



Board meeting minutes 26 June 2022

The meeting was called to order at 9:05AM by President Pat Sledge quoting and updating a Sammy Haggard song: "It's 9:05 and Time to Rock".

In Attendance: Pat Sledge, President, Lew Felton, Darrell Smith, Pat Champion, Board members and the Delegate of Vigilance, Steve Lee.

Minutes of the April 24 Board meeting were approved.

Financial Statements for the ten months ending April 30, 2022, were approved as disseminated to members by email and on the Vecinos website. Pres. Sledge noted that the final financial statement of the fiscal year would include all 12 months and would be available in July. He further wished to clarify his position on operating costs vs. reserve funds. In a typical business, when operating costs increase, the sales price of the product would increase to offset the higher manufacturing costs. Our Association cannot adjust the income (dues) within the fiscal year to cover rising costs. Because of this fact, there may be times when it is prudent to use reserve funds to cover unexpected increased costs. This should be considered especially when a delay could cause an even higher cost. Pat updated the budget shortfall reported in April by saying that we will be very close to meeting our budget by the end of the fiscal year. We also need to be prepared to address a budget surplus should one arise in the future. Pat feels the membership should be involved in using a surplus on community enhancements. The budget for 2022-2023 is based on 2/3 of our typical dues revenue. If this situation changes, we will be revising the budget in the Fall by Board or General Assembly approval.

Membership Interim membership manager, Lew Felton reported that 36 members have paid their 2022-23 dues, 325 members who paid in 2021-2022 have not yet paid for the new year and 163 members who regularly paid their annual dues until July of 2021 have not paid for 2021-22 or 2022-23.

Community center/Clubhouse Pres. Pat reported that he is taking bids from local contractors on recoating the roof with materials we have already purchased. The contractors must be able to provide a "factura" for their payment. He said that the contractors were actively looking for work in the slow months, such as August. He also is accepting bids on providing chains on the openings to the Clubhouse parking lot. The chain would not secure the property but would act as a deterrent to ATVs tearing up the surface. Pat reported the large "reach-in" refrigerator in the

kitchen had died shortly after the last Board meeting. It was repaired for \$350 and was ready, although a bit noisy, for the CBSC fish fry over Memorial Day weekend.

Parks Report: Darrell reported that the park was in good shape, but the trees would need trimming soon. He reported the only major maintenance not completed during this fiscal year was repainting the bollards around the park and clubhouse. Arturo Felix gave us a bid on the painting and would like to do the work in August. Pat mentioned that he would be gone from mid-July through mid-August but could manage the painting when he returns.

Roads Pres. Pat reported the stop sign decals would not stick long-term to the plywood and we would have to do something else. Lew reported the stickers work fine on a metal backing, but not plywood. Pat is looking into a local source of metal replacement stop signs. Pat plans to pay for the road maintenance for July and August at one time due to a limited amount of Bancomer checks. The porta-potties are paid through July. Darrell asked if the monthly road maintenance charge had changed. Pat responded that the cost was the same as always. Pat has met with John Makarchuk (Oyster house) about the new beach access. They are looking into a more permanent solution that would not need constant maintenance. Currently, John is maintaining the access.

Old Business Porta-potties were rented and placed by a private individual to charge for their use. Pat & Lew, with Villa's help instructed the individual not to lock the potties provided by the Association. We put signs on the potties stating they were provided by the Vecinos free of charge. The three pay-potties by JJ's were flooded by a very high tide shortly afterwards and were removed and not replaced. This same individual continues to pay for potties down near the Oyster House where the Association has placed a free porta-potty on a platform with steps above the highest tide line. We don't feel we can remove the Association's potties, because the others are locked when the attendant is not there. Further, we don't know what the future of the privately funded pay-potty program is.

Pres. Pat revisited assigning duties of the Secretary and Treasurer temporarily to qualified current members. Although Board approval may not be necessary, the Board approved the appointment of temporary officers until a special election would be held.

New Business Lew reported there are many houses in Cholla that have been occupied by "squatters". In some cases, we have no current contact information on the owner. In those cases, we don't know if new occupants are legal or not. The new occupants claim they bought the house from the owner's estate, and we have no way to prove or disprove their claim. In one case, the back taxes have been paid, but the public registry has not transferred the title. In another case, we do have current contact information on the owner and have informed him that the squatters claim they have bought the house from the "dead" owner. At that point, we feel the Association's responsibility is fulfilled. The rightful owner would need to proceed legally to regain control of the property. When we have no contact information on the owner in our records, there is not much we can do. Further, the Association can facilitate a conversation between owners when there is an issue, but the homeowners need to work it out. Pat Champion

complimented Lew on the improvement in the communication with the Vecinos members. Lew's communication policy has been to keep everyone "in the loop". In the past, delinquent members were removed from the email list. This new policy has resulted in many members catching up on their dues because they had forgotten about their obligation. These dues helped considerably in ending the fiscal year without tapping into reserve funds. Lew realizes that the information provided to members has been, in some cases too much, but "don't shoot the messenger". One area of our members' concern has been the requirement of legal residents to get an RFC number by July 1. It has been reported, but not verified that the July 1 deadline has been pushed back to January 1. There is a large gray area in this requirement that has yet to be clarified. The Association has advised our members to put their RFC application on hold for the Summer and wait until Fall for clarification. Our legal representatives feel this new requirement is to get residents who make income on their rental property to pay their taxes.

We are going to start a procedure for members to participate in discussions before the Board has made a decision. We will have comment cards available to members 10 minutes before the meeting is called to order. These comments will be included in the discussion by the Board. Members may also request to speak briefly while the discussion is ongoing. After the April meeting, Pres. Pat could see why the audience participation was only allowed after the meeting adjourned. This discussion, for the most part was an unproductive "free for all". This new procedure will allow members to provide timely input in a structured manner. This procedure will allow members to add agenda items for future meetings. Pres. Pat feels since we don't meet often enough to cut off conversations. We are committed to listening to our members no matter how long it takes. Our motto is "move forward . . . April 24".

Pres. Pat appreciated all of the well-intentioned people telling him what was true before he was elected. He made it clear to everyone that he would listen to everyone, but the final decisions would be made with guidance from the experts who are paid to know what to do. Since he was elected, he has met with Myriam and Monica Hernandez of Kaizen Associates. They told him that Mike Dugan had started the process to form a new civil association. The new association would be an operating corporation for day-to-day business and the old association would hold the assets. Myriam has repeatedly said that the old association is "Okay", but since there is some gray areas, she advised the best route would be to complete forming the new association that Mike started. It will cost \$2,000 (USD), has even been given a name and could be ready in 60 days. Pat feels this new corporation would prevent the slim possibility of a "skeleton" popping out of the closet that he would have to deal with personally as the legal representative. He feels the new corporation would enhance the "move forward" motto. Right now, he does not have access to the existing Bancomer account and feels there would be a lot of legal work to gain access when it would be better for him and his successors to have new and fresh Association. He also said the new corporation would be able to open an account with a more user-friendly bank. Pat made it clear that he would do everything possible to collect delinquent dues owed to the existing Association. He feels that one of the requirements of being a member of the new Association would be having no debts to the old Association. For the near future, the old

Association would hold its assets, the Wells Fargo bank account and the clubhouse and land. In the future, there may be a mechanism for transferring these assets to the new Association. For now, that is not a goal. In the long run, it doesn't make sense to maintain two Associations, but during this transition, that will not be addressed. For the new Association, two responsible parties must be designated. Pat volunteered to be one of the responsible parties and would appoint a current Board member to be the second member. Officers and Board members would be elected after the Association is established. Pat Champion moved to allow Pres. Pat to pursue forming the new Association and allocated the \$2,000 for the legal fees. The motion unanimously passed. Pres. Pat expressed his desire to bring the community together and that was the primary reason he ran for President, although he made it clear he will serve for only one three year term. The new Association would be an olive branch to residents who feel the existing Association is illegitimate. Pat expressed the belief that we have several factions in La Cholla. Those who have always paid in full (1) and those who have paid until the embezzlement (2). Plus, a third group who hasn't paid in years. Inside of the second group there are those who have been quite vocal and those that have sat on the fence, listening to everyone, but not paying their 2021-22 dues. Pat recognizes that these people really didn't have another way to protest, other than by withholding their dues. Pat recognizes that some of the protests got ugly, but no one is getting a "free ride". Past dues need to be paid to move forward. Those with past dues, will have their fees negotiated on a case-by-case basis. With the formation of the new Association, those uncomfortable with paying the old Association can pay their past dues to the new Association. Pres. Pat feels that for \$2,000 we can form a new Association and move forward.

Pres. Pat feels we will need to address the amount of reserve funds we currently have on hand, \$180,000 and the potential of recovering another \$175,000 from the sale of the Dahlstrom's home in Cholla. We need to decide if we really need that much in a reserve fund. The reserve funds have paid for flood damage in the past; with the biggest flood in October of 2018 requiring \$40,000 to repair the damage. In the past, we have felt we need the funds on hand for opportunities and disasters. Pres. Pat feels the amount of reserve funds needs to be addressed in the future and to be sure that the amount of cash held in reserve is not an excuse to avoid paying current dues. We all need to realize that the expenses in Cholla continue despite pandemic lock-downs and economic downturns. We don't neglect paying our expenses north of the border when we spend the Winter in Cholla. Most people continued paying their dues, recognizing that expenses occur despite protests and it's the right thing to do.

With the reserve funds in mind, we want to negotiate with Oomislim to include garbage collection in our annual dues. It may be possible to have annual dues that are less than just the \$265 Oomislim fees. We recognize that we will still have "freeloaders", but with more current, paying members, they will remind their neighbors of their obligation to pay annual dues that include garbage collection.

With a reduction of the reserve funds, we could consider some community enhancements, such as air conditioning in the Clubhouse.

Members' Participation

John Hurley asked if formation of a new association required a vote of the old association membership. The consensus was that the formation would be an administrative function.

Mike Wright asked if the area around the police substation was the responsibility of the Association, stating that it is the entrance to our community and it is unsightly. Gaby Camacho, a former Mexican representative to the Board explained that the exterior of the substation is the responsibility of the Association and the inside is the responsibility of the police department. Gaby added that he had advised them to go to the new president of the Association for help with repairs.

Charli Keller asked the Board to please have SaniMex replace the port-a-john on the access to Tucson Beach, pointing out that one door hinge is broken off so it will not close, and it has been defaced with graffiti.

Laurie Weber asked that the association budget for more port-a-johns during Semana Santa and other high impact holidays. She also said that as soon as we can get the name of the new Association, she and others would pay past and current dues to that new entity.

Barbara Dammann asked if payments could still be made to the old association – the answer was yes.

Laree Daughenbaugh asked that the association stick with the Spanish spelling of Cholla and not use Choya, the Americanized version. She also encouraged the Board to assure that Mexican citizens are on the Board and are given every opportunity for participation.

Mark Baker expressed his appreciation for the approach Pat Sledge is taking as President and for the help that Lew Felton has provided in terms of communications and community oversight. The audience responded with applause.

Pat Sledge said, "You can't move forward without a past, but you don't have to take the past with you. We start from April 24 when I was elected, and we move forward. We are going to do what's right."

Meeting Adjourned at 10:25AM – next meeting was scheduled on Sunday, October 16, 2022, at 9:00AM