

Nature Pointe HOA Annual Meeting Minutes

Sunday, March 29, 2015, 4 p.m.

Nature Pointe Clubhouse

Board Members: Alex Leonard, President; Karen Leach, Secretary, Veronica Montano Pilch, Treasurer, Deborah Leonard, Jeff Eschenburg (*absent*)

HOA Members: 42 members attended (28 lots), 120 members voted including proxy votes = 91%
Quorum = 34 lots (51%), 66 lots eligible to vote x 2 members = 132 members eligible to vote

Guests: Cheryl Silcox, CPA.CITP, Burt & Company CPAs, LLC and Ken Inskeep, Director NM Operations, AAM Management Company

I. Call to Order

Following a potluck dinner, Veronica Montano Pilch called the meeting to order at 4:35 p.m. She introduced Cheryl Silcox, CPA.CITP, Burt & Company CPAs, LLC, who will count and certify proxies and ballots; and Ken Inskeep, Director New Mexico Operations, AAM Management Company, who will explain the services of a management company.

II. Board Elections

Dave Campbell, Nominations Committee member, explained that he verified all Proxy Notifications received, and along with the members in attendance we have a quorum. He confirmed that all proxies were signed, filled out correctly and members were eligible to vote. Dave organized the forms in alphabetical order, put them in an envelope, sealed it and gave it to Cheryl. He thanked Nominations Committee members Buck Dewey, Karen Leach and Steve Mitchell. He explained that throughout the process, Karen confirmed questions with our HOA attorney, and Cheryl will officially count and certify the votes. He introduced the candidates:

1-year term: Mark Konstan and Suki Tingey

2-year term: Jeff Eschenburg and Erik Skogen

Dave said each will have 3 minutes to speak if they would like to share additional information. Mark, Suki and Erik spoke, and Dale Rugge read a statement from Jeff Eschenburg who was out of town.

Dave called for the vote. He asked members to sign their ballots and fold them. He and Buck collected the ballots in large envelopes and took them to Cheryl Silcox, CPA, to verify and count.

III. Thanks to Volunteers

Alex expressed thanks to our volunteers: Bryan Burns, security system & website; Thiel Baca, plant care; Sue Campbell, landscaping and care of roses; Maria Dernocoeur, indoor plant care; Scott Horton, lots of Clubhouse maintenance projects; Karen Leach, general office assistance, landscaping & recycling; Rosanne Mitchell, Lost & Found organization; Dale Rugge, Self Defense class; Dale & Melissa Rugge, Western Dance class; Eric Schindwolf, gate security; Nathan Sweet, website; Melissa Trudell, daily monitoring chemical balance in swimming pool & Swimming pool toy box organization;

Close-up Clubhouse: Jim Dernocoeur, lead person, Linhson Do, Jeff Murray, Scott Horton; **Holiday decorations:** Buck Dewey, Melissa & Wes Trudell; **Holiday party:** Shawna Vigfusson, Chair, Karen Leach, Melissa Rugge, Patsy & Matt Spellman; **Architectural Control Committee:** Jeff Eschenburg, Scott Horton, Alison Murray; **Finance Committee:** Veronica Montano Pilch, Chair, Rebecca Horton, John Lionbarger, Marty Pilch, Eric Schindwolf; **Maintenance Committee:** Jeff Eschenburg, Chair, Scott Horton, Melissa Trudell; **Nominations Committee:** Karen Leach, Chair, Buck Dewey, Dave Campbell, Steve Mitchell; **Wedding Committee:** Veronica Montano Pilch, Chair, Tina Armijo, Melissa Rugge, Heidi Ruffner, Wes Trudell, Shawna Vigfusson; **Kitchen organization/deep clean:** Heidi Ruffner, lead person, Rebecca Horton, Melissa Rugge, Wes Trudell; **Painted Fire Lane:** Jeff

Eschenburg, Scott Horton; **Swimming pool deck cleaning:** Tom Armijo, Buck Dewey, Jeff Eschenburger, John Lionbarger, Steve Mitchell, Dean & Shawna Vigfusson, Wes & Melissa Trudell; **Swimming pool deck resurface:** Melissa Trudell, lead person, Jeff Eschenburg, Scott Horton; **Swimming pool plants reorganization:** Buck Dewey, Jeff Eschenburg, Wes & Melissa Trudell.

Alex, April Sweet and Patsy Spellman gave recognition to Karen Leach, outgoing Board member, for her 5 years of service on the Board.

IV. Realtor Report

Patsy Spellman reported on recent lot sales and new members: David & Constance Busheme, lot 76; Gordon & Lisa Phillips, lot 75 in the new Falcon Ridge Phase III, and Carl & Geri-Kay Sanchez, lot 92. She also welcomed new lot owners Nathan & Betsy Hawkins, lot 94, who closed at the end of last year. We currently have 4 homes under construction: Dernocoeur, Pilch, Skogen and Sanchez; and 2 more starting in the near future. Tom & Vera Perry's home will be on the Spring Parade of Homes, and she is working with other developers to secure future Parade of Home entries. Nature Pointe is being featured in the weekly Sunday Home Builders Gallery on Case Fox, Channel 2. Patsy is conducting weekly open houses on Sundays, and working with a social media company to enhance our presence on the web. She is also meeting with the realtor who is handling recruitments for the new Google Company located in Moriarty, and realtors from the Top Realtors in the East Mountains. Nature Pointe continues to be the top selling community in the East Mountains.

V. Committee Reports

A) Finance Committee

Veronica reported that the Finance Committee has done a lot of great work and they will assist in developing the budget next year. She introduced Marty Pilch, Committee member in attendance.

B) Wedding Committee

Veronica introduced Wedding Committee members in attendance: Tina Armijo, Melissa Rugge, Wes Trudell and Shawna Vigfusson. Heidi Ruffner and Melissa developed an Excel spreadsheet to document requirements for the Special Use Permit (SUP) and they obtained a Bernalillo County Food Permit. Melissa explained the spreadsheet documents our Business License, Candle and Food permits, and compliance with the Traffic Control Plan. They are making sure all requirements/permits for the SUP are in place. The Food Permit was required because we serve chips, salsa and drinks at weddings, and use our china and linens. We got an "A" when a representative from Bernalillo County did a recent inspection of the kitchen. Veronica trained the wedding staff about the new SUP kitchen requirements. Tina is working on an outside marketing analysis to evaluate if we are competitive with other wedding vendors. Committee members will assist in developing a Business Plan.

C) Maintenance Committee

Melissa Trudell, Maintenance Committee member, thanked other members Jeff Eschenburg and Scott Horton. She said the Committee oversees maintenance projects and they recently completed 24 projects. Scott replaced the swimming pool salt cell, which was under warranty. Melissa power washes the pool deck on a weekly basis. She asked for volunteers to sign-up for need projects: water indoor plants, do landscape projects for the free Green Waste Days, pull cat tails from the stream, repair playground equipment, feed fish in the pond, take the pool certification class to be a backup for checking the chemical balance in the pool and remove snow from sidewalks (seasonal). She also thanked Wes Trudell for snow removal, which he handles on a contract basis.

D) Architectural Control Committee (ACC)

Alex reported that Alison Murray, Committee member, developed a checklist for the ACC to evaluate new home construction details. Committee members are reviewing plans for Tom & Mary Deeney's home, and they did a recent drive through of the neighborhood.

VI. 2014 Financial Reports

Alex gave highlights of the year-end Profit & Loss statement. Revenue: HOA dues were higher than budget due to increased lot sales, wedding income was also over budget, as well as china rental at \$13,000. We finished the year with total revenue \$405,721 versus budgeted amount \$375,850, and overall expenses were much lower than budgeted. Expenses: staff salaries were under budget due to not having a Clubhouse Manager, however, we had a number of large maintenance projects that required outside contractors, Reserve Study was \$3,400 rather than the budgeted \$12,000, we replaced the swimming pool boiler and pool cover, and propane was about 25% lower than in previous years perhaps due to when tanks were filled. We didn't do a number of planned capital projects such as new security cameras at the gate and parking lot sealing. The total building expense was \$41,780 compared to the budgeted \$48,068. The grounds expense was underspent, advertising and licenses/permits were also underspent, HOA member events was way under budget, as well as wedding expenses. The Special Use Permit (SUP) expenses totaled \$46,993, resulting in a Net Income of \$70,940 compared to the budgeted amount of \$4,009.

Alex briefly reviewed the Balance Sheet. He reported that we put \$30,000 into our Reserve Account in 2014, and indicated that we could have put more, but wanted to stay liquid pending future legal expenses.

VII. 2015 Budget

Veronica reviewed the 2015 Board approved budget. The budget reflects recommendations by the Finance Committee to increase the HOA dues in May for homes from \$135/home to \$160/home and for lots from \$75/lot to \$90/lot. The monthly dues will be billed on a quarterly basis. She explained new expense items in the budget: Workers Compensation which will provide better coverage for our snowplow contractor and wedding workers, and accident insurance for our volunteers at \$300/year. AAM Management Company will cost about \$20,000 this year and \$25,000/year in the future, however, we will no longer need our bookkeeper.

VIII. AAM Management Company

Ken Inskeep, Director NM Operations, AAM Management Company, gave a brief overview of their services. He congratulated members for an excellent turnout at the Annual Meeting and for their committee volunteer work. AAM was founded in Arizona, they are a national expert in HOA management, involved with legislation impacting HOAs, and they currently manage 22 communities in Albuquerque and Santa Fe. AAM would provide support to the Board, they are a contracted vendor and would take direction from the Board of Directors. They have CPAs on staff who would handle the fiduciary responsibilities. They would provide many resources to the Board and act on behalf of the HOA. They would provide detailed accounting reports, bringing accountability and transparency to the community. AAM creates a culture that is centered on the community, bringing common sense and direction and manage as if they lived in the community.

Veronica explained that the AAM contract has not yet been signed. The Board is working with Bill Chappell, HOA attorney, to negotiate the contract.

X. Board Election Results

Cheryl Silcox, CPA.CITP, Burt & Company CPAs, LLC, announced the Board elections results:

2-year term: Erick Skogen received 27 votes, and Jeff Eschenburg received 93 votes

1-year term: Mark Konstan received 40 votes, Suki Tingey received 79 votes and 1 write in for Vicki Burns

Veronica confirmed that Burt & Company CPAs certified the vote and will keep all proxies and ballots.

XV. HOA Member Discussion

Veronica opened the meeting for member discussion for 3 minutes per question.

Mark Konstan asked Ken Inskeep, AAM, as a representative from a national company is he able to bring any value savings to the HOA on insurance, propane or PNM? Ken explained that they do a lot of business with banking institutions and are able to waive setup and service charge fees, but getting a discount from PNM would not be possible. They will obtain 3 competitive bids for required maintenance work, and will manage as if they lived here.

Bryan Burns said we need to post the 2014 budget and budget variance alongside actual revenue/ expenses on the website. Karen said we will have Krystal, HOA Bookkeeper, do this. Bryan asked about the required 2014 delinquency report. Alex confirmed it was prepared, and read the report:

As of December 31, 2014 there are 4 entities that had outstanding balances on HOA dues greater than 60 days in arrears. The total amount outstanding is \$21,623. Liens have been placed on all properties with outstanding balances greater than 60 days.

Bryan also asked who prepared the budget, had it been approved by the Board and did we include recommendations from the Finance Committee. Veronica said Karen prepared the budget and the budget was approved by the Board. Karen said the recommendations from the Finance Committee were incorporated into the budget.

Bill Hensley asked about the \$30,000 budgeted for legal services and why it was so high. Veronica explained that the HOA is in mediation with a member. We have Directors & Officers Insurance for Board members, but we need to secure a new attorney. Bill Chappell, HOA attorney, declined to represent the HOA during the SUP mediation because he has represented both Alex as developer and the HOA. She also explained that Alex, as developer, also needs an attorney for mediation and per our Governing Documents the HOA may need to cover this cost.

Anthony Baca asked when HOA dues will increase. Veronica said May 1st.

Angela Horcheimer asked if the quarterly payment would start at the first of a quarter. Karen said it would be prorated or could start at the next quarter – the details have not yet been worked out.

Tina Armijo asked why move to quarterly dues. Karen explained it's a more efficient way to do business, and we first initiated the concept 2 years ago when we met with a management company. Veronica explained we need to save money – AAM will mail invoices rather than email because legally the assumption is people receive documents via first class mail so we will follow the law. Therefore, the most economical way is to bill monthly dues on a quarterly basis. AAM has a coupon book that may be used. Ken will do a cost analysis of using this process and report to the Board.

Mark Konstan asked when a decision will be made. Karen confirmed that HOA dues will increase on May 1st. Veronica said the Board is still in contract negotiations with AAM. Ken explained that AAM will return their feedback on the contract by Friday, April 3rd.

Steve Horcheimer said he thought obtaining the SUP took care of any dues increase. Veronica explained that the Reserve Study indicated we need to put more money into our Reserve Account so we need a modest increase. The Finance Committee will evaluate if we can increase the price of weddings and recommended HOA dues increase to catch up with inflation. Alex said he usually does 4 tours for every wedding booked. Deb Leonard said we've had a tremendous increase in the price of weddings over the years from \$2,900 to \$6,900.

XVI. Adjourn

Hearing no other questions, Veronica adjourned the meeting at 7:35 p.m.