

**LAKE MISSION VIEJO ASSOCIATION
BOARD OF DIRECTORS MEETING
August 09, 2016**

MEETING: Upon notice duly given and received, this meeting of the Lake Mission Viejo Association Board of Directors was held at the Lake Clubhouse Building. The meeting was called to order by Kevin Pennington at 7:16 PM.

Board Members Present: Kevin Pennington, President
Dale Tarkington, Vice President
Diane Hufstedler, Vice President
Fred Mellenbruch, Secretary
Bill Ernise, 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
Norma Risher, Billing Specialist

Others Present B. Ollry, T. Hoadwonic, P. Coyle, R. Simenz, F. Roberts, A. Edwards, A. Hultman, W. Halagarda, R. Dibble, N. Schmidt, F. Fossatti, and L. Robinson.

Minutes: Bill Ernise made a motion to approve the minutes of the July 12, 2016 Board Meeting. Second, Diane Hufstedler. Vote Carried 5-0-0

Members Forum: Member Ray Dibble addressed the Board regarding sight lines of the concerts from the handicapped area. Mr. Dibble attended the past two concerts and stated that people stood up in front of the handicapped area obscuring view of the stage. Mr. Dibble asked the Board to consider moving the handicapped area or asking people in front of the handicapped area to remain seated during the performance. Walt Halagarda attended the Kip Moore show, sat in the handicapped area and corroborated Mr. Dibble's commentst. Rod Simenz addressed the Board and gave a brief report of the Junior Sailor's sailing competitive adventures this summer.

Delegates Forum: Delegate Pat Coyle addressed the Board.

Special Presentations: None

Directors Report: None

Treasurer's Report:

Treasurer Bill Ernise stated that the Lake Mission Viejo Association financial statements through July 31, 2016 were available for members in print form.

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

Actual revenue	\$ 4,346,278
Gross Income	4,309,998
Actual Operating Expenses	4,044,440
Net Income	265,558
Budgeted Net Income	(91,406)
Total Investments	8,773,570
Total Operating Cash on Hand	216,165
Interest Income	28,320

- Accruals (not including payroll) equal \$70,308 for the month.
- In the last 12 months we have written off \$8,874 in bad debts.

Committee Reports:

Landscape Committee: Bill Ernise stated that the Landscape Committee has prepared a bid proposal to send out to vendors in regard to the 2017 landscape contract. Mr. Ernise also stated that the committee was scheduled to meet on Wednesday August 10th to finalize the RFP for distribution.

Election Reform Committee: Dave Kerr stated that 1333 proxies have been returned and 16 potential delegates are seeking election to various vacant districts by collecting proxies. Letters have been mailed to all the sub-association districts along with a verification sheet to request election of a LMVA delegate for those subs that do not have a current representative and a letter and verification sheet for those districts that have a current delegate.

Long Range Planning Committee: Diane Hufstedler stated that a special meeting of the Long Range Planning Committee was held on July 26 and that she relayed those recommendations to the Board on August 4th at a Special Meeting of the Board.

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

Old Business: Review of North Beach Improvement Project/ next steps

Diane Hufstedler stated that we are awaiting plans from RJM Design Group for a redesign of the project before moving forward.

Review Additional Member Events:

Aquatics Manager Jim Turner presented a proposal to request funding for implementation of 9 additional Member Programs which may be approved/denied individually or in total. The events include:

1. Two additional Movie Nights (instituted already this summer)
2. New Year's Day Polar Bear Swim
3. Fall and Spring Member CPR classes
4. Winter 2016 or Spring 2017 Pickle ball Tournament
5. Fall 2017 or Spring 2018 Car Show
6. Late Fall Story Telling Night on the Beach
7. One Mile North Beach Walking Loop Signage
8. Two Winter Bingo Tournaments

Mr. Turner proposed a budget of \$6,800.00 to fund all of these events. Fred Mellenbruch asked about a Green Day event and suggested collaboration with Community Association Institute who holds these types of events. Kevin Pennington asked staff to look into portable gas powered barbecue/fire pits he had seen at Crystal Cove beach. Mr. Frabotta stated that he had reached out to the operation at the Beachcomber restaurant to inquire about the devices. Mr. Frabotta stated that a Dancing Under the Stars event had been discussed as a possible idea. Fred Mellenbruch suggested looking into a Mission Viejo Talent night. Dale Tarkington asked if funding needed to be approved to move forward with the proposed events. Bill Ernise made a motion to approve \$7,000 to hold the 9 events on the list proposed by staff with expense to come from the Contingency Account #2047. Second Fred Mellenbruch. Vote Carried 5-0-0.

New Business:

Annual Reserve approval

Kevin Frabotta stated that the Annual Reserve Study had been prepared by Advanced Reserve Solutions, reviewed by staff and the Board. Mr. Frabotta stated that the two discretionary accounts in the Reserve Study are: Landscape Renovation and Component Renovation. Bill Ernise stated that he feels that money needs to be set aside for landscape renovation as the slopes are 37 years old. Diane Hufstedler suggested that staff come back with a number that we need to set aside for both landscape and component renovation. Dale Tarkington stated that with a potential surplus at the end of the year, a piece of the surplus could be placed into the landscape reserve line and an amount set aside annually. Fred Mellenbruch suggested \$20,000 per year set aside for landscape in the reserve account. Bryant Watilo stated that the Board needs to provide staff with their expectations to get a number that we can provide solutions within

financial limitations. A general discussion took place regarding costs of landscape replacement. Diane Hufstedler suggested that we develop a concept for both landscape and component renovations. Bill Ernise stated that he would take responsibility to develop a plan with Mr. Watilo. Ms. Hustedler stated that we need to cos Kevin Pennington stated that we need to determine what the intention of the component renovation fund is to be used for define intentions for the component renovation fund. Mr. Ernise stated that he felt we need to contribute monthly to the landscape line in the reserve to develop a plan. Mr. Tarkington stated that he wanted to consider using some surplus plus a monthly contribution to both lines. Mr. Frabotta reminded the Board that any surplus may be needed to balance the 2017 budget in consideration of the cost of the APW program. Ms. Hufstedler stated that we needed to consider the same for the component line. Mr. Tarkington stated that he would like to consider placing surplus into landscape renovation as well as a monthly contribution. Kevin Pennington stated that without a motion staff is charged with coming back with a plan to adjust the Reserve. Mr. Ernise stated that he will work with the landscape committee to develop a plan for the landscape line and Ms. Hufstedler stated that she would work with Mr. Watilo to develop a plan for the component renovation line.

Adjournment: There being no further business, this meeting of the Lake Mission Viejo Association was adjourned at 8:54 PM.

Attest: _____, Secretary