

**LAKE MISSION VIEJO ASSOCIATION
BOARD OF DIRECTORS MEETING
January 10, 2012**

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 Alan Virdinis at 7: 04 PM.

Board Members Present:

Alan Virdinis, Vice President
Diane Lincoln, Vice President
Sid Wittenberg, Treasurer
Dale Tarkington, President (Via Telephone Conference)
Fred Mellenbruch, Secretary (Via Telephone Conference)

Staff Members Present:

Kevin Frabotta, General Manager
Dave Kerr, Administrative Manager
Bryant Watilo, Operations Manager
Janice Chandler, Human Resources Manager
Norma Risher, Billing Clerk

Others Present: J. Sperber, N. Schmidt, M. Bender, G. Virdinis, J. Chadburn, G. Millikan, K. Abele, R. Simenz, P. Tietz, , K. Kriz, A. Waugh, T. Hoadwonc, M. Terusa, A. Kotnik, R. Tiffany, M. Ziegler, W. Broadhag, B. Moorhead, J. Anchell and S. Byron.

Minutes: Motion duly made by Diane Lincoln and seconded by Fred Mellenbruch to approve the minutes of the December 2011 Board Meeting. Vote Carried 5-0-0.

New Business: Clubhouse Bridal Dressing Room Project

Operations Manager Bryant Watilo stated that staff had obtained bids from 3 contractors to build a Bridal Dressing Room/Restroom in the Maintenance portion of our Clubhouse. This addition will consist of an 11' x 12' dressing room with an attached 7'4" x 7' ADA accessible Restroom. Two of our bidders have done work for the Lake previously; Babuscio Construction has done several projects including our Clubhouse, Snack Bar remodel and our Admin. Restroom Remodel. G Constructors has done work on our Admin. Window remodel project. After careful consideration staff recommends awarding the contract to Gconstructors for the amount not to exceed \$43,258.00. In addition staff is requesting a contingency amount of \$4,325.00 (10%) which will be used at the discretion of staff, only if needed, and a \$1,750.00 allowance for City of Mission Viejo fees and permits, thus bringing the total amount requested to \$49,333.00. We have identified a 3 week window in February in which this work can be performed, and all three contractors have agreed to this schedule. Funds for this purchase would come from Acct. # 2045 Capital Expansion.

Alan Virdinis asked how many events were held in the Clubhouse during 2011 and how many were weddings. Mr. Watilo stated that there were 79 total event rentals during 2011 of which 25 were Weddings/Receptions. Diane Lincoln made a motion to approve the project as recommended for a cost not to exceed \$49,333.00 with expense to come from Acct. # 2045 Capital Expansion. Second, Sid Wittenberg. Vote Carried 5-0-0.

Mr. Watilo stated that final touches will be the furnishing of the Dressing Room. Management is requesting a not to exceed furnishing allowance of \$3,500.00 to accomplish this goal. Potential furnishings would include a stand up 3 sided mirror, a vanity cabinet with mirror and lighting, 2 chairs for

the vanity, a small couch with coffee table, window covering, area rugs, and a valet style clothes rack and possibly a small storage cabinet or small refrigerator. Funds for this purchase to come from Acct. 2045, Capital Expansion. Diane Lincoln made a motion to approve \$3,500 for furnishing the Bridal Dressing Room with expense to come from Acct. # 2045 Capital Expansion. Second, Sid Wittenberg. Vote Carried 5-0-0.

Members Forum: Member Randy Tiffany stated that he was following up on his suggestions from the 12/11 meeting regarding the LMV concert series. Mr. Tiffany stated that he felt that the large concerts were no longer enjoyable for members due to overcrowding. Mr. Tiffany suggested a limit of 2 guests per family membership at concerts. He also suggested raising guest fees to \$25.00 per guest for concerts and \$35.00 for the concert season finale with fireworks. Mr. Tiffany’s final suggestion was to consider a no guest parking policy or to charge guests driving their own cars a \$25.00 parking fee in order to encourage car pooling.

Member Bill Moorhead stated that he has enjoyed the concerts for years and wanted to acknowledge Jane Chadburn and all the staff that has in his opinion done an excellent job putting on the concerts.

Delegates Forum: Delegate Stu Byron (Palmia) asked about plans for a Senior Day at LMV. General Manager Kevin Frabotta stated that he had provided a report to the Board regarding special event ideas for seniors. Mr. Frabotta then referred to Special Events Coordinator Jane Chadburn to explain some of her ideas for senior events. Ms. Chadburn read a list of potential events as follows:

1. Dancing under the Stars on the Floating Platform.
2. Art classes on the Floating Platform.
3. A Senior Fishing Derby.
4. Active Senior Wednesday’s with reduced rate Pedal Boat, Kayak and other exercise boat prices.
5. Mid Week Movie Night.
6. Game Day with light refreshments.

Mr. Byron stated that he was excited about the possibilities and would like to meet and discuss potential events with Ms. Chadburn.

Special Presentations: None

Director’s Report: Alan Virdinis stated that he wanted to thank all the delegates and members that take time to attend and participate at the monthly board meetings. Mr. Virdinis also stated that he wanted to thank LMV management and staff for a great year in 2011 and is looking forward to another outstanding year in 2012.

Treasurer’s Report: Treasurer Sid Wittenberg stated that the Lake Mission Viejo Association financial statement through December 31, 2011 shows:

Actual revenue of	\$ 6,603,478	2
Gross Income of	6,525,118	3
Actual Operating Expenses of	5,903,304	5
Capital Expenditures	7,572	5
Net Income	614,242	5
Budgeted Net Income	0	5
Total Investments	6,999,146	1

Total Operating Cash on Hand	527,494	1
Interest Income	51,179	2

- Accruals (not including payroll) equal \$43,204 for the month.
- In the last 12 months we have written off \$106,019 in bad debts.

Committee Reports: None

Manager's Reports:

GENERAL MANAGER'S REPORT
January 10, 2012

FINANCIAL / GENERAL:

- Fiscal Year End: Our financial close for 2011 will be slightly delayed due to our conversion of all financial systems to Asyst. At the time of this report, we do not have the Financial Reports, but will have the preliminary numbers for the Board Meeting on Tuesday. After final closing of the month, we will allocate the Operating Surplus per Board direction at the December meeting. (Replenish Contingency Account # 2047 to \$350,000; Replenish Bad Debt on our Balance Sheet to \$332,000; allocate any remaining balance to Future Expansion, Account # 2045.)

Although December / Year End financials were not available for your packets, I have highlighted a few results for the year end:

- Operating Revenue highlights include:
 - Facility usage fees were 28% over budget for the year.
 - Passes and Permits were 20% over budget for the year.
 - Interest income was down, under budget by 15% for the year.
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- Operating Expense highlights include:
 - Total payroll for 2011 was under budget by 4%.
 - Lake fill water was under budget by 42%.
- Overall, our 2011 Operating Budget worked very well and we have made appropriate changes as needed to our 2012 Budget.

HR / LABOR:

- The Payroll and Quit Reports are included in your packets. No major trends to report.

- New Employee Benefits programs are all in place as of January 1st.
- Our Human Resources department has been preparing for our Workers Compensation Audit which will take place next week.

CONCERTS / SPECIAL EVENTS:

- As discussed at the last Board Meeting, I have included a list of possible Senior Day event ideas for discussion and consideration. Jane Chadburn and Staff will be reviewing logistical and cost issues associated with these ideas.

LIFEGUARDS:

- I have included a very complimentary letter from a Mallorca resident commending the work of two of our Lifeguards during the high winds on December 23. We have recognized both John Blauer and Sarah Johnson for their great work.
- The Lifeguard statistics for December are included in your packets. No major incidents to report. The heaviest activity has been fishing rules violations / warnings.

LAKE BIOLOGY:

- In the month of December, we purchased 25.9 acre feet of lakefill water from SMWD to take advantage of the lower prices prior to January's 27.3% price increase.
- Our well pumped approximately 19 acre feet for the month.
- We stocked 20,000 pounds of trout since opening day, from MT. Lassen Trout Farms in Northern California and Chaulk Mound in Nebraska.
- Dave Roohk, with HDR Engineering will be on our agenda for February to give us a 'State of the Lake' and review HDR's contract for 2012.

2011 Year end Quagga Mussel update:

We have remained Quagga Mussel free with a very diligent effort by our team in 2011.

- During this past year, LMVA inspected 3,318 boats (up from 2,900 in 2011) for the Quagga and Zebra Mussel.
- 95 boats were quarantined for 30 days (with a yellow tag) and 3,223 boats were tagged (green) as LMV-dedicated vessels.
- LMVA has been testing our own waters for Quagga Mussels via substrates and plankton samples, which are sent out quarterly to Scripps Institute of Technology for testing. Our efforts have continued to pay off and the Lake remains clean.
- We continue to require both our trout suppliers (Chaulk Mound, Nebraska and Mt. Lassen, Northern Calif.) to have their waters tested independently and provide us with certification that they are clean before we have accepted delivery of any fish. We will continue to require any fish delivery in the future to pass this independent testing as well.

- For the fourth consecutive year we have not purchased catfish from the Imperial Valley due to their questionable water sources. We continue to look for more reliable sources and will have any waters tested and certified clean before we commit to fish purchases.

ADMINISTRATIVE MANAGER'S REPORT

January 10, 2012

BILLING/MEMBERSHIP DEPARTMENT

- Assessment processing through both Asyst Data Systems and here in the office are functioning smoothly. We are working out a few transition issues with bank couriers, new account numbers and basic routing of work between the two offices.
- Staff has continued training on A/R and membership processing in Asyst.
- As of 01/01/12, 650 files are at the collections attorney's office vs. 01/01/11 when there were 669 files in collections. Each of these accounts is in arrears for previous assessment periods.
- Marty Bender identified 30 out of 41 accounts owing in excess of \$2,000 that are viable collection accounts for lawsuits. Filing of these suits is currently in process. The other 11 accounts have various issues (Bankruptcy, Notice of Default and/or tax liens) that preclude further collection efforts. 20 out of 36 accounts owing between \$1500 and \$1999 are viable collection accounts for future lawsuits.
- Membership counselors processed 0 new voluntary memberships during 12/11.

ACCOUNTING DEPARTMENT

- CD and money market yields remain low. As of 01/12 we currently have 33 CD investments through Comerica Securities totaling \$5,940,371.52 in our portfolio with an average interest rate of 1.12%.
- Enclosed in your packet is a copy of the current CD investment portfolio at Comerica Securities.

COMPUTER NETWORKING

- Database conversion to Asyst Data Group is continuing.
- Beginning the first week of January, we will be concentrating on the G/L and A/P software in Asyst to begin 2012 with the new programs in place.
- Micro net Networks (referred by Asyst) is preparing a recommendation for conversion of our network management to an Active Directory system from our current Pier to Pier configuration. With Active Directory, any user can log into any machine on the LAN and have access to their network configuration. Active Directory Domain Services (AD DS), is the central location for configuration information, authentication requests, and information about all of the objects that are stored within our servers. Using Active Directory, management can efficiently manage users, computers, groups, printers, applications, and other directory-enabled objects from one secure, centralized location.

MEMBER / COMMUNITY RELATIONS

- Clubhouse events held through 12/31/11 at 79 events vs. 65 events held through 12/31/10.
- Enclosed is a Monthly Booking Analysis for 09, 10 and 2011.
- There are 28 events currently on the books for 2012.
- Holiday Kids Fishing Derby on 12/29 had approximately 170 3 – 10 year old anglers fishing for some trophy trout. Largest trout landed weighed 7.25 lbs. A great time was had by all.

BIOLOGY / LAKE INFORMATION

Subject:	Current Lake Information
Lake Elevation	700.31 (ft, asl)
Surface Water Temp.	56 (F)
Secchi Visibility	40(ft.)

OPERATIONS MANAGER'S REPORT

January 10, 2012

Marina /Lake Operations

- We are proud to announce that five (5) “ship wheel” plaques have been sent out to 1st time participants in our annual Parade of Lights. In addition each returning participant was sent a “2011” plate to be affixed on their own “ship wheel” plaque. Twelve (12) “2011” plates were sent out. Once again we would like to give a special shout out to our LMV Yacht Club for all their hard work in spearheading this year’s event. (Loved the submarine idea by the way)
- We have received our new Stand-Up Paddle Boards (SUP’s) and are busy modifying several of our vertical storage racks to hold them. Staff anticipates adding these popular exercise boards to our rental fleet within the next month.

Projects / Initiatives

- The new concrete @ the Entry sidewalk and @ five (5) picnic tables has been poured and looks fantastic. Staff was able to bring onboard a new contractor that not only did fabulous work but was able to do the work for \$1,500.00 less than the other bidders.
- Staff has started the process of developing a scope of work for our Entry and Administration Parking lots repaving project. We anticipate going out to bid within the next 10 days with the plan of bringing the project to the BOD for consideration at the February 2012 meeting.
- Staff has received 2 bids and we are awaiting a 3rd bid to complete the Bulkhead Railing project. The new railing is designed to match the railing that was part of our new floating platform project in both style and color. We fully anticipate bringing this project to the BOD for consideration at the February 2012 meeting.
- Our landscape maintenance contractor completed a beautification project on Olympiad Rd. overseeing our upper parking lot at the end of December. This work included removing some low lying Acacia bushes and replacing them with plant material that will grow higher and give more of a visual barrier to the upper parking lot storage area. In addition we are going to allow the existing vegetation to grow another 18” to 24” to help with the same visual barrier.

Old Business: None

Adjournment: There being no further business, this meeting of the Lake Mission Viejo Association was adjourned at 7:50 PM.

Attest: _____, Secretary