be as specific as possible, since a third party (Election Buddy) said their election administrator would handle questions according to the organization's procedures and governing documents. Need to account for what-ifs.
- Disagreement with turning over decisions to the officers only. We need decisions to be made in open meetings.
- What is the full cost of having a third party run the election?
- Flexible election guidelines are better than rigid procedures. The cost of a third party is significantly less than another incident and lawsuit.
- We should find compromise in the election documents.
- Against raising the assessment in 2024 until we know how much is left in account at the end of 2023. It seems we will carry over about \$13K into 2024, better than the start to 2023. Raising assessment two years in a row will make it difficult to sell lots. There is plenty in reserve funds.
- The budget reflects how much risk we want to assume. Rains, and thus road expenses, vary year to year.
- Discussion about the roads should be about getting them fixed, not about preventing damage to the few areas that were repaired. There was only a partial grade this year.
- Is the increase in assessments due to legal fees? (The president replied that it is not. It is to ensure we can fix the roads if we get a bad monsoon season.)

6. Active Agenda

- a. **Continued discussion of election documents and possible decisions and action.**
 - i. P. McCawley **moved to adopt the election procedures presented by RW Barfield (Election Instructions and Procedures dated 30 October 2023).** RW Barfield **seconded.** Board members expressed various opinions as to the readiness of the

procedures. Continued discussion of the need for flexible vs prescriptive procedures, the cause of the July 2022 troubles, etc. P. McCawley agreed to **withdraw the motion** as we have a little more time to work on things. Peachey, Levin, Whitmire, and Barfield offered to work on refining a procedures document as soon as possible. Requested anyone to email board with suggested changes to the documents presented to date.

- ii. **Discussion of election details:** Discussion of Election Buddy, we need to make a decision. Suggested budget of \$2500 to cover EB and mailings. We haven't heard back from League of Women Voters, we will contact again next week. We will send out our own call for nominations and Annual Meeting notices. Some difference in understanding on how many seats will be open at the 2024 election and when RW Barfield's term ends. N. Ceccarelli **moved that the board intends to establish a March Annual Meeting and election date; engage a third-party election manager; send out call for nominations around December 15, due around January 10; and announce openings for two board seats unless directed differently by legal counsel.** D. McFarland **seconded.** The floor was opened to member comments, which focused on agreeing with engaging a third party, and a question on complying with ARS10 regarding division of board terms. A voice vote was called, **the motion carried with no opposition.**

- b. **Payment of legal fees.** According to the court judgement, the association is to pay \$14,747.58 in attorney's fees and costs. **D. Vlasic moved to transfer \$14K from our FY 2023 grading budget and the remainder from the FY 2023 road repair budget into the FY 2023 legal budget to pay the required legal fees.** D. McFarland **seconded.** The recent road work will come out of the road repair (not grading) budget. If we have rains over the next few months, we have enough left to do repairs, and we have the reserves. G. Barton requested RW. Barfield recuse himself from the discussion; Barfield disagreed. The floor was opened to member comments, with a question as to whether the 2024 budget had to be increased to pay for these legal fees; president answered no, all is from 2023 funds. A voice vote was called, **the motion carried 7-1-0** (Barton no).

- c. **Discussion of proposed 2024 budget.** D. Vlasic presented the proposed budget (attached) and explained the increase was to ensure we have enough to maintain and improve the roads. The association went for many years without increasing the assessment and doing minimal maintenance on the roads. In 2022, we spent \$27K on the roads and it included only one grading, some repairs, and one culvert. Trying to do some financial planning to get permanent improvements to the roads. Board members expressed opposition or worry about increasing 20%. There were suggestions to increase it at the same rate as inflation, approx. 4%, and use reserves if we have heavy monsoons. Let's try to hone the budget further. We will address it fully at the December meeting.

7. **Board Member Comments.** D. Vlasic reported that Joe Bono has Boy Scouts camping at the jail for the weekend, so requests everyone please drive slowly; he said people still drive fast through there; he has laid down gravel.
8. **Next scheduled meeting date:** December 14.
9. **Adjourned at 8:48 with no objections.**

Submitted by C. Peachey, HLRPOA Secretary

Approved Dec. 14, 2023.



Board Meeting Agenda
Thursday, November 16, 2023, 6:00 p.m.
via Google Meet

1. Call to order
2. Roll call
3. Approval of minutes of the September 28, October 12, and October 19 meetings
4. Reports
 - a. President's report (legal update; 2022 minutes project update)
 - b. Vice President's report
 - c. Treasurer's report
 - d. Secretary's report
 - e. Roads update
5. Member comments
 - a. Limited to 3 minutes.
 - b. Must directly relate to action items of the Board previously considered and published or on the agenda this evening.
6. Active Agenda
 - a. Continued discussion of election documents with possible decisions and action by the board.
 - i. Consideration and discussion of motion: The Association hereby adopts the Elections Committee Mission and Procedures dated 30 October 2023 as the governing procedures to be used in the conduct of future elections of High Lonesome Ranch Estates Property Owners Association replacing in their entirety any previous Elections Committee Mission and Procedures documents.
 - ii. Consideration and discussion of a draft Election Instructions and Procedures document dated Oct. 16.
 - iii. Consideration, discussion, and decision that regardless of the procedures established, the Officers shall have the administrative authority to retain a third party "election manager" to ensure fairness, parity, and accountability in accordance with Arizona law and HLRPOA procedures as amended from time to time.
 - b. Consideration, discussion, and approval of plan for payment of legal fees.
 - c. Consideration and discussion of Treasurer's proposed budget for 2024.
7. Comments from board members
8. Next scheduled meeting date: December 14.
9. Adjourn

TREASURER REPORT FOR 16 NOVEMBER 2023 BOARD MEETING

Checking account activity for 2023

Starting balance	\$5,278.09
Deposits	\$31,423.97
Withdrawals	\$8,593.04
End balance	\$28,109.42

Checks paid

1. \$600.00 Smith & Wamsley	6. \$596.46 Bernardo Espinoza	11. \$690.00 FFP&C ins.
2. \$180.00 Jacob Throckmorton	7. \$1000.00 Attorney's fees	12. \$1225.00 USL ins.
3. \$50.00 Arizona income tax	8. \$6.86 C. County tax	13. \$59.00 Az. Farm b.
4. \$125.00 CNJ bookkeeping	9. \$6.86 C. County tax	14. \$3965.00 Dustin's
5. \$82.00 P.O. Box rental	10. \$6.86 C. County tax	

OUTSTANDING ASSESSMENTS 2022 AND PRIOR

2 members have a total of \$530.80 owed. Includes assessments and interest.

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

OUTSTANDING ASSESSMENTS FOR 2023

4 members have paid no assessments for 2023, total owed \$872.50, 2 are in collections and 2 are lots that the owner has passed ad is currently in probate.

* Of the 4 members who have paid nothing, this includes the 2 previous mentioned members 1 of which have had \$8.50 added to their accounts for the mailing of the certified letters.

Total assessments still outstanding is **\$1421.53** 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 members with outstanding monies from 2022 or prior have been turned over for collections.

HLRPOA proposed 2024 budget

PROPOSED REVENUE

136 members X \$216.00 = \$29,367.00 with zero increase

136 members X \$238.00 = \$32,368.00 with 10% increase

136 members X \$259.00 = \$35,224.00 with 20% increase

TAXES

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

SERVICE

Insurance	\$ 2,000.00
Legal	\$ 2,000.00

COMMON AREA

Road grading	\$ 17,000.00
Road repair	\$ 9,800.00
Windmill	\$ 300.00

ADMINISTRATION

Website	\$ 340.00
P.O. box	\$ 82.00
Recording fees	\$ 150.00
Financial review	\$ 125.00
Mailings	\$ 250.00
Election costs	\$ 2,00.00

Budgeted amount	\$ 34,142.00
Less assessment plus 20%	\$ 35,224.00
Surplus amount	\$ 1082.00