

**LAKE MISSION VIEJO ASSOCIATION
BOARD OF DIRECTORS MEETING
May 11, 2010**

MEETING: Upon notice duly given and received, this meeting of the Lake Mission Viejo Association Board of Directors was held at the lake Clubhouse. The meeting was called to order by Diane Lincoln at 7:04 PM.

Board Members Present:

Diane Lincoln, President
Fred Mellenbruch, Vice President
Sid Wittenberg, Vice President
Jane Chadburn, Secretary
Alan Virdinis, Treasurer

Staff Members Present:

Kevin Frabotta, General Manager
Dave Kerr, Administrative Manager
Bryant Watilo, Operations Manager
Norma Risher Billing Clerk

Others Present: J. Sperber, M. Ernisse, B. Ernisse, A. Kotnik, K. Kriz, R. Simenz, A. Waugh, M. Bender, P. Tietz, R. Heimann, M. Terusa, N. Schmidt, J. Sobczak, W. Halagarda, T. Musolino, A. Waugh, G. Millikan, J. Harake, M. Harake and S. Byron.

Minutes: Motion duly made by Fred Mellenbruch and seconded by Sid Wittenberg to approve the minutes of the April 2010 Board Meeting. The Vote Carried 3-0-2. Board Members Jane Chadburn and Alan Virdinis were not in attendance for the 4/10 meeting.

Members Forum: Member Bill Ernisse addressed the Board regarding landscape at East Beach. Mr. Ernisse thanked the Board for their volunteer efforts working for the Association and distributed pictures of landscape at both North and East Beach facilities. Mr. Ernisse commented that he felt that the East Beach landscape was poorly maintained in comparison to the North Beach facility. Member Joe Harake who also lives in the neighborhood adjacent to East Beach stated that he felt that the state of the landscape at East Beach constituted a fire hazard due to dead pine cones in the trees and unkempt landscape. Board President Diane Lincoln thanked Mr. Ernisse for the pictures and stated that OConnell Landscape (LMVA landscape contractor) evaluates the condition of East Beach each spring and stated that the LMVA tree trimming policy is available on the website and has been in place since 10/02. Operations Manager Bryant Watilo stated that not every tree gets trimmed every year. Ms. Lincoln stated that the landscape contractor would be looking at the East Beach area in the next week. Mr. Harake stated that the Mission Viejo Environmental Association landscape contractor trims trees up to 25 feet in height at no extra charge.

Delegates Forum: None

Special Presentations: Mike Khamis from Tony's Sea Landing (the LMVA Snack Bar contractor) addressed the Board regarding the 2010 Snack Bar contract for food services at LMV. Mr. Khamis stated that they have provided food service for LMV for the past 14 years and are looking forward to another successful season in 2010. Fred Mellenbruch asked about current insurance policies for snack bar operations. Mr. Khamis stated that he would have insurance in place by 4 PM on Wednesday, 5/11 and would provide proof of insurance to LMV management. Alan Viridins asked Mr. Khamis if he was

pleased with the improvements made to the Snack Bar including new stainless steel counters and glass. Mr. Khamis stated that he was very pleased with the upgrades. Mr. Khamis stated that they would have a new sign advertising hours of operation. Sid Wittenberg asked about the hours and Mr. Khamis assured the Board that the Snack Bar would remain open as per the posted hours on a daily basis. Ms. Lincoln stated that the contract would be discussed in new business later in the meeting.

Update on ongoing projects: Karel Kriz addressed the Board regarding several projects ongoing at the present time. Mr. Kriz started by stating that he had only good news to report.

1. The ADA ramp project has been completed.
2. The new reserved picnic tables have been installed and are in operation.
3. The status of the trash enclosure is in limbo.
4. The Breezeway/Concourse project is 80% completed with a couple of issues slowing the project. Planter bowls have been ordered; the permit for the storefront will be pulled later in the current week; Railings for access to the balcony have yet to be completed; Digital signage for the breezeway wall has been challenging and we are still in the search mode for the proper application. The large Brazilian Pepper trees on the parking lot side of the administration building have been removed and will be replaced with some low lying shrubs that will allow better vision into the retail space in the administration building.
5. We have contracted with a company to design a floating stage similar to one currently in use at Lake Las Vegas. The stage would be placed on top of a permanently anchored floating dock. Mr. Kriz stated that he will not be at the 6/10 meeting but may have more information for the 7/10 meeting.
6. A detail of a new monument sign for the entrance to North Beach was presented to the Board. The sign will be 9' long X 5'6" high and spell out Lake Mission Viejo instead of Playa del Norte.
7. The patio furniture for the balcony and the patio in front of the membership office has been selected and is on this meeting's agenda for purchase in new business.

Director's Report: Jane Chadburn announced the 2010 concert lineup:

6/26	Nitty Gritty Dirt Band
7/10	Jackie Greene (Rock Under the Radar Show)
7/24	Marilyn McCoo and Billy Davis Jr.
8/07	Emily Osment (Family Show)
8/21	Ray Manzerak/Robby Krieger of the Doors
9/04	Taste of the Lake and Jazzfest with: R n R featuring Rick Braun and Richard Elliot Tizer featuring Karen Briggs Christian Hernandez/
9/18	Kenny Loggins (with Fireworks)

Treasurer's Report:

The Lake Mission Viejo Association financial statement through April 30, 2010 shows:

Actual revenue of	\$ 2,132,459	2
Gross Income of	2,123,790	3
Actual Operating Expenses of	1,666,617	5
Capital Expenditures	0	5
Net Income	457,173	5

Budgeted Net Income	137,245	5
Total Investments	7,357,401	1
Total Operating Cash on Hand	185,167	1
Interest Income	34,464	2

Manager's Reports:

GENERAL MANAGER'S REPORT

FINANCIAL / GENERAL:

April financials are included in your packets. A few highlights:

- Operating Revenue for April was up 13% to budget for the month.
- The additional revenue is due in part to an increase in 'Revenue Other', with revenues of \$33,717 over budget from increased collection of legal fees on overdue assessments.
- In addition, our 'Recreation' revenue was \$31,085 over budgeted revenues due to a swing from last month in collected Junior Lifeguard revenues.
- Operating Expenses for April were 13% under budgeted expenses. Highlights include:
 - Payroll was well controlled and under budget in Full time, part time and overtime.
 - Legal fees were over budget by \$4,057, but offset by the additional Revenue Other of \$33,717.
 - Water Lake refill was under budget by \$36,000, with no water ordered for April.
 - Overall, the four month YTD results show no surprises and the budget is working efficiently.

HR / LABOR:

- The Payroll and Quit Reports are included in your packets. No major trends to report.
- Application flow for summer positions continues to increase and we have hired 2 new Dock Attendants, 1 new Gate Attendant and 1 Facility Supervisor.

LIFEGUARDS:

- The Lifeguard statistics for April are included in your packets. There were no rescues or major issues; most stats involved rules enforcement, boat tows and pass checks.
- Lifeguard staffing and training is now complete for new hires and returning guards.

LAKE BIOLOGY:

- The Water Aeration System was turned on for the first time this year from April 29 – May 3 for 96 continuous hours. This was in response to the increase in anaerobic water and hydrogen sulfide at depth in the Lake. Subsequent water testing showed improved water quality down to the deepest depths. We will continue extended aeration runs every other week.
- Swimmer's itch is at an elevated level and notices are being handed out at the gate.

ADMINISTRATIVE MANAGER'S REPORT

BILLING/MEMBERSHIP DEPARTMENT

- As of 05/01/10 staff has deposited \$2,552,019 in membership assessments, since 12/01/09. Approximately \$121,000 (4.5%) of the assessment dues for the current period are still outstanding.
- Approximately 505 accounts remain delinquent for the current period only and will be sent to the attorney's office for further collection efforts. Legal charges and interest will be assessed to each account sent out.
- As of 05/01/10, 442 files are at the collections attorney's office. Each of these accounts is in arrears for multiple assessment periods. Additional legal charges and accrued interest have been assessed to each of these accounts and new collection letters have been sent by our attorney.
- Membership counselors processed 4 new voluntary memberships during the month of April.
- Due to a concerted effort by LMV gate staff to collect expired membership cards, the membership office has been busy updating cards and processing new memberships.

ACCOUNTING DEPARTMENT

- CD and money market yields continue to be very low. We reinvested \$400,000 on 4/30 at .10% for 90 days. We have 56 investments totaling \$6,799,000 currently in our portfolio.
- Enclosed in your packet is a copy of the current investment portfolio at Comerica Securities.

FINANCIAL (Revenue • Cost • Reserve • Audit)

- Our new job costing module in Appgen is working well. This software allows Laura to track expenses by project in a very accurate method.

MEMBER / COMMUNITY RELATIONS

- June 2010 *Noticia* is in the final editing stages and will be mailed to the membership by 6/01 with the 2010 concert schedule on the front page.
- Clubhouse bookings for 2010 up to 26 events booked of which 19 are large scale parties. In comparison, as of 5/01/09 we had 30 events booked with 27 of these being large scale parties. Starting 5/08 we have a large scale event booked every weekend through 6/19 (7 weeks in a row).
- The 3rd Annual Marine Appreciation Day held Saturday, 4/24 was a very successful event. Volunteers and staff hosted 1100 marines and their families from the Headquarters Battalion at Camp Pendleton. Member Bruce Hunt once again did a marvelous job organizing a great group of volunteers along with enough food and drink for all participants to enjoy.

BIOLOGY / LAKE INFORMATION

Subject:	Current Lake Information
Lake Elevation	700.81 (ft, asl)
Surface Water Temp.	71 (F)
Secchi Visibility	35 (ft.)

WEBSITE

Website statistics for 4/10 show 33,791 visits to the website; down 6% from 4/09.

OPERATIONS MANAGER REPORT

EMPLOYEE RELATIONS

- We are pleased to welcome aboard our new Facility Supervisor Jim Floren. Jim comes to us with a 20 year background in law enforcement with the City of Fountain Valley and more recently as a private investigator. Jim's experience and more importantly his smiling face and great attitude will help insure a safe and fun experience for our members while they are visiting our facility.

BOAT RENTALS

- Our new kayaks and paddles have arrived and have been a huge hit with our members. The "Caribbean Blue" color of the kayaks along with the contrasting orange color of the new paddles has our members more excited than ever to be out on the lake.
- We are in the process of building new storage racks for our new kayaks, not only will the new racks be more aesthetically pleasing, but will be much more functional than the old wooden racks we are currently using.
- The 60 batteries for our party boats and 90 batteries for our fishing fleet have all been changed out in time for our busy summer season. The party boat batteries are changed out on an annual basis, and the fishing boat batteries on a semi-annual basis.

MAJOR PROJECT / INITIATIVES

- Our Snack Bar renovation project will be complete by the end of the week, and is ahead of schedule and on budget. All that remains to be done is the interior painting which we are doing in-house. We are all looking forward to our re-grand opening in time for our Symphony concert which is on May 23rd.
- We have started the exterior painting of our facility and anticipate having it completed by mid June. We are going back to the original white with blue trim concept and have been getting nothing but positive feedback from members and employees alike.
- The new picnic tables located where the old ADA ramp was located are now open to our members.
- The asphalt slurry and re-striping of our Area 4 parking lot is now complete. We had excellent cooperation from our members regarding removing their boats from the storage lot, which enabled us to complete this job on time and on budget.

Old Business: None

New Business: Snack Bar Contract: General Manager Kevin Frabotta stated that the Board has received a contract for the operation of the Snack Bar by Tony's Sea Landing for the 2010 season. Tony's has been our operator of choice for the past 14 years and we are recommending awarding the contract again to Tony's. The contract includes a \$2,000 fee to LMVA. Jane Chadburn made a motion to award the 2010 Snack Bar contract to Tony's Sea Landing, Second Fred Mellenbruch. Vote carried 5-0-0.

Furniture for new deck and patio: General Manager Kevin Frabotta stated that the Board has a bid summary for purchase of new patio furniture for the new balcony and downstairs patio. These funds are to come from Contingency Account # 2047, for an amount not to exceed \$8,000. Jane Chadburn made a motion to approve purchase of the patio furniture, Second Fred Mellenbruch. A general discussion took place regarding the type and quality of the patio furniture being proposed. Vote carried 4-0-1 with Sid Wittenberg abstaining.

Air Conditioner for Server Room: Operations Manager Bryant stated that we have received bids for a ductless split A/C system for our IT Room. With the addition of our new servers and other equipment, our IT Consultants have notified us of the critical need to provide a dedicated system that serves the IT Room only. Mr. Watilo recommended awarding the contract to Rohan & Sons, Inc. for an amount not to exceed \$5,176.00 which includes \$300.00 for permits to be obtained by LMVA with funds coming from Contingency Account. #2047. Alan Virdinis made a motion to purchase the A/C system as presented, Second Jane Chadburn. Vote carried 5-0-0.

Adjournment: There being no further business, this meeting of the Lake Mission Viejo Association was adjourned at 8:00 PM.

Attest: _____, Secretary