

Nature Pointe HOA Meeting Minutes

Sunday, June 26, 2011, 4 p.m.

Nature Pointe Clubhouse

Attendance

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

Staff: Karen Palmer, Clubhouse & Events Manger, and Jeff Palmer, Maintenance

HOA Members: 35, including 80% of the residents

I. Call to Order

Alex called the meeting to order at 4:30 p.m. He thanked our volunteers: Melissa Trudell, organizing many fun events, organizing cleanup and hauling of dead branches for fire prevention, and teaching yoga; Dale Rugge, teaching weekly self defense class; Josie Aragon, updating website; Jeff Eschenburg, creating trails and removing dead branches; Steve Mitchell, trail maintenance; April and Nathan Sweet, organizing and hosting Memorial Day BBQ; Karen Leach, organizing gate cleanup, weed control, and other projects; Donald Dewey, weeding; Patsy Spellman, gate cleanup; Dave Ashworth, running side sickle mower; Chet Leach and Scott Horton, handling ACC work; Bryan Burns, doing inestimable hours as Treasurer and integrating CPAs; and Board of Directors for their many volunteer hours. He also thanked contractors and staff: Wes Trudell and Paul Reed, handling many repairs and projects; Jeff Palmer, keeping Clubhouse and grounds running smoothly; and Karen Palmer, managing and organizing weddings. Karen Leach thanked Alex for his incredible time, energy and dedication to Nature Pointe.

Alex announced that we have sold 7 lots since January. He welcomed new lot owners: Sue and David Campbell, Joyce and Tom Courtin, Vange and Doug Jenks, Robert Metcalf and Donna Dulancy, Robin and Larissa Ritter, Mark and Karen Tuttle, and Bonnie Woodard.

II. HOA Financial Reports

- 1. Taxes:** Bryan Burns, Treasurer, said there are no 2010 financial reports on the website because our reports have changed as we learn more from various CPA's. Since Alex donated our 5 million dollar Clubhouse to the HOA, Bryan asked several CPA's how to handle depreciation. Alex, as developer and who paid for the construction of the Clubhouse, has the right to depreciate the cost of the Clubhouse on lot sales. Therefore, the HOA will not be able to depreciate the Clubhouse as reported at the February HOA meeting. Bryan explained that since we do not generate enough revenue from our HOA dues to operate the Clubhouse we needed to seek income from outside user groups (*weddings, corporate events, etc*), which we have successfully done.

Bryan reviewed the 2008-2010 Income Tax report. He found that it is best to file on all of our income and pay a 15% tax rate. As a result our taxes are \$50 (*annual fee for filing*) for 2008, \$1,592 for 2009, and \$50 for 2010 for a total of \$1,692. The tax returns were prepared by Farley Vener from Hinkle and Landers Certified Public Accountants on an accrual basis and mailed on June 20, 2011.

- 2. 2010 Profit & Loss (P&L) Statement and Balance Sheet:** Bryan reviewed the 2010 P&L, which shows a \$66,191.66 profit for 2010. However, this profit includes items totaling \$80,332.29 that were received in 2010; however, are not earned until 2011. The 2010 report reflects an adjustment of prepaid HOA dues of \$5,906.25 and prepayments on 2011 weddings of \$74,426.04. These amounts were removed in preparing the tax return for 2010. The result is a \$14,140.63 net loss in 2010. Gary Clark asked why our expenses have increased. Bryan explained that in the last several years Alex paid for much of our expenses until we established the outside user group income, and as we grow more things are being done. We are now paying our own way and as we continue to grow our expenses and revenue will also increase. Rebecca Horton and Heidi Ruffner questioned how will we know our solvency. Bryan said the Balance Sheet reflects the health of the HOA and we are in good shape. The \$66,191.66 net income from 2010 is also reflected on the Balance Sheet. The reports are done on an accrual basis accounting.
- 3. Weddings:** Gary Clark asked about the wedding contractors. Karen Palmer, Clubhouse and Event Manager, explained that we have 3 teams of 4 people. Each team has an Event Coordinator who is in charge the day of the wedding. Karen P. books the weddings and handles all details prior to the event. We budgeted 4 people per wedding, however, since Alex stepped into the 4th position this is a savings to the budget. The wedding workers are paid on a contract basis and work a 14-hour day. We pay \$700-900/wedding to our contract workers, which results in a high profit margin. Additional workers at weddings include 4 people employed by the food carter and 2 bar tenders paid by the wedding party.
- 4. First Quarter 2011 Financial Reports and Comparison to Budget:** Bryan reviewed the 2011 HOA Budget compared to expenses to date. When he entered the budget into QuickBooks he prorated the figures according to estimated usage. We are higher in our revenue budget for HOA dues because we sold 5 new lots (*2 other lots were sold by realtors who were current on their HOA dues*). To date we have earned 3/4 of our revenue for weddings. Tony Aragon asked why the developer does not pay HOA dues on his unsold lots. Chet Leach read from the Covenants 5.18, Homeowners Association Assessments, page 23: "Developer shall not be responsible to pay Homeowners Association Assessments on Developer-owned Lots, but shall be responsible for all Association expenses above the amount of Homeowners Assessments collected until October 1, 2009." Alex did cover all expenses above our HOA Assessments through 2009 and into 2010. Chet Leach asked if we have a revolving line of credit in case of an emergency. Melissa Ruggie said that normally this is covered through our insurance. We will check into obtaining a line of credit.
- 5. Contracts:** Karen Palmer explained that she is in the process of negotiating next year's propane contract with Ferrell Gas. Homeowners will also be able to take advantage of the discounted group rate. They will notify her in September. She explained that Nature Pointe was selected to be the New Mexico Dream Wedding in 2012. This will give us tremendous free marketing through television and print ads. The wedding will be scheduled on a Sunday in June 2012. She said we now have insurance for Wes Trudell who does our snow plowing.

III. Other Business

- 1. Fire Protection:** Alex thanked those involved with the week-long neighborhood removal of dead branches and weeds. Wes Trudell took 20 and Scott Horton took 3 large trailer loads to the Tijeras Transfer Station. Alex asked for volunteers to help develop a telephone tree as a way to notify neighbors in case of a fire. April Sweet volunteered. The east gate has been unlocked and hooked with a carabineer so it looks like it is locked. This will allow easy access if we need a second exit. In case of fire the first person through the gate should leave it open. Scott Horton explained that the chain on the gate on the south entrance has been cut so you only need to tap it with your car bumper to get out. Rebecca Horton asked that we all stress to contractors "no smoking." Karen P. explained during weddings people can only smoke at the front entrance where we have ash trays or in their cars. April Sweet suggested a "Fire Danger High" sign on the gate. Karen Leach said she would check with the Forest Service.
- 2. Playground:** Alex said the materials have been purchased and the holes dug. Progress has been made.
- 3. July 4th Potluck and Barbeque:** Alex said family and friends are invited to our Monday, July 4th party at 5:30 at the Clubhouse.

IV. Architectural Control Committee (ACC)

Scott Horton explained in an effort to get caught up with the design requirements as stated in the Covenants, the ACC did an inspection of each property and notified residents of things that needed to be done. He said the process is going well. As a reminder for what the ACC looked for, Chet Leach read from the Covenants under Architectural Control Committee, Design Guidelines, section 13.2.3 on page 33. He said the committee was reasonable with their requests to residents.

V. Covenant Review

Alex explained that Steve Mitchell volunteered to review the Covenants. It would involve a couple of meetings and suggestions would be presented at the July 15 Board meeting. Steve asked for others who would like to be involved in the process and Melissa Trudell volunteered. Bryan Burns said Section 19 in the Covenants describes the process for making changes. Steve said he is also interested in gathering ideas for a 1 year, 5 year and 10 year facilities plan and asked for volunteers.

VI. Upcoming HOA Meetings

Alex announced the next HOA meetings will be on **Sunday, August 21** and **Sunday November 13** both at **4 p.m.**

VII. HOA Member Discussion

Gary Clark stressed the need to continue to reduce the fuel load on our properties for fire prevention. Tina Armijo stressed the need to remove more of the wildflowers and native grasses at the front gate. She suggested getting quotes from landscape contractors to maintain our grounds. Karen Leach said Vicki Burns, Susan Clark, Rosanne Mitchell and she

will meet on Monday, July 11 at 2 p.m. to develop a landscape plan around the Clubhouse. She invited others to participate or give ideas. Joyce Courtin volunteered to assist with maintaining the landscape and invited others to join her. She also volunteered to be involved with the landscape meeting. Heidi Ruffner thanked the volunteers who maintain the landscape.

IV. Adjourn

Roger Comstock moved to adjourn the meeting at 6:45 p.m.