

Nature Pointe HOA Meeting Minutes

Sunday, November 17, 2013, 4 p.m.

Nature Pointe Clubhouse

Board members present: Alex Leonard, President; Mark Tuttle, Vice President; Bryan Burns, Treasurer; Karen Leach, Secretary Trudy Henderson and Deborah Leonard

Staff: Simona Derr, Clubhouse & Event Manager

HOA members: 38 members

I. Call to Order

Following a potluck dinner, Trudy Henderson, Meeting Facilitator, called the meeting to order at 4:40 p.m.

II. Recognition

Alex expressed thanks to our many volunteers: Josie Aragon, website updates; Dale Rugge, Karate class instructor and hosting a sing-along; Melissa Rugge, Kettle Bells organizer; Melissa Trudell, yoga instructor; Dave Ashworth, mowing roads and donating rocks and netting for the pond; Sue Campbell, landscape work; Thiel Baca, maintaining the plants inside and out; Joyce and Tom Courtin, hosting under the stars party; Karen Tuttle, chef for numerous events; Karen and Mark Tuttle, serving on finance committee; Jeff and Alison Murray, Parade of Homes entry; Trudy Henderson and Scott Horton, serving on the ACC; April Sweet, programming the gate; Linhson Do, closing up Clubhouse; Karen Leach landscaping and recycling; Vicki Burns, administrative support, Roseanne Mitchell and Patsy Spellman, resident welcome baskets; Jeff Eschenburg, trail maintenance and grinding down cement at the spa doorway; Heidi Ruffner, bookkeeping support; Bryan Burns computer, gate and IT support; and Board members for continuous efforts.

Alex thanked our staff and contractors: Simona Derr, Clubhouse & Event Manager and Tim Roberts, Facilities Manager; John Rivas, apartment renter, for closing up the Clubhouse; and wedding contractors: Holly and Peter Siebert, Brinna, Bridget and Beth Rammage, Catherine Harrigan, Tim Kuehn, Julie Lundin, Hank Spellman, Stephanie Gomez, Donny Kruse, Marisol Alvarez.

Alex shared that in September, Nature Pointe was awarded the “Best Wedding Ceremony Site for 2013” by the Perfect Wedding Guide.

III. New Housing Starts

Alex reported that Trudy and John Henderson are looking at bids for earthwork on their lot.

IV. Projects

Mark Tuttle gave an update on projects:

Road Crack Sealing – the annual sealing of cracks in the roads has been completed.

Tennis Court Resurfacing – this work was more significant than anticipated for a cost of \$7,000 to repair cracks and resurface the court. Three additional weddings were booked to cover the cost, along with other unplanned building repairs.

Fire Marshal Inspection – in August, a burnt piece of toast set off our fire alarm causing the Bernalillo County Fire Chief to do a walk through inspection of the Clubhouse. He gave Simona a verbal list of items that needed attention in order for the Clubhouse and grounds to be in compliance with required safety standards. The work was completed. Last week the Fire Chief returned to do a follow up inspection, which he approved and signed off.

Emergency Building Training – 7 members, as well as Board members, were trained on how to shut building systems down (e.g. water lines, electricity, sprinklers, etc.) so we will be better prepared in case of an emergency.

Pool – The pool was recently closed for 10 days by the Bernalillo County pool inspector due to a problem with the salt/chlorine generator. Parts were ordered and installed. Tim is in the process of learning how the new parts function, and Alex arranged for the swimming pool service contractor to provide additional training. The system still needs another part which will be ordered and installed.

Direct TV to Dish Network – a couple of months ago Direct TV informed us that our subscription category was incorrect and the cost would increase significantly. Therefore, we changed to Dish Network TV. Members can contact Simona or Tim for questions on the operation of the new system.

Septic System – 3 new vents were added to our septic system since it was not venting properly, causing premature corrosion.

Siberian Elms –Tim is spraying the Siberian Elms, an invasive fast growing tree, along the roads throughout the development.

Kiva – the kiva was converted into a larger storage area. Items were moved away from the electrical panels and sprinkler riser pipe as requested by the Fire Chief. The work has been completed.

Gate – we had to order an entire control panel for the gate because the broken circuit board was back ordered until mid-December, which was too long to leave the front gate open. Bryan will install it and reprogram the system since he is the only one who knows how to do this project. He will be out of town, but he will do the work when he returns.

Clubhouse Rule Book – the Board is working on revising the Clubhouse Rule Book. There are some inconsistencies with the Covenants, which we are also working on. The Rule Book should be finalized in the near future.

Holiday Party – this year's party will be held on Saturday, December 7. The party will be similar to last year's event: dinner by Tucanos, DJ, and wine and beer. The HOA event budget is slightly overspent for the year, therefore, we are asking members to pay \$8/person in order to stay within the remaining budget. RSVP by December 1.

Member Photo Board – John Henderson worked with Office Graphics to produce a large map of the lots throughout Nature Pointe. John explained that his idea is to put pictures and names of each member on their lot so it will be easier for everyone to put a face with a name. The map board will only be displayed during HOA meetings and events. Sue Campbell volunteered to assemble the pictures and place them on the map. She sent a list around for members to indicate if they wanted their picture and name on the board, and if they had a picture they could email her, or if a picture would need to be taken.

Emergency Management – Mark reported for Tony Aragon, committee member, who did the research on voiceshot.com, a company that supports an emergency response system to HOAs. This one-way communication sends alerts to residents should an emergency occur, i.e.

closure of I-40 or a nearby fire. It “pushes” information out to those who are signed up. The charge is \$19/month plus a small fee/message for a total cost of about \$240/year. Mark asked for feedback. Holly Lionbarger asked if the fee increases as the number of residents increases. Mark said no, the cost is fixed. Karen Tuttle asked who will have access to put information into the system. Mark said we would need to identify someone.

Mark explained that Steve Mitchell, committee member, is also working on a neighborhood emergency management system, which Steve will report on later.

VII. Financial Reports

Bryan Burns said Steve Sanders, our CPA, conducted a Financial Review of our records, January – June 2013. Steve did not find any problems, but suggested a few corrections for the accounts receivable and Balance Sheet. Bryan explained that a Financial Review is not a full audit, but a sampling of records to ensure that a proper paper trail exists. Steve did a random sampling of various accounts, including a number of areas that Bryan asked him to review. Over the years, we have had a couple of different CPA’s do a Financial Review.

Bryan reviewed the Profit and Loss versus Actual through the 3rd quarter. Under Income he explained that the HOA dues are under budget because of fewer lot sales, corporate events brought in \$564 which was not budgeted, we received \$15,824 over budget for weddings, and since we didn’t budget renting the manager’s apartment we are over \$5,118 in this category, resulting in a Gross Profit of \$263,372.42 or \$21,369.92 more income than budgeted.

Bryan said we have had a good income year, and asked if members had questions. Hearing none he reported on the expenses: staff expenses are under budget because we have spent less on contractors, event contractors are over budget because we have had more weddings than budgeted, and money is available in accounting services for another Financial Review should we decide to request one. Bryan said the Security/Gate account is over budget because we had a water leak at the gate, however, we should get a credit from Entranosa Water.

Bryan explained that building repairs is over budget by \$2,647 because we made repairs to our septic system for \$3,000. The Clubhouse supplies expense category is under budget, trash service is higher because we cleaned out areas and made extra trips to the Tijeras Transfer Station. The grounds maintenance services is over budget because we repaired/resurfaced the tennis court for \$7,000. Bryan pointed out that we are now making quarterly State/Federal income tax payments. Since the HOA event expense is slightly over spent we are charging \$8/person for the Holiday Party.

Bryan explained that even though \$5,000 that was transferred to our Reserve Account in June, according to IRS rules it is not an expense when we move money from one account to another. The Reserve Account is shown on the Balance Sheet.

Bryan prepared and reviewed the Wedding Income and Expense versus Budget spread sheet, January 1 - September 30, 2013, which reflects an average profit/wedding of \$3,406.87. Bryan detailed the income stream as compared to budget as well as the expenses incurred, noting

that increased wedding expenses consumed nearly all of the excess income as compared to budget for this time period. He also pointed out the spread sheet does not account for Simona and Tim's time, electricity or other overhead costs of a wedding that would be difficult to calculate. Bryan explained that weddings are an important source of revenue. He said that 1 wedding brings in more money than 2 lots with a home per year.

Gary Clark said the HOA benefits from weddings, but so does Alex, as the developer, because this is his only source of advertising lots. Therefore, Alex should pay some of the costs. Debbie Leonard said they have never sold a lot to anyone who had a wedding at Nature Pointe. Trudy explained that we could not afford to keep the Clubhouse open without the revenue from the weddings.

Patsy Spellman, Real Estate Agent for Nature Pointe and resident, said Alex was the master mind behind creating the weddings. Only one home was purchased as a result of a wedding, which was a home sold by a previous homeowner. Patsy said that she and Alex have worked hard to market the lots, Nature Pointe has had a home in the fall and spring Parade of Homes over the last several years, we are listed in the MLS and word of mouth is a good referral.

Vicki Burns asked if the Clubhouse is a depreciable asset over 39 years. Bryan reminded everyone that we can't depreciate the Clubhouse, because Alex donated the 5.5 million dollar Clubhouse to the HOA. It is owned by the HOA, free and clear.

Bryan explained that the Board voted to change the refund policy for weddings from a \$300 refundable deposit to \$800 nonrefundable policy since no damage has occurred over the years.

Bryan explained that in an effort to generate more income, the Board voted to move money from our accounts into interest bearing accounts. We shopped around for the best interest rates and voted to move \$60,000 from our Reserve Account into a 2 year CD, and \$30,000 into a 1 year CD at the Sandia Laboratory Federal Credit Union. The Board also voted to move \$40,000 into an interest bearing savings account at US Bank so we can move money back and forth as needed to better manage our cash flow. Bryan said members can call him if they have questions.

VIII. Architectural Control Committee (ACC)

Trudy Henderson reported that she, Scott Horton and Alex are looking at wording changes to the Covenants as it relates to ACC requirements. She said we currently have some resident violations of the Covenants, which they are addressing. The Board is also working on developing a fine structure for violators so we can keep our community looking attractive.

IX. HOA Member Discussion

Trudy ask for questions/comments from members:

Rebecca Horton thanked the Board for making progress and leaning forward into hard issues and decisions. She said the Board is professional, hardworking and has had good results.

Susan Clark asked about the 40% increase in wedding expenses that was mentioned at the November 10, 2013 Board meeting. She asked what controls are in place on spending? Alex said we have purchased additional linens and white chairs, and have added chips, salsa and coffee at the end of the weddings. He said AlSCO Linens costs have gone up, however, we are now using square linens with rounds over them, which will save about \$60/wedding in cleaning costs.

Bryan said any expense over \$900 requires Board action. All expenses require an account number and category. Mark and Karen Tuttle handle the monthly reconciliations and verify that each expense has a receipt. Bryan said he verifies that every receipt is in the correct category, along with a description of what was purchased. He said we depend on the staff and Alex to get the best price.

Joyce Courtin asked if we could get a bid from other linen companies. Board members agreed. She said the more lots that are sold, fewer weddings will be needed so she doesn't care if we sell lots to people who come to weddings – it benefits all home owners.

Linhson Do asked if we have been able to find a volunteer to do the shopping, which would help with potential conflict of interest. Trudy said we have not been able to find a volunteer that would also help to free up Alex's time for other projects.

Steve Mitchell presented information about his proposed neighborhood emergency management system, along with a map of the development indicating suggested neighborhood groups. He explained that each resident group should decide how to work together. Members can call him with questions or assistance.

Steve asked how many members would be interested in a presentation about how to respond to an emergency. The response was good, so Steve will follow up with the presenter to schedule a day/time.

Karen Leach stressed the importance of everyone reading Steve's emergency management document. She said all members, not just residents, should get a copy because the information is applicable no matter where members live. Steve agreed to e-mail the document.

Mark Tuttle said that this has been a challenging year and Board members are committed to doing a better job of managing the annual budget so we don't have variances. He said we will do better at preparing and tracking the budget. The process is similar to presenting a budget to shareholders, this case HOA members. Bryan Burns said that Steve Sanders, our CPA, indicated when he did our Financial Review he was very pleased with the Board member's involvement compared to other HOAs.

X. Adjournment

Trudy announced that the HOA Annual Meeting will be Sunday, March 30, 2014. The meeting was adjourned by Trudy at 6:10 p.m.