



HIGH LONESOME RANCH ESTATES PROPERTY OWNERS ASSOCIATION

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**Board of Directors Meeting
10 November, 2020
Minutes**

The meeting was called to order at 10:03 am behind the Gleeson jail. Present were Board Members Joe Alberti, Margaret Shelburne, Randy Kling, Judy Rossbach, and Joel Levin. Also in attendance were Association Members Tony Rossbach, Greg Briner, Mark Shelburne, Robert Wade Barfield, Tommie Smith, Beckie Hilgart, Karen and Nate Tribby, and Todd and Amanda Miller.

The sole topic of the meeting was planning for the budget for 2021. Mr. Kling had compiled a list of items known to be required or highly desired in the budget and solicited further suggestions from the membership at large. The Board took up all the items on the list.

Each item was approved or disapproved unanimously unless noted otherwise. Each was moved and seconded by the Board member indicated. An item marked with “*” is required by state law or by the Association CCRs or Bylaws, or otherwise deemed necessary. Some items were approved during the first pass, but later removed during the review; these are indicated by “#”.

Item	\$ Requested	\$ Approved	Moved by	Seconded by	Vote	Note
State tax*	50	50	Kling	Shelburne	yes	
Property tax*	30	30	Kling	Alberti	yes	
Arizona Corp Comm*	10	10	Kling	Alberti	yes	
Tax Preparation	0	200	Alberti	Rossbach	yes	May be needed
Post office box*	60	80	Kling	Shelburne	yes	In case of increase
Printing/postal exp*	400	400	Alberti	Levin	yes	
Meeting venues*	50	200	Kling	Alberti	yes	
Road grading*	17500	17500	Kling	Alberti	yes	
Road repair	3500	3500	Kling	Alberti	yes#	Removed during budget review
Website fee*	150	150	Kling	Alberti	yes	
Insurance*	1850	1850	Kling	Alberti	yes	
Windmill	450	250	Kling	Shelburne	yes	
Legal retainer*	600	600	Kling	Alberti	yes	
Additional legal services	850	500	Shelburne	Rossbach	yes	separate from collections
Additional grading	6333	4000	Kling	Alberti	yes#	removed during review; pay from 2020 excess
Concrete spillway	9400	---	Alberti	Kling	no	need comprehensive plan
Right of way brush clearing	1750	---	Kling	Shelburne	no	volunteer efforts; safety vs aesthetics
Stop signs at north exits	500	---	Alberti	Kling	no	county responsibility?

Item	\$ Requested	\$ Approved	Moved by	Seconded by	Vote	Note
HLR entry signs	250	165	Alberti	Kling	yes	3 signs approved vs 5 originally
Traffic counting devices	250	---	Kling	Alberti	no	Deemed intrusive
Common area pavilion	3250	---	Kling	Shelburne	no	needs additional devel.
5 year postage buydown	1450	1450	Kling	Alberti	yes#	removed during review; pay from 2020 excess
Prepaid return envelopes	200	---	Kling	Alberti	no	need more information
Mailbox cluster	5750	---	Alberti	Kling	no	users should fund, not POA
County recording fees*	150	150	Alberti	Kling	yes	
Early full payment discount	525	---	Alberti	Shelburne	no	4-1 vote; confusing, unnecessary

At this point the total expenses approved totaled \$31,085. Anticipated income at \$180 assessment rate is \$23,760. The shortfall could be dealt with by (a) reducing expenses, (b) increasing assessment, (c) applying excess funds on hand to offset higher expenses, or some combination of these.

The Board next reviewed and discussed the "End-of-Year Strategy Options," the "2020 End-of-Year Status," and CashFlow: 2018 to Present" reports. The Board agreed that \$5,000 was a reasonable amount for meeting cash-flow requirements in 2021 in advance of receiving annual assessment payments. The Board then reviewed the "Assessments: Lot - Total" report and agreed that using the income based on 132 lots was the most realistic choice. There was consensus that the total dollar amount of the tentatively approved budget items and the annual assessment amount it would necessitate were excessive and needed to be reduced.

The end-of-year surplus is expected to be somewhere between \$9,500 and \$12,500, depending upon such possible events as the need for an additional grading. After clarifying the expected end-of-year surplus and the options presented, the Board revisited the submitted budget items to arrive at a final decision.

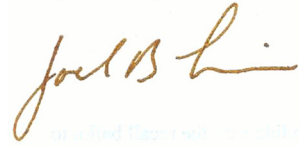
The Board voted to remove budget items for road repair and additional grading from the CY 2021 budget and to defer both items to a later meeting where a more comprehensive plan could be developed and then paid for by using part of the end-of-year excess funds. The Board also voted to remove 5-year postage buydown from the CY 2021 budget and authorize immediate purchase using projected end-of-year excess funds. The revised budget total of under \$23,000 would allow the assessment to remain at \$180 per lot.

Mr. Alberti moved adoption of the budget as revised, Ms. Shelburne seconded and the Board approved unanimously. Then Mr. Kling moved setting the 2021 assessment at \$180 per lot, Mr. Levin seconded and the Board approved unanimously.

The treasurer raised one new budget item, the state law requirement for HOAs to conduct and report an annual audit, review, or compilation, and requested that the president query our attorney to clarify our options. No vote was taken.

The meeting was adjourned at approximately 12:10 pm.

Respectfully submitted,

A handwritten signature in blue ink that reads "Joel B Levin". The signature is written in a cursive style with a prominent "J" and "L".

Joel B Levin, Secretary
Randall Kling, Treasurer