

Abbe Springs Ranches HOA Board of Directors

Quarterly Meeting Minutes, September 17, 2017

The teleconference meeting for the Abbe Springs Ranches HOA Board of Directors (BOD) was called to order at 5:02 PM MST on September 17 by President Marshall Adams. Also present were Vice President Michelle Vallentine, Treasurer Kat Brown, Secretary Bruce Holsapple and Board Member Paul Kotula.

Secretary's Report:

Approval of June 4, 2017 Board Minutes. A motion to accept the June 4, 2017 Quarterly Meeting Minutes as posted on the web site was approved unanimously.

Treasurer's Report

The Treasurer reported little had changed on the Balance Sheet since last quarter. One Certificate of Deposit expires at the end of October. She requested that it be renewed at a 3 year bump rate. The motion was approved unanimously. Treasurer also recommended creating another CD in the next quarter (safeguarded as restricted funds). A motion to accept the Balance Sheet as presented was approved unanimously.

On the Income and Expense Budget Performance, all larger expenses have been paid for the current year. Two points are at variance: (1) Fees for road maintenance are slightly above budget, and (2) Financial Fees have exceeded amounts budgeted, although accounts are in order. The President cautioned that when the current Treasurer's term on the Board ends, effective in March, Financial Fees will increase. (See discussion below.) A motion to accept the Income and Expense Report as presented was approved unanimously.

The BOD reviewed the Accounts Receivable. No new payments have been made this quarter on liens (for nonpayment). The Treasurer plans to file five liens, two of which are to update filings with the county. Lack of appropriate documentation from sellers, real estate agents and/or title companies continues to aggravate outstanding AR issues. It also significantly increases BOD time in managing outstanding receivables. Both President and Treasurer expressed concern at the lack of responsibility that sellers and realtors have shown to buyers in disclosing a buyer's potential exposure for liabilities under the new HOA law. (See below.) The President and Treasurer will meet with the HOA attorney on two pending accounts.

VP Website Review

The Vice President reported all 2017 links have been checked, but that some hyperlinks are not functional and some items (such as Board membership) need updating. The President requested that next year's dates also be checked. The Treasurer will review the

archived permanent files on Google drive for folders on job descriptions for BOD positions and accounting and provide access to new the Board Members.

Old Business

Signage. Board Member Paul Kotula reported on estimates to replace four road signs to Abbe properties. He proposed (2 feet by 2 feet) replacements that would be more durable, have larger letters and have fewer words, viz., "Private Road / No Trespassing / No Forest Access," than the older signage. A motion to commission these signs from a local sign maker as presented was approved unanimously.

Water Grab. The Vice President reported that, of the 342 parties who petitioned against the potential "Water Grab" on the San Augustin Plains (in the contest over water rights), 234 petitions exhibited irregularities, such as not having paid the \$25.00 registration fee, and those petitions may be rejected. There is a meeting scheduled for Sept. 28, 2017 to re-evaluate applications. The President of Abbe Springs HOA has contacted ten members of Abbe Spring HOA to let them know they had been dropped from the list of petitioners. The situation is trending poorly for local homeowners.

Security. There have been no further break-ins to Abbe Spring HOA properties, but there also have been no further developments in prosecuting the persons responsible for seven earlier break-ins.

Grading. The HOA roads (13.8 miles) are scheduled for full grading this fall. The President has received a competitive bid for grading services, but the BOD determined to stay with the current contractor.

New Business

Property Sales. The BOD is expressly concerned about the lack of protocol that sellers and realtors have demonstrated in regards to the 2014 New Mexico HOA laws, specifically, requiring buyers be informed about their obligations to and rights within the Home Owners Associations prior to closing on a sale. This is a disservice to new property owners. Sellers and realtors must provide buyers with appropriate information on transfer fees, HOA dues, liens and other financial information pertinent to membership in the HOA, and the HOA must receive a written request in order to provide this documentation, inclusive of a Seller's Certificate. (There is also a \$100.00 transfer fee.) The President reports discussing the new HOA laws with four realtors in the area. But there continue to be incidents in which new owners were not given adequate information about their property and about their obligations to the HOA. This creates an adversarial relation between new owners and the HOA.

New Treasurer. The current Treasurer's term will end in March, 2018, and the Abbe Springs HOA will either need to fill that position with someone with appropriate skills or contract out for the services which the Treasurer has provided (at no cost) for many years. The President outlined three options: (1) to appoint someone currently on the BOD to

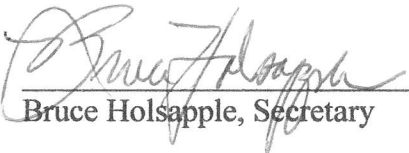
take over responsibilities; (2) to search for a Treasurer among the membership of the Abbe Spring HOA; or (3) to contract out those services (i.e. hire an officer). The third option would have a dramatic impact on membership fees (currently \$150. yearly). The position of Treasurer does not require that someone be a bookkeeper or a CPA, but does require basic accounting skills; for instance, one must prepare and present financial reports for annual membership and quarterly board meetings, must review all bookkeeping tasks, including bank reconciliations for multiple accounts, bill payments and accounts receivable, and must prepare federal reports, tax filings, and liens for overdue fees. A complete description of duties is available on request.

Adjournment


The meeting was adjourned at 7:00.

DATED September 21, 2017

Minutes Presented By:


Bruce Holsapple, Secretary

Minutes Approved By:


Marshall Adams, President

Approved via email by Vice President Michelle Vallentine, Treasurer Kat Brown and Board Member Paul Kotula.