



## Opening

- **Call to Order:** The board convened at 1:00 pm
- **Pledge of Allegiance:** Led by Robert Wade Barfield.

## Opening Remarks:

Mr. Barfield noted two property owners submitted comments via email regarding items on the agenda. He encouraged member to take advantage of the pre-posting of the agenda and read ahead materials as an opportunity to have their opinions on agenda items considered even if they are not able to attend meeting in person by submitting their comments via email.

Mr. Barfield reminded directors of the Ethics Statement for directors included in the association's governing documents, pointing out that decisions are made collectively and by a quorum of directors and that no director can unilaterally make or change decisions affecting the of directors as a group or the association.

Mr. Barfield encouraged members to submit agenda items as early as possible, pointing out there are multiple ways to get items submitted – via email at [admin@hlrpoa.com](mailto:admin@hlrpoa.com).

**Adopt the Agenda** Mr. Barfield motioned to adopt the agenda Mrs. Crouch 2<sup>nd</sup>. Mr. King motioned to amend the agenda by including the Committee Appointments. Mr. Barfield second it. No opposed

## Board Officer Reports

**President Report** – see attachment

**Vice President - None**

**Member at Large - None**

**Secretary's Report:** Mrs. Crouch reported the status of secretary tasks.

- All welcome packages are sent out on time May 24,2021 including the two new ones for June.
- AZCC report for 2021 was updated and posted.
- Updating the email and address roster that was needed for an updated PO access for the website.

**Treasurer's Report:** Mr. Kling reported the status of the following tasks:

Not all three officers need to be present at the same time to update the association's signature card. President and Treasurer have already signed. Vice President can go alone to finish the new signature card.

## Board Business Items

**Approve Meeting Minutes:** Presented by Mrs. Crouch a motion to approve minutes from previous meetings for:

April Minutes: Mr. Barfield 2<sup>nd</sup> the motion. No opposed

May Minutes: Mr. Barfield 2<sup>nd</sup> the motion. No opposed

**Committee Appointments:** Mr. Kling motioned to accept Todd Millers resignation from the Road Committee Mr. Barfield 2<sup>nd</sup> all in favor.

**Procedures Statement for Access to Association Records:** Mrs. Crouch motioned to approve revised procedures for access to association records, 2<sup>nd</sup> by Mr. Barfield. After discussion Mr. Smith introduced and passed 4-1 a motion to amend the revised procedures by changing the 24-hour response time to a 72-hour response time. Amended revised procedures were adopted by a 4-1 vote with Mr. McFarland opposed

**Policies and Procedures for Budget:** Mr. Kling motioned to adopt proposed procedures for the association's budgeting process (see attached); Mr. Barfield 2<sup>nd</sup>. Resolution adopted with none opposed

**Reserve Fund Recommendation:** Mr. Kling motioned to postpone the recommendation on a reserve fund previously tasked to the Treasurer until after the financial committee has been formed and can put forward a recommendation. Mr. Barfield 2<sup>nd</sup> None opposed

### **HLRPOA PayPal:**

Mr. Kling motioned to link one of the association's bank accounts as the first step in allowing property owners to pay their assessments online. Mr. Smith 2<sup>nd</sup>. Follow-on discussion on whether PayPal fees could be avoided or whether they would be paid by property owners, or the association was tabled pending further study. Resolution to link PayPal to one of the association's accounts was adopted with none opposed.

### **Road Repair funds:**

Mr. Kling motion to approve \$3000.00 for repairs, Mr. Barfield 2<sup>nd</sup> no opposed

### **Geocell:**

Mr. Kling motioned to approve \$500.00 for two units of Geocell to be used as a test project for preventing road erosion in sand washes. Mr. Smith 2<sup>nd</sup>: none opposed.

### **Pre-Monsoon Countermeasures:**

Mr. Kling motioned to approve \$1500.00 for testing two sites for erosion mitigation methods as part of monsoon season preparations. Mr. Smith 2<sup>nd</sup>: none opposed.

### **Caution signs**

Mr. Smith motioned for the association to purchase and have installed at the two entrances to the subdivision signs warning drivers of equestrians on the roadways as proposed by Chuck Crouch. Mr. Kling 2<sup>nd</sup>. Mr. Barfield moved to amend the motion in favor of a design proposed by Mr. Kling matching the color and style of signs already present at the entrances. Amendment adopted with none opposed and amended motion adopted with none opposed. Treasurer will purchase the signs and necessary mounting hardware (approved expense of up to \$150) and coordinate with the property owner for installation passed 4-1 Mr. McFarland opposed.

### **Pavilion package**

Mr. Smith motioned to approve use of the association's common area near the windmill for installation of a pavilion donated by property owners. 2<sup>nd</sup> by Mr. Kling. Motion failed by a vote of 0-5 after property owners expressed concerns about the rules needed to regulate use of the pavilion and proximity to nearby residences.

## Community Mailboxes:

Mr. Smith motioned for approval-in -principle to use association common area near the entry on Legend Trail for the installation of mailboxes serving property owners. Directors expressed concern about the lack of details concerning specific location and the type and appearance of the boxes that would be installed and noted there were two mutually exclusive proposals being developed. It was suggested the proposal await comments from affected property owners in response to a survey that would be posted on the association's website. Mrs. Crouch 2<sup>nd</sup> Motion failed 2-3 with Secretary and Member at Large in favor and President, Vice President, and Treasurer opposed.

## Extended time for our Meeting

Under Board of Directors' Guidance to Windmill Committee – Due to the two-hour limitation the bylaws place on regular meetings of the board of directors, Mr. Barfield motioned to table this agenda item. None opposed.

**Call to Membership:** Presented by Mr. Barfield to provide an opportunity for members to voice concerns, observations, etc. and to present issues needing board attention. No comments offered.

**Call to Board Members:** Presented by Mr. Barfield to provide a last opportunity to present an issue, concern, or item of information that warrants the attention of the board and/or membership. No comments offered.

**Review of Meeting's Tasks:** Presented by Mr. McFarland to review tasks to ensure none were missed or recorded incorrectly and reinforce the expectations of specific people or groups. No corrections or additions offered.

• **Review of Meeting's Motions:** Presented by Mrs. Crouch to review board resolutions to ensure none were missed or recorded incorrectly and provide a last-chance opportunity to clarify if needed.

• **Announce Future Events:** Presented by Mr. Smith to announce of the upcoming board and committee meetings.

- July 19, 2021, 1:00 PM in Schieffelin Hall.
- Aug 28 at 1 pm at the Gleeson Jail
- Sept 23 at 1 pm at the Gleeson Jail
- NEC July 1 at 10 am @ Mrs Tribby
- **Road Committee** – June 24 – 9:30 am @ Mr. Klings

**Closing Comments:** Mr. Barfield presented brief comments.

**Adjourn:** The meeting adjourned at 3:30 PM.

# **Attachments**

Attendees

Presidents Report

Treasurer's Report

Road Committee Report

Approved Motions

Taskings

Adopted Revised Procedures Statement for Access to Association Records



Robert Barfield (President)

Bill McFarland (Vice-President) video call

Barbara Crouch (Secretary)

Randall Kling (Treasurer)

Tommie Smith (Member at Large)

Beckie Hilgart

Karen Tribby

Nate Tribby

Amanda G. Miller

Todd M. Miller

Chuck Crouch

Andrea Jardine

Kelly Jardine

Eileen A.

Dave Kelly

Margret Shelburne

Rhonda Buesgens

Corinthea Pangelinan

**HIGH LONESOME RANCH ESTATES**  
**PO BOX 215**  
**ELFRIDA, AZ 85610**

SUBJECT: President's Report – June 2021

**I.** The association rule regarding owner-built opt-out permits published in Association Rules and Procedures document following the 15 March 2014 membership meeting misstates the rule as it was actually adopted.

As published in the Associations Rules and Procedures document the rule reads “Owner/Builder permits must require all inspections.”

The rule as adopted by the board of directors during the 18 February 2007 meeting of the board of directors requires property owners making use of owner-built permits to choose Option 1 of *Amendment to the Cochise County Building Safety Code for Owner-Built Rural Residential Dwellings* when applying for an opt-out building permit. Option 1 calls for full plan review and limited inspections.

A careful search of the association's records and a review of the 9 February 2014 referendum that revised association rules finds no indication the rule was changed or rewritten between its adoption on 18 February 2007 and the 15 March 2014 publication of the Association Rules and Procedures document.

A copy of the referendum will be provided to the Governance Committee for their reference and consideration in how best to correct the published version of the rule.

**II.** The association received via a real estate agent a number of questions regarding interpretation and application of the association's governing documents. These questions have been provided to the directors for their consideration in advance of placing them on the agenda for discussion at an upcoming regular meeting of the board of directors.

RW Barfield  
President, HLR POA

## Treasurer Report June 21, 2021

	As Of Date	Checking	Savings	Other	Total	
<b>ASSETS</b>	Vantage West C UTex 17	Text17 22- Jun-21	\$33,858.25	\$20,009.14	\$0.00	\$53,867.39
<b>INCOME</b>		Assessment	Disclosure Fee	Late Fees	Bank Interest	Total
	<b>LEVIED AMOUNT</b> Text17	<b>(\$23,963.05)</b>	<b>(\$375.00)</b>	<b>(\$88.90)</b>	<b>\$0.00</b>	<b>(\$24,357.45)</b>
	<b>COLLECTED AMOUNT</b> Text17	<b>\$20,429.95</b>	<b>\$0.00</b>	<b>\$6.95</b>	<b>\$6.72</b>	<b>\$20,818.62</b>
	<i>January</i> Text17	<i>\$8,100.00</i>	<i>\$75.00</i>		<i>\$1.63</i>	<i>\$8,176.63</i>
	<i>February</i> Text17	<i>\$4,949.95</i>	<i>\$150.00</i>	<i>\$6.95</i>	<i>\$1.05</i>	<i>\$5,107.95</i>
	<i>March</i> Text17	<i>\$4,680.00</i>			<i>\$1.28</i>	<i>\$4,681.28</i>
	<i>April</i> Text17	<i>\$810.00</i>	<i>\$75.00</i>		<i>\$1.35</i>	<i>\$886.35</i>
	<i>May</i> Text17				<i>\$1.41</i>	<i>\$1.41</i>
	<i>June</i> Text17	<i>\$1,890.00</i>	<i>\$75.00</i>			<i>\$1,965.00</i>
	<i>July</i> Text17					
	<i>August</i> Text17					
	<i>September</i> Text17					
	<i>October</i> Text17					
	<i>November</i> Text17					
	<i>December</i> Text17					
	<b>COLLECTED PERCENT</b> Text17	<b>85.3%</b>	<b>100.0%</b>	<b>50.0%</b>	<b>na</b>	<b>85.5%</b>
	<b>BALANCE DUE</b> Text17	<b>(\$3,533.10)</b>	<b>\$0.00</b>	<b>(\$6.95)</b>	<b>\$6.72</b>	<b>(\$3,538.83)</b>
	<b>Assessment Status</b>	<b>Lot Count</b>	<b>(Cumulative)</b>	<b>Lot Percentag e</b>	<b>(Cumulative)</b>	
	<i>Paid in Full</i>	<b>108</b>	<b>108</b>	<b>79.4%</b>	<b>79.4%</b>	
	<i>1st Half Paid</i>	<b>21</b>	<b>129</b>	<b>15.4%</b>	<b>94.9%</b>	
	<i>1st Half Unpaid</i>	<b>2</b>	<b>131</b>	<b>1.5%</b>	<b>96.3%</b>	
	<i>1st Half Delinquent</i>	<b>5</b>	<b>136</b>	<b>3.7%</b>	<b>100.0%</b>	

# Out Flow

	Budgeted	Invoiced	Paid	Unpaid Invoices	Unspent Budget
<b>Totals:</b>	<b>\$21,970.00</b>	<b>\$3,539.83</b>	<b>\$3,639.83</b>	<b>(\$100.00)</b>	<b>\$18,330.17</b>
<b>Administrative</b>	<b>\$980.00</b>	<b>\$402.33</b>	<b>\$502.33</b>	<b>(\$100.00)</b>	<b>\$477.67</b>
County Recorder Fees	\$150.00				\$150.00
Financial Review			\$100.00	(\$100.00)	(\$100.00)
Mailings	\$400.00	\$260.46	\$260.46		\$139.54
Meetings	\$200.00				\$200.00
PO Box	\$80.00				\$80.00
Website	\$150.00	\$141.87	\$141.87		\$8.13
<b>Common Areas</b>	<b>\$17,750.00</b>	<b>\$2,800.00</b>	<b>\$2,800.00</b>	<b>\$0.00</b>	<b>\$14,950.00</b>
Road Grading	\$17,500.00	\$2,800.00	\$2,800.00		\$14,700.00
Road Repair					
Windmill	\$250.00				\$250.00
<b>Services</b>	<b>\$2,950.00</b>	<b>\$277.50</b>	<b>\$277.50</b>	<b>\$0.00</b>	<b>\$2,672.50</b>
Insurance	\$1,850.00				\$1,850.00
Legal Fees	\$1,100.00	\$277.50	\$277.50		\$822.50
<b>Taxes</b>	<b>\$290.00</b>	<b>\$60.00</b>	<b>\$60.00</b>	<b>\$0.00</b>	<b>\$230.00</b>
AZ Corp Commission	\$10.00	\$10.00	\$10.00		
AZ Income Tax	\$50.00	\$50.00	\$50.00		
County Taxes	\$30.00				\$30.00
Tax Prep	\$200.00				\$200.00

# SCHEDULE

Calendar Entry (15 days past to 45 days future)	Date(s)
Treasurer Report <i>Text17</i> Publish Monthly Report	1 - 9 Jun 2021
Annual Assessment <i>Text17</i> Mail Out 2nd-Half Notices	6 May - 15 Jun 2021
Annual Assessment <i>Text17</i> Email Out 2nd-Half Reminders	25 Jun - 5 Jul 2021
Treasurer Report <i>Text17</i> Publish Monthly Report	1 - 9 Jul 2021
Annual Assessment <i>Text17</i> 2nd-Half Payment Due (Owners w/Balance action)	15 Jul 2021
Annual Assessment <i>Text17</i> Mail Out 2nd-Half Overdue Notices	25 Jul - 4 Aug 2021



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# COMMENTS Financial Decisions:

None

## Treasurer Tasks Update: Tasks

- Closed: None

## Tasks - Open:

1. New Bank Signatories (20-Mar-21): Treasurer and President completed. Vice-President status pending.
2. Develop a Reserve Study Proposal (21-Apr-21): Requesting extension for possible committee involvement.
3. Budget for the Annual External Financial Review (21-Apr-21): Awaiting 2022 budget submissions (October 2021)

## Actions:

Developing procedures for treasurer functions

**Future Events:** 125 days until budget submissions are due. Submissions can be made by board officers, committees, and association members.

## Road Committee

**June 22,2021**

1. Road Maintenance:
  - a. Routine Grading: Next grading is expected the first week of October. We will update this information as needed.
  - b. Road Repair: None scheduled at this time; however, the committee is seeking authority to use \$3,000 of the \$6,500 identified (but not budgeted) at the 10 November 2020 board meeting to use for road repairs as needed during the monsoons, if needed.
  - c. Road-Issue Prevention: None scheduled at this time; however, the committee has tentatively scheduled two preventive measures to be accomplished on 29 June 2021, pending approval and funding authorization by the board. The committee is also seeking funding authorization for two sets of GEOCEL to test as erosion prevention, dates and locations not yet determined.
2. Conditions of HLR Roads: Initial evaluations are underway. Three of the sections have been individually assessed. The committee has not yet cross-compared them for standardization.
3. Committee Actions: The committee met on 15 May 2021, 21 May 2021, and 1 June 2021. The committee intends to meet ASAP following the 22 June board meeting if preventive measures and funding are approved.



# Approved Motions



## Board Meeting June 22,2021

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Accepted Todd Miller's resignation from the Road Committee.

Adopted Revised Procedures Statement for Access to Association Records. (See attached)

Adopted Policies and Procedures for Budget Process. (See attached)

Postponed Treasurer's requirement to provide a reserve study recommendation until after a financial committee is formed and puts forward a recommendation.

Approved linking one of the association's bank accounts to PayPal.

Approved putting \$3000 into the road repair budget.

Approved expense of up to \$500 for the purchase of two units of geocell.

Approved expense of up to \$1500 for construction of road erosion mitigation measures.

Approved expense of up to \$150 for the purchase and installation at the two entrances to the subdivision of signs warning of equestrians on the roadways.



# Taskings

Board Meeting on June 22,2021



## **Treasurer**

Treasurer to purchase and coordinate the installation of two signs warning of equestrians on the roadways.

Treasurer to amend budget procedures adopted 22 June 2021 to incorporate recommendations from property owners.



## Policies and Procedures - Budget

1. The board establishes the budget in accordance with the Declaration and subordinate governing documents. The actions and procedures, and their timing, to create the budget are contained herein. Should there arise any conflict between the policies and procedures of this document and those of the Association Rules and Procedures, Association Bylaw, association declaration, or association Articles of Incorporation, or government statute(s), the superior document will prevail.
2. The budget consists of the cumulative individual budget items.
  - a. Each budget item will ultimately be presented to the board as a resolution. Most of these resolutions will serve two purposes: 1) To approve funding for an action, and 2) to approve the action. The routing of the item to the board (see paragraph 4.b below) will therefore be similar to that of any resolution.
  - b. These budget items are organized into budget categories that include: Administrative, Services (insurance and legal), Taxes, and Common Areas.
3. Annual Budget and Current Budget. The initial budget is the annual budget, which should be established and approved at least 30 days before the beginning of the fiscal year (as of this writing, the fiscal year and the calendar year are the same). With the beginning of the fiscal year, the annual budget becomes the current budget which consists of the annual budget plus any budget changes approved by the board.
4. Annual Budget. The annual budget is created via six steps (see Figure 1, Annual Budget Timeline):
  - a. Step 1 – Solicit budget item inputs/requests. The Treasurer will use official means (reports, website, email, etc.) to keep board members, committee members, and association members advised on the procedures and schedule for submitting budget item inputs and requests.
  - b. Step 2 – Submit budget item inputs/requests. All budget item inputs and requests must include all information required for due consideration by the board (title, purpose, description, cost detail, pro and con arguments, etc. (see example form at Attachment 1)). **All items deserve and must receive due consideration by the board.** All budget item inputs and requests must be submitted by a board member, no matter where the item or request was initiated. The board member will ensure each item is complete, including coordination with committees and/or board members as appropriate based upon item content.
    - i. Initiated by Association Member. Association members send these budget items to the board. The Secretary then forwards them to the Member at Large. When complete, the Member at Large sends the item to the Treasurer.
    - ii. Initiated by Committee. When complete, the board member serving as the Liaison or Chair of the committee will send these items to the Treasurer.

iii. Initiated by Board Member. The board member requesting an item related to the performance of their board member position will ensure each item is complete before

24 May 2021

sending these items to the Treasurer. **Items not involving their board position should be submitted in accordance with paragraph 4.b.i above.**

c. Step 3 – Organize and standardize budget item inputs/requests. The Treasurer will review all submissions for completeness and will seek resolution of incomplete requests with the submitting board member. The Treasurer will standardize the presentation of all requests to facilitate fair consideration by the board during budget deliberations. The Treasurer will organize the requests into categories to expedite the decision process. The Treasurer will request that the budget request package be included in the read-ahead for the November board meeting and that it be posted on the association website sufficiently in advance of the board meeting to allow adequate review and comment.

d. Step 4 – Budget deliberations. The deliberations process **should be accomplished each year at the November board meeting.** The process entails five rounds of actions:

i. Round 1 – Non-binding Initial Approval / Disapproval. Without discussion and based upon only the contents of the individual budget requests, each board member will vote on each budget request item, voting either 'Approval,' 'Disapproval,' or 'Abstain.' ~~This vote can be accomplished at a board meeting, or independently in advance of the board meeting.~~ The Treasurer will compile the results of the voting for presentation to the board in Round 3.

ii. Round 2 – End-of-Year Financial Forecast. The Treasurer will present the expected end-of-year financial situation of the association. The presentation will include the minimum end-of-year balance (on 10 November 2020, the board voted that an end-of-year balance of \$5,000.00 is sufficient to address any expenses that might arise in the new year before the board collects assessment payments). The Treasurer will also include in the presentation options and recommendations for addressing any excess funds or funding shortfalls, as appropriate.

iii. Round 3 – Set Budget Target. The Treasurer will brief the board members on the results of the non-binding votes from Round 1. The board then may use these results in combination with other factors (such as the assessment burden per lot chart at Attachment 2, or legal constraints) to formulate a target or target range for the total annual budget. The board may also develop guiding concepts for reaching the desired target in Round 4.

iv. Round 4 – Binding Final Approval / Disapproval. Considering the results from Round 3 and the financial forecast from Round 2, the board will review each budget item. During this round, the board is not constrained by the funding amount requested and may adjust the funding amount. The board will address each item as a separate resolution (motion and vote) for final funding approval or disapproval.

v. Round 5 – Alternative Funding Options. The board will consider and as appropriate approve or disapprove alternative funding for the items approved in Round 4. (Alternative funding is anything other than inclusion in the annual budget, such as funding with end-of-year excess funds, delaying funding to the next annual budget, etc.)

e. Step 5 – Budget approval. The Treasurer will present the annual budget as it results from Step 4 Rounds 4 and 5. The board will vote to approve the annual budget, or failing approval, will return to and redo Step 4 Rounds 4 and 5 until the annual budget is approved.

f. Step 6 – Publish the budget. The Treasurer will request that the approved annual budget be published on the association website. The Treasurer will ensure budget comments include the budget approval date and cite the annual budget approval as the authority for all items approved in the annual budget.

5. Current Budget. During the year, circumstances may warrant consideration of actions and/or decisions that require funding authority for items not addressed and/or not approved during the annual budget deliberations. The board may make deliberate and specific changes to the current budget in response to such circumstances, actions, and decisions.

a. As deemed appropriate, the board will make associated changes to the current budget to maintain balance in the current budget (i.e., additional funding authority may require a corresponding decrease in another budget item to 'pay' for the added/increased item).

b. Only the board can make changes to the current budget. All changes to the current budget must be made via board resolution (motion and vote).

c. The Treasurer will ensure budget comments include the budget resolution approval date and cite the resolution approval as the authority for the added/changed items in the current budget.

d. The Treasurer will request that the current budget, with changes, be published on the association website.

6. These policies and procedures will expire upon the earliest occurrence of any of the following:

a. These policies and procedures are incorporated into the Association Rules and Procedures.

b. These policies and procedures are referenced in the Association Rules and Procedures.

c. These policies and procedures are superseded.

d. January 1, 2023.

Figure 1: Annual Budget Timeline

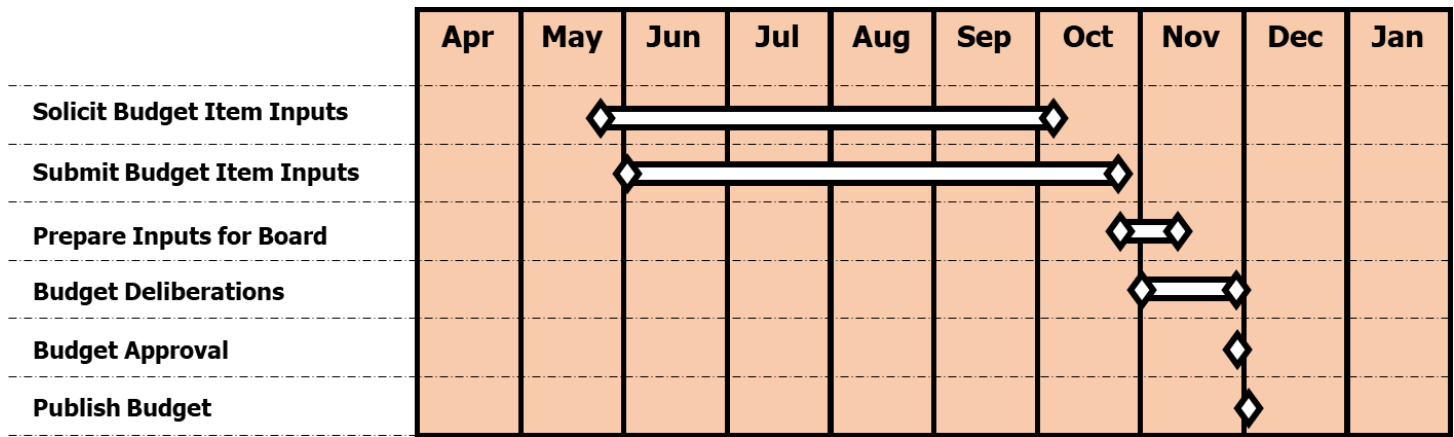


Figure 2: Annual Budget Deliberations

