

Tierra Grande Improvement Association, Inc.
Via: Zoom & Telephonic
Board of Directors
June 28, 2023

CALL TO ORDER: Jim Lardner, President, called the meeting to order at 4:00 p.m.

ROLL CALL: Sue Moran, Administrator

Directors Present: Jim Lardner, President
Michael Sumner, Executive VP
Judi Magnussen, Treasurer
Rhonda Davis, Secretary
Trenten Moore, Director

Directors Absent: None

Administration Present: George Hobbes, Accountant
Sue Moran, Administrator
Ron Robbins, IT/Operations

Guest(s): Lee Baldwin, CPA
2022 Financial Review

Audience: None

AGENDA:

Mr. Lardner asked if there were any changes to the agenda. Ms. Magnussen noted that she had a personal comment to make at the end of the meeting. There being no other changes to the agenda:

Motion: Motion by Mr. Sumner, seconded by Ms. Magnussen to approve the Agenda of June 28, 2023, as presented. No further discussion. Unanimously approved. Motion carried.

ACTION ITEMS:

2022 Financial Review: Mr. Baldwin discussed in depth the draft of the TGIA 2022 Financial Review. He reported there were no substantive changes between 2021 & 2022. Discussion took place regarding whether certificates of deposit of less than one year in length should be considered cash or listed with certificates of deposit. Understanding was that any funds with terms would be reported under certificates of deposit.

Mr. Baldwin commented that the Notes describing summaries of various significant accounting policies reflected changes in State laws and general accounting standards. Mr. Baldwin remarked that there were no negative findings to report as to Tierra Grande's fiscal operating procedures.

Motion: Motion by Mr. Sumner, seconded by Ms. Magnussen to approve the 2022 Annual Financial Review as presented. No further discussion. Unanimously approved. Motion carried.

Board of Directors Meeting Minutes – May 24, 2023

Mr. Lardner asked if there were any changes or corrections to the content or to the substance of the minutes. There being none:

Motion: Motion by Ms. Magnussen, seconded by Mr. Moore to approve the Board meeting minutes of May 24, 2023, as presented. No further discussion. Unanimously approved. Motion carried.

Grants –

The Board of Directors reviewed three (3) grant requests (two for solar and one for water conservation). Each request came in after the projects were completed. TGIA policies state that owners are to ask for approval PRIOR to the project. Some on the Board suggested that the policies be updated to include language allowing for submission of grants within ninety (90) days of completion of the project. Another suggestion was that the policies be updated to reflect that grants cannot be used to reimburse for ongoing maintenance of items such as batteries. Mr. Lardner recommended that each of the grant policies be reviewed beginning in October 2023.

Motion: Motion by Mr. Sumner, seconded by Ms. Magnussen to approve the three (3) grant requests as presented. No further discussion. Unanimously approved. Motion carried.

BNSF Application of Funds to Purchase Section of TGIA Owned Lot –

Ms. Moran noted that the lot TGIA owns Unit 19, Block 3, Lot 4 – defaulted to TGIA in a foreclosure sale of April 6, 2018. At that time TGIA incurred foreclosure costs in the amount of \$4,949.60 and has paid additional property taxes to date amounting to \$113.76.

BNSF proposes to purchase .01 acres of this property for \$5,000. Ms. Moran asked, when payment is received, could the money be used to recover these foreclosure costs? Mr. Baldwin and Mr. Hobbes both remarked that the funds should be used to recover foreclosure costs.

No motion was necessary to approve this request.

Marc McKinley / Sale of Properties –

The Board discussed the offer to Marc McKinley to purchase the following properties he owns:

- 144 acres of mountain / open space land that adjoins TGIA Open Space and the National Forest. (\$150,000)
- 10-acre parcel in Tierra Grande with a well and on power (Unit 14, Block 17, Lot 5) (\$50,000)

The Board reviewed details of the two properties. The Board concurred that each property was a good financial investment for Tierra Grande. Much discussion took place regarding a counteroffer to Mr. McKinley's asking price. Decision was made to offer \$180,000 for both properties if the following conditions are agreeable to Mr. McKinley:

- Clear Title Searches / Title Insurance.
- TGIA would pay closing costs with the Title Company.
- The well is inspected and certified to be in good working order.
- TGIA would be looking to close sometime in September.

Motion: Motion by Ms. Magnussen, seconded by Mr. Sumner to approve the offer to Marc McKinley as noted above. No further discussion. Unanimously approved. Motion carried.

Many on the Board expressed a desire to travel to the mountain / open space property. Mr. Lardner would investigate the possibility as an all-wheel drive vehicle would be necessary to access the property using Forest Road 422d.

2023 Measures – Forward Owners to Attorney

The Board reviewed a spreadsheet of sixty-five (65) owners of TG properties that are four (4) years in arrears on assessment payments. The properties were measured to research which properties a lien should be filed against, and/or which properties were likely to sell in a foreclosure sale for which TGIA would recover its foreclosure costs. There was a total of thirty-one lots / 25 owners approved to forward to TGIA's attorney to begin foreclosure proceedings.

Motion: Motion by Ms. Magnussen, seconded by Ms. Davis to approve forwarding the approved / measured properties to the TGIA attorney to begin foreclosure proceedings. No further discussion. Unanimously approved. Motion carried.

FINANCIAL REPORT(s) – The Financial Report for the period ending May 31, 2023, was reviewed.

Ms. Moran noted that staff salaries are coming into alignment with the budget.

There being no further discussion, Mr. Sumner recommended that the Financial Statements for the period ending May 31, 2023, be placed in the record for audit or review.

OLD BUSINESS -

Multi-Use Center: The Board discussed the proposal received from the Mayor and City Manager for the City of Rio Communities that if TGIA built its fire station / multi-use center on the lot where the current TG fire station is located, the City would authorize a permanent easement to TGIA for access to the new multi-use center. Much discussion took place. Ms. Moran was instructed to ask the City representatives for a sample of the permanent easement language for the TGIA Board to review.

Financial Accounts - Update: The Board reviewed the updated list of balances of various Certificates of Deposit, Treasury Bills, Money Markets and Operating Accounts held by the Association. The Certificates of Deposit and Treasury bills are set to mature about every 2 – 3 months thus allowing access to funds if / when needed.

NEW BUSINESS -

Survey: Ms. Moran reported that the Business Reply indicia was not included on the return USPS address. This may result in delays in receiving returned surveys. The Board approved extending the time for the return of the surveys.

Agenda – Annual Meeting: The Board reviewed the proposed Agenda for the July 15, 2023, Annual Meeting. No changes were suggested.

Full Audit for 2023: The Board thought that 2023 was a suitable time to schedule a full financial audit of TGIA records. Mr. Baldwin, current Auditor for TGIA stated that he would update his 2023 Financial Review quote and re-submit the quote to reflect the increased cost of a full financial audit.

OTHER ITEMS:

Ms. Magnussen: Ms. Magnussen commented that she did not feel that she is the best candidate to serve as Treasurer for TGIA as there are many other Board members with more experience in the financial field. The Board assured Ms. Magnussen that her performance as Treasurer has been great. There are sufficient eyes on the financial records by Mr. Hobbes, TGIA Accountant, the TGIA Board's monthly review of the financial statements and the annual financial review by the Auditor.

ADJOURNMENT: Mr. Lardner adjourned the meeting at 6:05 p.m.

Next TGIA Board Meeting: The next meeting is scheduled for Wednesday, July 26, 2023, at 4:00 p.m.

Signature

/sdm: Minutes06/28/2023

Date Approved