

**LAKE MISSION VIEJO ASSOCIATION
BOARD OF DIRECTORS MEETING
September 13, 2011**

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 Fred Mellenbruch at 7: 05 PM.

Board Members Present:

Fred Mellenbruch, President
Alan Virdinis, Vice President
Diane Lincoln, Vice President
Sid Wittenberg, Secretary
Dale Tarkington, Treasurer

Staff Members Present:

Kevin Frabotta, General Manager
Dave Kerr, Administrative Manager
Bryant Watilo, Operations Manager
Janice Chandler, Human Resources Manager

Others Present: J. Sperber, N. Schmidt, G. Virdinis, J. Chadburn, G. Millikan, K. Abele, R. Simenz, K. Kriz, T. Hoadwonic, M. Terusa, A. Kotnik, J. Anchell, W. Broadhag, D. Gingold, S.Krinit, P. Krinit, A. Cook, M. Bender, A. Waugh, R. Heimann, B. Ernisse, J. Tully, and S. Byron.

Minutes: Motion duly made by Diane Lincoln and seconded by Dale Tarkington to approve the minutes of the August, 2011 Board Meeting. Vote Carried 5-0-0.

Members Forum: Member Dave Gingold asked about the status of solar lights on the navigational buoys on the lake. Mr. Gingold stated that he has hit many buoys over the past 1.5 years while driving his boat on the lake and requested that all of the navigational buoys be lit. General Manager Kevin Frabotta stated that staff would look into lighting all of the navigational buoys.

Member Bill Ernisse stated that he enjoyed the B 52's concert and suggested that staff look into the ability for members to obtain guest passes online prior to the concert.

Member Rod Simenz read a letter from a member who hosted seven Marines stationed at Camp Pendleton for a day at the lake. The letter stated that the Marines had a great time, and wanted to thank the nice lady who volunteered to pay for their sailboat rentals during the day. Member Jan Anchell stated that she was the member who paid for the boat rentals and was pleased to help the Marines enjoy their day.

Delegates Forum: Delegate Nancy Schmidt (Mallorca) stated that she wanted to thank Fred Mellenbruch for handing out Tee shirts at the B52's concert to the boaters who never get to participate in the tee shirt gun giveaway. Ms. Schmidt also stated that she wanted to thank the Board for a wonderful concert season.

Delegate Kathy Abele (Coral Gardens) stated that she attended the B 52's concert and sat at the far end of the beach due to the large crowd attending the show. Ms Abele exited the park via the stairs behind the Clubhouse and noted that the stairs were steep and lighting was poor in the dark of the night. Mr. Frabotta stated that staff would look into the lighting of the stairway behind the Clubhouse.

Special Presentations: None

Director's Report: None

Treasurer's Report: Treasurer Dale Tarkington stated that the Lake Mission Viejo Association financial statement through August 31, 2011 shows:

Actual revenue of	\$ 4,473,445	2
Gross Income of	4,409,622	3
Actual Operating Expenses of	3,965,550	5
Capital Expenditures	0	5
Net Income	444,072	5
Budgeted Net Income	(148,811)	5
Total Investments	7,416,483	1
Total Operating Cash on Hand	211,565	1
Interest Income	33,516	2

- Accruals (not including payroll) equal \$31,670 for the month.
- In the last 12 months we have written off \$122,827.06 in bad debts.
- Electricity is over budget for the month due to a late billing and running the aeration system 24 hours since late April.
- Payroll Expenses are over budget for the year due to an increase in our EDD UI rate. We were not aware of the increase when preparing the budget.

Committee Reports: None

Manager's Reports:

GENERAL MANAGER'S REPORT

Financial / General:

- July financials are included in your packets. A few highlights:
 - Operating Revenue was up for the month by 5% and is up for the year by 3%.
 - Concert Revenue from guest passes was over budget by 20% for July.
 - Total Payroll was under budget by 2%.

- Lakefill water was 4% over budget for the month, but is well under for the year by 65%.
- Concert expense was under budget for the month by 43% and has now evened out for the year.
- Overall, the seven month YTD results show no surprises and the budget is working efficiently.
- Our 2012 Operating Budget development is in progress.
- We are in final draft of the *LMVA Capital Expansion/Improvement Projects Policy*.

Concerts / Special Events:

- Both concerts for the month, Fitz and The Tantrums and Eli ‘Paperboy’ Reed, and Glen Campbell were very well attended and we have heard great feedback.
- Family Fun Day was held on Saturday July 30th. We had very good turnout and great feedback from members regarding the activities. We have a short video to show you to give a flavor of the day.
- The first two Movies InThe Moonlight shows were also very well received.

HR/ Labor:

- The Payroll and Quit Reports are included in your packets.
- Several members of our summer staff will be leaving to go back to school over the next 3 – 4 weeks. We are adjusting schedules accordingly.

Lifeguards:

- The Lifeguard statistics for July are included in your packets. There were no rescues or major incidents.
- Junior Lifeguards participated in the Regional Competition in Seal Beach.

Lake Biology:

- We have begun utilizing inflatable coyotes on the beach at night to keep the geese away. It appears to be helping.
- The annual Dam monitoring and survey was completed by URS
- Our aeration system continues to run every day per the recommendation of Dr. Alex Horne. This is the first summer we have run the system constantly and we are seeing an overall improvement in the water quality.
- Quarterly test results from Scripps Institute for Quagga / Zebra mussels were negative.

ADMINISTRATIVE MANAGER'S REPORT

BILLING/MEMBERSHIP DEPARTMENT

- Staff processed and deposited \$2,401,742.86 in assessment payments since 6/01/11. These payments were broken down into \$2,067,030.70 paid by check, \$334,712.16 paid electronically via online banking or paid by credit card on line. The same time period in 2010, \$2,467,287.71 was deposited.
- 2900 30 day late letters were mailed to past due accounts during 8/11. Each account incurred a \$5.00 late charge.
- As of 09/01/11, 439 files are at the collections attorney's office vs. 09/01/10 when there were 538 files in collections. Each of these accounts is in arrears for previous assessment periods.
- Membership counselors processed 8 new voluntary memberships during 08/11.
- The revamped membership/billing office has been very effective in handling the large summer crowds this season. The new reception desk works very well directing walk in and telephone traffic within the office.

ACCOUNTING DEPARTMENT

- CD and money market yields remain low. As of 9/01 we currently have 34 CD investments through Comerica Securities totaling \$5,589,371.52 in our portfolio with an average interest rate of 1.111%. There is additional \$1,827,111.48 in money market funds at Comerica and Citibank, for a total of \$7,416,483.00 in investments.
- Enclosed in your packet is a copy of the current CD investment portfolio at Comerica Securities.

COMPUTER NETWORKING

- We are in the process conducting an inventory of our computer hardware and software as well looking into a network wide printing solution that may save money in regard to printing/copying costs.

MEMBER / COMMUNITY RELATIONS

- Clubhouse is now booked for 70 events in 2011 vs. 50 events as of 9/01/10.
- There are 12 events already on the books for 2012
- Clubhouse events held through 08/31/11 at 47 events vs. 38 events held through 08/31/10.
- 9/11 newsletter was mailed to the members during the last week of August.
- Candidate Declarations for the October Board of Director's elections are available at the Lake Services desk or on the website.
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BIOLOGY / LAKE INFORMATION

Subject:	Current Lake Information
Lake Elevation	700.63 (ft, asl)
Surface Water Temp.	81 (F)
Secchi Visibility	30(ft.)

OPERATIONS MANAGER'S REPORT

Marina/Lake Operations

- We recently removed our floating lifeguard tower platforms from the lake and converted them to our fireworks launching platform that was used on the night of our Sept. 3rd concert. This process included the removal of the tower, placement of plywood sheeting and the application of a fire retardant material prior to the platforms being towed out into the lake for the show.

- The LMVYC held its 34th annual Summer Regatta on Saturday, August 21st, and with membership being at an all-time high it made for a great day of sailing, competition and camaraderie, with those participated having a great day.
- We have purchased portable running lights for several of our Party Boats. These lights gave us the ability to park employees over at East Beach and shuttle them back and forth for our Labor Day Weekend concert, thus freeing up extra parking spaces for our members.

Projects / Initiatives

- We recently conducted a routine inspection of our playground equipment and noticed the rubber surface around the playground had developed several tears and holes which could have created a safety issue. Our short term solution was to do several small patches on the affected areas, and for a long term solution we are in the process of getting proposals to replace the entire surface.
- Staff recently had a meeting with representatives of So Cal Solar Energy Inc. in which ideas were exchanged in regards to the viability of adding solar technology to the lake. So Cal Solar Energy is in the process of putting a proposal together which will show us among other things, upfront cost, long term energy savings, estimated revenue from selling back electricity to SCE, and our estimated ROI. We anticipate having a full report to submit to the Board at a BOD meeting in the near future.
- LMVA's contract with Verizon Wireless recently expired, and after looking at other carries, staff has decided to re-up with Verizon with several changes. The biggest change is the Managers will now be equipped with Blackberry "Smart Phones" which will improve the speed of e-mail retrieval and internet access. In addition the new staff phones will now be water resistant up to 10ft for 30 minutes. (Always a nice feature when working around large bodies of water.)
- We have completed our 2011 "Movies in the Moonlight" summer movie season, and the season was a huge hit with our members. The season's final show, which was Walt Disney's hit movie Tangled, drew an estimated crowd of 800-1,000 members. Members and Staff alike are both looked forward to see what great movies will be shown next summer.

Old Business: Entrance Sign Update

Kevin Frabotta stated that staff is taking small steps to improve the visibility exiting the North Beach facility around the entrance sign. The Stop line for cars will be moved up closer to the crosswalk to improve sight lines. Staff is going to add signs to caution drivers to look out for pedestrians crossing the entrance/exit to the facility. Mr. Frabotta stated that the worst case scenario would be to move the location of the sign to improve visibility if these measures did not work.

New Business: Capital Expansion Projects Policy

General Manager Kevin Frabotta stated that the Board had received the new Capital Expansion Project Policy in their packets, explained that this policy will be used going forward for any future Capital Expansion projects and asked for approval of policy. Diane Lincoln made a motion to approve the policy. Second, Alan Virdinis. Vote Carried 5-0-0.

Purchase of New Rental Trolling Motors

- Operations Manager Bryant Watilo stated that Staff has received 5 quotes to buy (35) 45lb thrust Minn Kota electric trolling motors for our aluminum fishing boats to replace the existing 40lb thrust motors being currently used. Staff recommends purchasing the motors from Diversified Marine for a not to exceed amount \$6,429.15. Not only is Diversified Marine the low bidder, but we have had a long term relationship with them and bought our current motors through them. Funds to come from Account # 2046, Category 070 - Boat Motors. There is \$9,400 is reserve for this purchase. Sid Wittenberg made a motion to approve the purchase of the motors as stated. Second Diane Lincoln. Dale Tarkington asked about the number of motors being purchased. Mr. Watilo explained that we will be purchasing additional motors for the bass type boats that will be purchased later. These motors will be more powerful to move the heavier boats. Alan Virdinis asked about purchasing the motors directly from MinnKota. Mr. Watilo stated that Minn Kota refers all customers to their dealers. Vote Carried 5-0-0.

Adjournment: There being no further business, this meeting of the Lake Mission Viejo Association was adjourned at 7:35 PM.

Attest: _____, Secretary