

**LAKE MISSION VIEJO ASSOCIATION
BOARD OF DIRECTORS MEETING
May 10, 2016**

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 Kevin Pennington at 7:00 PM.

Board Members Present: Kevin Pennington, President
Dale Tarkington, Vice President
Diane Hufstedler, Vice President
Fred Mellenbruch, Secretary
Bill Ernisse, Treasurer

Staff Members Present: Bryant Watilo, Operations Manager
Janice Chandler, Human Resources Manager
Jim Turner, Aquatics Manager
Kevin Iverson, Controller
Norma Risher, Billing Specialist

Others Present: P. Coyle, A. Kotnik, R. Simenz, R. Heimann, J. Chadburn, K Abele, F. Fossati, G. Coniglio, M. Bender, W. Broadhag and A. Cook.

Minutes: Dale Tarkington made a motion to approve the minutes of the April 12, 2016 Board Meeting. Second, Fred Mellenbruch. Diane Hufstedler asked about the adjournment page of the minutes. Dale Tarkington amended his motion to approve the minutes including the final adjournment of the April meeting. Fred Mellenbruch seconded the amendment. Ms. Hufstedler stated that the vote on the approval of 2015 Audit does not show the vote of approval and it should reflect a 5-0-0 vote. Vote Carried 5-0-0.

Members Forum: Rod Simenz addressed the Board.

Delegates Forum: Delegate Andy Kotnik announced that he and his wife are moving to Northern California and thanked the Board for 23 great years at LMVA.

Special Presentations: None

Directors Report: None

Treasurer's Report:

Treasurer Bill Ernisse stated that there was an anomaly in the month of April regarding Recreation revenue and we missed the revenue as planned for the budget in April. He also stated

that the Lake Mission Viejo Association financial statements through April, 30, 2016 were available for members in print form.

The Lake Mission Viejo Association financial statement through April 30, 2016 shows:

Actual revenue	\$ 2,326,528
Gross Income	2,317,003
Actual Operating Expenses	2,029,507
Net Income	287,497
Budgeted Net Income	136,916
Total Investments	7,405,087
Total Operating Cash on Hand	502,237
Interest Income	16,810

- Accruals (not including payroll) equal \$80,041 for the month.
- In the last 12 months we have written off \$12,449 in bad debts.

Committee Reports:

Landscape Committee: Bill Ernisse stated that the committee had met during the past month and that 9 trees had been removed with 7 new trees planted in their place. Rich Heimann stated that the committee had recognized a potential problem with the Sycamore trees. The next meeting of the committee is scheduled for 5/18/16 where they will discuss the landscape contract going out to bid. Bryant Watilo stated that the upcoming contract for landscape will be faced with an increased minimum wage in California.

Election Reform Committee: Kevin Iverson stated that a delegate proxy article will appear in the June newsletter. Diane Hufstedler asked that unrepresented sub-association districts be targeted to ensure that they take steps to elect delegates in their respective districts. Dale Tarkington asked if members of unrepresented non-sub association districts could receive specific letters in their billing statements that encourage proxies to be returned and solicit volunteers to run for delegate positions in those districts. Mr. Iverson stated that he believed that staff could achieve separate district letters, but it may cost more.

Long Range Planning Committee: Committee Chair Diane Hufstedler stated that staff and RJM have been working on construction plans to take to the City. The project is still on track to

have bids ready for the July meeting with construction to start in September with completion of the project scheduled for April 2017.

Manager's Reports: General Manager, Operations Manager, Administrative Manager, and Human Resources Manager, Aquatics Manager reports were presented to the Board. Kevin Frabotta and Dave Kerr were not in attendance.

Old Business: None

New Business: Annual retainer with Nueland, Whitney & Michael

Diane Hufstedler made a motion to approve the contract with Nueland, Whitney & Michael. Second, Bill Ernisse. Fred Mellenbruch asked about soliciting other bids for legal counsel and asked to table the motion at the current meeting. Dale Tarkington stated that staff should solicit bids for next year's retainer as we are ready to approve the contract for the current year at this meeting. Mr. Mellenbruch reiterated his request to take this contract out to bid. Bill Ernisse stated that he recommended to move forward with the motion as stated. Kevin Pennington stated that going out to bid for legal counsel warranted further Board discussion regarding the general bid process for contracts. Vote Carried 4-1-0.

RJM Proposal /North Beach Construction Documents

Operations Manager Bryant Watilo stated that the plans for the North Beach parking lot, Administration Building elevator and the new Tackle Box building are now completed and ready to submit to the City of Mission Viejo for plan check review and to send the plans out to bid by qualified General Contractors. Mr. Watilo stated that the plans have gone through several minor revisions over the past several months as RJM Design Group gathered information from various consultants. Staff is asking for a not to exceed amount of \$4,000.00 to submit the plans into plan check and authorization to send plans out to bid. Funds for plan check are to come from Capital Expansion Acct. #2045. Staff anticipates the bidding process to last 4-6 weeks, with the goal of having bids and recommendations for the BOD's consideration no later than the July 12 meeting. Bill Ernisse made a motion to approve the expense as detailed in the motion. Second, Diane Hufstedler. Vote Carried 5-0-0.

Mutual of Omaha Banking Change

Controller Kevin Iverson stated that staff has held meetings with Mutual of Omaha Bank, who specializes in banking and investment services for HOA's. Mr. Iverson stated that LMVA would recognize substantial savings in regard to commercial banking service fees, lockbox fees and courier fees regarding banking deposits by switching commercial banking operations to Mutual of Omaha Bank. The bank is the largest community association banking institution in the country. Mr. Iverson also stated that Mutual of Omaha Bank works with Condo Certs., an online document delivery company that will help to reduce costs and improve efficiencies with escrow processing in the membership department. Diane Hufstedler asked about references for Mutual

of Omaha Bank in regard to customer service. Mr. Iverson stated that we have had positive feedback from other associations using the bank. Mr. Mellenbruch referenced that Condo Certs is a longstanding company in the HOA industry. Kevin Pennington asked about private banking insurance in regard to balances in excess of FDIC insured \$250,000 per bank as we often have in excess of \$250,000.00 now in Citibank. Mr. Iverson stated that he would look into the insurance question. Diane Hufstedler asked about the timeframe for the changeover. Mr. Iverson stated that we would look to switch in the late summer early fall to proceed with the changeover. The Board stated that they would like further information prior to a vote on a banking relationship change next month. Mr. Ernisse asked for a flow chart regarding the transfer prior to voting on a change. Mr. Iverson stated that he would have answers to questions at the June meeting.

Adjournment: There being no further business, this meeting of the Lake Mission Viejo Association was adjourned at 8:11 PM.

Attest: _____, Secretary