

SRSSOA Annual Board Meeting
Morningstar Methodist Church
November 6, 2019

Acting president Adolf Zubia opened the meeting shortly after 6 p.m. A quorum was established based on attendance and counted proxies.

September 10, 2019 board minutes were discussed. Motion was made and seconded. Minutes approved.

Adolf Zubia acknowledged and recognized past presidents Arlon Parish and Gary Freeman and thanked them for their contributions to Sonoma Ranch South Subdivision Owners Association these many years.

Introductions of board and committee members included:

Dennis Cherry, DRC/Compliance Chair. Dennis gave a brief introduction of his responsibilities, including HOA compliance and oversight. Dennis reported the resurfacing and stripping of both mailbox parking lots.

Bob Grier, Vice President, introduced himself and was further acknowledged over his contributions in securing Morningstar Methodist Church as a meeting place at a cost savings to the HOA annual meeting.

Glen Benefield, Landscaping Chair, explained his role in working with landscapers to maintain landscaped areas for Sonoma Ranch South. Glen and Adolf Zubia have been meeting with the City of Las Cruces to discuss the landscape islands, which are currently divided in half with

the hopes of finalizing an agreement where landscaped islands will have one designated entity for maintenance.

Donnell Bell, acting secretary and treasurer, has been working with Lisa of Tabby Cat Designs to bring the SRS website up to date. Donnell announced that the new website was now online and available for resident use. <https://SRSSOA.com/>

Old Business:

City Proposal and HOA's New Responsibility – Landscaping. Plats on hand showed attending residents what part belongs to the HOA and the other to the City. In some cases, the HOA and the City share an island. The board, under the direction of Landscaping Chair Glen Benefield, is in the process of trying to streamline for aesthetic purposes and so Extreme Landscaping can work on an entire island. The City has no objection provided that liability insurance is in effect. If a decision can be reached between Sonoma Ranch South and the City, Island 1 and 2 will be the responsibility of Sonoma Ranch South, Island 3 Sonoma Ranch East, Islands 4 and 5, the City. Adolf Zubia added that Jeff of Extreme Landscaping has been more than responsive in this effort.

Budget Report on major capital expenditure. Adolf reported that both major capital expenditure items (major landscaping work on Sonoma Ranch Blvd and Golf Club Road) were completed and came in under budget.

Budget Items and Financial Statements. Adolf reported action was taken to ensure our budget and budget expenditures are in accordance

with our bylaws. The board cannot exceed an expenditure greater than \$2,000 without the approval of the membership. If the budget is approved, this will address the issue.

Charles Roberts, Ebbs, Roberts, Head & Daw Inc. presented the financial statements, noting that dues will not increase. The board does not anticipate raising them in the foreseeable future and will continue to review its expenditures for the next year, at which point, the Board will be in a better position to recommend changes at the next annual meeting. The main issue addressed was that \$150 is fairly inexpensive for the amount of services provided by the HOA.

Audit – During last year’s meeting there was a discussion and debate on whether an audit for the HOA should be conducted.

A member raised the concern that it is his understanding that the State of New Mexico requires HOAs to mandate an audit.

Another member made a motion that the board investigate the current laws regarding audits and become familiar with it so in the future we can meet this obligation. Mr. Roberts indicated he thought we were in full compliance.

Adolf Zubia advised that an audit is well within the rights of HOA membership, but that the HOA is looking at anywhere between \$8,000 to \$12,000 to accomplish this effort. CPA Charles Roberts explained that every month Ebbs, Roberts, Head & Daw, Inc. prepares a compilation report, which meets the requirements instead of an audit and falls in line with U.S. accounting principles.

More clarification included that volunteers of the SRSSOA board have no access to accounts and never handle actual money. The president and treasurer, with oversight from the board, approve invoices and expenditures. Further, Ebbs, Roberts, Head & Daw hasn't raised its fees to SRSSOA for years.

The member who made the motion to investigate audit withdrew his motion.

Action Item: The Board will review audit laws for HOAs within the State of New Mexico and provide findings to the members.

Reserve Account: Currently the reserve account holds \$50,900.67. There has been discussion about returning some of these funds to the homeowners. Adolf Zubia said that this is an option, but expressed his concern that a natural disaster, freeze, flood, etc., which has happened in the past, would wipe out this reserve in short order.

Adolf indicated the board was fairly new, and if elected back into office, would like to take the following year to evaluate expenses and potential future capital expenditures before making a recommendation on modifying dues.

Action Item: Provide an explanation line item on the Financial statement – Long Term Liabilities, specifically Contingency Liability Reserve.

Legal fees: Members discussed concern over the increase on the line item for legal fees from 10K to 15K . It was stressed that while the board does not intend to spend the additional funds, the budget allows

the board options to explore. To date, we are asking homeowners to voluntarily comply with the covenants.

Homes being used as B&Bs Concern expressed over some residents converting homes to B&Bs. Board doesn't believe it has any authority to address this concern. Advised it will attempt to visit with City attorney to see what options we may have.

New Baseball Parks Discussion surrounded the construction of new baseball parks to Sonoma Ranch behind the new public safety building. There is a City Council meeting on November 18, 2019 to discuss going out to bid on the concept plan.

Traffic Flow on Golf Club and Mailboxes The issue of egress from the mailboxes on Golf Club back onto Golf Club Road was discussed. Currently listed as NOT AN EXIT, the sign was placed there for the safety of the residents and it is recommended that all should comply. However, the signs were not placed by the City, and if someone egresses out to Golf Club – it isn't a traffic violation and isn't enforceable.

Golf Club Rock Wall Member expressed concern about the crumbling wall on Palm Canyon Drive, near the Golf Club mailboxes.

Action Item: Although this is beyond the scope of SRSSOA, a representative of the board will talk to Sonoma Ranch Golf Course to voice homeowners' concern. Ask them to comply by repairing the wall.

Ex-officio board members The current acting board voted the presidents of the Boulders and Boulders Green boards as ex-officio members of the SRSSOA to enhance collaboration and communication.

A motion was made to approve the 2020 budget. Motion was seconded and motion carried.

A motion was made to vote the entire acting board into office for 2020. The motion was seconded, and motion carried.

A motion was made to adjourn the meeting. A second was made, motion carried, and the Sonoma Ranch South Annual meeting was adjourned.

2019 Annual Report respectfully submitted,

Donnell Bell
Secretary/Treasurer