

ORCHARD VILLA HOMEOWNERS ASSOCIATION
ANNUAL MEETING
Saturday, April 29, 2006

President Audie Harper called the meeting to order at 2:45 pm. Audie Harper introduced the Board Members of the Orchard Villa Homeowners Association who were present: Ed Quayle; Charlie Mackie, serving an open seat for the balance of the year and Chairman of the Landscaping Committee; Becky McCormick, Vice President, Secretary, Treasurer, chairwoman of the Public Relations committee. Maria Brox chairwoman of the Maintenance Committee was unable to attend.

Members attending the meeting introduced themselves. Becky McCormick confirmed enough members were present to constitute a quorum to conduct business, represented by 15 homeowners and 14 proxies.

Audie Harper noted that members had received notice of the date of the annual meeting on their April 1, billing and notified a second time in a direct mailing on April 18, of the date, time, place and agenda for the meeting, which also included the proposed HOA budget for 2006. Becky McCormick read the minutes of the 2005 Annual Meeting and the minutes were approved as read.

Audie Harper noted that Building 11 had the stucco repaired last year. So far this year the streets have been crack sealed, a pool cover installed and the west fence and swimming pool fence have been repaired and painted. He noted that as the buildings and complex ages more maintenance will need to be completed on an annual basis to keep the units in repair and retain their value. He also noted that the Board is composed of volunteers and that next year three seats will be open, as his term, Charlie Mackey, and Ed Quayle's terms expire. He asked members to start thinking about people who would be willing to serve on the board and said he believed everyone should take a turn.

Discussion turned to the proposed budget for 2006. Sue Noah said the budget was confusing since it showed the association had only spent \$3,445 on insurance, but had \$20,000 budgeted. Chris Ensworth explained that the budget format had traditionally shown the expenses for the past fiscal year. The Association's insurance premium is \$19,500 annually and renews December 1. In the past the premium has been paid in full, upfront. But in 2005 due to cash flow issues and changes in the Secretary/ Treasurer position the premium has been paid on a monthly basis. Approximately \$11,000 has been paid to date and \$6,500 remains to be paid on the premium in 2006. In fact, she said, if the premium had been paid in full, the Association would have shown a \$10,000 loss last year and is looking at a \$12,000 operating loss this year without an assessment increase. She said traditionally the association has tried to maintain a \$10,000 reserve in the checking account to cover operating expenses and hoped to save about \$5,000 a year in the reserve fund, to build a reserve for the day major repairs might be needed to sidewalks and streets.

Alberta Smith asked about the amount of money allocated to stucco and building repair. Audie Harper said Building 11 had been patched previously, but the color did not match the existing stucco. He also said woodpeckers had attempted to make nests in the building and punched holes in it. After conferring with the State Conservation Officer, he had tried stuffing the holes with plastic and building birdhouses to ward the birds off, all of which was unsuccessful. Finally some hanging owls seemed to have scared the birds off, but the holes needed to be patched. He noted as the buildings and complex ages, more annual maintenance would need to be completed to preserve the value of the units. He said the proposed budget for stucco repair is about \$1,500 less than last year.

Hub Davis asked if there was money in the budget to build a fence on North Hale out to 400 North. He said because of the vacant lot next to his unit the wind blows trash and weeds into his yard. Audie Harper said he didn't know where the money would come from and estimated it would cost \$12,000 to build a fence. There was discussion about who actually owned the property the hospital or Dr. Rouzer. Several thought the fence and landscaping to 400 North was the responsibility of the developer, Garrett Smith. Hub Davis said Garrett Smith had told him a fence would be put up. JoAnn Simbeck noted that in the past there had been an agreement to build a screening fence around the R V area in writing, but after six years, in the end volunteers had ended up planting screening shrubbery themselves, and the HOA paid for the plants. She said we needed to be realistic about what responsibility the developer was willing to take. Charlie Mackey said he was not clear on where the property line was and if we had a right of way and the room to install a fence. Hub Davis asked if he could then build a fence from the existing fence to his unit. But Becky McCormick expressed concern the Board would be setting a precedence and the area was open area. After further discussion Becky McCormick moved to table the issue until the matter could be researched. The motion was seconded by Sue Noah. The motion was approved on a voice vote, with the Bauers voting no. Charlie Mackey and Audie Harper will contact the city to see what is called for on the drawings and try to determine where the property line and easement are. Charlie Mackey also commented that the rock landscaping that had been placed by the developer would not be allowed in New Mexico, he said it would only become a weed patch and difficult to maintain. Audie Harper said he would speak to Garrett Smith about it.

Chris Ensworth asked about the proposed increase in the assessment fees for 2006. Becky McCormick said the Board at its last meeting had defeated 3 to 2 a proposal to ask for an increase. Diane Mackey said if you owned your own home you would be paying a lot more per month to maintain it, than our current assessments. JoAnn Simbeck moved that the proposed increase be approved. Chris Ensworth seconded the motion. A voice vote yielded nays, so a roll call was taken. The motion was defeated with 15 no and 14 yes votes.

Audie Harper asked the members what their suggestions were for cutting expenses to stay within revenue. Kathy Shank suggested the pool be operated over a shorter period of time, just three months as it had been originally. Sue Noah suggested homeowners who were willing could share a trashcan, and cut down on pick up charges. She said she would research the possibility with the city. Kathy Shank also suggested that the lawn could be changed to a drought resistant species, which would require less maintenance.

Sue Noah made a motion to increase the assessment half of what had been proposed, beginning with the July, 2006 billing. JoAnn Simbeck seconded the motion. Three bedroom units will be increased \$10 per month and 2 bedroom units \$7.50 per month. Chris Ensworth asked if Sue Noah would be willing to amend her motion to round up the cents to dollars to ease bookkeeping and Sue agreed. The motion was passed unanimously on a voice vote. Three bedroom units will be assessed \$142 per month and two bedroom units \$111 per month beginning July 2006.

Becky McCormick announced that the Citizen of the Year award and a gift certificate to the Sunset Grill was given to Victoria Fugit this year, for her efforts in beautifying the open areas with her plantings. Also the Board presented a thank you gift certificate to the Sunset Grill to Heidi White for her efforts and time on part of the Homeowners Association, by acting as Secretary/ Treasurer for two years.

Chris Ensworth encouraged members to attend Board Meetings. Audie Harper noted the Board tried to hold regular meetings the second Saturday of each month at 2pm at the pool during the summer months and all members were welcome to attend.

There being no further business to discuss the meeting was adjourned.

Submitted by
C. Ensworth