

Nature Pointe HOA Annual Meeting Minutes

Sunday, March 25, 2012, 4 p.m.

Nature Pointe Clubhouse

Board members present: Alex Leonard, President; Scott Horton, Vice President; Bryan Burns, Treasurer; Karen Leach, Secretary and Deborah Leonard

Staff: Star Brown, Clubhouse & Event Manger, and JP Garrett, Facilities Manager

HOA members: 31 members

I. Call to Order

Following a potluck dinner, Alex called the meeting to order at 4:30 p.m. Alex welcomed lot owners AJ Yarbrough, Mark and Julia Guneisen, and Steve and Theresa Keppler.

II. Board Elections

Alex called on Mark Tuttle, member of the Nominating Committee, to explain the Board election process. Mark announced that we have a quorum, including proxy ballots, so elections can proceed. He said the Nominating Committee, Karen Leach, chair, Scott Horton, Melissa Rugge and himself nominated Bryan Burns to serve another two-year term. Bryan agreed to serve with support from Mark and Karen Tuttle, who volunteered to be on the Finance Committee.

Mark said if members want to serve on the Board in the future, they should let the Board know about their interest. He called for nominations from the floor. Hearing none, he asked HOA members to turn in their ballots. Mark called on Melissa Rugge to assist him in verifying and counting the ballots.

III. Recognition

Alex expressed thanks to our volunteers: Dale Rugge, Karate class and Josie Aragon, website updates. Alex explained that Josie posts the Board minutes and financial statements on the website under the members area. He thanked Melissa Trudell, Valentine party; Karen Leach, landscaping; Mark and Karen Tuttle, financial and nominations committees; and Nathan Sweet and Scott Horton, installing a FM transmitter system in the Wellness Center that will allow users to listen to multiple TV and radio channels without disturbing others. He thanked the Board members for their 12 months of many hours of service. Alex thanked our contactor/staff: Wes Trudell, snow plowing, Star Brown and JP Garrett, managers.

IV. Announcements

a) Architectural Control Committee (ACC)

Scott Horton thanked ACC members for their work in reviewing each lot and making recommendations. He said the biggest challenge has been solar collection systems because each lot and system is different. He explained we want to encourage solar as a way to conserve energy, however, the system needs to be placed with minimal visual impact to surrounding lots and roads.

He thanked Chet Leach for his service on the committee. Chet will be replaced by Trudy Henderson, who volunteered to join the ACC.

b) Financial Committee

Scott thanked Karen and Mark Tuttle, who volunteered to serve on the Financial Committee to assist Bryan Burns, Treasurer, with numerous monthly financial oversight procedures.

c) New Residents

Scott said Patsy and Matt Spellman are moving into their new home today. Their home will be on the Spring Parade of Homes, April 13-15 and April 20-22.

d) AED Defibrillator

Scott announced that we have a new AED defibrillator in the Wellness Center, which is located on the south wall near the entrance. Residents could take the AED to someone's home if necessary. A training session will be scheduled.

V. 2011 Financial Reports & 2012 Budget

Bryan Burns again thanked Karen and Mark Tuttle for doing monthly reconciliation on our financial accounts and attending QuickBooks training. He said we selected a new CPA, Steve Sanders, LLC, Certified Public Accountants, to prepare/file our tax returns and to do our annual financial review. We used Farley Vener, Hinkle & Landers, Certified Public Accountants for the last 3 years tax returns. He explained it is good business practice to periodically change CPA's.

Bryan reviewed the January - December 2011 Accrual Basis Profit and Loss Budget versus Actual showing total revenues of \$251,190.89, total expenses of \$231,736.73 with a net income of \$19,454.16. He said we had a good financial year. Our revenue was \$41,890.89 over budget because of increased lot sales resulting in higher HOA dues, 28 weddings sold at higher rates, and Alex, developer, contributed \$20,000 to our Reserve Account as required by our Covenants.

Bryan reviewed the 2011 expenses versus budget. Contract salaries were over budget due to staff transition. Landscape accounts were over budget because we purchased pine trees for privacy along our south boundary. Several other accounts were overspent because the Board, noting our profit and loss situation, decided to increase our expenses toward the end of the year. Utilities were overspent because we filled 3 propane tanks in December. The building small equipment was over budget because we purchased 180 wedding chairs for brides to rent. The cost of the chairs will be made up in one wedding season and in the future the chairs will be a good revenue source. While money was transferred to the Reserve Account, it does not reflect on the Profit and Loss statement but on the Balance Sheet. In December, the Board approved a write-off of \$17,525 in bad debts on HOA dues that accumulated over a 3 year period. Liens have been filed with the Title Company on 7 lots in foreclosure. AJ Yarbrough and John Henderson stated that we may need to re-file lot liens every two years. Bryan indicated that the Board would check into this matter (*research found: only material/suppliers and/or workman liens have to be re-filed every 2 years*).

Chet Leach asked how often are the financial statements reviewed. Bryan said the financial statements are reviewed in detail quarterly at HOA meetings and placed on our website, and the Board reviews them at monthly meetings. Tina Armijo asked for clarification on Event Planner Contractor (account #6060) and Event Contractors (account #6070). Bryan said at each wedding we have one Event Planner who supervises 3 Event Contractors. Holly Siebert,

one of our Event Planners, is also providing additional support and training to Star in selling weddings.

Bryan reviewed the 2011 Balance Sheet. The balance in the sheet shows \$30,495 in the Reserve Account.

He then reviewed the Board approved 2012 Budget using January - December 2011 actual and 2011 Budget figures as a guide. In revenue we budgeted \$144,200 for 28 weddings, \$9,600 equipment rental (wedding chairs, china and linens) for a revenue total of \$238,910. Rosanne Mitchell asked if our wedding costs are competitive with Albuquerque. Bryan explained that Star has flexibility to negotiate the price. Star is working with wedding vendors to create a package price that is more desirable and easier for brides. Chet Leach asked if the Board sets the wedding price. Bryan said the Board discusses the price and lets Star negotiate the final price. Chet asked about the wedding cost for lot owners. Bryan explained lot owners are charged \$5/person.

Bryan said our annual financial review will be done by Steve Sanders, LLC, Certified Public Accountants. He will do a sampling of our financial system by taking a transaction and looking at everything pertaining to the process. Steve teaches QuickBooks at the University of New Mexico. We also have an on-line QuickBooks assistance account that Star can access.

Rosanne Mitchell asked about the timing for negotiating our annual propane contract with Farrell Gas for the Clubhouse and residents. Alex said he will follow-up with Star. Chet Leach asked about the findings of the energy audit and what can be done to reduce energy bills. Alex and Karen responded that the bid to do an air leakage test of the Clubhouse was several thousand dollars. In discussion with the representative, he identified areas that could be caulked and/or weather striped. Jeff Palmer did some and JP is continuing. John Henderson thanked Bryan for his tremendous work with our finances.

VI. Board Election

Mark Tuttle announced that we have 53 eligible lots for voting, therefore we needed 27 lots including proxy ballots to achieve a quorum. We received ballots from 39 lots (74% of eligible lot owners and 55 ballots). He reported that Bryan Burns retains his seat on the Board and will serve another two-year term.

VII. HOA Member Discussion

Alex asked for additional questions or discussion. AJ Yarbrough said the playground looks good and is excited for the completion. Alex said it will be completed in 1-2 months. John Henderson said clothing can be ordered with the Nature Pointe logo from Lands' Ends Business Outfitters by calling 800-587-1541, use customer #4751075 and logo #1111635 or go directly to the Company Store that Lands' End set up for Nature Pointe at ces.landsend.com/naturepointe. John encouraged all to help promote Nature Pointe since, as owners, we have the best testimonials.

VIII. Adjourn Meeting was adjourned by Alex at 5:48 p.m.