

A FORMAL REQUEST TO THE BOARD OF DIRECTORS OF CLUB CRUCEROS DE LA PAZ.

Club Cruceros is proposing to spend almost thirty thousand pesos on a project to build a "library" in the Villas de Guadalupe colonia. To date most of the information has been vague verbal descriptions of the proposed project, but not much factual information has been published for the members to fully understand where the Club is proposing to spend club resources. The justification for the project has been described as a space where students can study after school.

This document represents a formal request to the Board of Directors to provide full disclosure of the project to provide transparency in the Club's financial affairs. The charity committee and Board of Directors does not appear to have done sufficient due diligence to ensure the prudent expenditure of Club funds.

Further it requested that these questions be published in the minutes for the Board meeting and that the answers be published in a document that is presented at the next general membership meeting or posted on the Club's website so members can determine if they support this project.

The Club does not have a stellar history in being able to effectively manage projects made to individuals or unofficial Non Governmental Organizations because we do not have the resources or authority to oversee the projects. The Club has not formally adopted policies and procedures for how charitable donations are selected, vetted, and managed, even though they have been proposed several times over the last ten years (most recently in 2009 and 2014.)

At present it is not known if the entire membership supports the Club's involvement in this project. Hopefully the answers to the following questions will help the members to better understand the project so we can decide if we support the Club's involvement or should reverse the Board's decision as provided in the bylaws.

The Board of Directors of Club Cruceros approved of the appropriation of profits from the February 2018 Fashion Show to go towards the purchase of building materials for a Study Center (aka: Library) on the Ville de Guadalupe church property. This was reported to the General membership at their December 2017 meeting. An excerpt from the minutes of that meeting and Teri Hagen's report on the Fashion Show: "The profits will go towards the building materials for the Library for the Ville de Guadalupe...". There is nothing in the Club Cruceros bylaws or any procedure currently in use that necessitates the Charity Committee proposing projects for General Membership approval. Club Cruceros has been working with this Colonia for over 4 years. We support them with Christmas gift bags for the children and back 4 school children annually.

The Board's responses to your request are below. Our responses are specific to this project and not to the policies of the Charity Committee. If you have suggestions on changes to the bylaws or would like to recommend policies that would control the actions of the Charity Committee, please present them to the Board for review.

Villas de Guadalupe Project Questions

1. What is the full scope of the proposed project, including structural, plumbing, lighting, restrooms, security, furniture, books, schedule of completion, etc?

Provide building materials for a concrete block structure (concrete, concrete blocks and necessary building materials) to the amount of funds raised at the February 2018 Fashion Show.

2. Where is it physically located (Lat/Lon or street address)?

The structure will be located on the Villas de Guadalupe Church property at the corner of San Francisco y San Bernabe in the Colonia of Villas de Guadalupe, La Paz, BCS.

3. What is the total budget for this project from all sources?

The budget presented to Club Cruceros is for \$39,300 pesos in materials.

4. What is the Club's total maximum contribution?

No money in the Club General Fund will be used for this project. Only funds that were allocated to this project and are currently in the Club Cruceros Charity Fund will be used. No money will change hands. The allocated funds are only being used to purchase materials. The funds allocated total \$44,528 pesos.

5. Please provide the names of the Club's appointed charity committee members responsible for choosing this project.

Teri Hagen, and Sandy Eldritch as well as Club Cruceros members in the quilting group are those who were on the charity committee. The quilters are members of Club Cruceros.

6. What is the perceived need and how was it verified?

Many of the houses in Villas de Guadalupe are so small that the children do not have a quiet area to work. With 3-6 people in one or two rooms there are too many distractions and too much noise for them to concentrate. Verified by Mary Schroyer 2/12/18.

7. What is the expected benefit to the community and how will this be measured?

Kids in this neighborhood need a safe place to gather, we hope that this room will be of great benefit in that way. We will not monitor the children who will use the structure to insure its construction has improved their studies. However, we do monitor the four students in the community we pay tuition and school supplies for. If they do not keep up their grades we no longer support them. This is monitored by Sandy Elterich.

8. Who are the community leaders in the Villas de Guadalupe colonia and have they endorsed the project to make sure that the community will support the "library" after it is constructed?

The members of this community are in support of the project. The Church is run by a group from the community who are officers of the church. The Study Center will be constructed on the church property and will be a non-religious area open to the entire community.

9. Are there similar facilities available to this community within 2 to 3 km? If so why this project?

FANLAP's facility, which is probably within the 2-3 km mentioned, is too far for primary school, even junior high students to walk, especially after having had to walk that distance to get to school and return home at 3:00 p.m. The Study Center needs to be RIGHT THERE, in their neighborhood, within five minutes from home.

10. Since this has been characterized as a "library" what types of books will be available and who will provide them?

The term library is being used to denote a quiet study area. Possibly a poor translation. There are no plans for what we know as a public library on this property. We will now refer to it as a Study Center to avoid future confusion.

11. Will the programs at this facility be offered on a regular schedule, if so what are the operating hours and days?

The Charity Committee has not been informed of any regularly scheduled programs or expected operating hours. However, we were informed that the building would be used as a facility open to the entire community for children and their tutors to do their schoolwork out of the sun and off the dirt.

12. What other NGOs (FANLAP, Care for Kids, Rotary, etc.) are providing community support in this colonia and do they formally support the project?

There is no group contributing to the Study Center project other than Club Cruceros at this time.

13. What other community, governmental, or non-profit groups are providing funds? If none, why are we the only ones involved?

There are no other groups providing funds for this Study Center. From our continuing support and involvement in this community it has become apparent there is a desperate need in this Colonia. Hopefully other organizations will recognize this.

14. The Board requested the charity committee to seek input of the membership. The committee reported that the bylaws did not require this project to be approved by a vote of the members, so the Board decided to proceed without canvassing the members. Why was there no outreach to the general membership?

The Charity Committee felt and continues to feel this is the best use of the Fashion Show funds.

15. Since this is reportedly a brick and mortar project, who are the property owners where the building will be located?

The property is owned by the Religious Organization Bethel A.C.

16. Is this privately owned and if so what are the guarantees that it will remain a publicly accessible facility? Is this in writing?

The property is not privately owned. The land was given to the community and is run by the Officers of the church who are committed to keep this Study Center a non-religious haven for the children. This information is not in writing and was obtained from a verbal conversation with Martin Gutierrez Medina and Patsy Verhoeven 2/12/18.

17. What government approvals are necessary for the building and operation of a community library?

Martin Gutierrez will obtain the required building permits as needed.

18. Is the facility associated with a religious organization or is it secular? (Note: legal Mexican non-profit groups are prohibited from making donations to political or religious groups.)

The proposed structure is a non-religious Study Center open to the community located on the church property.

19. Will this facility be available at no charge to all participants from the community or will there be any "fees" or limitations?

We have not asked them to guarantee they will never charge fees nor have we put limitations on the use of this room constructed from our donations. In addition to the church building there are other classroom buildings on the property used for religious classes (Sunday School). The Study Center will be a separate building from the classrooms.

20. What guarantees are provided to ensure that the facility will be completed and not abandoned after it is started?

We have no guarantee but our continuing presence, our trust and our support of this community will show us throughout the years. The men, women and children in this Colonia have built the church and the classrooms. They are invested in this location and in the Study Center.

21. Who will guarantee that the funds or materials donated will be used on this project and not diverted to private use?

Martin Gutierrez will guarantee the proper use of the materials.

The following is a statement made by Mary Schroyer on February 13, 2018 "What is most important in any gift-giving is that you have confidence in the honesty of the persons receiving the gift. And I believe Martin Gutierrez is honest to his core. And this project is well within the scope of the Club".

22. Who will be responsible for providing detailed monthly progress reports during construction and after completion?

No Club Cruceros individual has been designated to monitor this project on a monthly basis. Due to our continuing sponsorship of the school children, the Christmas gifts, and our continued presence in the community it would not be in their best interest to misuse our donation.

23. Who will operate the facility and what are their qualifications? Are they a legal, recognized non-profit organization?

The Study Center will be operated by the officers of the church.

24. What provisions are being made to maintain the facility? Is this in writing?

No maintenance schedule has been received by the Charity Committee.

This project was started as a "quilters group" project, which has morphed into a Club Cruceros project, with essentially the same people involved. Would it be better to return this project to the quilters group, with no Club further involvement?

1. *In 2016 the Quilters Group started the Fashion Show with funds given to the Club Cruceros Charity Fund. Here are some excerpts from past meetings:*

GENERAL MEETING Date: 1-19-16

"Charities – Teri Hagen reported on the following charities: Charity Fashion Show was excellent; 93 women attended; and the event raised 8000 pesos for the Club's charity fund."

BOARD MEETING Date: 2-9-16

“Treasurer’s report - Sandy reported that the... Charity Fashion Show raised 7,872 pesos. These funds will be moved to the Charities fund.”

- 2. In 2017 the event became a Club Cruceros sponsored event run by Club Cruceros members who are also members of the Quilters Group. Funds were given to the Club Cruceros Charity fund and allocated to Mama Benito’s Shelter. Excerpts from past meetings:*

GENERAL MEETING Date: 11-15-16

Fashion Show – This event will be sponsored by the Club but will be put on by the quilters’ group. All money raised will go to Mama Benita’s shelter.

GENERAL MEETING Date: 1-17-17

Mama Bonita’s Shelter- Still working on the fashion show which will be totally benefitting Mama Benita’s Shelter.

GENERAL MEETING MAY 16, 2017 - revised

Charity: Sandy: All proceeds... from the fashion show went to the building project at Mama Bonita’ shelter.

- 3. In 2018 the Club Cruceros sponsored event was again run by Club Cruceros members most who are also members of the Quilters Group with funds allocated to the Study Center. Excerpts from past meetings:*

GENERAL MEETING, 11/21/2017.

“STANDING COMMITTEE/CHARITY NEWS: Teri Hagen announced that the charity recipient for this year is Ville de Guadalupe, a local colonia church and school community. A proposal to build a small room adjacent to the church, which would serve as a library for all local children, has been approved. The funds for this would come from the fashion show, scheduled for February 3rd, 2018, at La Costa restaurant. There were no objections voiced.”

BOARD MEETING Oct 10, 2017

“The February 3rd Charity Fashion Show: Teri is chair. The charity recipient has not been decided yet. Several other charities were discussed, including a discussion regarding the building of a room at Marten’s church in Ville de Guadalupe that can be used as a library and study area for the children has been introduced. The general membership will also be asked to supply suggestions of recipients to the board before a final decision is made.”

BOARD MEETING November 14, 2017, Vista Room

“Charity: Teri Lengthy discussion on whether Feb. Fashion show is a club event therefore needing the Board to approve beneficiary of the funds or whether it’s still a Quilter’s event. Bd members’ views were from strongly supporting the building of a room in a Ville de Guadeloupe church to being strongly opposed. There was strong support for asking membership for input, support for donations to Care for Kids and FANLAP. Since more discussion is need for resolution, Rainy closed the discussion for now and will addresses it again later.”

EMERGENCY BOARD MEETING MINUTES, 11/21/2017, Vista Room.

“Teri proposed a project involving the Valley of Guadalupe (Ville de Guadalupe) church and school community in a local La Paz Colonia. A new addition to house a library has been scheduled and the club will provide funds for raw materials for the project. This motion was approved (seconded and carried) by all board members present. The funds resulting from the annual fashion show would be appropriated.”