

Nature Pointe Board Meeting

Minutes Monday, March 25, 2019 at 6 p.m.

Nature Pointe Clubhouse

Board members present: Karen Leach, President; Matt Spellman, Treasurer; Alex Leonard, Secretary & ACC Chair; Shawna Chriss, Wedding Committee; Crystal Glen, Safety & Security & Finance Committee; and Debbie Leonard

Management Company: Adam Summers, Community Manager, HOAMCO

Members present: Buck Dewey, Mary & Tom Denney, and Marty Pilch

I. Call to Order

Meeting was called to order at 6:06 p.m. by Karen, who welcomed members in attendance. She asked if there were any changes to the Agenda, hearing none the meeting commenced.

II. Board Votes

Board members voted via email since the previous 11/5/2018 Board meeting to: increase Wedding Manager salary, put Maintenance Manager on payroll vs contract, contract with Landon Engineering LLC for pond bridge drawings/plans to rebuild, purchase a marketing banner for weddings, approve HOAMCO Annual contract, transfer \$232,233 from Reserves to CDs, change to Debit Cards vs Credit Card, repair snow plow truck, pay Carl Sanchez to remove snow from parking lot, purchase exercise equipment from Rugges's, allow community groups Mountain Garden Club to have their Annual Tea and Entranosa to have their Annual Meeting at the Clubhouse at no charge, purchase commercial Rinnai tankless water heater and approve 2018 financials

III. HOAMCO Report

Adam confirmed that HOAMCO advised the Board to pay Ray Barela, Maintenance Manager, on payroll rather than contract because he is paid on an hourly basis. This will protect the HOA if we are audited. Karen clarified that the Board directs his work, and he uses Clubhouse tools, comes to work every day and only works at Nature Pointe, which is the definition of an employee not a contractor.

IV. Financial

A. Matt said the Board approved the 2018 year-end Balance Sheet and P&Ls, which members received via email several days ago and copies available at the meeting. The financial statements include:

Revenue:

Operating Checking (<i>Balance Sheet</i>)	\$ 57,009
Reserves (<i>Balance Sheet</i>)	\$234,349
33 weddings	\$199,821 (<i>\$30,178 under budget</i>)
Dues Credited in 2017 instead of 2018	\$10,000 (<i>due to cash vs accrual accounting</i>)

Expenses:

Septic field	\$17,937 (<i>paid from Reserves</i>)
Road signs replacement	\$ 8,300
Shop apartment water leak	\$ 6,899
New boiler	\$12,364
Clubhouse apartment water leak	\$ 1,959
HOA Attorney:	
Board elections (<i>May & June</i>)	\$ 5,520
Community Meeting (<i>August</i>)	\$ 3,330
Back Payroll taxes 2012 & 2017	\$ 7,159 (<i>most in 2017</i>)

We ended the year with Net Loss of \$30,068, resulting in no State/Federal taxes again this year.

- B. Matt made a motion to transfer our last savings account at US Bank \$18,136 to HOAMCO's Nature Pointe savings, Shawna seconded, motion passed unanimously.
- C. Adam reported that he and Board members will meet with insurance representatives in the next two weeks to obtain quotes to renew our annual insurance. Karen reported that Marty Plich and Eric Schindwolf, Finance Committee members, will also attend.
- D. Marty Pich gave the Finance Committee (FC) Report:
 - 1) Recommends the Board insure the Clubhouse for at least \$5M and provide liability insurance for \$5M to \$10M. The Clubhouse is currently insured at \$2.5M and we carry \$1M general liability insurance and an additional \$1M umbrella policy. The initial cost of the Clubhouse was over \$5M. Our current insurance agent advises that the average potential liability claim is about \$4M, but larger claims are not precluded. This potential exposure also exists for normal HOA operations. The wedding party is required to purchase an additional \$1M in liability insurance if alcohol is served with Nature Pointe HOA as additional named insured. The FC strongly recommends that the Board protect its assets and HOA membership with adequate insurance coverage.
 - 2) The FC and Wedding Committee (WC) recommend that the Board commission a Joint FC/WC Task Force to determine whether the establishment of a NP Wedding Limited Liability Corporation (LLC) will provide greater liability protection. The Task Force shall solicit questions, comments, and feedback from members, from our Legal/Financial/Insurance professionals, and from the government administrators responsible for granting our Special Use Permit (SUP). The Task Force shall report the results of the study to the NP Board and members by June 1st, 2019.
 - 3) Recommends the Board schedule time for a briefing on the Nature Pointe Business Model (NPBM) prepared by the FC at the Annual Meeting. The spreadsheet model will indicate the financial sustainability of the HOA. It will take a 30-year view of the finances to help the Board identify actions that can be taken now to avoid possible future HOA special assessments. The NPBM will consider:
 - a) All sources of income including lot and homeowner dues, wedding income, apartment rent, and fees from member events
 - b) Annual operating expenses, informed by past P&L's
 - c) Annual maintenance expenses with assistance from the Maintenance Committee.
 - d) Annual wedding business expenses, including income taxes
 - e) Projected reserve expenses as identified in the Reserve Study prepared by *Association Reserves, LLC* in 2014 and modified by the FC based on operational experience.

Karen indicated that the Board agrees with the three recommendations. She reported that Marty will also attend a meeting next week with Board members, Adam Summers, Community Manager, HOAMCO, and Emily Spies, Director of Finances, HOAMCO.

V. **Building Maintenance Report**

- A. **Pedestrian Gate Locks** – Alex reported that the locks have been ordered. The first one will be installed at the south fire lane/trail exit with assistance from Bill Mantegna, resident.
- B. **Bridge Project** – The drawings have been received from Landon Engineering LLC for the bridge replacement/rebuild. Adam will assist in obtaining quotes.

- C. General Maintenance** – A new commercial Rinnai tankless hot water heater was installed by Simmons Plumbing this week. Ray Barela, Maintenance Manager, is getting the Clubhouse apartment ready to rent.

VI. Committee Reports

A. ACC – Alex reported:

Committee members did the final inspection on 2 new homes in order to return their security deposits, they are reviewing plans for a solar system. He thanked Constance Busheme who recently resigned from the Committee. Adam said a representative from HOAMCO did a recent drive through of the neighborhood and residents will be notified if they have Covenant infractions.

B. Weddings – Shawna reported:

- 1) Courtney Brooks, Venue Director, has sold 46 weddings/events for 2019 and 16 wedding/events for 2020.
- 2) Duke City Solutions is providing SEO (*Search Engine Optimization*) and SEM (*Search Engine Marketing*) services. We will evaluate after six months to determine effectiveness and if we want to continue their contract. At this point we've been at the top of the Google searches.
- 3) Two full-page ads ran in the ABQ The Magazine in their February issue and Bridal Guide at no cost to NP – market value of \$6,000 for hosting their Holiday Party at the Clubhouse in December.
- 4) Discussing a feature article to be written in a later issue TBD in ABQ The Magazine.
- 5) January Wedding Expo generated 46 leads and the Diamond Dash Expo generated numerous leads. The Buffalo Thunder Resort Expo only generated 11 leads so NP will not attend this Expo next year.
- 6) Courtney will create a 360 degree virtual tour for the Wedding Wire in May. She is learning the technology and will shoot the video and edit it herself. This is an excellent marketing tool, which will be posted on the wedding website.
- 7) The “Big Fake Wedding” chose NP to host their next National Wedding Expo – only 1 venue selected per state. See our website for more information. This is another wonderful marketing opportunity and we are thrilled to have attracted their attention.
- 8) PR and marketing efforts continue with these goals still on the list:
 - NP as a film location
 - Bike/foot race start/end
 - Quinceaneras
 - Additional Bridal Expos
 - Networking events
 - Gatherings where NP sells tickets

C. Safety & Security – Crystal reported:

The hold up on entering the gate codes at the front gate is the difficulty of the dial-up system. It has kicked her out of the system when entering the codes. Heidi Ruffner, resident, volunteered to assist in figuring out the system. Crystal suggested researching a new gate system, as well as cameras at the gate. She reported we've noticed less traffic through the neighborhood since the front gates have been closed 24/7.

VII. Old Business

- A. Phase 6** – Alex reported that Bernalillo County Public Works needs to do an inspection per plat requirements. The process is moving forward, but slower than anticipated. Karen volunteered to assist in lining the edges of the NP tails with rocks in Phase 6 so members can easily find them.

VIII. New Business

A. Annual Meeting

Karen reported that the only 2 dates in June that work for Board members are Sunday, June 16, which is Father's Day or Sunday, June 30th. Crystal suggested moving the date to May and begin to bring the Annual Meeting back to the normal date in March. Since the process takes 2 months to notify members, get their bios, send packet to members and receive absentee ballots from those unable to attend we need to allow enough time. Karen will request May dates from Board members for consideration. Deb pointed out that a member recently emailed requesting that a full year of Board service be allowed since last year's Annual Meeting was held in June. Adam will handle the Annual Meeting process. He will bring a staff member to count the ballots should this be necessary. Karen asked Board members to encourage other members to run for the Board.

B. Clubhouse Apartment Rental – Karen reported that she met with Liz Mazzola, property manager and realtor, who will handle the background checks. Liz recommended renting for \$1,100/month without the use of the exercise room and swimming pool or \$1,250/month with access to facilities. Crystal suggested \$1,600/month. Discussion followed. Matt moved that we rent the apartment for \$1,250 with access to facilities, seconded by Karen, Shawna, Alex, Deb, Matt and Karen voted in favor, Crystal abstained, motion passed.

IX. Adjournment

Meeting adjourned at 7:19 p.m.