

**LAKE MISSION VIEJO ASSOCIATION
BOARD OF DIRECTORS MEETING
July 12, 2016**

MEETING: Upon notice duly given and received, this meeting of the Lake Mission Viejo Association Board of Directors was held at the Lake Administration Building. The meeting was called to order by Kevin Pennington at 7:06 PM.

Board Members Present: Kevin Pennington, President
Dale Tarkington, Vice President (attended via telephone)
Diane Hufstedler, Vice President
Fred Mellenbruch, Secretary
Bill Ernisse, Treasurer

Staff Members Present: Kevin Frabotta, General Manager
Dave Kerr, Administrative Manager
Bryant Watilo, Operations Manager
Janice Chandler, Human Resources Manager
Jim Turner, Aquatics Manager
Kevin Iverson, Controller
Norma Risher, Billing Specialist

Others Present: L. Danielson, R. Bassolino, W. Broadhag, R. Heimann, J. Chadburn, B. Ollry, T. Hoadwonic, P. Coyle, R. Simenz, N. Schmidt, C. Rothen, K Abele, M. Bender, M. Glackin and A. Cook.

Minutes: Diane Hufstedler made a motion to approve the minutes of the June 14, 2016 Board Meeting. Second, Fred Mellenbruch. Vote Carried 4-0-1 (Kevin Pennington was not present at the June 14 meeting)

Members Forum: None

Delegates Forum: Delegates Kathy Abele and Nancy Schmidt addressed the Board.

Special Presentations: Wilson's Foundation Presentation

Members of the Wilson's Foundation made a brief presentation asking the Board to consider an option to start and finish the Mission Viejo walk in the nationwide "Walk on Wilson's" at LMVA. The city has approved the walk around the lake and they asked the Board permission to start and finish the walk in the North Beach facility on Saturday October 1 between 8:00 – 10:00 AM.

A brief discussion occurred and Diane Hufstedler brought the alternative of using East Beach for the event. Kevin Frabotta stated that further discussion would take place under New Business.

Directors Report: None

Treasurer's Report:

Treasurer Bill Ernise stated that the Lake Mission Viejo Association financial statements through June 30, 2016 were available for members in print form.

The Lake Mission Viejo Association financial statement through June 30, 2016 shows:

Actual revenue	\$ 3,646,360
Gross Income	3,621,316
Actual Operating Expenses	3,312,791
Net Income	308,525
Budgeted Net Income	35,335
Total Investments	8,219,049
Total Operating Cash on Hand	559,993
Interest Income	23,782

- Accruals (not including payroll) equal \$44,513 for the month.
- In the last 12 months we have written off \$9,045 in bad debts.

6 Month Financial Review

Controller Kevin Iverson presented a mid-year review of the 2016 budget and financial prognosis for the year-end. Mr. Iverson stated that with financial statements through June 30th plus the budget for the remaining 6 months of the year we are projected to end 2016 with a surplus of \$144,127. This includes 4 months of estimated APW costs with the plant projected to come online in September of this year.

Committee Reports:

Landscape Committee: Bill Ernise stated that the committee had been working on the upcoming bid process for the 2017 landscape contract. Mr. Ernise also stated that a large tree in the concert bowl area had to be removed recently as part of the tree had broken off last week.

Election Reform Committee: Dave Kerr stated that 1200 proxies have been returned and 12 potential delegates are seeking election to various vacant districts by collecting proxies. We have one district with a quorum (2 proxies in a district of 8 homes). The delegate from Painted Trails has changed due to a recent vote. Mr. Kerr introduced Bob Ollry who is campaigning in district 32 for a delegate position.

Long Range Planning Committee: Diane Hufstedler stated that three General Contractors were preparing bids for submittal by August 01 for presentation to the Board at the August meeting in regard to the Tackle Box, Elevator and North Beach parking lot project.

Manager's Reports: General Manager, Operations Manager, Administrative Manager, Human Resources Manager and Aquatics Manager reports were presented to the Board.

Old Business:

Banking Review/Recommendations

Controller Kevin Iverson presented a recap of the bids to move commercial banking operations to a HOA specific bank. Mr. Iverson compared Mutual of Omaha Bank and Alliance Bank services and costs. Mr. Iverson recommended a move to Mutual of Omaha Bank over the next couple of months. Diane Hufstedler made a motion to approve moving to Mutual of Omaha Bank. Second, Fred Mellenbruch. Bill Ernisse asked about FDIC insurance. Mr. Iverson stated that all funds deposited in Mutual of Omaha Bank would be deposited into FDIC insured accounts. Vote Carried 5-0-0.

New Business:

Wilson's Lake Walk

Diane Hufstedler recommended that staff ask the City of Mission Viejo about the availability of the Youth Athletic Park or Florence Griffith Joyner Park or the Vista del Lago shops to hold the start and finish of the walk. Dale Tarkington suggested that the Board empower General Manager Kevin Frabotta to make the decision of whether or not to host the event at LMVA before the next meeting in August. A general discussion took place in regard to safety issues for the event in conjunction with the potential construction in the North Beach parking lot. Fred Mellenbruch stated that he felt the Board should consider forming a policy regarding requests from groups for use of the LMVA facilities. Bill Ernisse made a motion to deny the request for use of the facility for the Wilson's Lake Walk on October 1, 2016. Second, Dale Tarkington. Vote Carried 5-0-0.

North Beach Improvement Plan: Approval of Additional Funding for Plan Revisions/Additional Permit Fees (SMWD)

Operations Manager Bryant Watilo gave a brief description of unexpected extras for additional funding for plan revisions and additional permit fees. Staff is proposing a not to exceed amount of \$15,000.00 to cover the existing overruns and the anticipated future expenditures with funds to come from Account # 2045 – Capital Expansion. Fred Mellenbruch made a motion to approve the expenditure as presented. Second Diane Hufstedler. Vote Carried 5-0-0.

Approval of Beach Grooming Equipment Purchase

Operations Manager Bryant Watilo gave a brief presentation regarding purchase of a new Beach Cleaner/Screenner to replace the Sand Pro unit purchased in March 2007. This Beach Cleaner is

step-up in versatility from our Sand Pro currently in use. Mr. Watilo stated that staff recommends purchase the Model 800 Beach Cleaner from Cherrington Beach Cleaners for an amount not to exceed \$18,252.00 with funds for this purchase to come from Reserve Account # 2046, Category -080 Tractors. Dale Tarkington made a motion to approve the purchase as presented. Second, Diane Hufstedler. Vote Carried 5-0-0.

Approval of Party Boat Reupholstering

Operations Manager Bryant Watilo gave a brief presentation regarding a reupholster project for Party Boat #7 and Back Up Party Boat # B4. Both of these boats have severely weathered upholstery and were scheduled to be refurbished in 2017. Mr. Watilo stated that staff recommends using Tivios Auto Upholstering for a cost not to exceed \$4,800.00 with funds to come from Reserve Account #2046 – Contingency. Bill Ernisse made a motion to approve the expenditure as presented. Second Diane Hufstedler. Vote Carried 5-0-0.

Approval of East Beach Parking Lot Lights

Operations Manager Bryant Watilo gave a brief presentation regarding replacement of 12 single light poles, 4 double light poles located within the East Beach Parking Lot and Park area with new LED fixtures and 15’ aluminum poles that will match the new fixtures installed at the North Beach Parking lot. Mr. Watilo stated that staff recommended entering into a contract with Ness Electric to complete the project for a not to exceed amount of \$99,635.00 with funds to come as follows: \$83,360.00 from Reserve Account # 2046, Category 160 Lighting and the remaining \$16,275.00 to come from Reserve Account 2046, Category “Contingency”. Diane Hufstedler made a motion to approve the expense as presented. Second, Fred Mellenbruch. Vote Carried 5-0-0.

Adjournment: There being no further business, this meeting of the Lake Mission Viejo Association was adjourned at 8:59 PM.

Attest: _____, Secretary