

## **Asociación Civil**

### **Report on 2019 accomplishments and actions**

#### **SECURITY:**

##### **Security services:**

- Contract developed and executed with FORTALEZA, our security contractor.
- Background checks and drug testing required for all security guards, prior to assignment to Calafia.
- Standards established for guard personnel training (in process).
- Minimum age (25 years) for newly hired guards.
- Established maximum hours worked per week at 60.

Increased the number of security cameras from 13 to 18 and added a second DVR and monitor. Camera additions and placement determined by each regime's leadership.

##### **Unusual Events:**

**Long-term renter fall from Cliff:** Small boundary fence failed when he leaned on it and he fell down the cliff to the beach. This led to signage being placed along the bluff walk.

**Fire on October 24, 2019:** Wildfire broke out on the hill east of Calafia, fueled by strong Santa Ana winds. Security responded by notifying residents; some chose to evacuate, and others chose to stay in their units.

- Lalo came to Calafia to direct the security efforts and assist if a mandatory evacuation became necessary. Benito also came to Calafia to provide assistance as needed.
- Guards patrolled the perimeter and extinguished sparks or embers that landed near the property.
- There was no fire damage to any part of Calafia. Soot and dust were abundant, and the staff cleaned up the common areas as soon as the fire threat was passed.

**Extortion attempt October 31, 2019:** Security guard believed a caller who claimed to be holding an employee hostage; the guard was told he was being watched by an accomplice. Broke glass doors to the office, as directed by the caller. Realized it was a hoax and ended the call.

- No one, other than the contracted guard, entered the administrative office. Nothing was taken – no data, equipment or property.
- FORTALEZA paid for replacing the broken glass doors.
- Guards on duty called a Supervisor Guard and Lalo. Report was submitted to the 089 Hotline established by the Mexican government for reporting extortion calls.

A.C. conducted independent investigation, led by an attorney who interviewed all parties to the incident. No evidence uncovered that anyone affiliated with Calafia was involved in the extortion attempt. Report submitted to the District Attorney.

**Entrance Gate damage December 2, 2019:** An uninsured driver was unable to stop his truck and crashed into the entrance gate and center divide. The center section of the gate was destroyed in the accident.

- The driver was an employee of a contractor working in Tower III.
- The company owner will pay for replacing the section of the fence that was damaged.
- Two bids are being requested: 1.) for the damaged section only, 2.) to replace the entire gate. The gate is rusted and in need of replacement.

#### **INFRASTRUCTURE PROJECTS:**

- Replaced failed pumps for water treatment system and irrigation.
- Removed failed light posts throughout complex.

- Replaced grates and supporting concrete around the fountain in front of the clubhouse. Grates were badly rusted, bent, and broken, causing a risk of a person or car falling through.
- Assessing compliance with electrical standards, part of the Protección Civil standards (in process).

**Perimeter wall project:**

- Obtained assessment by Structural Engineer as required by January 20, 2019 all homeowner General Assembly.
- Implemented special assessment of \$200/unit (2x for penthouses). **96% of Tower II homeowners paid the assessment.** Those who haven't paid are being assessed a late fee for each month their assessment payment is late. Collection efforts continue.
- Received three competing bids and awarded contract on November 27, 2019. Project will be initiated in January and is expected to take six weeks to complete at a projected cost of ~ \$19,500 USD. (Final cost may vary, depending on conditions that cannot be determined until work begins.)

Remaining sections of perimeter wall are failing and will need to be replaced.

- The Structural Engineer predicted reinforcement would extend the life by no more than 5 or 6 years and then the failed sections would require replacement.
- The AC/VC group agreed that it was not a good use of resources to fund the reinforcement for such a limited extension of the useful life of the wall, given that the wall would need to be replaced ultimately.
- Construction refuse left by city against perimeter wall after various repairs to free road, along with excess soil, will be removed from backside of wall. Additionally, drainage will be added along the entire length of the existing wall.

The A.C. will recommend to 2020 All Homeowners General Assembly that the adjoining section of the wall be replaced during the year. An assessment may be required to replace subsequent sections of the wall.

**FINANCIAL PROCESSES**

Adopted a process for monthly funds transfers from regimes to pay anticipated expenses.

- Developed line-item budget for the year and calculated common expenses.
- Used the average currency rate for the month, rather than one rate for the entire year, to more accurately reflect the reality of the currency exchange.
- All regimes executed one transfer at the end of the month for the anticipated expenses of the following month, based on their share of the common expenses, and any regime-specific projects.
- All invoices reviewed and approved by a V.C member.
- Purchase order procedure implemented to track all purchases.
- Eliminated the “non-deductible” risk of tax penalty. Purchased in Mexico whenever possible and complied with Mexican tax law.
- Eliminated late fees and penalties entirely for the year.
- Reduced the cost of funds transfers (~\$40 per transfer) by reducing the use of frequent transfers.

**COMMUNITY BUILDING**

- Quarterly AC/VC meeting to enhance communication between the regimes and the A.C. Administrator.
  - Consensus developed for community projects.

**DOCUMENTED ADMINISTRATIVE PROCEDURES:**

- Developed clubhouse rental process and rates for homeowner and long-term renter usage of clubhouse facility.

- Implemented pet control policy approved by the V.C.s.

#### **STAFFING**

- Job descriptions developed for the On-Site Manager, Chief of Maintenance, Chief of Security and Administrative Assistant.
- Procedure for new hires developed, includes drug testing, law enforcement “letter of no infractions” and an employee contract.
- Flexed staff coverage to respond to higher census during the summer (added one cleaning person and one security guard on weekends when more people were on the property).
- Hired an Admin Assistant that had been approved in 2018; employee left in November 2019, citing family issues that made it difficult for her to work.
  - Have not yet hired another assistant; will evaluate workload and determine the need within the next 60 days.
- Received resignation of On-Site Manager (Martha Quezada) who left Calafia’s employ on November 30, 2019, citing personal reasons for her departure. Martha is now employed in the Calafia sales office, across the parking lot from her old office.
- Hired an experienced Finance Manager, Roxana Silvestre, who was trained in Calafia finance functions by former On-Site Manager and our accountant. Her duties will expand to cover general administrative functions.
  - Interviewed by V.C. presidents as well as A.C. Consensus to hire.

#### **BEAUTIFICATION PROJECTS:**

- New clubhouse barbecue area
  - Moved barbecue area away from clubhouse to reduce congestion by pool
  - Cleared and leveled area and installed new sod.
  - Cut opening in cripple wall to allow access from pool.
  - Purchased and installed 2 new park style grills. Homeowner donated a third grill.
  - New concrete and inlaid tile tables donated by some homeowners and will be placed in the Spring 2020.
- Dog park
  - Added solar and motion detection lighting.
  - Built steps up to the dog park and added a concrete ramp going into dog park to provide safer access in and out of dog park.

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**Next All Homeowner General Assembly will be held in February, 2020. Date and time to be announced 30 days prior to meeting.**

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