

Nature Pointe Board Meeting

Minutes Friday, June 6, 2014 at 9 a.m.

Nature Pointe Clubhouse

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

Members present: Buck Dewey

Call to Order

Trudy called the meeting to order at 9:07 a.m. and noted that Debbie Leonard was unable to attend. Trudy called for approval of Board minutes. Karen said all Board minutes have been approved and posted on our website.

Wedding Business Overview

Holly Siebert, Wedding Manager, presented an overview of our wedding business. She said the initial tour with the bride is handled by the Clubhouse Manager or Alex. They inquire about how the bride learned about Nature Pointe (NP), go through ins and outs of the event, and guest count. She said she promotes NP as a unique, smaller boutique type of facility. We market to brides who are looking for an intimate setting that is more similar to a private home, rather than a large hotel that can handle 400+ guests. They explain to the bride that she is the liaison with her guests and how they need to behave in a community setting. Karen asked how the brides feel about this role. Holly said it's well received because they select us for our unique character and high quality, which is also emphasized in ads in the Perfect Wedding Guide.

On the initial tour they give the bride a contract. Booking can happen the same day, but usually they return. She explained how they work with DJs. Karen asked if we have a preferred list of DJs. Holly said the best DJs are expensive and their information is displayed on the cabinet by the Office. The initial tour/meeting is takes 2-3 hours to explain the contract, expectations, flow of the event and the 10-page setup schedule.

Trudy asked if we keep track of how brides learned about NP. Holly said it's recorded on the contract. Google is the primarily way, but we haven't done a formal analysis. Trudy asked about verification of licensed servers. Holly said we verify the license the day of the event, some use the catering service licensed servers, and a number of our wedding staff have a liquor license so they can step in if needed.

Holly explained duties of the wedding staff. First to arrive are the Day of Wedding Coordinator and 1 assistant. They sweep the floors, do last minute cleaning inside/outside, go over paperwork and review flow of event. Next they setup Anasazi Hall with tables and linens, and setup chairs on the patio for the ceremony. Vendors arrive at noon and staff are introduced to each. Our staff ensure all details are taken care of, i.e. silverware is set and table decorations appropriately placed. Staff review rules with the bride and wedding party, i.e. no alcohol in the bathrooms, parking lot, etc. They also review rules with the wedding party during the rehearsal, which usually involves about 25 people. They inform them about our cameras throughout the

facility and if their guests do not follow the rules staff will shut down the bar and/or event. Jeff asked how many staff would it take to ensure no incidents. Holly said it would be ineffective to have staff just walking around and it would not be a good return on our investment. She felt having a cell phone for the patrol staff was a good idea. Alex explained the only damage we have ever had was a broken pot valued at about \$80. We now charge an \$800 nonrefundable deposit.

Alex said last weekend dancers formed a Conga line and went through the south facing doors allowing a higher level of music. He said he will add this topic to the training manual to discuss with brides which doors can be used. Karen asked about the visual barrier on the south facing doors. Alex confirmed that a large ribbon bow is placed over both doors, along with multiple signs stating "emergency exit only".

Holly said it takes staff 2-4 hours to cleanup following the event. Staff leave between midnight and 2 a.m. Trudy thanked Holly for her presentation.

Financial Reports

Alex introduced Steve Sanders, HOA CPA. Steve explained he just completed our first quarter Financial Review. He gave a brief overview of his experience and background, stating that he has worked with a number of HOAs and understands how they function. He has been a CPA in public practice for 17 years and private practice for 5 years. He gave a report on our past, present and future financial status. He said the best internal control for a HOA is an active Board, which Nature Pointe has always had.

Steve said we had managers in years past who did not have the skill set or educational background to handle the bookkeeping side of the position. He said he is still working to correct errors with the IRS that were made in 2011-12 by not filing payroll taxes, which cost our HOA thousands of dollars in penalties and fees. He said we made the right decision to hire Krystal Cortez as our Bookkeeper, who has the educational background and is well versed in accounting and QuickBooks.

Steve reviewed past Board meeting minutes and noted that the Board made a motion to have all invoices approved by 2 Board members. He reviewed our monthly invoices and found that this procedure is being followed. He said we have good internal controls and didn't find any issues with the review. He will send a written report soon. Jeff asked if there is anything else we should be doing to ensure proper oversight. Steve indicated no – we have a budget in place, separation of duties by having a member handle monthly reconciliations, etc. He said if you added additional personnel it would not be warranted for a HOA of this size.

In doing the quarterly Financial Review, discussion came up about the Special Use Permit. Steve said it is vital that we obtain the permit. He did an analysis of our financial records and without revenue from weddings we would have an annual \$200,000 shortfall and no money for Reserves. Plus, we need to consider depreciation of our roads and building. He said without this revenue homeowner's property value would drop an estimated \$150,000/home. He said the wedding business will help to sustain Nature Pointe. Trudy asked if any of the Board

members had asked him to report this information. He said no, from a financial standpoint you can't take away 74% of your revenue and stay in business. Trudy asked what would be an alternative. Steve said we would need to drastically increase HOA dues, but that would make it impossible to sell future lots/homes and members would walk away from their investment. He suggested no manager, scale back on bookkeeper and need for a maintenance person. He also suggested taking the gate out and turning the roads over to the County to maintain. Trudy asked if the roads were built to County standards. Alex confirmed that they were. He suggested other ideas of privatization of the Clubhouse or closing the Clubhouse. Trudy thanked Steve for his report.

Alex reviewed the first quarter Profit & Loss Budget vs. Actual financial report and Balance Sheet. He noted that HOA dues are higher than budgeted because of lot sales, staff expenses are lower, however, Paul Reed is assisting Patrick more than anticipated with various projects. Karen said we need to watch expenses since we will have a loss of \$32,000 this year because we are not selling 2015 weddings and not collecting \$800/wedding nonrefundable deposits. Alex explained the Office Expenses are higher than predicted because we did 2 mailings this year for the Annual Meeting, purchased a new copier and paid 2 annual memberships (Costco and QuickBooks), so we may not have budgeted enough for the first quarter expenses. He noted that overall we are on target. Karen thanked Alison Murray for preparing the financial report and Balance Sheet, which will be posted on the website.

Election of Board Officers

Trudy suggested voting for a slate of officers rather than individually. Trudy declined the Vice President position. It was agreed to leave the position open at this time. Trudy moved to accept the Slate of Officers: Alex Leonard, President; Jeff Murray, Treasurer; and Karen Leach Secretary, seconded by Karen, motion passed by unanimous vote.

Special Use Permit

Alex reported that Board members attended the Bernalillo County Commissioners public hearing on Wednesday, June 4th. Jackie Fishman, Consensus Planning, requested a 30-day deferral due to changes requested by the Planning staff after the deadline, which meant the Commission would not have the information prior to the hearing. Three HOA members and 3 residents from 5 Hills neighborhood Association recommended a 60-90 deferral. The Commission approved a 60-day deferral.

Alex handed out a budget scenario without wedding income that indicated potential dues of \$395/month/home and \$297/month/lot; and a 2014 Budget with 112 homes and 3 weddings that indicated dues at \$150/month/home (attached).

Alex also stayed for the Old Town Farms Special Use Permit (SUP) request for weddings, which was approved. Jeff asked if Alex gained any insight from their process. Alex said their venue is open until 11 p.m. and they have a limit of 60 the number of weddings.

Alex suggested having another Community Meeting with Jackie and an outside facilitator. He said Tony Aragon is also planning a meeting on June 19th. Alex said the cost of the SUP will

greatly exceed our budgeted estimate of \$7,000 and will most likely cost \$15,000-20,000. Trudy moved to proceed with scheduling a Community Meeting with an outside facilitator, seconded by Jeff, motion passed by unanimous vote.

Alex reported the wedding patrol person is working well. He has been guiding people to parking areas and walking around the property every 15-30 minutes. Trudy recommended developing a job description for this position which would include areas to be checked, clear parking lot and property at the conclusion of the event, and not leave until guests have departed. Jeff agreed to develop the job description and to research a cell phone. Karen moved to develop the job description and purchase a cell phone once Jeff has done the research, seconded by Trudy, motion passed by unanimous vote.

Alex discussed the signage needed along Route 66 and Sedillo Road. Jeff recommended making the signs large enough to be seen from a distance. Alex stressed the need for the signs to fit in his car. Discussion followed about wording, reflective letters, directional arrows and placement. Karen agreed to work with Alex and a sign company to get mock-ups to review prior to purchasing.

Facilities Management Report

Alex said Patrick and Paul Reed are changing filters and fixing water line leaks on the swamp coolers. KW Electric, licensed electrician, repaired the swamp cooler in the Wellness Center and racquetball court, and ran power for the additional cooler in the Anasazi Hall. Alex met with Thompson Electric about installing the new swamp cooler.

Patrick fixed another water leak at the gate. Karen requested that Patrick spend more time checking leaks in our sprinkler system to conserve water and costs. Alex reported that Karen has been meeting with various landscape companies to request quotes to handle the landscape work she and youth have been doing over the last 5 years.

Alex is planning to wax the floors soon. He said the magnetics for the back door locking system are in and Patrick will install. RBD Refrigeration repaired the ice machine. Trudy asked if all of the televisions are working in the Wellness Center. Alex said yes, but as far as he knew not all are on the Dish system.

Reserve Study

Trudy said she had not been able to find a company do to a Reserve Study. Most of the companies are national, but may have local representatives. Karen said she will email the Board the Reserve Study quote Alex obtained in March. Alex will request a couple more so we can move forward with a decision. Jeff moved that we obtain as many quotes we can in the next 30 days and hire a contractor by July 15th to do the Reserve Study, seconded by Trudy, motion passed by unanimous vote.

Karen asked about the impact of resealing the parking lot, which is in the budget, prior to doing the Reserve Study. Trudy said people doing the Reserve Study will evaluate the condition of the property and roads are a major factor, therefore, she recommended doing the resealing

prior to the Reserve Study. She suggested using a micro sealer to protect the lot from oils. Karen will follow up with Gayload Paving, who has done our crack filling and work at Vista de Mañana for about 8+ years.

ACC Report

Alex said the ACC plans to do a drive through of the Community. He said the new owners of the Lytton home submitted a request for additional landscaping, which the ACC will review.

Old Business

Exterior Lights – Alex reported KW Electric installed a switch for the lights for the grass field and Bocce Ball court so members can access it and lights are on a timer to go off at 10 p.m.

Terminix – Monthly service is in place. Karen said she spoke to a representative from Terminix about a quote for powder post beetles on the high beam in the back hall, which they said would be a one-time treatment. They do not handle gophers, Patrick will need to set traps.

Roof Repairs – Alex said Patrick has not started on the roof repairs. Karen said he needs to call the roofer for the product needed for repairs. She stressed the importance of Patrick having a cell phone so he can follow up with contractors and initiate needed work.

New Business

Swimming Pool Certification – Alex reported the need for member/s to take the swimming pool certification course so they can assist with monitoring the chemical balance on weekends, when Patrick is on vacation and as needed. It is an 8 hour course taught at CNM for \$100/person, which the HOA would pay. Jeff suggested asking for volunteer/s in What's Happening weekly email.

Landscaping – Alex said the grass lawn sprinkler system was recently repaired and a rain sensor was added to conserve on water usage. Alex stated that Buck Dewey commented at the 6/4 SUP County Hearing about lack of privacy at their home during weddings. He said Vicki Burns and Thiel Baca are working with Cindy Heins on designing a rock wall and shrubs along the south boundary, which would also create a division between the Dewey/Heins home and the Clubhouse. Alex said he has one more "private property" sign which we will put along the south property line near the Bocce Ball court.

Gate – Alex explained issues of closing the front gate early in the evening during events. The gate buzzer system is programmed into his cell phone and he can't hear it during an event. Jeff said the Safety and Security Team has been working on the issue. April Sweet, who programmed the gate to open/close from the office, explained the technology and camera system to the team members. One idea is to give each guest a code for the wedding and delete it after each wedding. Jeff said the team realizes it could potentially increase maintenance costs with guests opening/closing the gate, they are working to find a balance and a more comprehensive solution.

Sound System – A member reported that the sound system doesn't work in the Anasazi Hall following weddings. Alex said DJ's have a different system so he turns our system off. Staff must turn it back on at the end of the evening, which he will add to the wedding worker training booklet. Alex suggested putting a tag on the switch as a reminder.

Bar Ditches – Tim Kuehn, landscape worker, has been cleaning dead sunflowers out of bar ditches along Nature Pointe Drive. Trudy asked about the cost. Alex said he is paid \$12/hour

plus a small charge for the use of his truck. Karen suggested holding on this project/expense until the Special Use Permit has been approved. Jeff agreed since it's not a safety issue with weeds growing into the roads. Alex agreed to hold on the project.

Next Board Meeting

The next Board meeting will be Thursday, August 7, 9 a.m. at the Clubhouse.

Adjourn:

The meeting adjourned at 11:25 a.m.