

**APPROVED March 12, 2019**

**REGULAR MEETING SKP SAGUARO CO-OP  
BOARD OF DIRECTORS  
February 19, 2019**

Call to Order: President Kay Fischer called the meeting to order at 9:00 a.m.

**Directors Present:** President Kay Fischer, Faye Bragg, Dave Jones, Ingrid Kluegel, John Morton, Chet Parks, Tom Sanor, De Wilson and Diane Zaugg.

**Visitors Signed In:** Mike Andersen, Cosmo and Ellen Baraona, Bonnie Berglund, Mary Bertzyk, Connie Carno, Maureen Carrsyn, Dave and Lynn Cross, Chris Curtis, Emerson and Carol Dayton, Don Dement, Melissa Donikowski, Art and Caroline Fennell, Tom Garver, Howard and Norah Glover, Tom Goode, David and Katharine Grahn, Bob Hirlinger (guest), Pat Johnson, Diane Jones, Karen King, Rita Kingma, Spencer Kluegel, Barb Lopes, Paul Matthews, Pat McSweeney, Deb Mederios (guest), Mick and Ann Meilike, Carole Melander, Doug Miller, Allen Mohs, Pat Moore, Burke and Lee Pease, Susan Phelps, Pam Sanor, Art Sauerstrom, John and Dorothy Sholeen, Viv Smith, Ginny Stein, Kenneth Toth, Brian and Robin Tratner, Dan and Pat Urso, Maxine Vert, Dan Wainwright, Gene and Maria Wakefield, Dick and Marilyn Wix, Steve and Marilyn Zalewski.

**President's Comments:** President Fischer welcomed guests and stated that her comments would be brief as she had been very busy with the business of the park.

**Approval of Recording Secretary:** Faye Bragg **moved** to appoint André Bernard as the new Recording Secretary. Ingrid Kluegel **seconded**. The **motion passed** unanimously.

**Approval of Minutes:** Kay Fischer **moved** that the minutes of the Board meeting on January 22, 2019, be approved as presented. Dave Jones **seconded**. The **motion passed** unanimously. Kay Fischer then **moved** that the minutes of the Annual Meeting on February 7, 2019, be approved as presented. Chet Parks **seconded**. The **motion passed** unanimously.

**Treasurer's Report:** Dave had no report due to the financials not yet being completed.

**Managers' Reports:**

**Facilities:** Manager Chris Campbell reported that he and the Technology Committee are meeting Art from the Mountain View Company to discuss the needed repair to the HVAC controller system in the Clubhouse. He is still working on getting bids for the office roof and road micro-surfacing. Kay Fischer reported that Chris has resigned effective March 22, 2019, due to moving away from this area. Chris also mentioned that Doug Miller would be covering nights and weekends.

**Office:** Manager Tisha Luzadder announced that the Special Assessment was due on February 15, 2019, and is now overdue and past due notices will go out on March 2. M&O statements have been emailed or delivered. If you have not received yours, contact the Office. General Assessments will be sent out March 15. For those who have not received an Annual Report, you may pick one up at the Office. There are three (3) lots in transfer. There are 295 on the Hot List. The Co-op is currently using only dry camp spaces.

**Unfinished Business:**

- **Additions to Guest Rules -- Illness:** Diane Zaugg **moved** to table this item until the October regular Board of Directors meeting so that she can do more research. Tom Sanor **seconded**. **Motion passed** unanimously.
- **Reserve Funding Ad Hoc Committee Report:** Dave Jones reported that the Ad Hoc Committee met three times since the last Board meeting. Much time was spent researching this issue. A thank you goes out to all who served on this committee. Five bids were requested and received to do a reserve study as well as to accomplish the survey in house. Dave called on Mick Meilicke and Pat Moore to give a report. Mick presented an extensive report outlining the work of the Ad-Hoc Committee including its process, the benefits of a Reserve Study, the investigative process of all five bids and software each provided and concluded by stating that the committee recommended accepting the bid from Reserve Advisors. Dave **moved** that the Co-op accept the recommendation of the Ad Hoc Committee and the bid from Reserve Advisors of \$3,600 to conduct a full reserve study of the Co-op's infrastructure. Diane Zaugg **seconded**. The **motion passed** with Chet Parks abstaining. Dave then **moved** that the Ad Hoc Committee be dissolved as their task was completed. Kay **seconded**, and the **motion passed** unanimously.
- **Office Computers Update:** Dave Jones reported that seven RFPS were requested from three (3) companies in Cochise County, four (4) companies in Pima County plus Dell on line. Only one company of the seven (7) responded as well as a quote from Dell. A couple of other companies showed interest but did not submit a bid. Because of an error the Co-op did not request that a keyboard and a mouse be included for each of the five computers. A mouse and keyboard for five computers can cost \$75 to \$250 total. Dave **moved** that the bid from Adam D Technologies for \$12,703.96 be accepted and that an additional amount of up to \$250 be approved for a mouse and keyboard for each of the five computers with the funds to come from Operating Funds as a short-term loan to be paid back from the General Assessment Fund on or before April 30, 2019. Diane **seconded**. Discussion followed with questions from Faye, Chet and Diane. **Motion passed** unanimously.
- **Channel 5 – New Computer Purchase:** Diane Zaugg called on Allen Mohs to report on the research progress. Allen explained the process that Channel 5 Committee members experience. After making new slides and deleting old slides, the PowerPoint file is exported to a folder on the computer. In that process there is an MP4 file created to put on Channel 5. Also, a PowerPoint file is transferred to the same folder to be imported to the web. The actual exporting of these two files takes 20 to 25 minutes. This is because the present computer's CPU is being used at 100% capacity. At the time of purchasing the current computer there was no thought of putting Channel 5 on the web. After doing some customizing of several computers, Allen has come up with costs comparable to Will Tompkins' proposal. The workload Channel 5 has is much more data processing than the Office computers use in a day. The Channel 5 computer runs 24/7 and needs to be capable of running all the time. Repair times would be the same no matter what computer is purchased. When Allen started on Channel 5 ten years ago, the Co-op had an E-machine (a knockoff of the Gateway computer) which lasted ten (10) years with only one problem that was corrected in 24 hours. Refurbished computers, of which Allen has had several, work as well as new computers in general. The committee is researching what Stallion Tek can offer. This company has a good warranty program as well as a good return program. Diane stated a need for \$1,400 to \$1,600 for a new computer. Discussion followed. Diane then **moved** to table this issue for a future discussion. Tom Sanor **seconded**. **Motion passed** unanimously.

**New Business:**

- **Bank Signatory Cards:** Dave Jones stated that this is a bookkeeping measure so that the Co-op can have the proper officers named on and able to sign on the Co-op's accounts. Dave Jones **moved** that the bank signature cards at American Southwest FCU, National Bank of Arizona, Southeastern Arizona FCU and Washington Federal be changed by removing Chet Parks and adding Faye Bragg. Ingrid Kluegel **seconded**. **Motion passed** unanimously.
- **General Committee Guideline Change:** Faye Bragg stated that there has been only one request to change these guidelines. John Morton reported that the Rules Committee requested a change in #10 to move the date from October 15 to October 17. John **moved** to make the change. Tom Sanor **seconded**. The motion **passed**, six (6) to three (3), with Faye Bragg, Dave Jones, and De Wilson opposing.
- **Architectural/Rules Inspection of Manager's Lot #222:** Kay Fischer **moved** that the Rules Committee and the Architectural Committee continue with their annual inspections of Lot #222. John Morton **seconded**. **Motion passed** unanimously.
- **Approval of Committee Rosters and Guideline Changes:** Because the changes are not completed, Ingrid Kluegel **moved** to table this issue until the next regular Board meeting. Dave **seconded**. **Motion passed** unanimously.
- **Marketing Committee Recommendation Concerning Non-SKPs:** Dave Jones opened the extensive discussion and reported that on January 22, 2019, the Board had a telephone conference with Shawn Loring, Chief Executive Officer of Escapees. Mr. Loring confirmed that there is nothing in writing that is directly on point regarding SKP Saguaro Co-op renting to non-SKPs. He indicated that all the co-ops were meant to be a benefit for members of the Escapees and that there may be serious consequences if this Co-op continues this practice. The Marketing Committee reviewed a transcript of the phone call and developed a recommendation that was forwarded to the Board. The recommendation was: "We recommend that rentals to non-SKPs be discontinued." During the committee's meeting on February 14, the committee made a motion to "... continue to rent to first-time visitors, both SKPs and non-SKPs, for one week at the discounted rate." The Board can do nothing at this time about changing the Bylaw that states we can rent to non-SKPs. The decision to rent to non-SKPs rests with the membership by the process of changing a Bylaw. The Co-op Board can, if desired, change the conditions under which the coupon is used or even do away with it. From what was said last Friday at the Chat, no matter what is done with the coupons, a large part of the membership will not be pleased. There was also a presentation from the Marketing Committee showing the successes the Co-op has had with the different recommended programs. One of these is the coupon program. Dave would like to see either an in-person meeting, a video conference or a group phone conversation with Mr. Loring and as many of the Escapees Board members as possible. The purpose of this get-together would be to show the National Escapees Board what benefit the coupon program has had on their bottom line. If the rest of the Board is not agreeable to this suggestion, then Dave has prepared a motion that he would rather not use about restricting the use of the coupon.
  - President Fischer then recognized Burke Pease who had requested in writing to speak concerning this item. **The verbatim text of his remarks is attached and is considered part of the official minutes of this meeting.**
  - President Fischer asked for Board members to state their opinions.
  - Diane Zaugg stated her concern about getting rid of the coupon if we don't remove it from or change it on our Website without changing it if we stop the coupon. What kind

- of reputation are we as a park and as Escapees going to have if we don't honor coupons of guests who present them on arrival at the Co-op. Kay commented that the coupon on the Website states for limited time and call for availability.
- Faye Bragg presented her view by reviewing the history of this issue. She then suggested three options. 1) "We can maintain the status quo and continue the coupon as stated and as recommended by our Marketing Committee." She was not comfortable with the possibility of jeopardizing the continuation of our Co-op as an Escapees Co-op. The consequences if National removes us as an SKP Co-op could be huge. The Co-op might have to remove SKP from our corporate name as well as all mention of Escapees from our Bylaws. That might mean having to re-incorporate either as a not-for-profit co-op or a profit corporation. National is not going to wait forever for us to stop renting to non-SKPs. Are we willing to take a chance that they won't remove our affiliation? 2) "We could suspend the coupon completely. It is a limited-time offer that a previous Board voted could be suspended at any time. This would not address the sentence in our Bylaws concerning non-SKPs but would give us time to maybe work out a better solution with National or get the backing of other co-ops in the SKP system and to deal with the problematic sentence in the Bylaws. This option would not be my preference, but it would be preferable to doing nothing." 3) "We could abide by the recommendation that first came from Marketing that rental to non-SKPs be discontinued and encourage non-SKPs to join Escapees on the spot, pointing the advantages of being an SKP and that they are still saving money on our weekly rate." The coupon on the web site could be easily changed, and the current brochures could be modified as well. The issue of the sentence in the Bylaws about renting to non-SKPs would still need to be dealt with. She supported the third option because she felt this would show good faith with National, especially if we can meet with them during Escapade. Also, based on the video shown at the Chat on Friday, this could cost us a loss of only about 25% of our coupon income.
  - Chet Parks complimented Burke Pease on his presentation and said that Burke had said everything he was going to say. He later stated he believed the issue should be tabled until we meet with Shawn Loring and the Escapees Board and possibly work out this issue.
  - Kay pointed out that the Board was trying to set up a meeting with Shawn Loring and the Escapees Board during Escapade to present our views and our marketing program.
  - Spencer Kluegel, Marketing Co-Chair, was recognized to speak. He stated that he and the Marketing Committee felt that the Board needed to make a decision now before Escapade. If the Board decides not to offer coupons to non-SKPs, the coupons can be easily changed by blacking out the offer to non-SKPs. He said that waiting until Escapade could put us in a very bad position as the Marketing Committee will be passing out hundreds of brochures.
  - De Wilson wondered how many of these coupons are out. She stated that this was a very difficult issue. She has a difficult time believing that National would come down on us immediately. We cannot change the bylaw until next Annual Meeting. She would prefer to continue the coupon as is.
  - Ingrid Kluegel stated that she has lost sleep on this issue, has listened to the pros and cons, but believes we need to act. She is ready to make a motion. She knows that the Board is trying to work out a meeting during the Escapade but there is no assurance that will happen.

- John Morton stated that he was very frustrated with the Texas people and would like to get together with them. He hopes to be more impressed at a future meeting. He feels the program is working well and wants it to continue. He would like a firm answer from Escapees but feels they are “beating around the bush.”
- Tom Sanor found it very hard to believe that National would sever their affiliation with a “cash cow” such as ours overnight. He believes they would give us more time to work things out. He thinks we should continue with the current program.
- Kay Fischer stated that back in April the decision in an email to committee was that the Escapees Board voted unanimously that we could not rent to non-SKPs. In our conference with Shawn Loring, he stated that National would be willing to offer a non-SKP a reduced rate of \$10 off to join on arrival at our Co-op. (Whether National or our co-op would be responsible for the \$10 off was disputed by other Board members.) Shawn Loring made it clear that there is a nuclear option. In a later email he made it very clear that the nuclear option could be to lose our affiliation with Escapees. She believes that National is willing to work with us. She agrees with the option of discontinuing the coupon for non-SKPs. Kay stated that the ball is in our court.
- Faye Bragg supported Kay’s view that we needed to make a decision.
- Ingrid Kluegel stated that she agrees with much that has been said. After reading letters from leaseholders and listening to discussion pro and con, she believed we needed to act. She **moved** to allow the coupon program for non-SKPs to continue with the provision that non-SKP visitors sign-up for membership in the Escapees upon checking into the Office to take advantage of the discount coupon program and should visitors decide not to sign-up for membership, they will not be able to receive the discount. The motion **died** for lack of a second.
- Dave Jones then **moved** that effective March 4, 2019, the use of the marketing coupon by non-SKPs be discontinued and that if a non-SKP wants to stay they will be given the opportunity to first join the Escapees and once they join, they can stay and use the coupon. Use of the coupon by SKPs will continue under the current conditions. Faye Bragg **seconded**. **Motion passed, six** (6), two (2), one (1) with Tom Sanor and John Morton voting against and Chet Parks abstaining.
- **Washing Machine Bids:** Dave reported that Chris Campbell has received bids for two different brands of top loading commercial washing machines with coin boxes. Maytag’s bid is for \$13,841.59 and has a five (5) year parts warranty. Huebsch’s bid is for \$16,858.61 and has a three (3) year parts warranty. Both bids include delivery, removal of the old machines, installation of the new machines, hauling away of the old machines and sales tax. Some discussion with questions ensued. Dave **moved** that the Co-op purchase ten (10) Maytag top loading washing machines for \$13,841.59 with installation to be scheduled on or after May 1, 2019, with funds coming from the General Assessment. Chet Parks **seconded**. **Motion passed** with Faye Bragg abstaining.
- **Office Roof Bids:** Dave reported that no bids have been received. He proposed no action at this time.
- **Micro Surfacing Saguaro Circle West Bids:** Dave reported that no bids have been received. He proposed no action at this time.
- **Changes to Guest Rules:** Kay Fischer reiterated that no one under 18 years of age can stay in the park for more than 14 days in one stay including the Xscaper’s families. These rules are emphasized by Office personnel when families check in. Kay then stated she felt the rules concerning tow dollies, trailer and boats on rental lots needs to be changed to accommodate

those staying one week. She **moved** that the Rules for Guests that Rent on the 300 and 700 Row and the Guests Renting on Leaseholder Lots be changed as follows:

Operation of Vehicles

*7. Any guest who rents for more than ~~five (5)~~ **seven (7)** days must store their utility trailer, car dolly and/or boat in the park storage area if space is available. Management will assign storage space and will assist with parking the renter. If Co-op storage is unavailable, there are options for storage outside the park.*

The **motion** was seconded by Dave Jones and **passed** unanimously.

- **Infrastructure Objective – Refer Alternatives Investigation to Long Range Planning:** Dave Jones explained that at our last meeting the Board accepted the recommendation from the Long Range Planning Committee of an Infrastructure Objective. The Reserve Study should cover all but one objective, Investigate Alternatives to Current Infrastructure, such as streaming vs cable, optical fiber vs copper cable or WiFi, and waste water recycling. Dave **moved** to ask the Long Range Planning Committee, in writing, to investigate and provide options and recommendations to the Board about infrastructure areas they identified in their memo to the Board dated January 16, 2019, specifically streaming vs cable, optical fiber vs copper cable or WiFi, and waste water recycling. Tom Sanor **seconded. Motion passed** unanimously.
- **Proposed Change of Distribution Method for SKP Newsletter:** Dave reported that a letter had been received by the Board from Connie Carno, Editor of the Saguaro Newsletter, submitting a proposal to reduce the cost of distribution and free-up the Office personnel from performing more critical duties by including the newsletter in the monthly email along with the phone list and calendar, continue to have a copy on the web site and have copies available in the Office for those that prefer a hard copy. Dave **moved** that effective with the March 2019 edition of the Saguaro Newsletter the distribution be changed to primarily via email with it also posted on the SKP Saguaro web site and hard copies available at the Office. Tom **seconded. Motion passed** seven (7) to two (2) with Kay Fischer and Faye Bragg opposing.

**Liaison Reports:**

**Architectural Committee:** Tom reported that the committee held its reorganizational meeting on February 14 with 25 members present. After the election of officers, a discussion was held about installing Bubble Outlet Covers. It was recommended to use these covers on all outside outlets and that they will be required at transfer of the lot due to national electrical regulations.

**Facilities Committee:** Tom reported that this committee held its reorganizational meeting on February 13 and that officers were elected. After their meeting adjourned, the members set about working on various projects in the park as they always do.

**Founders Park:** Tom reported that this committee held its reorganizational meeting on February 13. The meeting started with a potluck luncheon after which the committee elected its officers. The committee gratefully recognized the Landscape Committee members and other volunteers for their work on garden areas in Founders Park at a cost of \$750. The Founders Park Committee voted to purchase a bench for \$150 and all monies for these projects came from donations. Other projects discussed were the adoption of a section of Highway 80 for cleanup as well as the purchase of a decorative windmill for Founders Park. The committee's next meeting is scheduled for March 21 at 10:00 a.m. in rooms 1 & 2 of the Clubhouse.

**Channel 5:** Diane reported that the committee held its reorganizational meeting on February 11 and officers were elected. If anyone is interested in having the Channel 5 submission form available on line, contact Al Mohs for set-up instructions.

**Welcome Committee:** Diane reported that the committee held its reorganizational meeting and elected its officers. The committee consists of four (4) teams with seven (7) members each. The committee also has a new handout for the guests that they visit.

**Audit Committee:** Diane reported that the committee held its reorganizational meeting and elected its officers. Its next meeting will be March 5<sup>th</sup>.

**Helping Hands:** Diane reported that the committee held its reorganizational meeting today at 11:00 a.m.

**Budget Committee:** Dave reported that the committee held its reorganizational meeting on February 13 and elected its officers. The next meeting is scheduled for November 6 to begin the budget process for 2020.

**Landscape Committee:** Dave reported that the committee held its reorganizational meeting on February 11 and elected its officers. A big thank you was given for all those who stepped up and helped to water and pull weeds during the summer. The committee meets every Monday and Thursday mornings at 9:00 a.m. at the Hoe House.

**Marketing Committee:** Dave attended this committee's meeting on February 14 because Tom had another meeting to attend. The committee elected its officers. The status of the discount coupon program to non-SKPs was discussed. The status and delivery of the brochures as well as a presentation of the yearly update of the committee's programs were covered.

**Office:** The Board has given permission to rent lot #222 on a short-term basis of a week or less until such time as an employee is hired that would use this site as part of his/her compensation. So, if there is a rig on the site, do not assume that it belongs to a new employee. The Bylaws Committee met and approved that the recent change in the Bylaws approved by the Co-op membership has been entered into the master document correctly and is ready for publication. Written confirmation of their decision has been received so the web site will soon be updated as well, and a copy will soon be posted on the Clubhouse bulletin board. Copies will be available in the Office in the near future

**Bylaws Committee:** Ingrid reported that the committee held its reorganizational meeting on February 13 and elected its officers. The committee wants to review the Bylaws but is asking permission from the Board to do so. Ingrid therefore **moved** that the Bylaws Committee be authorized to correct article and section designations, punctuation, and cross-references and to make such other technical and conforming changes as may be necessary and to submit the corrected Bylaws to the Board of Directors for final approval. Diane **seconded**. **Motion passed** unanimously.

**Clubhouse Committee:** Ingrid reported that the committee held its reorganizational meeting on February 13. The dinner on February **25 is** cancelled. Doug Miller received a complaint about the noise

and late hour that the Retro Rockets performed. The table & chairs chairperson will ask the Facilities Committee to check if it is safe to stand on the cabinets on each side of the Clubhouse when decorating.

**Long Range Planning Committee:** Ingrid reported that the committee held its reorganizational meeting on February 13 and held its elections. The LRPC requested to add the Proposed Reserve Objective to the March BOD agenda. The committee's next meeting is scheduled for February 28 at 1:00 p.m.

**Propane Committee:** John reported that the committee had its reorganizational meeting and elected officers. A little over 300 gallons were sold on February 18.

**Rules Committee:** John reported that the committee had its reorganizational meeting and elected officers. John made a **motion** to extend Kat Boswell for one year because her term is expiring. Ingrid **seconded**. **Motion passed** unanimously.

**Technology Committee:** John reported that the committee had its reorganizational meeting and elected officers.

**Channel 43:** De reported that the committee had its reorganizational meeting and elected officers. Only four members were present, and the committee needs more members. There was a discussion about opening a specific YouTube channel for the park which would open up the opportunity to stream videos rather than wait for specific times to watch videos. Peggy Goode said she would look into it.

**Security & Safety Committee:** De Wilson reported that the committee had its reorganizational meeting on February 14 and elected officers. The committee discussed a scheduling issue for the Safety Presentation in the Clubhouse on February 16. The issue was resolved with the line dancers agreeing to cede to the Safety Presentation. Much discussion ensued about the issue that the Security & Safety Committee is not being notified about safety issues occurring in the park. The current example was the Channel 5 posting concerning someone trying to open trailer doors in the park. No one on the committee knew from where the complaint came. The committee proposes that all incidents involving security and safety be addressed initially to the Security & Safety Committee. The secretary wants to post a notice on Channel 5 stating basically that all safety or security concerns should be given to the Committee. The Safety Fair will be held next Saturday in the Clubhouse.

**Cactus Wrens:** Kay reported that the committee held its General Meeting on February 14. The Wrens Board was informed that they had received an Audit Committee report on the Wrens' finances and there were issues that needed to be discussed and corrected. The Wrens Board will meet on February 18 to go over that report. A non-budget item was presented by David Jones in the amount of \$875 plus tax to replace existing video equipment for movie night. This item was approved. Pam Sanor suggested that everyone remind people to wear their name badges at all events going on in the park because there are so many new people in the park. She thanked those who do so much on their own and are sometimes a committee of one. The Souper Bowl Supper made \$367.00. There are 23 of the old brown metal chairs missing from the Clubhouse and 3 of the new white chairs are missing as well. Dave Cross requested that anyone who has taken the chairs to please return them to the Clubhouse. Dave also announced that the new white chairs will have the Co-op name stenciled on the bottom of the chairs.



**Election Committee:** Chet reported that the committee met on February 12 and held its reorganizational meeting and elected officers.

**Parking Committee:** Chet reported that the committee met on February 11 and held its reorganizational meeting and elected officers. 37 potential members showed up at the meeting.

**Workshop Committee:** Chet reported that sixteen (16) people had signed up and only four (4) showed up for the reorganizational meeting. The committee held elections. Maintenance and clean-up were discussed and the shop is in great shape and one of the attractions of this park.

**City Council:** Ingrid & Faye attended and suggested that anyone interested go “on line” to read the minutes of the last two meetings.

**Incidents and Correspondence Report:** Due to the length of this meeting, no “Comment Sheets” were read but will be posted on Bulletin Board. There was one incident that was resolved.

**Adjournment:** This meeting was adjourned at 11:57 a.m.

Respectfully submitted,

André Bernard  
Recording Secretary

Faye Bragg

Attachment: Burke Pease’ Comment Concerning Marketing Committee Recommendation  
Board Secretary

Attachment: Burke Pease Comments – **Marketing Committee Recommendation Concerning Non-SKPs**

We shouldn't be continuing to debate this issue.

But here we are..

One reason I'm here today is that "Chat" testimony does not become part of our corporate record. The only way to do that is to speak at the Board Meeting so it is documented in the minutes. It is also why I'll be speaking almost verbatim from my notes - so that the Secretary can use my written text to prepare the minutes.

Another is that the Board has been repeatedly petitioned by a group of members that oppose allowing anyone without the Escapee pedigree in the Co-op, excepting, of course, overnight guests of residents.

And finally, after first saying that what we are doing with the coupon program is "intriguing", we have received a totally inappropriate communication from the CEO of the Escapee RV Club.

But here we are. And I want to thank Susan Phelps for giving me a key concept that has provided these remarks with a focus. More on this in a moment.

The issue of the coupon fitting within our own governance is clear.

Even before the coupon program was conceived, the Bylaws said, and I quote: "Exception to the Guest Rules require approval of the Board of Directors"

After continued appeals by those that object to the current program, the Bylaws were amended to specifically allow stays of one week for those not already part of the Escapee family.

Still not satisfied, some of those folks appealed to the Livingston Texas office of the Escapee RV Club for assistance in forcing change to the current program.

Let's be clear on what the Escapee RV Club is...

Unlike the nonprofit SKP Saguaro Co-op, they are a for-profit enterprise.

They have no jurisdiction over us. We are not subordinate to them and there is no contract or agreement of any kind that defines obligations or, in fact, any kind of relationship.

Although they have an advisory board of Escapee members, it is not part of the management or ownership of the private, for profit, company. It is advisory and they cannot compel anyone to do anything.

After several back and forth email exchanges with Shawn Loring, CEO of the Escapees RV Club, we get a "saber rattling" message from him. In my opinion, it is offensive, lacks understanding of what we are doing and an insult to our Co-op and Board of Directors.

Let me to get back to Susan's insight.

Sunday morning I needed a document that I hoped she had - and indeed she did. So I went by to pick it up, telling her I had extensive notes for my remarks this morning. After acknowledging that there could be a lot of ground to cover, she said: I don't know why we keep calling these people "Non-SKPs". Wouldn't it be better if we called them "Potential Escapees"? And I froze, speechless. Her question provided clarity for me and I hope for this board. When I was telling Lee about this when I got home, she said: Yes, they are Pre-SKPS.

Using this newfound wisdom, Let's look at the typical marketing process:

We use demographic assessments to cull the huge universe of potential customers (in our case, RVers) down to what we would call "suspects" - for example, RVers that spend a good deal of time on the road. Then, with targeted advertising, social media, trade shows like the Escapade and other activities undertaken by the Marketing Committee along with word of mouth, our goal is to convert these "suspects" into "prospects".

[Attachment (cont'd)]

When one of our "suspects" pulls up to the gate of the SKP Saguaro Co-op with a coupon in hand, they have self-identified themselves as a prospect. Or as Susan said: Potential Escapees.

The next step is to turn the prospect into a customer. The opportunity now is to demonstrate the features and benefits of our product. And we do that by allowing the prospective Escapee to test drive our product by staying with us at a discount for up to a week.

And where has this implementation of a textbook marketing strategy gotten us?

In 2018 we had 719 renters, not counting multiple visits, stay in the Co-op. 93.5% of these were members of the Escapee RV Club when they arrived at our gate. That leaves 47 that were prospects, ready to find out what we are all about. As Susan says, Potential Escapees.

Well how did we do? Steve Zalewski can demonstrate that at least 20 of these 47 joined the Escapees after their test drive. That makes our marketing conversion rate 42.5 percent. An absolutely remarkable feat and we should recognize the Marketing Committee, Tour Guides and all of us having contact with the prospects during their stay for achieving this outstanding performance.

So now we can add those 20 conversions of prospects to Escapee member customers that rented from us last year. This moves the dial to 96.3% of all rentals to guests in 2018 were to Escapee members!

So, Mr. Loring, where have we gone wrong?

Here we are demonstrating what the Escapees are all about: Sharing our knowledge and caring. And, while we're at it, we're bringing in new members to your organization.

It is a hasty generalization to suggest that our program, miniscule in the context our own park, let alone all Co-ops, will result in ALL Co-ops throwing open their gates to take anyone off the street and becoming competitors to the Escapee owned Rainbow Parks.

My recommendation

Continue with the successful coupon program.

It supports the will of our membership who, in 2016, passed a Bylaws amendment specifically to accommodate the coupon program.

It supports the unanimous recommendation of the Marketing Committee

Tell the group of dissenters that you've considered their concerns and your decision is to continue the program as is.

If this Board is not ready to take that stand and feels the need for more information from Mr. Loring, why not continue or table this issue, taking advantage of the Escapade being in Tucson. Invite Mr. Loring to come by for a visit. Take a tour. Meet with the Marketing Committee, see Steve's presentation and visit with our Board. Then see what he has to say.