



Board meeting minutes 19 February 2023

Attending: President Pat Sledge, members Lew Felton and Pat Champion, delegate of vigilance Stephen Lee. Absent by resignation: Darrell Smith

Approval of Minutes: President Sledge called the meeting to order and asked if there were any changes or corrections to the minutes from the meeting on January 15. There being none, a motion was made and unanimously approved to accept the minutes as presented.

Financial Report: President Sledge confirmed that the Board members had received the financial report and asked if there were any questions, none were raised. He acknowledged that without an experienced person serving as treasurer there are probably many things that would need to be clarified in the future. He will continue to gather information but for the time being, the report will stand. Bank statements continue to be available to the membership.

Membership: Interim membership chairman Lew Felton reported that there are now 460 paid members for 2023, compared with 320 last year. The Board anticipates 500 to 520 “after the dust settles.” He mentioned the previous Board’s policy that buyers had to pay any dues in arrears before they could be members, which dissuaded some homeowners from participating. We consider new owners as new members, starting from scratch.

A question was submitted asking if membership is required. President Sledge said there is a Mexican regulation that requires it, but the only way to enforce it is by putting a lien on the property at the time of sale and some funds have been collected that way. Association has not liened any property, but a reputable Notario would inquire about any outstanding debt to Associations.

Lew Felton reported that the new leadership has been able to collect \$25,395 in past due amounts through one-on-one negotiation with property owners. He said each case is unique and is handled on a confidential basis. President Sledge said, we need to honor those who have paid all along to keep the community running and we need everyone to pay their fair share as a part of the community. Membership gives us more opportunities for community improvement.

Clubhouse: Gaby has completed the drywall work in the clubhouse and there have been no leaks from the roof. President Sledge addressed the plan to put chains on the steel posts at the entrances to the parking lot and said he was concerned that the chain alone could be dangerous

if someone riding on a quad at night did not see the chain. He proposes to attach two bright orange cones to the chain to prevent any accidents.

Parks: Before his resignation, Darrell Smith reported that the water bill had been paid through January, so the February will be soon be taken care of, otherwise the upkeep has been good.

A member asked if permanent standards could be placed at the pickleball court so players would only need to bring their own net. It was agreed to make an arrangement for that improvement. Lew Felton reported that the association had acquired three solid steel benches at no cost and planned to place two at the pickleball court and another near the tree at the end of the basketball court.

Roads: Lew Felton reported that he has been putting up new signs as needed. A member submitted a comment card saying the intersection at Tiburon and Calle P has a blind spot, in spite of the mirror and asked about making it a four-way stop. It was explained that the steep grade coming up Calle P makes it difficult for vehicles to stop, which also presents a traffic hazard, so it was decided to leave it as a two-way stop. Please also note that the Tiburon/Calle P intersection was initially considered to be 2-way due to the boat launcher's request to not have to stop on that grade.

President Sledge reported that the welcome sign at the police substation area has been completed and congratulated Gaby on the job. The insurance covered most of the cost to restore it to its original, decorative format.

Security: President Sledge reported that meetings have been held with the police commandant about the need for a vehicle for our full-time officer Juan Pedro. After a lengthy discussion, it was determined that the association could arrange to secure a good, used vehicle and the PD has offered to have it painted with signage that says Cholla Bay Police.

A member suggested we investigate buying a non-functional PPPD vehicles to use as "ghost cars" to help slow down traffic in key areas. Another member suggested that we talk with the city's Tourist Auxiliary department about a contract to have them provide security services for Cholla.

Juan Pedro is currently using his personal vehicle to patrol the community or he's riding a quad that is on loan from Lew Felton. President Sledge pointed out that if the officer had to arrest someone, it would be difficult to do so with only the quad as transportation. He asked the Board members for authorization to move ahead in finding a vehicle. The motion was unanimously approved.

Trash Service: To date, 240 trash stickers have been sold to non-nationals and 17 Mexican property owners in Cholla have paid at the rate of \$100 which is an increase for them, but which also offset their share of the maintenance that the association provides. President Sledge pointed out that the break-even point on the deal with Oomislim is 511 stickers. He said, "I don't want to operate in the red, but I think it's worth taking a hit this year to move forward until we build up membership." The plan moving forward is to incorporate trash service and the dues.

President Sledge acknowledged that it can be difficult to connect with him or Lew in order to get the sticker and reported that the stickers are available at Aron Brown's office on Calle F.

Old Business: President Sledge reported on the steps he has taken in an effort to get his electronic signature and the corporate RFC (tax ID number) for the new association. It has been slow and frustrating, but he will secure those as soon as is humanly possible. From that point, he will open a Mexican bank account and be able to complete the formation of the new association.

He also reported the difficulties he has had with getting the accounts straightened out at Wells Fargo so that his name and credentials are attached to the new account. A member questioned why they chose to deal with Wells Fargo and another member pointed out that it is the only bank left in Arizona that is providing international banking services. President Sledge said he would consider changing in the future, but he first needs to get the accounts fully functional. As of now, the account in the new association name has deposits of \$19,485. Checks will be ordered for that account and bills can begin to be paid from there without crossing funds.

A member asked what it costs to form the new association. President Sledge reported that the cost is \$2,000 US and that \$1,000 has been paid to Kaizen, the accounting and real estate firm that was handling matters for the past leadership. He also reported that the old association owes Kaizen \$2,784 for accounting services from 2013 to 2022 and \$5,000 in legal fees. He has asked for a detailed account of the legal fees. Once reviewed what is verified will be paid.

Member Oliver Maud asked for an explanation of how the old association would be retired and the new one put in place. He asked under what authority of the current leadership could make the changes. President Sledge explained that under the bylaws of the old association constitution, the membership would be asked to vote on the dissolution of the old association and the transfer of liquid and real assets to the new association. In the past it was nearly impossible to get the required 75% of the membership together for a vote. With today's technology, a secure, verified electronic vote is possible and will be pursued as soon as the new association is established.

New Business: President Sledge expressed the need to establish bylaws and a new constitution for the new association and to conduct an election for all Board positions. He and Lew Felton will be sending out an e-mail asking for volunteers to serve on a task force of 5 to 7 people to create those documents. Once the election takes place, the documents with the roster of officers can be recorded at the public registry and the new Vecinos association will be fully functional.

The issue of the expiration of the original Bancomer Bank Trusts was discussed at length. The approximately 162 bank trusts which were issued between 1993 and Sept. 22, 1995, are set to expire in May of this year. Once it expires that property does not officially belong to the holders of those trusts, so it is important that property owners act quickly to have a new trust drawn up. Aron Brown encouraged property owners to have their property rectified before completing the trust because boundary lines and descriptions are currently inconsistent from one office to another. He also pointed out that modifying a trust is not sufficient. It must be renewed and that Bancomer is currently disinclined to handle personal property trusts so another bank will be

required. Aron told the members that his office can provide assistance in establishing a new trust, the cost of which runs around \$8,000.

A member asked if there was a place where people could donate food that they couldn't take back across the border. Paulette Dague said the Santa Claus Club could always find people in need and that she would be willing to receive the items until John Fowler arrives on the weekend to do the distribution.

As many as eight members tuned in through Zoom. It was successful, except for some sound issues. These can be resolved for future meetings, so all members can be informed.

The meeting adjourned. Next meeting will be on March 19 at 9 a.m. in the clubhouse or online.

Annual meeting of the General Assembly: Saturday, April 22, 2023 • 9:00AM (Tentative)