

Tierra Grande Improvement Association, Inc.

**ANNUAL MEETING
VIA ZOOM/TELEPHONIC**

December 12, 2020

Directors Present: Carol Gasperetti, President
Michael Sumner, Executive Vice-President
Judi Magnussen, Treasurer
Jim Lardner, Secretary
Rhonda Davis, Director

Administration Present: George Hobbes, Accountant
Sue Moran, Administrator
Janie Earthman, Assistant Administrator
Sandy Schauer, Newsletter Editor

Guest Speakers: Lee Baldwin, CPA – TGIA 2019 Annual Financial Review

TGIA Members: 8 Members participated Live via Zoom
(602 invitations to participate were emailed to members. TGIA received 34 RSVP's from members that they would participate. A Notice of the Annual Meeting via Zoom was posted on the Updates page of the TGIA Web Site on November 20, 2020.)

11:00 – 11:15 Introduction

Before the meeting was called to order Sue Moran, Administrator, introduced the Board of Directors:

- Carol Gasperetti, President – A resident in Tierra Grande for over 26 years
- Michael Sumner, Vice President – Retired Banker and Tierra Grande historian
- Judi Magnussen, Treasurer – Tierra Grande resident for over 30 years
- Jim Lardner, Secretary – A Tierra Grande landowner for over 20 years
- Rhonda Davis, Director – VP of a local bank & candidate for election to the Board

Ms. Moran went on to say that this Board has served the members well. They are frugal with member funds, while generous with their time and expertise in guiding the Association.

Ms. Moran then introduced supporting staff:

- George Hobbes, TGIA Accountant – Mr. Hobbes attends every Board Meeting and weighs in on every financial decision to assure that the Association follows IRS guidelines and the Association's governing documents.
- Lee Baldwin, CPA – Mr. Baldwin has served as TGIA's auditor for the past 2 years and he will be working on the 2020 report for you.
- Sandy Schauer, TGIA Newsletter Editor – Ms. Schauer knows what is going on in the community
- Mark Earthman, TGIA Maintenance – Mark is a Tierra Grande landowner. He is instrumental in keeping our community looking good. He repairs and installs signs, removes trash and graffiti, he maintains entrance lights, replaces Open Space locks and does repairs around the office. We would not look so good without his good works.
- Janie Earthman, Assistant Administrator – Janie is a Tierra Grande landowner. She has served as Assistant Administrator for almost 40 years. She is an amazing supporter of Tierra Grande. Her knowledge of TGIA's history is important to understanding TGIA's foundations.

Sue Moran noted that she too is a Tierra Grande resident and is grateful to serve the members and the Association. It has been a challenging year but Board and member support made all the difference and she thanked everyone so very much.

11:15 – 11:30 Call to Order

Ms. Gasperetti, Board President, called the meeting to order at 11:15 a.m.

President's Remarks – Carol Gasperetti

"Good morning ladies and gentlemen and welcome, thank you so much for taking time to attend the Tierra Grande Improvement Association's first annual meeting to be held via zoom. It has been a year full of firsts and I would just like to thank our administrator, Sue Moran, for going the extra mile to host this meeting via, relatively new, internet technology. While many of the firsts to occur, this year have been less than stellar, this has provided members who live far from Tierra Grande their first chance to attend an annual meeting and we welcome everyone attending today, wherever you are.

If this is the first time you are seeing Sue Moran and Janie Earthman, our assistant administrator, you should know how dedicated these two ladies are to the membership. Sue has been our administrator for over 15 years now, and Janie has been our assistant admin for over 30 years. They are two of our most valuable assets.

This is the first year our annual assessments have increased since 1995. The decision to raise assessments was made 2 years ago, due to loss of revenue and increasing

costs. TGIA has always operated in the black, meaning without taking on debt, and this made increasing assessments a necessity.

With the increased revenue, the first item that we hope to address is fire protection in TG. Almost two years ago, the board of directors began talks with the Rio Communities Fire Department about creating an additional substation in TG. As residents are aware, the ISO rating of local fire departments has a substantial impact on homeowner insurance rates. The FD provided invaluable information, regarding the radius of protection area, number of miles a substation must be from a main station to qualify for funding under state statues, including the fact that the distance is measured in road miles, rather than straight lines. Additional coverage area for fire protection will benefit residents with decreased insurance rates, as well as increasing the value of vacant land held by our landowners making it more attractive to those who wish to build a home. The FD went through some major changes in personnel, delaying any action, and then the pandemic hit. The board fully intends on pursuing this project once the pandemic has slowed or ceased. It has only been put on the back burner due to current constraints regarding the virus.

Protecting TG property is vital to the board and while we are dismayed by the delay, we are not giving up on this project. That said, we could build as many substations as we can afford. They need personnel to run them, and if you are interested in becoming a fire fighter or first responder, please contact the Rio Communities FD. Buildings and equipment are useless without people ready and willing to utilize them.

It has been my privilege and honor to serve on this board of directors for over 20 years now. In case you missed it in the last Tails and Trails newsletter, my term will end in July and I will not be running for reelection. As my seat is earmarked for a TG resident, I am urging anyone who would like to get involved with this association to consider running for a seat on this board. In the past, I have run for reelection against a candidate who told me they wished to see the demise of this association. Many residents live in TG due to the covenants, while others live here despite those same covenants. It is my sincere hope that residents who want to preserve the ideals created by and upheld by this association, will consider participating as board member.

In the years I have been involved with the board, I have seen many changes in TG. The continuation of this association was successfully completed due to the members choosing and voting to continue the association. This was no small feat and not every unit decided to continue, as it took 51% of the membership to vote for continuation in EACH unit, to achieve this. It was a long and arduous process, unit by unit, over the course of a couple of years. In the end, the majority of the membership voted to continue this association.

Protecting the open space for the membership has always been a key principle, and during my tenure, the board also succeeded in obtaining the release of the reversionary clause that Horizon retained in case this association ever was dissolved. Had this association been discontinued, the current owner of Horizon's old assets would have the opportunity to lay claim to the open space to do with it as it saw fit. I cannot stress how important this accomplishment was as that clause could have drastically changed the very nature of TG, had we not secured its release. Having the release of the reversionary clause also enabled the association to appoint the Architectural Control Committee, as well as oversee the enforcement of the covenants. This board has worked with BLM and NM Game and Fish on several projects including the reintroduction of the big horn sheep into the open space, as well as working with BNSF when they added a second line of tracks through the canyon while securing the safety of those big horn sheep. I guarantee you will not be bored joining this board.

The projects and inquiries have only multiplied over the years I have been a participant and it is my sincere hope that a caring resident will volunteer to become involved with this board and help safeguard the open space as well as the properties belonging to the membership for many years to come. Please consider this opportunity now, as the next newsletter will solicit interested candidates to submit their resume and declare their willingness to run for a board seat.

Thank you so much for the opportunity to serve over the last 20 years, and it is my great pleasure to introduce Judi Magnussen, our Treasurer with the Treasurer's Report."

Treasurer's Report - Judi Magnussen

"My Treasurer's report is for the period ending December 31, 2019. We remained stable, and are in excellent financial shape, with our economic condition being very liquid as the cash balance grew by \$19,335 from 2018. The assessments receivable remained constant from 2018 because of members honoring their commitment by paying annual assessments on time. Thank you. Property and equipment remained constant, and the book value decreased by depreciation of twenty-two hundred dollars. The association has no long-term payables. The short-term payables are month-to-month payroll taxes and annual billings for personal services. Expenses are kept to a minimum and are always within budget. We are presently in final negotiations that will reflect increased financial stability for the Tierra Grande Association and its members. Our next newsletter will be disclosing more details when the negotiations are completed. As a side note, I'd like to express my appreciation to the members -- for electing and appointing competent, helpful representatives who have guided this organization to remain solvent, beneficial and accessible. I am crediting our Administrator, Sue Moran, for being a major reason for this success.

And now, for our Auditor's Remarks, here is Lee Baldwin."

Annual Financial Review Report - Lee Baldwin, CPA

Auditor Lee Baldwin reported on TGIA's 2019 Annual Financial Review. He noted that while TGIA is in a good financial position, the 2018 and 2019 reviews reflect that without the interest earned from the investment of funds, the collected Assessments alone are not sufficient to cover the Association's day to day operating expenses. Mr. Baldwin went on to point out the "Independent Accountant's Review Report" reflects that based on his review he is not aware of any material modifications that should be made to the 2019 financial statements.

Administrator's Report – Sue Moran

TGIA Web Site: Updates will be posted on the "Updates" page of our web site

- Opportunity for you to review and respond to proposed policy changes

Newsletter: The February newsletter will be filled with information regarding policies and proposed projects that will benefit our Community.

- Build a Fire Station / Community Area on the east side of HWY 47
- Possibility of an additional TWN Internet Tower in TGIA
- Erosion Prevention Project in cooperation with Valencia County Public Works
- NM HOA Act – Fees & Fines Charged for Architectural Control Services & Non-Compliance with the Protective Covenants
- Practice to help off-set the cost of Power Line Extensions
- How your Assessments protect Tierra Grande land ownership and help our Community retain a reputation of being one of the best subdivisions in the area

11:30-11:35: Drawing of Winners of Credits – George Hobbes

- 1st Prize – \$250 Credit: **Robert Pearson – Wisconsin**
- 2nd Prize – \$175 Credit: **Lillian Clark – Minnesota**
- 3rd Prize – \$75 Credit: **John Gronager – New Mexico**

11:35-11:40: Election Results – George Hobbes

- 298 Ballots Cast for a total of 351 Votes (some members own multiple lots – hence more votes than Ballots)

Candidates Received the Following Votes:

- Rhonda Davis – 253* **Elected to Board of Directors**
- John Hoffman – 98

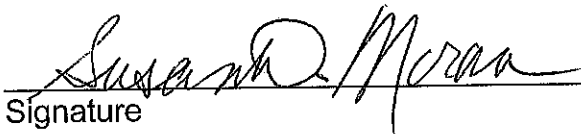
Mr. Hobbes noted that 34 states other than New Mexico were represented in the ballots cast. One ballot came from the Virgin Islands and one from Israel!

11:40-11:50: Questions & Answers

Members of the audience had the opportunity to speak directly with Board members, speakers and staff on a variety of issues.

Adjournment

Ms. Gasperetti adjourned the meeting at 11:50 p.m.



Signature



Date Approved

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