

**LAKE MISSION VIEJO ASSOCIATION
BOARD OF DIRECTORS MEETING
September 8, 2015**

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 7:06 PM.

Board Members Present:

Kevin Pennington, President
Dale Tarkington, Vice President
Fred Mellenbruch, Treasurer
Diane Hufstedler, Secretary participated via telephone

Staff Members Present:

Kevin Frabotta, General Manager
Bryant Watilo, Operations Manager
Janice Chandler, Human Resources Manager
Jim Turner, Aquatics Manager
Kevin Iverson, Controller
Norma Risher, Billing Clerk

Others Present: J. Sperber, C. Kelly, B. Perches, J. Becker, R. Simenz, \ K. Abele, R. Heimann, P. Coyle, B. Forman, W. Leonard, S. Hayes, L. Collins, Z. Muetting, J. Chadburn, and M. Glackin.

President Kevin Pennington stated that the Board had held a Budget review meeting just prior to this meeting and stated that there would be a special meeting of the Board to further consider the 2016 budget on September 17 at 4:00 PM.

Minutes: Fred Mellenbruch made a motion to approve the minutes of the August 11 Board Meeting, and September 02, 2015 Special Board meeting. Second, Dale Tarkington Vote Carried 3-0-0.

Members Forum: Member Jane Chadburn addressed the Board.

Delegates Forum: Delegates Kathryn Abele and Jane Chadburn addressed the Board. President Kevin Pennington stated that at the past executive session, the Board gave instruction to counsel to bring an opinion to this meeting regarding Election Reform. Delegate Rod Simenz addressed the Board.

Special Presentations: Delegate / Member Communications

General Manager Kevin Frabotta presented a power point presentation regarding present practices and what we can do going forward to improve Delegate and Member communication.

Mr. Frabotta spoke about our current communications which include Email, Facebook, Website, newsletter, Web Portal and New Member Recruitment. He went on to detail current methods of delegate communication. Communication ideas regarding Facebook pages twitter and email accounts for each delegate district were detailed. Delegate workshops hosted by management staff and Board members were discussed as well as presentations regarding elections and upcoming events. An open house for new members and delegates were discussed. Developing a delegate packet for new delegates was detailed along with developing a regular communication link to the sub associations to improve participation was discussed. Mr. Frabotta stated that staff recommendations include starting with blast email programs using Constant Contact, insuring all delegates have valid email addresses. Staff also suggested considering adding LMVA hosted email addresses for each district. Delegate workshops were also discussed. A general discussion took place among the Board regarding blast email program. Dale Tarkington asked about communicating to specific districts about their delegates. He was interested in communicating individually with members through their delegate representative. A general discussion continued regarding the difference between sub association and non-sub association delegate districts. Fred Mellenbruch stated that he had a client that had an excellent blast email product that he would share with staff. Mr. Frabotta stated that we are hoping to encourage the 24,000 homes to increase their communication within the community.

Directors Report: None

Treasurer’s Report:

Treasurer Fred Mellenbruch, stated that the Lake Mission Viejo Association financial statement through August 31, 2015 were available for members in print form.

The Lake Mission Viejo Association financial statement through August 31, 2015 shows:

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|------------------------------|--------------|
| Actual revenue | \$ 4,654,190 |
| Gross Income | 4,606,604 |
| Actual Operating Expenses | 4,591,840 |
| Net Income | 14,764 |
| Budgeted Net Income | (239,273) |
| Total Investments | 8,180,477 |
| Total Operating Cash on Hand | 606,631 |
| Interest Income | 27,595* |

- Accruals (not including payroll) equal \$62,368 for the month.
- In the last 12 months we have written off \$24,237 in bad debts.

*Interest income is YTD total excluding prior year adjustments

Diane Hufstedler joined the meeting via telephone.

Committee Reports:

Landscape Committee: None

Election Reform Committee: None

Long Range Planning Committee

Zach Mueting/RJM delivered a revised proposal for North Beach Improvements from Master Plan. Mr. Mueting recommended an incremental plan for 3 separate proposals:

1. The Elevator adjacent to the Administration building combined with the new Tackle Box building.
2. Improvement to the North Beach parking lot.
3. Basketball Pickle Ball court at the end of North Beach.

Mr. Mueting stated that the parking lot plan has the most uncertainty of the three projects. The main goal is to improve traffic flow and providing improved drop off areas within the parking lot and move the trash enclosure.

Members Forum Reopened: Another member (unnamed) addressed the Board about various issues regarding the concert lottery and tables in the park.

Manager's Reports: General Manager, Operations Manager, Human Resources Manager and Aquatics Manager reports were presented to the Board.

Old Business: None

New Business: Nomination of 3 Election Inspectors and 1 alternate for 10/27 Annual Meeting/Elections

Dale Tarkington made a motion to nominate Dave Kerr, Marty Bender, Pat Coyle as Inspectors of Election with Andy Kotnik or Art Cook (first available) as alternate. Second, Fred Mellenbruch. Vote Carried 4-0-0.

Election Reform/Next Steps – Attorney Nancy Michael

LMVA counsel Nancy Michael provided an update on the three election reform proposals put in front of the Board.

1. Members must own property in a district to qualify to be a delegate from that district.
2. Reduce the quorum requirement for the annual meeting to 25%.
3. Have counsel revise the Bylaws to conform to Current Corporation's code law.

Ms. Michaels stated that counsel recommendation for the first two proposals would be to call for a meeting of the delegates to vote on the issues to amend the bylaws. Ms. Michaels stated that her firm would be able to prepare the amendments and ballots for the delegate meeting. Mr.

Tarkington asked if the first two proposals would be considered as one or two amendments. Ms. Michaels recommended one single vote for the two issues. In the event there was a district without a delegate that appointment of delegates by the board would be a bylaw amendment as well. Kevin Pennington asked if this would be pertaining to the non-sub association districts. Ms. Michaels stated that that would be true. Fred Mellenbruch asked about legal scrutiny rules. Ms. Michaels stated that amending the bylaws has more authority than changing the election rules. Dale Tarkington asked about recommended cleanup to the bylaws as a separate issue and an additional meeting. Ms. Michaels stated that she recommended holding the votes all on one night. Mr. Tarkington asked about educational pieces for delegates before they vote on the cleanup of the bylaws. Ms. Michaels stated that it would be possible to hold two separate meetings but would not recommend trying to get all the delegates together more than one time. Diane Hufstedler stated that she wanted to accomplish this at the upcoming annual meeting on 10/27 but hold an informational meeting prior to the annual meeting. Mr. Mellenbruch stated that the delegates need more time to consult with their constituents in their districts. Dale Tarkington made a motion to hold a vote of the first two items as a single question at the annual meeting. (Requirement to own a home in a district to represent that district, lower the quorum requirement to 25% and a lowering to 15% if quorum is not met at upcoming meetings. Second, Diane Hufstedler. Fred Mellenbruch stated that there was not language for the bylaw amendments. Mr. Tarkington amended his motion to have the attorney produce the language for the bylaw amendment in time for the Board to review the language prior to the annual meeting. Mr. Mellenbruch stated that he felt there was not enough time to consult with all of his constituents. He also stated that the Board was trying to circumvent amending the CC&R's. Mr. Pennington stated that he was in favor of moving forward at the annual meeting. Mr. Tarkington stated that there was a scheduled special meeting on 9/17 and this could be included on that agenda. Mr. Pennington stated that there was more than a month before the annual meeting to contact members. Vote Carried 3-1-0

Dale Tarkington made a motion to make a draft for updating the bylaws to provide to the delegates for educational purposes. Second, Diane Hufstedler. Vote Carried 3-1-0.

LRP Proposal / Next Steps / Funding

Zach Muetting recommended going with the phase one piece of the proposal. Dale Tarkington made a motion to approve phase 1 of the project (Parking lot improvements) for a cost not to exceed \$10,000 with expense to come from Capital Expansion Account 5045. Second, Fred Mellenbruch. Vote Carried 4-0-0.

Dale Tarkington made a second motion to approve the proposal from James Mikartz for architectural and structural engineering work for the administration building elevator and Tackle Box building for a not to exceed amount of \$47,500 with expense to come from Capital Expansion Account 5045. Second, Diane Hufstedler. Vote Carried 4-0-0.

RFP for Website Redesign / Approval to issue

General Manager Kevin Frabotta introduced an RFP Website Redesign. Dale Tarkington asked to have a preliminary meeting with prospective bidders for the project to clarify the approach to the project. Mr. Pennington stated that he liked the first piece. Fred Mellenbruch made a motion to approve the RFP as proposal. Second, Dale Tarkington. Vote Carried 3-0-0. Diane Hufstedler was not present via telephone for the vote.

Adjournment: There being no further business, this meeting of the Lake Mission Viejo Association was adjourned at 9:20 PM.

Attest: _____, Secretary