

Tierra Grande Improvement Association, Inc.
Via: Zoom & Telephonic
Board of Directors
February 28, 2024

CALL TO ORDER: Rhonda Davis, President, called the meeting to order at 4:05 p.m.

ROLL CALL: Sue Moran, Administrator

Directors Present: Rhonda Davis, President
Jim Lardner, Secretary
Trenten Moore, Director
Richard Moore, Director

Directors Absent: Michael Sumner, Executive VP

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

Guest(s): None

Audience: None

AGENDA:

Ms. Davis asked if there were any changes to the agenda.

Ms. Moran asked for the following Agenda changes:

Old Business: Insurance

There being no other changes to the agenda,

Motion: Motion by Mr. Lardner, seconded by Mr. Moore to approve the Agenda of February 28, 2024, as amended. No further discussion. Unanimously approved. Motion carried.

ACTION ITEMS:

Board of Directors Meeting Minutes: Ms. Davis asked if there were any changes or corrections to the content or to the substance of the January 24, 2024, minutes. There being none:

Motion: Motion by Mr. Lardner, seconded by Mr. Moore to approve the Board meeting minutes of January 24, 2024, as presented. No further discussion. Unanimously approved. Motion carried.

FINANCIAL REPORT(s) – George Hobbes announced his retirement as TGIA’s Accountant effective January 1, 2024. Mr. Hobbes served as the Accountant for TGIA for over 37 years. He will be sorely missed. The Board and staff are grateful for his guidance over the years.

Until such time as another financial advisor is hired, Ms. Moran will provide modified financial reports for the Board to review. Ms. Moran explained the various financial materials prepared for the period ending January 2024.

There being no further discussion, Mr. Lardner recommended that the financial materials representing January 2024 be placed in the record for audit or review.

OLD BUSINESS -

501 C 7: The Board had expressed an interest in the possibility of creating a 501 C 7 for TGIA’s Open Space. Upon review of the IRS regulations for a 501 C 7 – Social Club, it was realized that a whole new entity would have to be created along with all the governing documents as well as the policies and filing requirements.

Based on the discussion the Board decided not to pursue creating a 501 C 7 for TGIA’s Open Space.

Insurance: Ms. Moran reported that TGIA’s Bylaws – Article VI – Indemnification requires that “The corporation shall indemnify its officers, directors, employees, and agents to the fullest extent permitted by New Mexico law. Based on that requirement the Board discussed adding the recently purchased Open Space property to TGIA’s insurance. Trenten Moore recommended that no trespassing, no hunting, no trapping signs be posted along the fence line in accordance with NM State Law.

The Board also reviewed the email exchange between TGIA and Hub Insurance regarding the following insurance items:

- Possibility of TGIA self-insuring. – We are still researching different companies that offer this specific type of request.
- What would the premium be if TGIA increased its deductible to say \$750k or – *There are certain limits that the carrier will consider when it comes to deductible limits, and \$750k exceeds the limits of the current carrier.*
- Are you allowed to do this on your current policy? *You are allowed to increase your deductible, but the highest deductible we were able to inquire about was \$5,000 which dropped the overall premium to \$46,007.*
- When are you allowed to change your deductible? *Yes, you are allowed to change your deductible, and we did inquire with the carrier about this but there was not a major change in the premium.*
- Would moving open space to a 501C help save on insurance costs? *We are working with our Chief Marketing Officer to explore different options and possibilities to see what options fit best with your current operations and situation.*

- Interested in putting wells on property to fight fires – what impact would that have on the insurance premium – *We can add the wells on via endorsement. There usually is an increase in premium, since you are adding property. TGIA's main exposure is its general liability, not the property.*
- Interested in the possibility of building an office – what impact would that have on the insurance premium? *I did receive the information you sent over to me regarding the building, I sent the information you provided me over to the carrier and am waiting to receive the quote back, I will let you know once I hear back.*

Based on this exchange, the Board made the following decisions:

- 1) YES, keep researching an insurer who may allow a deductible limit up to \$750,000.
- 2) YES, increase the deductible to \$5,000 effective immediately with our current insurer.
- 3) YES, add the recently purchased Open Space property to the insurance coverage.
- 4) STOP researching self-insurers – TGIA is no longer interested in that possibility.
- 5) STOP researching insurance for a 501 c 7 – the Board has given up the idea of creating a new organization.
- 6) STOP researching insurance costs for wells/storage tanks & related equipment, the Board will take the loss if it occurs.
- 7) STOP researching the cost of insurance related to the potential construction of an office for TGIA. The Board has decided to drop this idea for now.

Motion: Motion by Mr. Lardner, seconded by Mr. Moore to notify our insurance broker of the above decisions. No further discussion. Unanimously approved. Motion carried.

NEW BUSINESS -

Financial Oversight Moving Forward: Discussion took place regarding the level of financial oversight that should occur to assure there are sufficient checks and balances in place to protect the Association. The decision was that an accountant should be hired to review and create quarterly reports for the TGIA Board and to complete and file the Association's required State and Federal reports.

Ms. Davis stated that she will reach out to her business contacts to ascertain the name of an Accountant that would be willing to provide these services.

Payroll Options: Ms. Moran reported that she obtained pricing from four (4) payroll companies: Onpay, ADT, Paychex & Gusto. Based on the pricing quoted and a Zoom meeting with a representative from Onpay, Mr. Robbins and Ms. Moran recommended to the Board to move forward with Onpay. This payroll service company offers a wide range of payroll and human resource services at no additional cost. The company will also process payments and year-end 1099's for the Board and other independent contractors.

Motion: Motion by Mr. Lardner, seconded by Dr. Moore to select Onpay as the provider of our payroll, HR and other services beginning March 15, 2024, No further discussion. Unanimously approved. Motion carried.

Draft Budget: The Board reviewed the draft budget. They recommended the following changes:

- Remove savings carry over from both the Operating Budget and the Alternative Budget.
- Remove Construction of New TGIA office.
- Increase Grants to \$50,000 to address the proposed increase in grants for roadside power line extensions.

An interesting side conversation ensued. Mr. Hobbes shared that while TGIA's governing documents do not contain any restrictions that TGIA must maintain its Operating Budget within the Assessment revenue collected, he shared that several years ago, during Board and member meetings, it was the primary request of TGIA landowners that the Association **does not operate in the red nor take out loans**. As a result of those conversations between the TGIA Board and landowners, the TGIA Board of Directors has honored those requests when budgeting each year.

Ms. Moran will make the adjustments to the 2024 Budget as directed. The 2024 Budget will be on the March Board agenda for further discussion and/or approval.

OTHER ITEMS:

- None

ADJOURNMENT: Ms. Davis adjourned the meeting at 5:40 p.m.

Next TGIA Board Meeting: The next meeting is scheduled for Wednesday, March 27, at 4:00 p.m.

Signature

/sdm: Minutes02/28/2024

Date Approved