

Minutes 1

General Assembly Minutes

Those present Henry Laxen, John Kading, Ruth Kading, Tim Whiting, Wil Wellmer, William Friend, Clare Knutson, Ed Skoda

Date Dec 7, 2011 4:02pm–5:35pm

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1.1 Quorum

A quorum was not established and after the requisite waiting period of ten minutes the assembled members were declared a quorum and meeting was brought to order at 4:15pm. The size of the quorum was determined to be 7 members, meaning that a 2/3 majority would require at least 5 votes.

1.2 Proxies

A request for proxies was made, but none were offered.

1.3 Minutes

After a brief discussion, Wil made a motion to accept the previous minutes. Seconded by Ed, and approved unanimously.

Decision: The minutes of the previous GA meeting were accepted

1.4 President's Report

Tim thanked Nadine and Henry for providing the pizza and the view, and Ruth for her tireless efforts as treasurer. He then reported that our water concession is near the end of its ten year life. He is working with Salvador Alcantar to renew the concession. We are asking for a 15 year concession, with a 15,000 cubic meter yearly allotment. Our application fee has been paid, and Mr. Alcantar believes all will go smoothly. Once completed, we will owe Mr. Cantar an additional \$2500 pesos.

For years now, there has been a discrepancy in the readings between the master water meter, and the sum of the individual meters, indicating that there were one or more leaks in the water delivery system. Tim was pleased to report that this discrepancy has now narrowed to become almost negligible.

At the previous general assembly meeting, it was proposed that the board seek bids to replace the water pipes in the frac on an incremental basis, provided there is enough money in the treasury. Tim solicited three bids, the highest coming in at 93K pesos, and the lowest at 47K pesos. (The 93K bid included replacement of the main line.) Needless to say, the 47K bid was accepted, and work was completed. The funding came in part from the 2010 Special Assessment contingency fund (\$22K pesos) and the remainder from the 2011 water budget. The work included replacing four of the feeder tubes running to the houses from Gaviotas #7 to Gaviotas #24. The rest couldn't be found. (Note to future pipe seekers: the feeder tubes **do not** necessarily run perpendicular to the main line.) Additionally, the main pipe cutoff valve outside of Kading's was replaced, and a new one was installed with a drainage tube at the bottom of the hill. Also, 7 new water restriction valves are now in place along the street. We also installed a manhole cover at the bottom of the hill, and added a pipe that goes into the storm drain. Finally there was enough money to give the water tank a through cleaning. Clare thanked John, Tim and Ruth for providing advance notice that the water delivery system would have to be shut off during certain times to facilitate the repairs.

Tim mentioned that John and Guillermo are doing a fine job at maintaining the grounds of Lomas del Manglar.

Ruth and Tim regularly go to meetings of fellow frac officers. At one such meeting it was suggested that fracs contribute to a fund that would purchase food

staples for the families of the local police and fire departments. The board decided that it was not in our purview but if anyone is interested in doing so, we would try to make it convenient for them.

1.5 Treasurer's report

Ruth reported that the board decided to change accountants once again. The new accounting firm is Startup Solutions in Guadalajara. See <http://startupmex.com/> for more information. The reasons for this are varied. The head of the company is a professor at the University of Guadalajara. Their representative comes to Ruth's home once a month to work together and reconcile the accounting on the spot. Furthermore, Ruth can now use the same software package, Quickbooks Pro, as the firm, which simplifies the procedure considerably. Also, the new firm is slightly less expensive than the current one, and seems to be more accessible. Ruth commented that Rodolfo was very gracious and prompt in returning all of the necessary materials.

After one and a half years of effort, we now finally have the new account with Santander, providing online access. We are also now in possession of a token, which permits us to pay our taxes online, as required. Our bank costs however have increased from \$203 pesos per year to \$347 pesos per month, a twenty-fold increase. Checks are extra, and the account requires a minimum \$10K peso balance. The account does not pay interest, hence we keep the majority of our money with Actinver, which is invested in the Mexican stock market and thus far has provided good returns. All of our back taxes and interest was paid as of September. We need to pay withholding every month, and are current as of October.

At this point we have a budget balance as of November 30, 2011 of \$72810 pesos of which we expect to carry forward about \$47k pesos into the following year, which will be placed in our contingency fund for extraordinary expenses.

There was considerable discussion about the need to have a contingency fund, so that we can avoid special assessments like the \$5000 assessment that was required to replace the water pump this year. The general consensus was that we place any yearly surplus in the contingency fund to fund unforeseen future expenses. The exact amount will be reported in the 2011 protocolized minutes.

Item	2011 Budget	Proposed 2012 Budget
Water	80,000.00	40,000.00
Maintenance	40,000.00	34,000.00
CFE	40,000.00	45,000.00
Administration	20,000.00	25,000.00
Legal	10,500.00	15,000.00
Misc.	17,000.00	12,000.00
Bank Charges	500.00	4,250.00
Bank Reserves-Required	15,000.00	
Total	223,000.00	175,250.00
Bank reserves-required	15,000.00	20,000.00
Santander Serfin	5,000.00	10,000.00
Actinver	10,000.00	10,000.00
Proposed capital reserve fund		
	Proposed Budget for 2012 Approximately 64,000	
2012 Projected income		All Houses ¹
Dues: 27 houses @ 7,000.00 + 1 house @ 8,000.00 Estimated Water Overage Estimated Actinver gain		197,000.00 12,000.00 5,700.00
	Total	214,700.00
2012 Projected income		Without Morosos ¹
Dues: 24 houses @ 7,000.00 + 1 house @ 8,000.00 Estimated Water Overage Estimated Actinver gain		176,000.00 12,000.00 5,700.00
	Total	193,700.00

The proposed budget of \$176,250 leaves us with a \$6550 shortfall if the yearly dues are kept at the current \$6000 pesos. Tim stated that after having reduced last years budget by \$48,000 pesos, the expected income for 2012 would not meet budgeted expenses. Tim and Ruth, after much discussion, felt strongly that expenses had to be matched or exceeded by projected income (dues and water). Therefore, after previous discussion and agreement by the board, an increase of \$1000 pesos per year in the dues was proposed to the general assembly. Any funds remaining in the budget at the end of the year would be moved to a reserve/contingency fund to deal with unusual and/or extraordinary expenses. This is the first dues increase in six years, even though CFE, water, banking, and all other expenses have increased over this time period. Will suggested that the dues be kept at \$6000 pesos, and that we authorize a \$1000 addition to the dues as a separate item. There followed a considerable discussion, it was decided it would be simpler to just raise the dues

¹In order to give an accurate income projection, we have split the budget into two sections. The first section assumes all houses will pay their dues, while the second assumes that the houses that have not paid in the last several years will continue to fail to do so.

and avoid any complications. Bill moved to accept the 2012 budget as proposed. Ed seconded the motion and all voted in favor.

Decision: The budget of \$175,250 was approved, calling for an increase in the yearly dues to \$7000 pesos.

Ruth noted that the portion of next years budget relating to water is \$87,000 pesos, or 49.6%. The interest penalty rate will remain the same at 4%/month.

A Table explaining the water rates is as follows:

Amount of water in cubic meters	Price per cubic meter in pesos
0 - 300	included
301-500	3.00
501-1000	3.75
1000+	7.00

Failure to pay all dues and water overages by the date indicated (30 days from date of bill,) or to make alternative arrangements with the Treasurer before that time, shall cause interest on any unpaid amount to accrue at 4% per month. Continued noncompliance (failure to pay by 60 days from the date of the bill) shall result in the cessation of water delivery to the residence in question.

This is unchanged from the previous year.

1.6 Morosos

The following properties have not paid their past due assessments and are considered morosos. The board may in the future pursue these delinquent homeowners by whatever legal means at their disposal, including hiring an attorney and filing liens on the properties.

House # 26	Sra. Armida Toledo Gonzalez
House # 27	Sra. Marta Elena Perez Toledo
House # 35	Sr. Agustine Rosas Lomeli

1.7 Granting of Powers

Tim asked that the general assembly ratify the powers granted to the board of directors and the member at large with regard to banking, litigation, and management. All are authorized to become signatories on whatever bank or brokerage accounts deemed necessary by the president.

1.8 New members

None.

1.9 New Business

The board has received a request from Silvia Campo Rosas, House #9, asking to build a second entrance to her property. Tim and Bill reminded those present that Silvia's second casita on her property is illegal, not registered with the city of Chapala, and violates the bylaws of the Asociación Colonos Lomas del Manglar, A.C. . After careful consideration and consultation with a Mexican Attorney the Board refused Silvia's request to construct a separate entrance for her casita, onto fraac community property. This was because of a number of conflicts with our bylaws specified in our letter to her.

Ed Skoda brought up the issue that the trees near the cattle guard are growing into the power lines and need to be trimmed. We will need a bucket truck to perform this job.

1.10 Elections

The current board resigned, paving the way for new elections.

The following motions regarding officers were made and accepted unanimously:

First	Second	Position	Officer
Ed	Clare	President	Tim
Tim	Ed	Vice President	Lori
Will	Tim	Treasurer	Ruth
Will	Tim	Secretary	Henry
Tim	Clair	Member at large	Romeo
Tim	Ed	Commisario	Bill

Decision: President Tim, Vice President Lori, Treasurer Ruth, Secretary Henry, Member Romeo, Commisario Bill

For the record, the official names of the new officers are:

President	Timothy Napier Whiting
Vice President	Lorraine Selma Skoda
Treasurer	Ruth Mapes Kading
Secretary	Henry Herman Laxen
Member at Large	Romeo Joseph Danni
Comisario	William Harold Friend

1.11 Future Meeting

A request was made that future General Assembly meetings be held on a Tuesday.

1.12 Adjournment

Meeting adjourned at 5:35 pm.

Estos minutos puede ser obteninido en Espanol si estan pedido.