

APPROVED 02/08/2024

BOARD MEETING MINUTES 01/18/2024 (No audio available for this meeting)

Cedar Highlands HOA **SPECIAL** Board Meeting Agenda
Thursday, January 18, 2024, at 6:00 pm
Cedar City Library, 303 N 100 E, Cedar City, Utah

START RECORDING Meeting called to order at 6:00PM

1. **WELCOME** (Establish Quorum of the Board)
2. **APPROVAL OF THE AGENDA**

On a motion by Tom and second by Patti the board approved adding the following items to the meeting agenda: The 2024 HOA Annual Meeting Calendar, Updated Roster for Board Appointed Committees and meeting Minutes from August, September and October.

3. **PUBLIC COMMENT:** During Public Comment members may address the Board on any matters under the authority of the HOA including items on the agenda and items not on the agenda. The Board is not authorized to act on items not on the agenda. Public comment is limited to 3 minutes per person (yielding time to others is prohibited) and 10 minutes per topic, unless extended by the Board officer presiding over the meeting. Members requesting to speak during public comment will state their name and residential address for public record. In accordance with our Cedar Highlands HOA Bylaws, any other discussion or comments from attendees must be approved by a majority vote of the Board.

The Board introduced a new heading as a standing item on the agenda entitled, PUBLIC COMMENT. During this period members can address the board on any matters under the authority of the HOA Board. The following members spoke and made comments:

RICK SILVA: Rick spoke in response to allegations made by LynAnn Imlay that Lori Silva made illegal statements at the previous meeting of January 11th. While LynAnn was expressing concern over wasting resources, spending too much money on lawyers, Lori responded by asking if she wanted to hear about wasting resources, she should ask about \$34K that was spent without required board approval. LynAnn asked for that statement to be explained at the next public meeting.

Rick explained that Mike had urged the expense of \$34K worth of road repair be done in August to avoid costs for Pierce to leave the mountain and have to return. Concerns were expressed about doing this both due to cost and timing. Roads committee reps discussed the concern for doing so much dirt work in August with the Monsoons coming in September. After numerous text exchanges and emails discussing this action Mike sought to take this action without a meeting by seeking a board vote by text. This type of action requires unanimous approval by the

full board. Mike Sent an email to all board members but completed the vote without receiving unanimous approval. Lori Siva did not vote in response to the request to spend \$34K and called Mike later asking what happened with this vote. She told Mike she did not approve and asked if he wanted her vote. Mike said it was a moot point that the check to Pierce was already being processed.

Rick also went on to explain that he learned later from Mike that another reason he pushed to pay Peirce Excavation for road repairs to be done in August, was to help that company make their payroll for the month. Board members Tom Wootton and Lori Silva also stated they were not told about the challenge the vendor had in making their monthly payroll and for this to surface after the vote, was very disappointing and unethical. The efforts to push this decision put an emphasis on the needs of Pierce Excavation above the best interests of the HOA. A majority of the \$34K of dirt and repairs made in August damaged/washed away with the seasonal monsoons that come every September.

Rick cited another example of concerning actions taken by Mike as president with the repairs completed for the Pierce Excavation's Sand Truck. The truck required an oil change and change in glow plugs. The truck was taken by Pierce staff to a St George mechanic for these repairs. The plugs were only hand tightened so when they began to operate the truck the plugs blew out damaging the valve cover and throwing oil everywhere. The truck had to be taken to a local mechanic in Cedar City to fix the prior repair job. This cost an additional \$1700. that Mike authorized to be paid from HOA funds to repair Pierce's truck.

Rick cited a third incident dating back to December 2022. Mike approached the board members and shared that Pierce was experiencing financial difficulties and asked if the board would consider loaning Pierce money or advancing him cash before services were rendered. Fortunately, there was not a majority of the Board that would agree to this, and no such illegal action occurred this time.

Throughout his comments Rick expressed remorse for his role in these illegal actions apologizing for being complicit and following Mike's lead w/o questioning what he felt were bad actions. He shared that he is not one to talk publicly about others but when LynAnn expressed concern for the comment made by Lori disclosing the expenditure of \$34K without a legal vote of the Board Rick said he knew the details of this action and he felt compelled to step forward and tell the truth and state the facts for the public record.

JIM GRIMES: Jim spoke briefly about the proposed increases in Impact Fees and Security deposits in the final draft of revisions to the ARC Policy and Owners Construction Requirements. He shared that he thought they may be excessive compared to other HOAs for new home construction. The Board agreed to give a full explanation when the item is addressed later on the agenda.

CHAD ATKIN: Chad suggested the ARC Policy be revised to stipulate that if a member completed their new home construction within one year that they could request a refund of the half of the new Impact Fee. The board agreed to take this under advisement and approve the draft policy with

this addition.

ANKARA ROSSER: Ankara expressed concern that the CCRs would not be revised this year. She expressed her opinion that the CCRs were badly outdated and need to be revised. She reminded people that doing a comprehensive update has been discussed for years but never accomplished. It was clarified again that the cost of CCR revisions which requires 2/3 approval of a member wide vote is upwards of \$5K and would not be possible during this year of budget deficit (\$35K)

JULIA SMITH: Julia expressed her interest in trying to get the county to provide more resources to help in our community...specifically to care for roads. Lori responded and shared that the board was in the process of setting up a meeting with the Land Use Authority to see how we amend our official status to be redesignated from our current status as a "Seasonal Community" to a new status of "Residential Community." This would make us eligible for more resources.

DEB HARTMAN: Deb was not able to attend the meeting but was encouraged to send in her questions to be read during Public Comment, they are as follows: #1) Why was there a change in Board Officers at the last meeting? #2) Why did the Board not continue with the meeting since the agenda was already set and this would have avoided the need for a Special Meeting. Tom Wootton responded on behalf of the Board. He shared that prior to the January 11th meeting the Board met informally to review and agree upon the meeting agenda for December 21st (rescheduled meeting). At this meeting several changes to the agenda were discussed and agreed upon. When the meeting agenda was posted on the website later by Mike, he had not included the changes and posted an agenda previous version of the agenda.

Additionally, Tom, Lori and Patti each shared examples of poor communication, inconsistent actions by Mike, non-compliant votes being taken without following procedures, ethics violations by putting the plow company's interests above the needs of the community, etc. as to their reasons for losing confidence in Mike's effectiveness to serve as president.

LARRY MIRACLE: Attending virtually and spoke during public comment. Larry expressed concerns that a move forward with revisions of the CCRs/Bylaws would be ill-advised in his opinion if it includes any type of "moratorium on enforcement of the CCRs." It was clarified again and cited in the source documents that there was never a "moratorium" proposed on any of the CCR's/Bylaws. The term moratorium never appears in any of the actual proposal documents. This was a rumor that ran out of control and was complete misinformation.

MIKE BRASK: Mike attended the meeting virtually but did not ask to speak during public comment. He submitted a written statement to the full Board the night before the meeting and expressly asked that it be read into the minutes as he intended to send a copy to all HOA members. Stan Carrizosa accommodated Mike's request and read the full letter into the minutes for public record.

STAN CARRIZOSA: Stan spoke after reading Mike's letter and corrected the following misinformation alleged by Mike:

- Stan did not meet and conspire with the other board members to plan removing Mike from office. For the record, an HOA Board can meet informally either in-person or virtually to discuss, plan and research matters of Board business. They cannot take any action at such informal meetings.
- Stan does not suffer from Diverticulitis. He has a condition where the high elevation is preventing proper kidney function. This leaves Stan in a constant state of dehydration and a buildup of potassium in his blood. High levels of potassium lead to congestive heart failure.
- Stan did not conduct an illegal action when the Board voted by text to support a community member in the repairs of their culvert. This decision was voted on by all board members in writing and the vote was four to one in support, so the decision was carried out. Mike disagreed with the recommendation of the Roads committee to fix the culvert and voted no.
- Mike reacted to this by alleging misconduct on the action and directing Stan to not do that again. He further admonished Stan because his home is on the market for possible sale due to the elevation-related health condition. He told Stan not to undertake any other projects since he would not be here to see them through. Stan had previously gone to great lengths to disclose his health condition prior to the board elections. Mike encouraged Stan to put his name on the ballot with the assurance that his health condition and related family decisions would not be a problem with him serving on the board for as long as he can. When this disagreement arose, Mike went back on his word and called Stan out for having his home on the market and used his health condition as a reason to sideline Stan on the Board and ask that he not do any further work that he could not finish.
- Stan responded to this dishonesty and lack of integrity by submitting his resignation from the Board so his health condition and related family decisions would not disadvantage the Board in any way. (After Stan resigned and the Board had to follow through with the plan to fix the culvert Mike voted in favor of approving the expenditure).
- The three remaining board members reached out to Stan individually and asked him repeatedly to reconsider and return to the Board. They met with Mike on their own prior to the January 11th meeting and shared their concerns for his style of communication, his busy travel schedule which leads to a lack of availability, the inconsistency in decision-making and overall poor communications and interactions between board members since September. They felt that they might all resign as well and shared this with Mike. He shrugged his shoulders as though to say, "Oh well." The three asked Mike if he had considered resigning since he has already said this was his last term and it expires in September and his work schedule has become all-consuming of his time. Mike rejected this notion and vowed to finish his term.
- The three board members then felt compelled do something in lieu of mass resignations which would leave the HOA paralyzed without a governing Board. They contacted Stan again with the proposition to return to the board by appointment and they would raise

the issue of a change in board leadership. Stan agreed and they carried out board actions to change board officers at the meeting of January 11, 2024.

MIKE BRASK: After all other public comment Mike asked to speak and shared his comments. He explained that when he came onto the board there had been a history of more loosely run operations and it was often “a one man show” to get things done. He said he followed in this mold because that’s how others operated before him. He stated that he has always done his best to try and help the association and never intended to compromise the needs of the association. He stated that he wrote his letter the night before while he was very angry, and he apologized for the content he expressed in his letter. All board members thanked him and accepted his apology. Mike then stated it would be in the best interest for him to resign from the board immediately. On a motion by Tom and second by Patti the board voted unanimously to accept Mike’s resignation.

4. RATIFICATION OF BOARD ACTIONS TAKEN WITHOUT A MEETING

- a. Summer Roads Maintenance/Repairs – Pierce Excavation
- b. Residential Culvert Damage Repairs (Main Rd impact)
- c. Tractor Works Snow Plowing/Road Maintenance Agreement 2024.
- d. Tractor Works Monthly Service Fee payments.

On a motion by Patti and Second by Tom the Board voted unanimously to ratify these Action Taken Without a Meeting.

5. ACTION ITEMS

- a. CH HOA Board Goals 2024

The Board presented a list of goals for the 2024 year. These goals are a result of the Board’s efforts to conduct a comprehensive “reset” of board operations. They will also serve as the primary guide for the board’s activities and resources throughout the 2024 HOA year. On a motion by Stan and Second by Tom the Board voted unanimously to approve the goals.

- b. Annual Membership Dues Increase & approval to send out invoices

The Board reviewed the status of the 2023 budget as the new fiscal year began in September. It was shared that due to the record-setting winter of 2022 the annual budget is carrying over a deficit of \$37K. On a motion by Patti and second by Tom the board voted unanimously to approve the dues increase. An increase was approved of 12.5% over the previous year. This increase takes the annual dues to a total of \$840. Annually.

- c. Budget - Monthly update on all financials and approval to pay bills

The Treasurer reviewed the current status of the HOA budget. She reviewed the bank statements for the past three months. She explained efforts underway to correct oversights in the previous accounting practices and shared all the pending bills to be paid by the HOA for goods and services. It was again clarified that the board inherited the budget deficit from 2022-23 and would be reducing planned expenses over the course of this year to recover that deficit and end the year with a balanced budget. It was further clarified that the Board intends over time, to restore the CD’s that had to be cashed in for cash flow purposes. On a motion by Patti and

second by Tom the Board voted unanimously to accept the treasurer's report as presented and approval to pay all bills.

d. Creation of monthly Consent Agenda to be implemented as a standing Agenda item.

It was explained that implementing a CONSENT AGENDA as a standing item on the meeting agendas is a best practice to appropriately process and account for board actions that may be required to take place between board meetings. A CONSENT AGENDA is for routine business transactions. On a motion by Stan and second by Lori the Board voted unanimously to approve the addition of a CONSENT AGENDA

e. New Policy 2024-1, Appointing Administrative Officers – Final Revisions

This was presented back in October as first reading of the draft policy. It was available on the HOA website for member feedback and input over the next three months. This final draft was now back before the Board with any edits/updates from the first draft for a second and final Board review. This is a new policy allowing the Board members to appoint an Administrative Officer to support/assist them in carrying out board duties. On a motion by Tom and second by Patti the board voted unanimously to approve the new policy.

f. Appointment of Greg Pierce as Administrative Officer (becomes effective in 48 hours)

In accordance with the newly approved policy Tom Wootton recommended that Greg Pierce be approved to serve as his Administrative Officer under his duties as Vice President. On a motion by Patti and second by Lori the board voted unanimously to approve the appointment of Greg Pierce.

g. HOA Committees Updated Rosters for 2024

On a motion by Stan and second by Patti the board voted unanimously to approve the updated Committee Rosters for 2024.

h. Policy Revision - ARC/ Owners Construction Requirements Revision – Final Revisions

It was explained that the proposed revisions to the ARC policy and Owners Construction Requirements first introduced back in October, resulted from the record-setting winter of 2022-23 and resultant deficit in the annual HOA budget. It was further explained that the calculation for the fee increase (\$10K Non-refundable Impact Fee) was based on an annual non-refundable impact fee of \$5K that was doubled for the typical time for completion of a new home construction which is two years. It was suggested that a stipulation be added so that if a lot owner building a new home completed that home within a one-year period that they would be eligible to request a refund of half the \$10K impact fee. A motion was made by Stan to approve the policy revisions with that added stipulation, a second by Tom and the board voted unanimously to approve the revised policy/documents. This revised policy takes effect January 20, 2024. Previously approved ARC applications will not be required to comply with increased fees/deposits.

i. New Policy 2024-2, Vote Counting Procedures – Final Revisions

The new policy was introduced back in October and reviewed for a second and final public reading. This policy codifies the steps and procedures to be followed whenever the CH HOA must

administrator and process a vote of the full membership. On a motion by Patti and second by Tom the board voted unanimously to approve the new policy.

j. Member Request for Accommodations under the ADA and FFHA.

This was initially listed to be addressed in Closed Session so as to provide the member due privacy protection under the Americans with Disabilities Act (ADA) for a personal health condition. This request also falls under the Federal Fair Housing Act (FFHA) and HOA's are required to comply. The affected HOA member Clint Bunting asked that his request be acted upon in Open session. The Board read the physician's letter explaining the diagnosis and prescribed accommodation for the member and their disability. On a motion by Patti and second by Lori the board voted unanimously to approve the physician's prescribed accommodations.

k. Approval of HOA Meeting Minutes from August, September, & October.

On a motion by Tom and second by Patti the board voted unanimously to approve the minutes as presented.

l. Approval of 2024 Annual meeting Calendar

It was explained that HOAs that post their fixed meeting days/dates for the entire year, better serve their members in being able to plan to attend or participate in meetings. On a motion by Lori and second by Patti the board voted unanimously to approve the 2024 annual meeting dates.

6. COMMITTEE REPORTS TO THE BOARD

a. Fire/Safety/Water – *Lori, Tom, Mike*

Lori and Tom shared there were no updates from Fire and Water Committees this month.

b. Roads – *Lori & Stan*

Lori shared that she will be setting a Roads Committee meeting to review status of current priorities.

c. ARC – *Patti & Tom*

Patti reviewed a list of all active ARC projects/applications. There were no new ARC applications for Board approval at this time.

d. CCR/Bylaws – *Stan (one more Board Rep needed)*

Stan shared a comprehensive update on the status of the CCR committee and the recent push to conduct a full revision of the CCR's in 2024. He shared that due to the fiscal deficit in the annual budget the CCR committee WILL NOT be conducting an all-membership vote on revised CCRs this year. This will be on a list of priorities being considered for next year once the HOA budget can better accommodate the related costs.

7. INFORMATION ITEMS

a. Correspondence **NONE**

b. New Topics/ Items for First Readings/ Board Member Comments **NONE**

8. **NEXT MEETING** Thursday February 8, 2024, at 6:00PM

9. **CLOSED SESSION**

- a. Under the HIPAA of 1996 and the Americans with Disabilities Act, the Board will receive and consider action on an HOA member request.

This item was requested to be addressed and acted upon in open Public Session. There was no Closed Session held.

10. **ADJOURN. END RECORDING MEETING ADJOURNED AT 8:49PM**