



BOARD OF DIRECTOR MEETING AGENDA

FEBRUARY 28, 2024, 6:00 PM Nevada, 7:00 PM Utah

ZOOM Meeting

CALL TO ORDER: Due to technical problems, the meeting was called by John at 6:21 pm Nevada, 7:21 Utah.

ATTENDING MEMBERS: John Scott, Paula Dudek, Rosanne Krausch, Scott Bowen (phone), Donna Mooers

DETERMINATION OF QUORUM: Yes

OLD BUSINESS:

APPROVAL MINUTES: The May 10, 2023, minutes were approved. The only item on the June 24, 2023, Board Meeting was whether to discuss rentals at the 10 am Annual meeting held the same day. The unanimous decision was that the Board would not discuss rentals as we did not have sufficient information to work with. There are no formal minutes.

TREASURER'S REPORT:

THE TREASURES' REPORT WILL NO LONGER BE POSTED IN PUBLIC FORM. ASSOCIATION MEMBERS MAY REQUEST THE TREASURERS REPORT BY CONTACTING EITHER THE SECRETARY OR THE TREASURER.

Donna stated the next late billing was just sent out. At least 8 lots have changed hands wherein we were not notified.

Paula asked about the process. Normally a realtor, bank, or representative of the seller or buyer will contact the Secretary to confirm dues, processing fees, unpaid balances on the lot(s). Once the lot sells, the representative will forward a check(s) for the amount(s) owing, along with a copy of the Warranty deed. If a buyer does not use a realtor or representative, the sale may not become immediately known.

John cited what appears to be an ongoing situation with an owner who is not using a realtor.

Scott suggested we notify all Title companies in our area of our requirements.

John asked about the situation in which a tree from one of our HOA lots hit a vehicle. Donna talked with the owner/driver of the vehicle (Patrick) back in September 2023. The damage was to a truck windshield with the driver and passenger both being sprayed with glass and tree parts. The owner is the son of one of our lot owners. Donna talked with the driver who stated he would go through his insurance company regarding damage to the vehicle and any injuries. He did not want to engage the Association. Donna did contact the Association insurance company and Attorney. The owner should contact his insurance company first. A file was started but to date no further dialog has occurred.

Discussion 1: Do we want to reduce dues since we no longer pay Mag Chloride?

The estimated cost of the Mag per lot was around \$50.00. Now it is about \$100.00 per lot, billed through Kane County. In 2022, members chose not to reduce dues, to leave it at \$165.00 per lot and have the Board provide a five-year financial plan. Law requirements are that an HOA must have X number of dollars set aside to be able to make repairs to any HOA owned properties. Lot 114, the Sheriff substation would be, if not, the only financial obligation we might have. To date the amount is undetermined.

John questioned the \$162 thousand dollars in CD's and what our insurance would cover. Donna will check,

See attached: Profit & Loss Report May 1, 2023, to February 14, 2024

Discussion 2: Develop an itemized list of what the dues are used for.

See attached: DCROA FINANCIALS & 2016 - 2022

Paula read from a report by Leo Basch and presented to the members in 2022, The dues were raised in 2016 to \$190.00 per lot. We then had a carry-over profit of \$8500.00. Roads then were \$21 ,000. When Paula handled the roads, it was around \$25,000. In 2017 we did not have a roads cost and the dues remained at \$190.00. In 2018 dues dropped to \$140.00. The dues would be raised for 2 years and then dropped back to \$140.00.

Based on the report the question arose what happened between 2017 when office expenses were around \$17,000 and then in 2018, they rose to \$30,000.

Paula added, during Leo's report at the meeting he showed where the Association could not pay the bills. Costs went up but dues remained the same.

Donna's salary is based on the number of hours worked. Donna added that for several years she received no salary. As Boards changed and workloads increased, so did the salary.

Donna believed we were still paying for the roads in 2018. She will pull the reports.

Donna asked why do we need to reduce the dues when we are the lowest on the mountain? Without the CD's we are making our bills. If we do have some kind of catastrophic situation, can we cash in the CDs as quickly as needed? Members have consistently voted to not reduce the dues.

John said the members he has talked to want the dues reduced. The issue was brought to his attention. He feels we should operate a net loss of zero every year. Donna did not disagree, she just asked that we have a legal decision on what is required by law. Paula stated Leo's report suggested we have at least 2 years of operating expenses as a base. It is agreed we need to find out.

Scott would like to see the lease agreement with the Sheriff to see who is responsible for damages. He further stated he would rather collect a lesser amount of rent to have an agreement in which the Sheriffs' office has more responsibility for damages. Anything not covered by our insurance should be covered by their insurance.

Donna explained when the building was renovated, the Sheriffs department went the cost. We deduct an amount from the lease each year to repay them for the work done. Scott advised that should be shown on the reports. Donna will provide copies of the lease. She will also check with the CPA who set up the reports why the substation is not on the reports.

John added we do not have anything, other than the substation, that is ours to maintain. We don't have a club house, a community center or any of the things HOA's around us do have.

Paula pointed to various items in the Profit & Loss report that we do have.

We should have answers for the members by the annual meeting.

Further discussion tabled.

Discussion 3: Paying for snow removal on our community lot.

As long as one person needs to use the lot, we must provide access.

Donna talked with HSR who asked us to put in poles to guide the plows as to where we want them to plow. Presently all that was done, was a drive through. John said he would take responsibility for the poles. Four to five openings is our average intake.

Lot Clearing:

Discussion 4: Discuss how we want to contact landowners who must/should clean up their lots.

Donna has letters, partially written procedures, timelines already done but they need fine tuning. ARCOM was going to review and finalize everything. But each year ARCOM members would change, and nothing would get done. Last year the Board and ARCOM walked the subdivision testing some of the procedures. Vests have been purchased for members to wear when walking lots. The Fire Department has been helpful in identifying problems. Photos have been taken so members can see what is a "fire ladder", what does a "dead and dying tree" look like.

Donna will work with ARCOM to fine tune the process. The plan was to walk the areas, identify problems, send out letters of notification in March/April with September/October to get the lot cleaned up. Penalties need to be identified also. She will send copies to the Board also.

Rosann suggested once a problem is identified and the owner is notified, a reasonable time frame must be in place. How much time should be given before the Association is forced to go in, clean the lot, put a lien on the property and charge the owner? Some of these lots are chronic. There are lots with foundations where nothing has been done in 20 years.

John added things like satellite disks and other unsightly items should be included in the cleanup. Donna will send out what she has for everyone to look at. We need to continue to work with both the Attorney and the Fire Department in an ongoing system of updates in policies and procedures. Rosann added issues such as dragging a trailer off a lot and leaving it in the middle of the road.

Donna advised the 3 lots where the trailer was taken from, just sold and there are still trailers on those lots.

Donna will send everyone a copy of the Board/ARCOM contact info.

John will get with the Attorney to find out what we can and cannot do, liens, property cleanup. The Attorney works off a \$5,000 draw. When it gets low, they let Donna know and she sends them another \$5,000. Donna confirmed the Attorney does send a notice (billing) detailing what was done and the cost.

NEW BUSINESS:

Discussion 5: Rental unit policy

Rosann detailed the information she received from Kane County. Short term rentals and Airbnb's are treated the same. Kane County requires the following: a business entity, be registered with the State of Utah before an application for a Kane County business license can be submitted. (Rosann stressed a possible conflict of interest due to our being primarily a residential development). A renter must have a Utah state sales tax ID and be required to pay rental related State tax. Zone regulations must be examined.

Section 57 8A 209 of the Utah Community Association Act permits restrictions on the number and terms on rentals in an Association. Other Associations in our area allot 20% of the total number of residence to be allowed to have rental property.

Paula questioned who regulates that 20%? Rosann talked with another HOA on the mountain that does not allow any rentals. It would have to go through the county and the members for approval. Rosann does not know who regulates the rental issues for the County/State.

John and Scott expressed concern not wanting to tell an owner they were #21 and could not rent their property. Fear of an automatic lawsuit.

Rosann continued: If the Association allows say 20% in rentals, the County may charge up to \$200 to defray administrative costs.

John advised he is aware of rentals and doubts Kane County can enforce this. Rosann asked the County if it is an honor system? There was no response. Rentals take business away from hotels and motels.

John stated he is all for getting regulations in place so that if a phone call states a renter is out of control, he would like to be able to contact the owner and let them know what is going on.

Rosann added before anything is done to the CC&R's it probably should be run by the Attorney.

She read from County paperwork that states "even if a community has a valid reason to restrict short term rentals it still needs legal and contractual authority to support the restriction. Typically, the authority comes from an HOA's 'Declaration' from a state law or combination of the two. A 'Declaration' is a contract among property owners in a community. The owners jointly agree to accept certain obligations or restrictions on how

properties in the community can be used. If everyone complies the community as a whole, will benefit."

Rosann expressed her concern wherein rentals cause a lot of problems. Insurance rates increase with more rentals, decrease of property values, do not preserve the integrity of the area where rentals exist, renters do not abide HOA rules, cause damage to the area as they do not have a vested interest in long term conditions of the area, increase traffic to the area, damage to roads we pay taxes to maintain.

There is also the issue of "Grandfathering", rentals that already exist.

John and Rosann will bring it up with the Attorney.

John stated at a minimum he would like to send something to members saying, "if you are using your property as a rental, here is what you need". He also wants to ask the Attorney if we can fine the owner when the renter is out of control.

Scott suggested as an HOA, when we receive complaints about a renter, have the caller contact whatever entity should be involved. Putting the responsibility on the caller rather than the HOA.

Several suggestions were made on the best way to present all the "rental" information to the members by the annual meeting with a possible vote to approve/disapprove rentals. This could be done prior to the meeting.

John asked Rosann to put her findings in a letter to him, including the many points brought up so he has them when talking with the Attorney.

John brought up the information he received on how much a property could rent for and why members should make that choice.

Destruction 2018 files:

EX: timecards, emails reference issue at the time, letters various persons, companies reference issue at the time, old insurance policies, paid invoices

Donna went through each item above with a brief description and why destruction is warranted. She briefly reviewed the items that must be kept such as financials.

Scott asked for copies of D&O and property insurance policies for this year. He will contact our insurance broker to talk about general liability.

Unanimous vote to destroy 2018 files.

Remaining Business

Discussion 6: other items for resolution

Committee reports:

Job descriptions & Committee updates:

John and Paula said they sent theirs to Donna. She will check her emails. Donna will do one for the Secretary and the Treasurer.

Events Coordinator Paula Dudek

Paula advised July 20th will be the yard sale on lot 113.

Volunteers are needed for cleanup. She will put out emails.

Donna will get with Paula to discuss setting dates for membership meetings/locations/and speakers.

The annual meeting is scheduled for June 29th. Board meeting May 8th. A possible meeting in April for future discussion.

Paula suggested having more Board meetings. Donna and John agreed. They discussed having the required four Board meetings open to the members with an additional 4 meetings as needed closed to members as "Working meetings". Donna asked John to check with the Attorney to see if we can close meetings.

Paula, who was on the Board in the past, remembers having open meetings with members in attendance and then the later part of the meeting being closed to all but the Board. Donna explained those are Executive meetings wherein the Board is discussing or having a situation in which a specific member(s) is (are) involved.

John questioned why open meetings. Paula read from the Bylaws page 3 Section 2, which requires open meetings. specified meetings held quarterly.

John will find out from the Attorney what meeting requirements are. Everyone liked the idea of "working" meetings and "member" attendance meetings.

Next "General" Board / ARCOM meeting with members April 10.
A Board of Directors / ARCOM meeting will be March 28. Time
for both meetings is 6pm or 7pm dependent on your time zone.

May 29 Director meeting, luncheon in St. George.

The following are being worked on and temporarily tabled.

ARCOM Coordinator / committee

Property Management Coordinator / committee

Rewrite Coordinator / Review Governing Documents
committee.

Government Liaison

Send all written job descriptions to Donna.

Other Issues and Concerns

There were no other issues/concerns. Donna made a motion to close
the meeting. John second. The vote was unanimous.

Adjournment: The meeting adjourned at 8:15 pm, Nevada: 9:15 pm Utah.