

**LAKE MISSION VIEJO ASSOCIATION  
BOARD OF DIRECTORS MEETING  
November 08, 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 Bill Ernise at 6:59 PM.

**Board Members Present:** Bill Ernise, President  
Diane Hufstedler, Vice President  
Kevin Pennington, Vice President  
Fred Mellenbruch, Secretary  
Dale Tarkington, Treasurer

**Staff Members Present:** Kevin Frabotta, General Manager  
Dave Kerr, Administrative Manager  
Jim Turner, Aquatics Manager  
Janice Chandler, Human Resources Manager  
Kevin Iverson, Controller

**Others Present** B. Ollry, P. Coyle, D. Tayenaka, K. Abele, G. Newkirk, J. Black, B. Perches and R. Simenz

President Bill Ernise thanked Kevin Pennington for his leadership as President over the past two years.

**Minutes:** Bill Ernise noted two changes in the minutes from the 10/11 meeting: Under the minute's section "add an "e" to Diane Hufstedler's name". Under Landscape Committee Report add the sentence "The Landscape Committee had not met for several weeks due to the targeted work efforts on preparing and conducting the LMVA Contract bid." Dale Tarkington made a motion to approve the 10/11/16 regular meeting and the 10/25/16 Special Meeting minutes with changes. Second, Fred Mellenbruch. Vote Carried 4-0-1 for the 10/11/2016 meeting. (Kevin Pennington was not at the 10/11 meeting). Vote Carried 5-0-0 for the 11/25 Special Meeting.

**Members Forum:** Member Rod Simenz addressed the Board and requested \$1,800 for purchase of training sails for the Junior Sailing program. Mr. Simenz stated that he had raised \$1,300 in donations to the Junior Sailing Foundation and was requesting the balance from LMVA for the purchase. President Bill Ernise asked staff to prepare a proposal to be presented to the Board at the 12/16 Board meeting.

**Delegates Forum:** None

**Special Presentations:** None

**Directors Report:** None.

**Treasurer's Report:**

Treasurer Dale Tarkington stated that the Lake Mission Viejo Association financial statements through October 31, 2016 were available for members in print form.

The Lake Mission Viejo Association financial statement through October 31, 2016 shows:

|                              |              |
|------------------------------|--------------|
| Actual revenue               | \$ 6,186,220 |
| Gross Income                 | 6,133,410    |
| Actual Operating Expenses    | 5,768,526    |
| Net Income                   | 364,885      |
| Budgeted Net Income          | (160,178)    |
| Total Investments            | 7,384,745    |
| Total Operating Cash on Hand | 620,808      |
| Interest Income              | 39,495       |

- Accruals (not including payroll) equal \$6,238 for the month.
- In the last 12 months we have written off \$6,443 in bad debts.

**Committee Reports:**

**Landscape Committee:** Bill Ernisse stated that the Landscape Committee had been busy selecting trees and locations to place those trees within the North Beach facility replacing dead trees that had been removed. Mr. Ernisse also stated that the committee was looking at the landscaped area behind the launch ramp and the horizontal boat storage area for redesign that will complement the adjacent landscape in the parking lots.

**Election Reform Committee:** Dave Kerr stated that 14 new delegates were elected during the year and that delegates representing 44% of the voting power of the association were represented in the Board elections on 10/25/16.

**Long Range Planning Committee:** Diane Hufstedler stated that staff had received all three bids in regard to the Tackle Box/Parking lot project and more detail would be discussed in old business.

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

General Manager Kevin Frabotta reported that Golden Algae had been detected again in LMV waters and fish were moving into the shallows with a few fish expiring. Aquatics Manager expounded on the Rapid Response program and water treatment that was put in place 10 days ago. A general discussion took place among the Board and staff regarding the status of the fish and plans going forward to combat the Golden Algae issue. Mr. Frabotta stated that staff was making plans to postpone the Trout Opener scheduled for November 19<sup>th</sup>.

**Old Business: Review of Bids and Next Steps for Parking Lot/Tackle Box Project**

Vice President Diane Hufstedler stated that 3 bids have been received for the projects:

KBI \$1,336,000      DAI \$1,383,058      HONDO \$1,461,000

Ms. Hufstedler stated that there was \$925,000 in the Future Expansion fund, \$375,000 in the Component Renovation Account in the Reserve for a total balance of \$1,300,000 available for the projects. Ms. Hufstedler stated that there will be approximately \$151,000 available in excess funds at the end of 2016 for appropriation. Dale Tarkington stated that he had asked to have costs available for each of the projects on a separate basis. Ms. Hufstedler stated that with a 10% contingency the low bid would need appropriation of \$1,460,000 and with a 15% contingency the cost would be \$1,536,000. Bill Ernisse stated that he had done a “Force Field Analysis”, was trying to find value in the parking lot piece of the project and was struggling with spending that much money to complete the two projects. Fred Mellenbruch asked the board if they were comfortable spending all of the \$375,000 in the Component Renovation account. Kevin Frabotta stated that he was comfortable applying the money to the Tackle Box as it was an existing building but not the parking lot as we would be reconfiguring the area. Mr. Mellenbruch stated that he did not see being able to fund the Capital Expansion fund in the future. Ms. Hufstedler stated that there was 2 years of planning into the project and that the board had exhibited no hesitation to fund the planning expense. Kevin Pennington stated that he saw value in the Tackle Box portion of the project but that everyone used the parking lot and there was more of a need to redesign the parking lot. A general discussion continued regarding the value of each portion of the project and the evolving role of the Long Range Plan.

Diane Hufstedler made a motion to fund both projects with an amount not to exceed \$1,500,000 with funds coming for Future Expansion 2047, Component Renovation and the balance coming from the year end excess revenue. Second, Kevin Pennington. Vote Failed 3-2.

Diane Hufstedler made a motion to fund both projects but to do them as phases 1 & 2 after taking the plans back to the City and the bidders to split the expenses into two projects in the amount of \$1,350,000 with funds to come from the Future Expansion fund and the Component Renovation fund. Second, Kevin Pennington. Vote Failed 3-2.

Diane Hufstedler made a motion to make \$925,000 available for the projects to move forward with the City and the contractors in order to complete one of the projects after costs can be split and proposals returned to the Board for consideration. Second, Bill Ernise. Ms. Hufstedler stated that we are in a time crunch to move forward with construction. Mr. Mellenbruch stated that he didn't want to make a decision now without more facts. Mr. Tarkington stated that he did not see any saving of time with this motion and he wanted to review costs for each portion of the project before making a decision. Ms. Hufstedler stated that in the past everyone had agreed that the projects are good projects. Mr. Tarkington stated that he wanted to see the projects separated and what the costs are for each project Kevin Pennington stated that the net effect is to have the funds available for these projects. This motion was not to allocate funds for the project specifically, but just makes the funds available for the project pending further work of the quotes for the two projects. Mr. Ernise re stated the motion to say that the \$925,000 would be allocated for these projects and not any other projects. Vote Carried 3-2-0. Staff was directed to reach out to the City of Mission Viejo and the contractors to separate the projects and get back to the Board with costs associated with each project.

Diane Hufstedler called for a special meeting to vote on moving forward with one of the projects. Dale Tarkington stated that he would like to receive the bids, review them and then schedule a meeting to make a decision on the project going forward.

Kevin Pennington left the meeting at 8:40 PM.

#### **New Business: Annual Board Election Results**

General Manager Kevin Frabotta stated that the results of the 2016 Board Election resulted in the incumbents all winning positions on the Board. The order of officers was as follows:

|                  |                |
|------------------|----------------|
| Bill Ernise      | President      |
| Diane Hufstedler | Vice President |
| Kevin Pennington | Vice President |
| Dale Tarkington  | Treasurer      |
| Fred Mellenbruch | Secretary      |

#### **Update/Approval of Board of Directors Candidate Statement**

General Manager Kevin Frabotta presented an updated Board of Directors Candidate's Statement which includes

- An introductory paragraph which includes the deadline for submission and address of the Association.
- An acknowledgement by the Candidate that their statement may be published to the Delegates and / or Membership prior to the Annual Meeting of the Delegates.

Dale Tarkington made a motion to approve the new Board of Directors Candidate statement as presented. Second, Fred Mellenbruch. Mr. Mellenbruch asked if the attorney had reviewed this document and asked if they could respond in writing regarding whether the election rules need to be changed. Mr. Frabotta stated that staff would contact legal counsel in regard to the new Candidate Declaration. Vote Carried 4-0-0.

**Long Range Planning Committee Annual Charter Review**

Mr. Frabotta stated that it is time for the annual renewal of the annual charter of the Long Range Planning Committee. Ms. Hufstedler asked about the status of President Bill Ernisse as a member of the committee. In lieu of the fact that President Ernisse can no longer be a voting member of the committee, Ms. Hufstedler suggested that Kevin Pennington take his place. Ms. Hufstedler made a motion to reinstate the charter for one more year with the members of the committee being Chair Diane Hufstedler, Board Member Kevin Pennington, delegate Rod Simenz, member George Coniglio and GM Kevin Frabotta. Second, Bill Ernisse. Vote Carried 4-0-0.

**Approval of Purchase of Lifeguard Radios**

Aquatics Manager Jim Turner stated that 2 800 Mg radios from Motorola Radios for a cost of \$7,886.16 with funds to come from Reserve account 5046. There is \$7,700 is in reserve for this purchase. The balance of \$188.86 will come from Reserve Contingency. A motion to approve the purchase as presented was made by Bill Ernisse. Second, Diane Hufstedler. Vote Carried 4-0-0.

**Adjournment:** There being no further business, this meeting of the Lake Mission Viejo Association and the concurrent District Delegate Reconvene meetings were adjourned at 8:48 PM.

Attest: \_\_\_\_\_, Secretary