

**LAKE MISSION VIEJO ASSOCIATION  
BOARD OF DIRECTORS MEETING  
September 14, 2010**

**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 Diane Lincoln at 7:07 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, G. Virdinis, G. Millikan, W. Halagarda, K. Abele, W. Broadhag, R. Simenz, A. Waugh, T. Hoadwonic, M. Terusa, A. Kotnik, A Cook, D. Tarkington, S. Krinett, P. Krinett, J. Sobczak, T. Musolino, R. Heimann, K. Kriz, J. Ray, K. Pennington and S. Byron.

**Minutes:** Motion duly made by Fred Mellenbruch and seconded by Alan Virdinis to approve the minutes of the August 2010 Board Meeting. General Manager Kevin Frabotta mentioned two changes to correct the minutes. In Old Business under The Floating Platform project the word “sight” should be spelled “site”. In New Business under the Monument Sign, the length of the sign should be changed from 20’ feet long” to “9’ feet long”. Board member Jane Chadburn stated that in New Business under the item Webcam Replacement she was opposed to the use of the Pan, Tilt and Zoom features of the new camera due to privacy issues. Fred Mellenbruch made a motion to approve the amendments to the minutes. Vote Carried 5-0-0.

**Members Forum:** None

**Delegates Forum:** Delegate Stu Byron (Palmia) addressed the BOD and stated that after the August meeting he reported back to his constituents in Palmia regarding the projects approved at the August meeting. Mr. Byron stated that he received “an overwhelming response” to the \$400,000 approved for the Floating Platform and the \$300,000 projected expense for the Interactive Fountain. Mr. Byron went on to state that members from Palmia were not in favor of either project, however they were more opposed to the Interactive Fountain. Mr. Byron also stated that last year he had proposed to management a canopy for the North Beach Playground area that would keep the play equipment shaded for the children who use it. Mr. Byron questioned the “Sense and Usability” of the canopy concept vs. the Interactive Fountain and Floating Stage. He provided pictures of examples of canopies in use in the community. Diane Lincoln asked Mr. Byron if he had let his association know that the BOD had been dealing with these projects for the last 3 years. Mr. Byron stated that he had informed his constituents about the projects in the past but did not have the costs until the August meeting when Karel Kriz made his presentations. Ms. Lincoln stated that the projected cost of the floating stage a year ago was over double the cost has dropped by 50% from projected cost last year. Mr. Byron asked if the BOD was talking about the Interactive Fountain. Jane Chadburn stated that the BOD was referring to the Floating

Stage which was approved at the August meeting. A feasibility study regarding an Interactive Fountain concept was approved at the August meeting. Mr. Byron stated that the stage was not the issue, rather that the Interactive Fountain was the issue as the projected cost for the fountain was almost as much as the cost of the stage.

Delegate Art Cook (Sunrise Ridge) complimented the staff for the quality of the minutes produced for each board meeting.

**Director’s Report:** Board Member Alan Virdinis stated that he had provided staff with pictures of canopies over local playgrounds about 6 months ago and wondered what the status of that information was. General Manager Kevin Frabotta stated that he didn’t recall the photos sent by Mr. Virdinis. Mr. Virdinis stated that he would resend the photos.

Board Member Diane Lincoln commended staff on holding a great budget meeting.

**Special Presentations: None**

**Treasurer’s Report:**

The Lake Mission Viejo Association financial statement through August 31, 2010 shows:

Actual revenue of	\$ 4,413,341	2
Gross Income of	4,358,382	3
Actual Operating Expenses of	3,972,730	5
Capital Expenditures	0	5
Net Income	385,652	5
Budgeted Net Income	(191,169)	5
Total Investments	7,989,661	1
Total Operating Cash on Hand	118,003	1
Interest Income	61,744	2

- Accruals (not including payroll) equal \$62,270 for the month.
- Legal expenses are up year to date due to legal charges for past due accounts – current assessment period. Offset reflected in Revenue Other – up by \$54,327 year to date.
- Administrative Bank Charges are up 17% year to date. This is due to a combination of fee increases that we were unaware of at budget time last year and additional services being used through the online bill payment service.
- Mr. Virdinis stated that the BOD was looking into ways to increase revenues such as the feasibility of starting a LMVA Credit Union to collect fees for services from members.

Mr. Virdinis stated that legal complications may preclude LMVA from opening such a service for the members.

**Committee Reports:** None

**Manager's Reports:**

### **GENERAL MANAGER'S REPORT**

#### **FINANCIAL / GENERAL:**

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

- Operating Revenue for August was 7% over budget and is up 3% year to date.

Highlights include:

- Passes and Permits continue to track ahead of budget and are up 56% for the month and up 37% for the year.
- Concert guest pass revenue is up 99% for the month and 47% for the year.
- Interest income is under budget by 45% for the month and under 33% for the year.

- Operating Expenses for August were under budget by 6% and under budget 9% for the year to date.

Highlights include:

- Total payroll for August was over budget by .9%, due to our increased staffing for concert events. We are under for the year by 5.2%.
- Administrative Bank Charges are over budget by \$1,124 for month and \$3,580 for the year. This trend is continuing due to increased credit card usage.
- Concerts were under budget for the month by \$26,680 and are now under for the year to date.

- Overall, the eight month YTD results show a surplus due to the combination of increased revenues and under budget expenses.
- Our final Reserve Analysis from Steve Jackson of Advanced Reserve Solutions is completed and is reflected in the 2011 Operating Budgets at \$496,962. This compares to our 2010 annual contribution of \$497,004. This contribution funds our Reserves at 103.57%.

#### **HR / LABOR:**

- The Payroll and Quit Reports are included in your packets. No major trends to report.
- Staffing levels have been dramatically reduced after Labor Day.

### **LIFEGUARDS:**

- The Lifeguard statistics for August are included in your packets.
- Two citations were issued by the Lifeguards in August for illegal fishing and 15 foot rule.

### **LAKE BIOLOGY:**

- In the month of August, we purchased 21 acre feet of water from SMWD and pumped 20 acre feet from our well.
- Biologist Tom Buckowski has been in contact with our two trout suppliers, Mt. Lassen and Chaulk Mound and we have delivery schedules for both for this season's trout stockings. Prices will remain at \$3.50 per pound from Chaulk Mound and are up 5% to \$3.36 per pound from Mt. Lassen. The tentative trout planting schedule is outlined below:

Wed	11/17/2010	8,000	\$3.36/lb	Lassen
Wed	12/1/2010	4,000	\$3.36/lb	Lassen
Wed	12/15/2010	4,000	\$3.50/lb	Chaulk Mound
Wed	12/29/2010	4,000	\$3.50/lb	Chaulk Mound
Wed	1/12/2011	4,000	\$3.36/lb	Lassen
Wed	1/26/2011	4,000	\$3.50/lb	Chaulk Mound
Wed	2/9/2011	4,000	\$3.36/lb	Lassen
Wed	2/23/2011	4,000	\$3.50/lb	Chaulk Mound
Wed	3/9/2011	4,000	\$3.36/lb	Lassen

### **ADMINISTRATIVE MANAGER'S REPORT**

#### **BILLING/MEMBERSHIP DEPARTMENT**

- As of 09/01/10 staff has deposited over \$2,447,444.00 in assessment payments for the 7/01-12/31/10 assessment period which has resulted in a 10.2% reduction in delinquencies of 30 – Day past due accounts compared to 9/01/09.
- As of 09/01/10, 538 files are at the collections attorney's office. Each of these accounts is in arrears for previous assessment periods. Approximately half are delinquent for just the 1/01-6/30/10 assessment period.
- Membership counselors processed 11 new voluntary memberships during 8/10.
- Membership/Billing activity continued to be very busy during 8/10 with many appointments.

#### **ACCOUNTING DEPARTMENT**

- CD and money market yields continue to be very low. We reinvested \$400,000 on 8/01 at .05% for 90 days and \$500,000 for one year @ .50% We have 46 investments totaling \$5,531,371 currently in our portfolio with an average interest rate of 1.278%.
- Enclosed in your packet is a copy of the current investment portfolio at Comerica Securities.
- Laura has been working on the 2011 budget for presentation to the BOD prior the 9/10 meeting.

#### **FINANCIAL (Revenue • Cost • Reserve • Audit)**

- 2011 Budget planning completed and ready for review.

## **MEMBER / COMMUNITY RELATIONS**

- Important dates for the upcoming election season include: Friday, 9/24 Candidate Declarations for Board of Director positions due, Tuesday, 10/5 District Delegate elections 7 p.m., Tuesday, 10/12 Reconvene of District Delegates that did not achieve quorum at 10/05 meeting. This meeting held at 7 p.m. prior to the October BOD meeting and Tuesday 10/26, Annual Meeting of the Delegates to elect 3 Board of Director positions.
- Both 8/10 concerts were very large events. Family Concert on 8/07 with Emily Osment filled the park with few problems. The Doors concert on 8/21 had 1100 lottery wristbands in the morning, 1200 guest passes sold and an estimated crowd of 9,000 in the park for the show.
- Taste of the Lake very successful. Ticket sales totaled \$24,400 for the booths. The event was the largest Taste/Jazz Fest in the 14 year history of the event.
- Members were out in force for the entire Labor Day weekend with the parks full to capacity on all 3 days. Taste of the Lake on Saturday and a wedding Sunday evening in the Clubhouse with 170 guests rounded out the action. Staff did a great job keeping ahead of all the activity and cleaning up afterwards.
- Clubhouse events continue to book with 50 total events booked thus far for 2010 vs. 64 total for 2009
- Clubhouse events held through 8/31/10 at 38 events vs. 42 events held through 8/31/09.

## **BIOLOGY / LAKE INFORMATION**

Subject:	Current Lake Information
Lake Elevation	700.56 (ft, asl)
Surface Water Temp.	79 (F)
Secchi Visibility	24 (ft.)

## **WEBSITE**

- Website statistics for /10 show 36,967 visits up 8% from 8/09.

## **OPERATIONS MANAGER REPORT**

### **MARINA OPERATIONS**

- We have recently ordered the equipment needed to convert one of our backup Party Boats to a 2<sup>nd</sup> Charter Fishing Boat. To say that our 1<sup>st</sup> Charter Boat has been received well by our members would be a vast understatement. Year to date rental statistics show that boat has gone out for a total of 356 hrs, with net income to the association of \$8,900.00. We have had numerous occasions where we have had a waiting list for the Charter Boat, and we feel a 2<sup>nd</sup> boat is much needed. The total cost to convert one of the backup boats to a Charter boat is \$1,066.49 with funds to come from Operations Acct. # 5083, with work being completed prior to the start of our trout season.

## **MAJOR PROJECTS / INITIATIVES**

- In anticipation of our winter season we have had our tile roofs inspected by our roofing contractor. In the course of this inspection we discovered several hundred broken tiles throughout the facility. Having these tiles replaced prior to our rainy season will help insure the waterproofing of our facility.
- We had our Orange County Health Department re-inspection on our Snack Bars on 8-31-2010 and with the addition of the new hand washing sink at our East Beach Snack Bar we passed the inspection.
- We had our annual Orange County Fire Authority Inspection on 8-30-2010 and after several minor corrections (re-painting the red striping in front of our gasoline dispenser, install yellow tape striping to provide a 3' clearance area in front of the electrical panels at the clubhouse etc.). We were re-inspected on 9-14-2010 and passed our inspection.
- In response to member's comments and in the interest of lake safety we have purchased and installed a lighted green buoy to help identify the lake's aeration system boundaries. After a short tryout period we have decided to purchase and install the rest of the buoys needed to complete the project.
- We recently removed our floating lifeguard tower platforms from the lake and are in the process of converting them to our fireworks launching platform to be used on the night of our Sept. 18<sup>th</sup> concert. This process includes the removal of the tower and the application of a fire retardant material prior to the platforms being towed out into the lake for the show.

**Old Business:** None

**New Business:** None

**Adjournment:** There being no further business, this meeting of the Lake Mission Viejo Association was adjourned at 7:45 PM.

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