

Tierra Grande Improvement Association, Inc.
ANNUAL MEETING
July 16, 2022

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

Administration Present: George Hobbes, Accountant
Sue Moran, Administrator
Janie Earthman, Assistant Administrator
Leighann Self, Staff Assistant
Ron Robbins, IT/Maintenance
Sandy Schauer, Newsletter Editor

Guest Speakers: Lee Baldwin, CPA – TGIA 2021 Annual Financial Review

TGIA Members/Guests: 45 Present

11:00 – 11:30 Brunch & Call to Order

Mr. Lardner, Board President, called the meeting to order at 11:30 a.m.

Call for Ballots

Mr. Lardner announced that anyone who had not voted or who had election ballots should turn them into Mr. Hobbes at this time.

After calling the meeting to order, Mr. Lardner introduced and thanked individual TGIA staff, Board of Directors, Committee Members, and guest speakers for their contributions to TG.

President's Remarks

TGIA President Lardner opened by stating he has served on the TG Board since 2018 and he has been a TG landowner for over 20 years. Mr. Lardner noted that he has served on several non-profit boards both local and some national. The staff at TGIA is the best he has had the honor to work with. He went on to recognize each the TG staff member and the contributions they have made to the success of the organization. Special recognition went to Janie (33 years) & Mark Earthman (7 years), employees of Tierra Grande who are retiring. Sandy Schauer our Tales N Trails newsletter editor for over 30 years was also recognized.

Mr. Lardner stated that the Board of Directors has served diligently as good stewards of the duties to the members of TG. The Board's purpose is to serve the members, it is not always easy and to some, may not seem apparent, but with over 2,500 members, 5,200 lots set over 80,000 acres of land, the staff and directors do a wonderful job.

Last year TG implemented a grant program to help our members with extending electric service to lots that were not served. This year the board approved two new grant programs: Road Assistance and Alternative Energy / Water Conservation. These programs were not intended to cover all the cost to our members of improving their properties, just to help offset some expenses and encourage more development in TG.

Mr. Lardner went on to report that TG had several new regulations to deal with this year. The State of New Mexico Senate bill related to homeowner-landowner-planned unit associations, allowing alternative dispute resolution, adding penalties, and broadening the applicability of the Associations Act 497. This addition to the Associations Act required TG to work on our Architectural Control policies and implement them to their fullest. The AC Committee (ACC) is a true asset to the TG community. Without our covenants and a way to enforce them, our beautiful land and views would be overtaken by mobile homes and shoddy constructed structures.

The Healthy Workplace Act passed by the State of New Mexico this year also required TG to review and amend our employee policies.

Over the past year the Western Spirit Transmission line has been completed in Socorro and Valencia counties. This transmission line runs through TG's open space area and parts of the TG community. We are now in negotiations with SunZia, another transmission line that will cross over TG owned and controlled properties. The revenues from the easements are going to help our community. The TG board is building a community structure that will include a fire station, the TG office, and a community center. It is hoped that the structure will be built and running in the next 24 months.

In the last 12 months, TG has had two particularly important legal decisions; the courts have affirmed our right to foreclose on properties that have unpaid assessments and a legal decision in a foreclosure case that reaffirmed TG's liens by reason of a Notice of Association recorded in 2014. Unfortunately, 20% of our landowners are in arrears with their yearly assessments. These past due assessments are the result of many things some of which is our authority to oversee and assess properties within our boundaries. This court case cemented TG's authority to not only assess properties but to foreclose.

The State of NM through the HOA law has also put limits on the collection of assessments not paid. The new law limits an HOA from collecting amounts over 5 years and 364 days past due, thus TG will be stepping up our foreclosure activities in 2022 and 2023. As President of TG, I have pushed to make landowners responsible for their assessments.

Every year TG mails out close to 150 new member packets. The association staff works closely with Valencia and Socorro County authorities to track owners and update addresses.

TG owns and oversees over 14,000 acres of pristine open space. This land is beautiful and undisturbed. With the help of our members and stewards who are looking out for this beautiful piece of property we can all enjoy it for the future of TG.

TG has been a vital and important part of Valencia and Socorro Counties for over 49 years. With the support of our community, TG will continue well into the future.

Mr. Lardner thanked the Board of Directors for all their challenging work. These board members, elected by the members, are dedicated to keeping TG moving in the right direction and it is a privilege to work beside them in this journey.

Lastly, Mr. Lardner thanked the members of TG for their continued support. It is a beautiful area to live and raise a family. He is proud to be a part of the TG family.

Treasurer's Report

Treasurer Judi Magnusson opened with the following message: I LOVE living in Tierra Grande. Awakening to brilliant Venus rising over the Manzanos, with the moon setting in the West. Sunshine and birdsong. Who could ask for anything more?

“These past few years have been a challenge in acclimating to change. When the Tierra Grande Improvement Association was formed, their by-laws and covenants mandated that members protect the integrity and insure the future of Tierra Grande.

This was to be done by overseeing compliance with and enforcing the Protective Covenants – establishing and collecting annual assessments and preserving our precious Open Space. Included in each member's Information Packet today is our Financial Status for 2021. My Treasurer's Report reflects that Tierra Grande accomplished those goals with fiscal responsibility.

Assessments Receivable of over \$200,000 demonstrates that the majority our members are continuing to pay their assessments which enables us to maintain our oversight.

TGIA 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 – bills are paid promptly and thanks to Sue's diligence, the property taxes are kept in perspective and paid when due.

The Financial Statement of Activities also reflects the Board's successful negotiations with Western Spirit and SunZia Corporations which allowed rights-of-way and

installation of transmission lines that will **not** threaten the well-being and investment members have made in their property.

Tierra Grande is now able to plan for allowing the construction of an Office - Fire Station - Member Activity Center. It also allows us to help qualifying applicants via specific grants – for electricity, eligible road improvements, energy, and water conservation. We have instituted a HIGHLY informative and frequently updated website where anyone can learn more about these factors and every aspect of our organization: www.tierragrande.org

Annual Financial Review Report for 2021

Auditor Lee Baldwin reported on TGIA's 2021 Annual Financial Review. He noted that there were no findings. There were two transactions of note: 1) New State Law requires that outstanding account balances past due over 5 years & 364 days must be written off. This resulted in a write off around \$84,000 in unpaid assessments and interest. 2) State Law requires that bids on foreclosure properties over the minimum opening bid must be turned over to the State. TG turned over - over \$33,000 in excess bids to the State. Mr. Baldwin recognized that TG is fiscally conservative, maintains excellent records and works hard to follow State and Federal law changes.

11:30 – 11:40: Fire Station Report

Trenton Moore, TGIA Director and Chair of the Fire Station Committee, updated the audience as to the status of the proposed multi-use center which will house the TGIA Fire Station, TGIA Office, and Community Center. TGIA hired an Architect to design and construct the facility. Valencia County has approved the facility. COVID put the project on hold for over a year. Fencing of the property has begun. We are waiting for the State Fire Marshall to review and approve the location before we can move forward. Mr. Moore shared that TGIA has set aside funds to cover the cost of construction.

Volunteers are needed to support the fire station. Volunteers do not have to be trained EMT's or Fire Fighters. Volunteers can simply become qualified to drive the emergency vehicle (ladder truck / brush truck / ambulance) to the location in Tierra Grande to save time for the professionals qualified to respond to the circumstance. Anyone interested in volunteering please stop by at the end of the meeting and speak with Sue Moran.

11:40-11:50: Architectural Control Fees and Fines

Judi Magnussen, Chair of the Architectural Control Committee (ACC), shared: "As each of you knows well, Tierra Grande is unique. Other developments may have by-laws and covenants, but many have not invested their members' hard-earned money in overseeing the enforcement of them. From day one, TGIA has made it a priority to follow the by-laws and covenants established by Horizon Corporation for the betterment of the Tierra Grande community.

The Architectural Control Committee was established to oversee and enforce the ground rules for size and construction of homes here. Recently, the State of New Mexico became aware of **other** Developers' frequent failure in enforcing rules and regulations, and they solidified State Laws to establish better enforcement. Because of our Administrator's attention to adhering to these additional Laws, Sue advised the Board, and eventually our organization revised its practices to adhere to these HOA State Laws so that TGIA would not be in violation. The State also established reporting requirements and imposed fees and fines as an incentive to adherence. Effective November 20, 2020, and updated April 1, 2021, TGIA complied. These additional regulations added to our Administrator's numerous responsibilities, but to our delight, members in good standing understood how important their compliance was to maintain the beauty of our community, and readily acted in accordance with them. This is another example, in my mind, of the success **thoughtful** regulations can be to thoughtful people, and the ACC committee wants to express our appreciation for that recognition. Thank you.

The ACC Committee is presently composed of Carol Claus, Michael Hunt, Kim Pravda, Sue Moran, and me.

11:50-12:10: Administrator's Report

Administrator Sue Moran shared:

Internet Service: TGIA is in conversation with TWN to provide another internet tower in Tierra Grande to improve / provide high speed internet service to those properties currently out of range.

Board of Directors and Representation of Membership: Ms. Moran shared that of the five (5) Board Directors - two (2) are residents and one (1) is a landowner. In addition, two (2) Directors are local businesspeople. She also shared that three (3) of the staff, herself, Leighann Self and Ron Robbins are residents of TG. Janie & Mark Earthman are TG landowners. This means there is a good mix of representation of residents and landowners with independent eyes on assuring the continuation of Tierra Grande as it was originally designed – a landowner's association.

Fiduciary Responsibility: Ms. Moran stated that the TG Board takes seriously its' fiscal responsibility to the Association and the members. This Board will never take out a loan, will never spend more than is available, and will assure that a safety net of three (3) years of operating expenses is set aside to safeguard the future of TG and the investment of our landowners.

Salaries: Recently some members called in to question the salary line in the budget. Ms. Moran shared that the salary line is made up of the Administrator, two support staff and the stipend for the Board of Directors. No one receives any benefits such as health or dental or life insurance or pension. The current staff have served the association and its members between 7 and 33 years.

Thank You – TGIA Landowners – Ms. Moran expressed a heartfelt appreciation to all the TGIA members who support the Association in its efforts to keep Tierra Grande beautiful and a safe and welcoming community to live in.

12:10-12:20: Drawing for Door Prizes

Michael Sumner and Rhonda Davis, TGIA Board Directors, drew the names of the winners of door prizes:

- 50th Anniversary - Tim Holmes - (handmade blanket donated by Holly Woelber)
- Voter – Angela Blasi – (handmade ladybug trivet by David Venenga)
- Voter – Carol Claus – (handmade serape donated by Holly Woelber)
- Voter - Aileen Littlejohn – (handmade bread knife donated by Ros Barnes)
- Voter – Robert Binkley – (Book of animals of NM & a leather journal donated by Kim Pravda)
- Voter – George & Theresa Hamilton (handmade jacket donated by Holly Woelber)
- Voter – Saputo Family – (handmade photo album of animals in TG Open Space donated by Kim Pravda)
- Attendees – five (5) door prizes were awarded to ticket holders who were in attendance. Items donated by Marty Twinn, Val & Wayne Smith, Venture Garcia.

12:20-12:30: Election Results

At this time Mr. Hobbes reported the following election results:

- 119 Ballots were cast of which one (1) was spoiled –
- There being no other candidates
- Michael Sumner - elected to the TGIA Board of Directors

Adjournment

Mr. Lardner adjourned the meeting at 12:45 p.m.

Questions & Answers

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

Signature

Date Approved

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