

Tierra Grande Improvement Association, Inc.
Via: Zoom & Telephonic
Board of Directors
November 20, 2024

CALL TO ORDER: Rhonda Davis, President, called the meeting to order at 3:58 p.m.

ROLL CALL: Sue Moran, Administrator

Directors Present: Rhonda Davis, President
Michael Sumner, Executive VP
Jim Lardner, Treasurer
Richard Moore, Secretary
Alexa Roberts, Director

Directors Absent: None

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

Guest(s): None

Audience: None

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

Ms. Moran asked that the topic of foreclosure be added to "New Business."

There being no other changes to the agenda,

Motion: Motion by Dr. Moore, seconded by Mr. Sumner to approve the Agenda for November 20, 2024, as amended. No further discussion. Unanimously approved. Motion carried.

ACTION ITEMS:

Board of Directors Meeting Minutes – October 31, 2024

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

Motion: Motion by Mr. Sumner, seconded by Ms. Roberts to approve the Board meeting minutes of October 31, 2024, as presented. No further discussion. Unanimously approved. Motion carried.

PNL Accountant & Tax Services -

The Board reviewed a draft Engagement Agreement between PNL Accounting & Tax Service and Sais & Associates, CPA, for the provision of accounting and annual financial review services for TGIA.

The Board recommended the following changes:

Under Start Up – At no charge - PNL Accounting & Tax Service will:

- Set up TGIA's annual budget using TGIA's QuickBooks program.
- Assist with converting TGIA's year-end 2024 Quicken to TGIA's QuickBooks.
- Assist with the set-up of reports for the Board of Directors in TGIA's QuickBooks program that TGIA staff will present to the Board monthly.

Other items in the draft Engagement Agreement were approved.

Ms. Moran shared that Paul Lucero of PNL Accounting & Tax Service has not seen this Engagement Agreement and may have a counter proposal. Ms. Moran will make the changes recommended by the Board and send the revised Agreement to Mr. Lucero for his review and comment.

The decision was that the Board would wait until a response from Mr. Lucero is received. Then a motion would be made at that time via email.

Federal 990 for 2024 / George Hobbes -

Ms. Moran shared that George Hobbes, TGIA's previous accountant, offered to prepare TGIA's Federal 990 for 2024 at a charge of \$750 plus tax.

Motion: Motion by Mr. Sumner, seconded by Mr. Lardner to approve George Hobbes fee of \$750 plus tax to prepare TGIA's 2024 – 990. No further discussion. Unanimously approved. Motion carried.

Annual Financial Review – Lee Baldwin

The Board reviewed the bid from Lee Baldwin, CPA for the provision of TGIA's annual financial review for 2024, 2025, 2026. The charge for each year would be \$6,242.

The Board recommended waiting to decide on Mr. Baldwin's bid until TGIA receives PNL Accounting & Tax Services response to TGIA's Engagement Agreement.

FINANCIAL REPORT(s) – The Financial Reports (Net Worth, Cash Flow, & Profit & Loss Statement, Budget, and check register for each account) for the period ending October 31, 2024, were reviewed.

Mr. Lardner shared that he reviews these documents against the reconciled bank statements monthly. Nothing unusual to report.

Mr. Sumner seconded by Dr. Moore that the Financial Statements for the period ending October 31, 2024, be placed in the record for audit or review.

Status of Accounts – The Board reviewed the status of accounts as of November 15, 2024. Ms. Moran noted that one (1) CD with NMB&T is up for renewal on December 3, 2024, and one (1) T-Bill will mature on December 20, 2024.

Ms. Davis reported that NMB&T currently has an eight (8) month special CD at 4.50% (this may vary by the time of renewal).

Motion: Motion by Mr. Lardner, seconded by Mr. Sumner to:

- **Renew the one (1) NMB&T CD for eight (8) months at 4.50%.**

Motion: Motion by Mr. Sumner, seconded by Mr. Lardner to:

- **Renew the six (6) month T-Bill**

No further discussion. Unanimously approved. Motions carried.

Status of Annual Assessments Collectable October 1, 2024 – November 15, 2024

The Board reviewed the following reports:

- Breakdown of lots that are assessed vs. unassessed by County which reflected that maximum number of assessments that could be charged/collected as of October 1, 2024 (\$207,225).
 - o Ms. Moran shared that in a recent conversation with representatives of Capital Fund Investors, the company was moving forward with a solar development project in Unit 16 (Socorro County) and Unit 19 (Valencia County).
 - o When this happens, Capital Fund will remove the Protective Covenants from the Units resulting in a loss to TGIA of approximately \$1,850 in annual assessments collectable (28 owners).
- Monthly Ledger Summary as of November 15, 2024 (directly from the billing program) –
 - o Assessments collectable for 2024 are reflected in the first line of the Ledger Summary (\$207,225)
 - o Previous Billing is the amount carried over from previous years unpaid.
 - o Current Year Interest – is interest EARNED on past due accounts from January 1 – November 15, 2024
 - o YTD Collected reflects payments received between October 1 and November 15, 2024
 - o Year 1 – reflects 2024 outstanding balance (1,107 owners)
 - o Year 2 – reflects 2023 outstanding balance (184 owners)
 - o Year 3 – reflects 2022 outstanding balance (20 owners)
 - o Forfeit – reflects 2021, 2020, 2019 outstanding balance (199 owners)
 - o Total Unpaid - (59% of owners)

Status of TGIA Property Owned / Property Taxes as of November 15, 2024 -

The Board reviewed a spreadsheet of the properties owned by TGIA and their corresponding property taxes. Ms. Moran noted that there is only one (1) property that the Board could consider adding to the For Sale By Owner catalog at some point.

OLD BUSINESS -

Insurance Premium for 2025: The Board reviewed an estimate for the 2025-2026 Commercial Package Policy renewal. The premium increased approximately \$5,000, bringing the estimate to \$55,061. Ms. Moran noted that TGIA could have the premium set for monthly via autopay. There would be no additional fee for having the insurance company withdraw the monthly premium via autopay.

Discussion ensued.

Motion: Motion by Mr. Lardner, seconded by Mr. Sumner to transfer \$55,000 from the Operating account to the UBB Money Market account and have the insurance company withdraw the funds from the Money Market account. No further discussion. Unanimously approved. Motion carried.

Permazyme: Mr. Robbins noted that it has been nine (9) months since Permazyme was applied to the first mile of Mallette Dr. He reported that while the road has held up better with the product than without, it is not a cost-effective solution. Valencia County Public Works has recommended the use of Calcium Chloride for future road improvement projects. While it does not last as long, it is a better return on the investment. Mr. Lardner shared that Calcium Chloride takes the moisture out of the air and thus binds the base course together.

Proposed Grant Updates: The Board reviewed an analysis of grant funds that have been paid out from 2021 – 2024. The most requested grant is for solar (energy conservation) the water conservation, followed by road improvements then power line extensions. Based on recommendations of members from a July 2023 member survey, the grants have been amended accordingly:

Water Conservation

- Clarifies that the grant cannot be used for upgrades or maintenance of existing water conservation systems.
- Increased from \$1,000 to \$2,000
- Limits requests of owner/applicant to one (1) grant per developed lot.
- Requires that applications must be submitted prior to beginning the project.
- Requires that a copy from the State Environmental Department be provided showing proof of approval for alternative toilets.

Road Assistance

- Remove references to culverts and driveways.
- Remove reference to the number of lots that will be improved – the grant is strictly based on cost/cap.
- Requires that the applicant must provide proof that the road is NOT on the County maintenance list.
- Limits requests of owner/applicant to one (1) grant per developed lot.
- Requires that applications must be submitted prior to beginning the project.

Power Line Extensions

- Remove option to extend power lines cross lots – roadside – overhead lines.
- Set the grant at \$1,500 per pole with a cap of \$15,000 (10 poles).
- Remove reference to the number of lots that will be improved – the grant is strictly based on per pole/cap.

- Requires that the applicant must provide a signed contract with Socorro Electric
- Limits requests of owner/applicant to one (1) grant per developed lot.
- Requires that applications must be submitted prior to beginning the project.
- Requires that proof of completion from SEC be provided before payment is made directly to SEC.

Energy Conservation

- Provides examples of energy conservation systems.
- Grant increased from \$1,000 to \$2,000.
- Clarified that it cannot be used for maintenance of such items,
- It limits requests of owner/applicant to one (1) grant per developed lot.
- Requires that applications must be submitted prior to beginning the project.
- Requires that a copy of the final inspection report be provided prior to reimbursement of the grant funds.

Discussion took place.

- For the Road Assistance grant – it was recommended to clarify that the grant cannot be used for driveways or culverts.
- For the Water Conservation grant – it was recommended to note that the grant cannot be used to upgrade or maintain existing systems.

Ms. Moran shared that per the NM HOA law, members must have an opportunity to review and comment on amendments to policy. The plan is to have the amended grants on the TGIA website by December 2nd and email the proposed grant changes to the members on December 6th. The members will have until December 20th to comment. If no significant comments are received, the amended grants will be effective January 1, 2025.

Motion: Motion by Dr. Moore, seconded by Ms. Roberts to approved the grants as amended. No further discussion. Unanimously approved. Motion carried.

NEW BUSINESS -

Foreclosure: Ms. Moran explained that it is TGIA’s policy NOT to foreclose on properties on which there are homes. There is a property on which the home totally burned down over four (4) years ago leaving a large storage building and an RV on the property. During this time there has been suspicious drug activity on the lot from the DEA to the Sheriff’s Office. The owner has unpaid ACC Fees and Fines totaling over \$2,300. TGIA is placing a Lein on the property for those unpaid fees/fines. The owner is now two (2) years in arrears on payment of TGIA assessments. Ms. Moran would like permission to move forward to expedite foreclosure proceedings on this property / owner.

The Board approved the request.

Greater Valencia County Chamber of Commerce: Ms. Moran reported that TGIA was awarded Member of the Month (November) by the Chamber. Mr. Sumner and Ms. Roberts attended the presentation meeting. It was an opportunity to share with attendees’ information about the Tierra Grande Association.

December Board Meeting: Decision was made NOT to hold a meeting of the Board in December. If an urgent matter arises, the Board can convene via Zoom or through email.

Annual Board Dinner: Decision was made to hold the annual Board dinner at Pete's Café in Belen following the January 22, 2025, Board meeting.

EXECUTIVE SESSION

5:40 p.m. - The Board convened into Executive Session

Discussion was Personnel Related. A decision was made regarding awarding year-end bonuses to staff.

5:45 p.m. – The Board reconvened back into regular Board business.

ADJOURNMENT: The meeting adjourned at 5:46 p.m.

Next TGIA Board Meeting: The next meeting is scheduled for Wednesday, January 22, 2025, at 4:00 p.m.

Signature

/sdm: Minutes11/20/24

Date Approved