

**LAKE CHAPALA SOCIETY
BOARD MEETING
JULY 8TH, 2009**

BOARD MEMBERS IN ATTENDANCE: Nancy Creevan, Karen Schirack, Mary Ann Waite, & Mary Alice Sargent.

OTHERS IN ATTENDANCE: Terry Vidal, LCS Office Administrator; Tyler Marshall, LCS Audit Committee; Janice Shriver, Medical Director. Peter Barker and his wife- owners of the Secret Garden.

ABSENT: Rick Feldmann, Ken Caldwell, Roger Borg

The meeting was called to order at 11:41 am by President Nancy Creevan.

Previous Meeting Minutes

Moved by Mary Ann Waite; seconded by Mary Alice Sargent that the minutes of the June 2009 be approved. Motion Approved.

Mary Ann Waite also read an additional correction to the May minutes from Sherry Butler-Audit Committee -that was missed at the June meeting.

“Mark Niederman reported that the Audit Committee had received an e-mail regarding the governing documents. This issue is a problem of *communication* and it was agreed that the existing *current* documents (*including a short history*) should be put on the website and attached to the minutes.

Action: Rick Feldmann be contacted and asked to provide a copy of the Governing document *along with a short history of the issure* so they can be put on the website and also provide a copy to the Recording Secretary for the minutes.”

Moved by Mary Ann and seconded by Mary Alice to change the wording (*in italics above*) in the Audit Committee report in the May minutes.

Treasurer’s Report:

Roger Borg is still out of the country and is expected back in mid July. In lieu of a July Treasurer’s report a Profit & Loss Budget vs. Actual report Jan through June, 2009 was submitted by the bookkeeper (Minutes corrected at Aug. meeting). (See attachment A)

Terry Vidal’s Monthly Report:

See attachment B

Report from Audit Committee: Ty Marshall

The Audit committee will be touring the Wilkes Center to see if the space there can be utilized for more programs. The Audit Committee will also be acting as the Nominating Committee for the upcoming election.

Karen Schirak: Introduced Janice Shriver as the new Medical Director. Janice discussed various ideas she had. The October Health Fair will have more than one lecture. She would also like to have a survey for topics of discussion for the lectures. This will also be put on the website for feedback.

Janice also wants to revise the Resource Manual that needs updating. She also wants to have posters made up advertising Healthcare Week at LCS.

Secret Garden Contract:

The 2 year contract with the Secret Garden doing business as The LCS Café is up for renewal on July 31st. Peter and his wife expressed appreciation to LCS for having the contract to operate the LCS Café. Peter's records show that they have paid LCS 63,536 pesos over the past 2 years which is 7% of the gross profits. He also stated that the volunteers have received over 6000 cups of free coffee that he charges only 5 pesos to LCS.

Motion by Mary Alice Sargent and seconded by Karen Schirak to have Terry Vidal and Mary Ann Waite negotiate the new contract in a separate meeting with Peter and his wife. Motion approved.

Old Business:

Nancy Creevan discussed the Strategic Planning Status from Conrad LeBlanc. (see e-mail attachment C)

Terry Vidal discussed the Proposal for Restructuring LCS Governance. See attachment D)

Motion by Mary Alice Sargent and seconded by Mary Ann Waite to accept the 5 proposals from Terry and Conrad be accepted with the exception that the Audit Committee remain autonomous with the same mandates and the organizational chart reflect that change. Motion passed unanimously. (Minutes corrected at Aug meeting).

Nancy discussed the Member Survey results and comments from the members.

Terry Vidal discussed the status of the 2009 directory.

New Business:

Richard Bailey sent in his letter of resignation as Vice President shortly after the last board meeting citing time conflicts with his full time job.

Motion to accept his resignation by Mary Ann Waite and seconded by Mary Alice Sargent. Motion approved.

Nancy Creevan discussed the updates to the annual July Fiesta.

Nancy Creevan discussed the Nominations process for new officers. She will send information to the Audit Committee which will disseminate information to interested members and collect forms and data from nominees.

Around the Table

Karen Shirack- Annette Reppen and Linda Wright are the new leaders of the Blood Pressure Clinic. A breakfast was served at Annette Reppen's house and the group met Janice Shriver the new Medical Director along with 8 other BP volunteers.

Motion to Adjourn by Karen Schirack at 3:08pm

Included in minutes: Attachments A; B; C; & D

Respectfully submitted by Mary Ann Waite, Secretary

Attachment A FOR THE LCS JULY, 2009 MINUTES

Lake Chapala Society
 Profit & Loss Budget vs. Actual
 January through June 2009

	<u>Jan - Jun 09</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Income				
4000 · Administration	339,732.85	264,300.00	75,432.85	128.54%
4100 · Buildings and Grounds	235.00			
4200 · Directory Operations Inc	132,902.00	152,000.00	-19,098.00	87.44%
4300 · Library Operations Inc	45,918.80	47,000.00	-1,081.20	97.7%
4400 · Video Operations Inc	31,105.20	30,000.00	1,105.20	103.68%
4500 · Medical Program Inc	44,790.00	36,000.00	8,790.00	124.42%
4600 · Spanish Class Inc	24,492.00	9,000.00	15,492.00	272.13%
4700 · Wilkes Education Center Inc	14,757.00			
4800 · Student Aid Program Inc	104,455.20	98,250.00	6,205.20	106.32%
4900 · Other Operations Inc	76,882.80	86,000.00	-9,117.20	89.4%
Total Income	<u>815,270.85</u>	<u>722,550.00</u>	<u>92,720.85</u>	<u>112.83%</u>
Expense				
5000 · Administration Exp	346,438.61	298,170.00	48,268.61	116.19%
5100 · Building & Grounds Expenses	149,027.28	148,458.00	569.28	100.38%
5200 · Directory Operations Exp	197,540.50	195,400.00	2,140.50	101.1%
5300 · Library Operations EXP	30,499.00	66,180.00	-35,681.00	46.09%
5400 · Video Operations Exp	12,818.00	24,300.00	-11,482.00	52.75%
5500 · Medical Program Exp	41,680.28	36,420.00	5,260.28	114.44%
5600 · Spanish Class Program EXP	107,322.00	46,770.00	60,552.00	229.47%
5700 · Wilkes Education Center Exp	110,032.39	150,008.00	-39,975.61	73.35%
5800 · Student Aid Program EXP	97,223.00	121,083.98	-23,860.98	80.29%
5900 · Other Operations Exp	54,520.50	65,200.00	-10,679.50	83.62%
Total Expense	<u>1,147,101.56</u>	<u>1,151,989.98</u>	<u>-4,888.42</u>	<u>99.58%</u>
Net Income	<u><u>-331,830.71</u></u>	<u><u>-429,439.98</u></u>	<u><u>97,609.27</u></u>	<u><u>77.27%</u></u>

Report for May 2009
Presented by LCS office Administrator
Terry Vidal
July 8, 2009

Website

New look should be going live by the end of next week.

Directory Ads

We made a payment to Tod that cleared the back log of unpaid commissions. Tod is working to obtain proof of payment for direct deposits from the vendors alleged to pay through direct deposit.

Policy workshops

Barbra Merchant has agreed to lead Board members through a Policy and Procedures workshop, where the finished Policy will be the result. Working in small groups, we can accomplish getting our P&P's done in quick order.

Spanish Class

Mary Alice and I met with Rich and Joel to discuss upcoming Spanish classes. I spoke to them about a change in pay and how it would be calculated. Class sizes will be limited to 15 with a minimum requirement of 10 students. The teachers will receive a flat fee instead of a percentage. The same amount as given in the past will continue to go to the scholarship fund. The remaining revenue will be available for general operating support. We will be compressing the semester length to 7 weeks, two classes per week. This will allow us to offer an additional semester, giving more flexibility to the program and more options to our clientele. We are also talking about offering classes year round. Estimates based on offering 7 different classes per semester results in producing new operating funds between 6000 and 22,000 pesos per semester. We will probably offer 6 semesters per year, resulting in 36,000 – 132,000 pesos annually. Likewise the scholarship fund will receive from 51,000 to 76,000 pesos annually.

ATTACHMENT C FOR THE LCS JULY, 2009 MINUTES

(July 7th e-mail from Conrad LeBlanc giving an update on Strategic Planning)

Buenas dias Nancy,

Here is what has been accomplished:

- 16 interviews (24.5 hours). One last interview will be done on Wednesday.
- Compilation of interviews has been started.

The following will be done by the consultant until the end of July:

- Complete the compilation of interviews.
- Write the Working Document on the Strategic Plan with the following content:

1. Vision Statement
2. Mission Statement
3. Mandate
4. Statement of Values
5. Situation Analysis
6. Long-Term Goals

I would like to share this Working Document with all persons who were interviewed for their feedback to received within one week of reception of the document.

If technology permits (Skype), I would facilitate a workshop with all interviewees present.

I would then write a Preliminary Report for the approval of the Board. The Board could publish the Work Document on its Web Site and invite all members and non-members to submit their feedback within a 2-week period. This would definitely consecrate the transparency of the process.

I would then prepare the Final Report for the approval of the Board for purposes of recommendation to the Annual General Meeting in December.

Should you need more information, please do not hesitate to communicate with me.

Conrad

THE LAKE CHAPALA SOCIETY

**PROPOSAL FOR RESTRUCTURING
THE DECISION MAKING PROCESS AT LCS**

Submitted by

**Conrad LeBlanc, Consultant
and
Terry Vidal, Office Administrator**

July 8, 2009

Executive summary

The Lake Chapala Society (LCS) has been a recognized non-profit (A.C.) by Mexico since 1989. With a membership that has grown to exceed 3000, and generating revenues in excess of \$200,000 USD annually, LCS needs to improve its governance structure to ensure its future success. The purpose of this proposal is to recommend to the Board of Directors a governance structure based on well established systems and best practices for non-profit organizations

Background

The Lake Chapala Society, A.C., was established in 1955 to provide services for the growing community of ex-pats in the Chapala/Ajijic area. At that time its core mission and mandate were conceptualized and put on paper, the bulk of which remain intact, save the activities devoted to maintaining a cemetery for ex-pats.

In the late 1970's, LCS worked to formalize itself as an Asociación Civil (non-profit) under Mexican Law which finally occurred in 1989. Since then, the bylaws have been amended at least 3 times, with the most recent being approved in December of 2002.

LCS has been structured to run under the management of its Board of Directors. Volunteers, elected or appointed, perform the duties of governance and day to day management of LCS operations. Currently, with a membership that has grown to exceed 3000, and generating revenues in excess of \$200,000 USD annually, it is of the utmost importance to adapt a governance structure to meet the current and future needs of LCS members and the Mexican community of our Lakeside Region.

The proposal that follows will remedy the current situation and provide LCS the firm foundation with which it can grow and succeed for coming generations. The proposal is based on well established systems and best practices for non-profits recognized the world over.

Governance Structure

A Board of Directors (BOD) consisting of 12 members, including the following officers: President, Vice-President, Secretary and Treasurer. The Executive Director is the only employee accountable to the Board of Directors. The primary responsibility of the board is to adopt LCS strategies, plans and policies. It also recommends to the AGM the general orientations of the Organization such as the Vision, Mission, Mandate, Values, Long-Term Goals (10 years) and Strategic Goals (3 years).

The BOD establishes the 4 standing committees (Management, Program, Fundraising and Marketing), each with its respective mandate. The role of the Executive Director is to identify and analyze issues, identify solutions and recommend strategies, plans and policies to the standing committees. The role

of a standing committee is to study the recommendations from the Executive Director and to submit its recommendation to the Board of Directors. This allows the Board to concentrate on solutions rather than focusing on detailed operational issues. The Board of Directors becomes a governing Board rather than an operational Board focused on the management of LCS operations. The latter is delegated to the Executive Director.

Standing committees consist of a BOD appointed chairperson, other board members and any other members of the community by virtue of their expertise. It is preferable that LCS service volunteers not become involved in the governance of the Organization. They should report to the Executive Director and be part of operational committees or departments but not governance committees. If not, the Executive Director will be supervising employees (service volunteers) who would also act as his/her "boss".

The BOD may want to hold meetings every 2 months to adopt policies recommended by the standing committees who would meet every other 2 months (between Board meetings). Once the Board has made a decision, it is automatically given to the Executive Director for implementation purposes. Only the Executive Director implements Board decisions. If individual Board members become involved in implementing a Board decision, they are interfering with the management responsibilities of the Executive Director. Furthermore, once a decision is made by the Board, the Executive Director has to ensure its implementation.

Prior to making recommendations to standing committees, the Executive Director (ED) is responsible to consult staff and volunteers to ensure that the policies developed are relevant to their needs to better the clientele. The Executive Director ensures the efficient flow of information between the Board, staff, service volunteers, members and the Mexican community.

Proposal

The Consultant and the Office Administrator submit the following recommendations for purposes of adoption by the Board of Directors:

1. To adopt the Governance Structure outlined in Appendix A.
2. To establish the position of Executive Director [job description Appendix A, Section 4].
3. At its next meeting, to adopt an Operational Structure that outlines the various departments reporting to the Executive Director including the functions of the Management Team.
4. At its next meeting, to adopt the reassignments of staff responsibilities as a result of the establishment of the position of the Executive Director.
5. At its next meeting, to adopt a revised budget that reflects the proposed changes in personnel responsibilities.