

Tierra Grande Improvement Association, Inc.
Board of Directors
June 28, 2017

Directors Present: Judi Magnussen, President
Michael Sumner, Executive VP
David Tibbetts, Treasurer
Carol Gasperetti, Secretary
Howard Snell, Director

Directors Absent: None

Administration Present: George Hobbes, Accountant
Sue Moran, Administrator

Guest(s): Wayne Brown, Partner, Ricci & Co.
Justin Pink, Auditor, Ricci & Co.
2016 – TGIA Annual Review

Juan Sanchez Sr.,
Theresa Sanchez
Open Space Grazing Lease

Judi Magnussen, President, called the meeting to order at 3:58 p.m.

AGENDA: Ms. Magnussen asked if there were any changes to the Agenda. Mr. Snell requested adding discussion related to the Board's authority/responsibility over the Open Space. Ms. Moran added to Other Items – Ballot Committee Mtg., Annual Meeting, Open Space locks, Photo Award. There being no other changes to the Agenda, the Agenda was accepted as amended.

2016 TGIA Annual Financial Review: Introductions were made. Mr. Brown provided detail and comment to the 2016 TGIA Annual Financial Review that Ricci & Co. had completed. Mr. Brown reported that TGIA is in excellent financial shape. TGIA's income covered the expenses, total assets increased slightly, and cash on hand while somewhat less than 2015 was related to the improvements and properties purchased to the benefit the TGIA Fire Station One fluctuation between 2015 and 2016 was related to how donated properties were valued when placed on the books years ago and the actual value of the lot at point of sale.

Mr. Brown stated he would recommend that TGIA continue with an Annual Financial Review. A full audit may be called for when people in key positions are hired or leave.

Mr. Brown and Mr. Pink left the meeting at this time.

There being no changes to the 2016 Financial Review as presented and no further discussion:

Motion: Motion by Mr. Sumner, and seconded by Mr. Snell to approve Tierra Grande's 2016 Financial Review as presented. No further discussion. Unanimously approved. Motion carried.

Open Space Grazing Lease – Juan Sanchez: Introductions were made. Ms. Sanchez stated that Juan Sanchez, Sr., expressed interest in grazing in Tierra Grande's Open Space. The Sanchez's understand that the major problem is that the eastern boundary between TGIA's Open Space, and the privately owned platted lots is not fenced. They recognize that another rancher grazes in the platted area. In order to avoid the potential co-mingling of the cattle, Mr. Sanchez proposed to build a fence, using T posts and 4 strand wire. It will cost a lot, probably about \$16,000 just for materials, not including installation and the survey.

Mr. Sanchez proposed the following:

- Allow him two (2) years to have the fence built
- Lease the Open Space for an additional ten (10) years – at \$1

The Board appreciated Mr. Sanchez and Ms. Sanchez presenting their offer to the Board. They were informed that the Board needs some time to review and discuss the offer so no decision will be made at this time.

Mr. Sanchez and Ms. Sanchez left the meeting at this time.

Discussion ensued. A wide variety of opinions were expressed. Some expressed that there was a benefit to fencing the Open Space, another was concerned about TGIA's responsibility to the management of the Open Space. Questions arose about what the financial impact to the Association. There was a general consensus of the need to meet with Marc McKinley, who holds the current grazing lease with TGIA. Ms. Moran was instructed to invite Mr. McKinley to attend the July Board meeting. If Mr. McKinley is not available at that time, since he lives out of state, perhaps a meeting with Mr. Sumner could be arranged.

ACTION ITEMS:

Minutes: The minutes of the May 24, 2017 Board Meeting were reviewed.

Ms. Magnussen asked if there were any changes or corrections to the content or to the substance of the minutes. No changes were identified. There being no further discussion:

Motion: Motion by Ms. Gasperetti, seconded by Mr. Tibbets to approve the minutes of May 24, 2017 Board Meeting as presented. No further discussion. Unanimously approved. Motion carried.

FINANCIAL REPORT(s) – The Financial Report for the month ending May 31, 2017 was reviewed.

There being no discussion the Financial Statement for the period ending, May 31, 2017, will be placed in the record for audit or review.

OLD BUSINESS

TGIA Fire Station: The Board reviewed the changes to the QuitClaim Deed:

1. Added to the paragraph that reserves conveyance to include guy wire supports and access to the property for ongoing maintenance)
2. Removed the section pertaining to the well/tank

Mr. Sumner recommended strengthening the language in the paragraph that reserves conveyance of the TWN tower as follows:

.... is subject to an Agreement between Tierra Grande Improvement Association and TransWorld Network Corp **and all successors or assigns** dated December 15, 2011

Motion: Motion by Mr. Sumner, seconded by Mr. Tibbets to forward the QuitClaim Deed as amended to the City of Rio Communities for review. No further discussion. Unanimously approved. Motion carried.

Lien Policy: Revised Draft – The Board discussed the revised Lien Policy. Discussion took place regarding the need for an attorney to write a demand letter for these cases. Ms. Moran asked that she be able to work the process through first. If collection is not successful, the Policy can be revisited to add a step to include a demand letter from our attorney.

Motion: Motion by Mr. Tibbets, seconded by Ms. Gasperetti to approve the Lien Policy as amended, removing an attorney demand letter at this time. No further discussion. Unanimously approved. Motion carried.

NEW BUSINESS

Open Space Rules – Mr. Snell expressed his concern relating to the Board's role in administering the Open Space. The Guidelines established by the Open Space Committee under the direction of the Board, is just that, guidelines. The actual administration to allow or limit uses in the Open Space belongs to the Board of Directors.

Five (5) Year Goals & Objectives - The Board reviewed the status / achievement of the Five Year Goals for the period of July 2012 – June 2017, which is used to help the Administrator achieve certain milestones. The Board then worked with Ms. Moran to develop the Goals and Objectives for July 2017 – June 2022.

OTHER ITEMS

Off Highway Vehicle (OHV) Policy - Mr. Snell recommended the following language change to the OHV Policy:

- Members who receive an OHV sticker also receive a copy of the TGIA Guidelines for the Open Space
- Under Policy Guidelines add: OHV operators are to stay on established trails

Ms. Moran will incorporate these changes into the OHV Policy.

MISC.

Ms. Moran and the Board discussed the upcoming Annual Meeting, the new locks for the Open Space gates, and the photo taken by a Tierra Grande resident which won an award for best wildlife photo.

ADJOURNMENT: Ms. Magnussen adjourned the meeting at 6:00 p.m.

Next TGIA Board Meeting: Scheduled for Wednesday, July 26, 2017 at 4:00 p.m.

Signature

/sdm: Minutes06/28/17

Date Approved