

CEDAR HIGHLANDS HOA BOARD MEETING Minutes

November 7, 2018

252 N., 200 W., Cedar City, UT

APPROVED

- 1). Welcome/Quorum established – The meeting was called to order at 6:04pm.
Board members present: Mike Brask, LynAnn Imlay, Jim Byler, Linford Nelson and Regina Tashjian. Other members present: Jim Hilton, Robin Day, Louis Cheramie, Sam Tashjian, Karl Baumann, Larry & Dayleen Miracle, Jeanne Shelton, Cynthia Byler and Beth Gaines.
LynAnn made a motion to approve the October minutes which was seconded by Mike Brask. Vote was taken and the minutes were approved unanimously.
- 2). Communications
 - A. With members:
 - I. Website- Regina will send Jim Hilton the members' contact list from the annual meeting in order that he can update it and form access to data base. Jim will continue to advise members of new postings to the website. All financial information is being password protected. Members can send letters to the editor on the website.
 - II. Stream HOA meetings- the current location does not have either a land line or wifi. Linford will check to see if the tenants will provide us with their password to use their internet during the HOA meetings.
 - B. With Town
 - I. Short term rental ordinance & HOA position. The town does not yet have a short term rental ordinance. HOA will draft a letter to the homeowners (agreed not necessary to the lot owners) advising the CC&Rs prohibit rentals less than 30 days. Follow up letters will be sent to violators. Member brought up that we could take members to small claims court to enforce. Outside watering was brought up. CC&R Article 9 Section 3 prohibits outside watering. The exterior use of water also reduces the amount available for fire. HOA will put a notice on the webpage with reminders that exterior watering is prohibited and also about road courtesy and good winter driving practice (courtesy, traction tires, shovels, etc)
 - II. Any other ordinance conflicts with CC&Rs. Tabled.
 - III. Town council meeting 11/6/18 had abbreviated version of road proposal. Jim Byler suggested the HOA have work groups along with the town council member assigned to roads to discuss what the community wants for the roads and willing to spend to take a more a pro-active approach.

C. With current attorney

- I. Status of liens for delinquent HOA dues. The current outstanding dues are \$16,570. A formal collection letter that was sent out by Ruesch in February 2018.
- II. Mike made a motion to terminate the services of Ben Ruesch, which was seconded by Regina. Vote taken and unanimously approved.

3). Committee Reports

A. Financial

- I. Expenses for approval. 2 outstanding bills: CPA \$400 monthly invoice and the HOA liability insurance renewal. The corrected bill is supposed to arrive next week which will be approximately \$3200. American Family Insurance will reimburse the HOA for past premium for the water equipment. Motion to approve for payment made by Jim and seconded by LynAnn. Vote was taken and approved unanimously. We have not yet paid the outstanding bill in the amount of \$395.25 for the HOA attorney, pending answers to questions about some charges. Jim has contacted Ruesch's office and has yet to receive a response.
- II. 2019 HOA dues and budget. Current bank balance with the \$32,500 deposit, is \$44,961, of which \$9000 are refundable deposits for impact fees. The snow removal contract just received from Bullocks is significantly higher than the prior season. This seriously impacts our budget and the amount of dues we will need to collect in 2019 in order to have the funds to plow the roads for the season. Using prior years average plow cost and factoring in the Bulloch rate increase, collecting \$150 dues per lot will not cover the expense. The CC&Rs do not allow raising dues more than 15% a year. The prior board lowered the dues to \$150 which was tied to the transfer of \$65k from the HOA to the town with a snow removal contract placing the obligation on the town, not the HOA, to plow. That contract between the HOA and town has now been rescinded and the HOA is responsible to plow the roads until May 17, 2019. In order to prepare for the future, it is necessary to rescind the prior HOA board's decision to lower dues to \$150. In the event the town is unable to sustain itself, the HOA would be unable to provide services to the members collecting that amount. Unless we keep the dues at the prior rate of \$581.90, the HOA would not have the funds to maintain the roads, plow etc if the town fails and our community is once again solely run by the HOA. With the budget adjustments for the increased snow removal fees, we can still meet our plowing

obligations with collection of \$200 per lot and credit the members with the \$381.90 for 2019. Any additional collections of dues will only be on an AS NEEDED basis with board approval. Jim made a motion to rescind the former board's decision to reduce the dues to \$150 and keep them at the 2018 amount of \$581.90 with the understanding we will only bill the members \$200 for 2019. Motion seconded by LynAnn. Vote was taken and approved unanimously. Jim will prepare a letter to the members explaining, in detail, the reason why this action was taken to post on the website.

III. Collection of delinquent dues- . Mike will present a plan for collecting late dues at next board meeting. Member advised of prior board practice that the CC&Rs allow us to file a lien which we may record at Cedar Land Title without filing in small claims court, although that is still an option. In the past the HOA has foreclosed on some properties for non-payment of dues.

B. ARC

I. Homes under construction- Linford (2 homes), Roger Thomas and Henson.

II. Review of Town Impact Fees & Permit charges vs. HOA impact fees. At the October 18 town council meeting, Steve stated the town fees were close to Iron County. The facts show this is incorrect. CH Town's building fees, based on the permit for a 366 ft addition, are \$5.04 per square foot. Iron County permit fees for Linford's 2 homes under construction averaged \$0.82 per square foot. The Town municipal code has an example of impact fees which total \$4.12 per square foot. The formula used in the municipal code is based on the budget of \$340K, which was the original budget proposed by the town to Iron County and disputed by the property owners and rejected. Using the \$134,120 budget approved in the formula, the impact fees are reduced to \$1.62 per sq ft. Regina furnished the town council with the documentation. The town council has the impact fees under review. Regina made a motion to temporarily suspend collection of HOA impact fees unless the road maintenance once again comes under HOA control. LynAnn seconded the motion. Vote was taken and approved unanimously.

III. New applications. None. Jim Newberry has not yet started construction of his addition. Chet Tran has withdrawn his application for the fence.

C. Roads

- I. Status of Snow Plow contract. Mike just received the new snow removal contract from Bulloch. The board has not yet found another contractor, primarily because it is late in the year and due to the contractor's equipment needs to service the HOA. In the discussions between Mike and Ray Bulloch, Ray was agreeable to partial plows for the areas in the subdivision requiring plow. Mike made a motion to adopt the snow removal contract with Bulloch, seconded by Regina. Vote was taken and approved unanimously.
- II. Snow measure and procedures. Mike is the primary contact person and Jim will be the backup who call into Bulloch. They will check with members in different areas of the subdivision to be part of the measure team. LynAnn suggested waiting for the snow to stop to begin the plow. If it is not safe to go down the mountain, we will have Jim Hilton notify members of conditions by posting on website &/or HOA Facebook page with any warnings. Linford stated about 2 inches of snow should be left on the road.

D. Fire-

Chipping has started. Jim Hilton reminded everyone to complete the fire form and give to either Jim Hilton to Paul Starks. The Fire Safety Club information is up on the websites. If we purchase the fire engine, we may have a better response from members. We do not have the population base and other factors to meet the requirements for a volunteer fire department.

5.) President's Report

- A. Status of collection of the \$65K from the town. The town has reimbursed the HOA in the amount of \$32,500 with the balance to be paid once the town receives taxes.
- B. Discuss future HOA responsibilities and goals, open format. Mike advised of ongoing discussions with the mayor about a sustainable plan for the roads which includes defining the future responsibilities of the town and HOA in advance of the next town budget and the Truth in Taxation meeting August 2019, which will determine next years tax bill. If the HOA plows & maintains the roads between the cattle guards, that will effect both the HOA dues to cover that cost and also the town budget and our taxes. Member suggested we contact the State of Utah Ombudsman to find out the laws regarding the use of state

money for private roads which will effect these decisions.

Prior to reimbursing the town the \$2500 for cleaning the culverts, we need documentation to determine if the work performed was as specifically defined in the agreement with the town. Mike said he will speak with Ray Bulloch to find out the exact work performed and also obtain a list of culverts that still need to be cleaned out.

C. HOA projects to improve the community- tabled

6). Member Questions – Open Discussion. Questions were answered/discussion during the individual areas above.

2 members email questions were addressed.

7). Date and Time for Next Meeting. Wednesday, December 12, 2018 at 6pm

8). Executive Session- none held

9). Linford made a motion to adjourn at 8:34pm, seconded by Jim. Vote taken and approved unanimously.