

Nature Pointe Board Meeting
Minutes Tuesday, March 18, 2014 at 9 a.m.
Nature Pointe Clubhouse

Board members present: Alex Leonard, President; Karen Leach, Secretary; Trudy Henderson and Debbie Leonard

Members present: Buck Dewey, Scott Horton, Melissa Rugge, Patsy and Matt Spellman, Wes Trudell, and Mark and Karen Tuttle

Call to Order

Trudy called the meeting to order at 9:05 a.m. and noted that Bryan Burns was out of town. Trudy called for approval of the March 7th Board minutes. Karen said Bryan hasn't had time to review the minutes. Trudy moved to postpone approval of the minutes, motion passed by unanimous vote.

2014 Budget

Alex reviewed the draft 2014 Budget versus 2013 Actual Income/Expenses. He indicated that several expense areas increased: State and Federal taxes (Steve Sanders, CPA, gave us the estimated quarterly taxes due in 2014), Special Events per feedback at the March 7th Board meeting, and Reserve Study from \$10,000 to \$12,000. Trudy will obtain a quote to do a Reserve Study from an engineering type of company and will check with property management companies. Trudy asked about the Event Equipment Rental Income. Alex said the trend has been for more brides to rent our china and table decorations, which will be on display in the Sales Office. Karen said we are also working on a photo album of our table decorations.

Karen shared an updated 2014 Wedding Model of Income/Expenses for 50 weddings, which shows a \$20,000 reduction in income due to potential wedding cancellations and possibility fewer nonrefundable deposits for 2015 weddings. Trudy stressed the need to have weddings in order to cover our operating expenses and building maintenance costs.

Trudy asked about the increase in Staff Expenses (employees and contractors). Alex said we are paying Patrick a higher salary and the approved 2014 salaries. Karen said she was out of town for the February 22 Executive Board meeting, but it was her understanding the Board approved the salaries included in the budget.

Trudy confirmed that she will also obtain a quote for the stucco and gate cameras. Karen said we can use the quotes we have for budget purposes. Alex will follow up with Patrick on roof repairs so he can request a quote from Cornerstone Roofing, Inc. Alex explained the need to improve climate control in the Anasazi Hall so the doors on the west side of can be closed during weddings. Alex will meet with Dan Thompson at Nature Pointe to further discuss air conditioning options: repair swamp coolers (~ \$400), add additional vents to exhaust the air, add an additional swamp cooler (~\$3,500) or add refrigerated air that would also increase our electric costs (~\$27,000). Trudy suggested the refrigerated air option as a long-term solution since weddings are a very important part of our operations.

Alex said the Phone and Cell Phone costs will be lower because we don't have cell phones this year. Trudy recapped the proposed budget: total Expenses are \$356,992 compared to \$291,690 last year primarily due to a number of building projects: exterior stucco repairs, gate cameras, roof repairs, cooling system, Reserve Study, pool cover (completed), resealing/restriping the parking lot and obtaining the Special Use Permit. Karen said we could take money from our Reserves, but we have income in our budget to do the work.

Special Use Permit

Alex reported that Bernalillo County may issue a citation because we do not have a Special Use permit to conduct weddings – our Conditional Use permit does not cover weddings for outside groups. Alex is working with Jackie Fishman, Consensus Planning, to process the application. Karen explained that Jackie also did our Conditional Use permit. Trudy said they are one of the best companies in Albuquerque to process permits. Alex is also working with a company to do a sound test and a civil engineer to design additional parking spaces that will be needed.

Alex presented various budget reports and scenarios of the financial impact if we don't have weddings, which was prepared by Alison Murray, Finance Committee member. The reports show HOA dues increasing to \$331-\$395/month for homeowners and \$259-\$297/month for lot owners. Karen asked the members who would be willing to pay this amount in dues if we didn't have weddings. She said a member told her that he was willing to pay \$500/month and he thought others agreed. All members in the room disagreed with an increase in dues. Karen said the County has recently gotten a number of complaints from members and we need everyone's support to be successful with the permit process. Alex said the citation is a result of the complaints. Deb also called for community support.

Trudy indicated that we must have licensed electricians and plumbers to do required work at the Clubhouse. Karen said all Board members believe that the work should be done correctly. Deb indicated that we have come a long way over the last 5 years and we must be prudent with our expenditures.

Community Meeting Response

Karen explained at the March 8th, Community Meeting members want the Board to be more transparent and asked what information can be disclosed. Karen said the new HOA Law clearly states what must be available and she gave examples of information on our website: financial reports, minutes of Board meetings, excluding Executive sessions as stated in the HOA Law, Bylaws, Declaration of the Association; and she said other information stated in the Law is also available: Reserve amounts and names of members. She said salaries of staff and contractors will not be disclosed.

Karen said at the Community Meeting a member wanted the Board to determine the validity of the recall election process. Karen said it is covered in the Bylaws in several places. Trudy read from the Bylaws, 3.1, page 7, Removal of Directors which describes 51% of voting membership is needed, and 2.5, page 3, Special Meeting, which describes the need for a special meeting and a petition signed by members representing at least 25% of the total Class A membership.

Alex said a special meeting would need to be held rather than being a part of the Annual Meeting. Debbie moved that a Special Meeting would need to be held for the recall process at 6 p.m. following the Annual Meeting, seconded by Trudy, those voting for were Debbie, Alex, Trudy and Karen abstained.

Karen indicated another topic at the Community Meeting: a member wanted to know if the financial process was changing since Bryan is stepping off the Board. Karen said the process will not change: Alex will appoint a new Board member following the Annual Meeting by assessing the skills and experience of current Board members, quarterly financial statements will continue to be posted on the website, Steve Sanders, CPA, will continue to do our financial audits, Alison Murray, Finance Committee member, does monthly reconciliations, and Krystal Cortez, Bookkeeper, is doing an excellent job with QuickBooks. Alex confirmed that Krystal is able to complete the bookkeeping responsibilities within 4-5 hours per week.

Next Board Meeting

The next Board meeting will be set following the Annual Meeting once new Board member/s are elected.

Adjourn:

The meeting adjourned at 10:45 a.m.