

**LAKE CHAPALA SOCIETY
BOARD MEETING
AUGUST 12, 2009**

BOARD MEMBERS PRESENT: Nancy Creevan; Mary Alice Sargent; Mary Ann Waite; Karen Schirack

OTHERS IN ATTENDANCE: Emile Badawy; LCS Audit Committee; Terry Vidal, LCS Office Administrator; Howard Feldstein, LCS member; Ed Farnsworth, Membership Director; Roger Borg, Treasurer; Lynn Bishop, Recording Secretary

ABSENT: Ken Caldwell; Rick Feldmann

The meeting was called to order at 11:35 am by President Nancy Creevan.

July Meeting Minutes

Howard Feldstein reported that at the Tuesday information meeting regarding strategic planning the point was raised that documents have been published that state "LCS Adopts New Governing Structure". The membership is asking why there are working groups reviewing this if the new governing structure has already been adopted. This has not been adopted but the wording of the motion from the last meeting was incorrect and needs to be changed.

Moved by Mary Alice Sargent; seconded by Mary Ann Waite that the July motion be corrected to read: "that the 5 proposals from Terry and Conrad be accepted, with the exception that the Audit Committee remain autonomous with the same mandates, and that the organizational chart reflect that change. The proposals are to be forwarded to the Working Group for discussion". Motion Passed Unanimously.

It was agreed that further publicity needs to get to the community informing them that the proposal was "accepted" not "adopted".

Action: Nancy Creevan to draft a clarification notice and send it to the Board for review. The notice will be sent to Jeannie Chaussee by Monday and will be put on the LCS website by Terry.

Treasurer's Report: Roger Borg

Roger expressed concern regarding the wording of the July minutes regarding his absence from the meeting. Following discussion it was agreed that the paragraph should read " 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 through June 09 was submitted by the bookkeeper."

Roger distributed copies of the Profit & Loss Budget vs. Actual, January through July 2009 and the Balance Sheet as of July 31, 2009. (Attachment A). These were reviewed and it was noted that typically during the summer it is necessary to dip into reserve accounts.

Moved by Karen Schirack; seconded by Mary Alice Sargent that the July Treasurer's Report be accepted as presented. Motion Approved Unanimously

Howard noted that there has been no Profit & Loss statements on the LCS website the previous two months so the Treasurer's Reports were not voted on. Emile indicated that as the July report has been approved it is not necessary to bring forward the previous months at the meeting. They can be

circulated by e-mail for approval and an explanation can be provided to the membership regarding this.

Resignation of Rick Feldmann, Senior Finance Director

Notice of resignation from the Board of Directors has been received from Rick Feldmann (Attachment 2).

Moved by Mary Ann Waite, seconded by Mary Alice Sargent that the Board accept, with regret, Rick Feldmann's resignation. Motion approved unanimously.

President Nancy Creevan nominated Roger Borg to fill the position of Senior Finance Director. He would continue in his position of Treasurer as well for the time being. If the workload becomes too much, the Board will then look for someone qualified to fill the Treasurer's position.

Moved by Mary Ann Waite, seconded by Karen Schirack that the Board accept the nomination of Roger Borg as Senior Finance Director. Motion approved unanimously.

Roger was then seated as a full member of the board.

Report From Audit Committee: Emile

Emile reported that the Audit Committee has accepted the Board's request to act as the Nominating Committee. The Audit Committee has also noted the suggested new structure and looks forward to how the membership will react to this.

Recommendations from the Audit Committee:

1. See if the large photocopier from the Wilkes Center can be relocated to the LCS office.

Terry indicated that he is currently working on a proposal that will deal with this. He will present it to the Board at the September meeting.

2. The issue of the letter in the paper should be dealt with.

Office Administrator's Month Report: Terry Vidal

- Coralie White has a student who has lost her sponsorship and requires \$600.00 pesos for each of the next four months in order to complete her program. There is at least one student who has dropped out of the program so there is money available in the Student Aid budget.

Moved by Mary Alice Sargent; seconded by Karen Schirack that \$2400.00 be provided to the student in need under the guidelines developed by Cora Lee. Motion approved unanimously.

- Mary Alice Sargent, Coralie and Terry have been approached by someone who wants to provide funding to girls who want to go to college specifically in the science area. He wants to have 25-40 students the first year. There were not enough students here at

Lakeside that qualify so Coralie has included Guadalajara students and now has a list of 29 students to present. If approved, \$1000.00 per year will be given to the World Giving Foundation for each student. They will keep \$100 per student and the remaining \$900.00 will be disbursed to each student annually through the LCS Student Aid program according to the guidelines set by the donor. This money is only for tuition, unlike the regular LCS Student Aid Program. Coralie is proposing that at the beginning of the first semester students would get \$450 USD based on the exchange rate on the date the money is deposited. Money for the second semester will be at the same exchange rate. Terry noted that the money would be kept in a restricted fund.

Moved by Mary Ann Waite; seconded by Roger Borg that the LCS accept the proposal to administer student grant funds given by Mr. Merali for girls taking science programs in college. Motion approved unanimously.

If the first year is successful, and the girls continue in school, the donor might be looking for 40 more students for next year.

- Terry has been approached by the "Have Hammers Will Travel" group to see if the LCS will support them in trying to set up a vocational skills program for local teens. The past program they operated was more of a day camp and they now want to set it up as a full vocational program providing training in carpentry, electrical, etc. They are asking the LCS for the use of one of the bodegas where their equipment could be kept on a permanent basis. They would build all shelving and portable work areas that could be brought out in front of the bodega during class time. The program would provide all the labor and they are asking if the LCS would cover the cost of the materials, which are estimated to be between \$575 - \$600 USD.

Terry has already indicated to them that if approved, the program would have to remain small as there is not room at the LC S for a big program. Most of the projects done in the program will be things that will be improvements at the LCS. If the program is successful they are looking at going to the Vocational Institute to see if the students can get credit for completing the program. They propose to start an adult vocational program at LCS as a way to raise funds to support the teen program. They are asking for the LCS to support this.

It was suggested that the possibility of using some space at the Wilkes Center be investigated. Ken Coldwell should be included in this process. Following discussion it was agreed that the LCS is not opposed to an adult education program being set up and they should go through the regular process of requesting space for this. The Board will require a full proposal regarding the vocational program for teens before making a decision about providing the material costs.

- The copiers in the office have been a problem for some time. The copier at the Wilkes Center could be moved to the office but it really is an industrial machine and too big for LCS requirements. Terry has information on a new copier that would suit LCS

requirements perfectly. The Board agreed that they would like him to pursue the idea of purchasing a new copier and hopefully working out a trade-in deal for the big copier.

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- Gayoss Funeral Homes would like to be added to the Post Life Program which would give members a choice of funeral homes. A representative would like to come and speak to the Board regarding this. Following discussion it was agreed that Terry should notify the Gayoss Funeral Homes representative that there is a subcommittee currently working on new policies to cover how new service providers are dealt with so at this time all additions to services are on hold.
- A clothing designer has volunteered her services to set up a fashion show at LCS as a fundraiser. As there is no fundraising coordinator it was agreed that a meeting should be set up with the designer, Karen and Mary Ann to discuss this proposal.

Contract Renewal for Secret Garden: Terry and Mary Ann

- A draft contract has been received from the Secret Garden. During discussions with Peter and his wife they had been requested to put the cost charged to LCS for coffee for volunteers down to 2.5 pesos from the current 5 pesos. There is nothing in either last year's contract or the new contract that sets out the cost of the volunteer coffee.

Terry reviewed the contract for the Secret Garden. The only thing that has changed is in item #3 where the percentage is shown as 7.5% of monthly gross. There is nothing in either contract regarding the coffee. Nancy stated that she wants the volunteer coffee covered in the contract. Item #6 will be removed and #7 should be changed to "maintain municipal license". Nancy asked that Peter post the municipal license. Mary Ann indicated that she would like "no alcohol beverages" removed so that there is a possibility that in the future beer and wine could be sold. Terry will talk to Peter about serving alcohol and then report back to the Board. Emile asked that the word "rent" be changed to "donation".

Action: Terry will discuss this with Peter and amend the contract accordingly.

New Membership Cards: Ed Farnsworth

With the permission of the Board the agenda was changed to allow Ed Farnsworth's presentation on new membership cards to be done now. Ed reported that there are several manufacturers of small card printing machines and he has found a machine that seems to do everything that the LCS would require and has checked costs for getting the machine from various sources. There is a dealer in Zapopan that can provide this card printing machine and although it would be approximately \$130 USD more to purchase it there than to import one, the advantage would be that there would be someone nearby to maintain the printer. The dealer has agreed to come and do some training on the system. The system would be similar to the Costco one except smaller. The LCS logo, member's picture, name and a bar code can all be printed on the card. Either new member numbers can be used for the bar code or we could use the existing member numbers. Terry suggested starting fresh with new numbers.

Ed suggested setting up all of September as training for the Membership Committee. Terry and Ed suggested that a rolling computer station could be used that could be set up at one end of the ticket booth area without any space being lost. The station could then possibly be stored in the video area when not in use. With the new system, proofing of the membership information would be done by the member when joining or renewing. Terry noted that barcodes come with several formats and can be used to interface with a new membership database so new barcodes would not have to be used each year.

Discussion followed regarding money required for the purchase of the machine. Terry indicated that it is anticipated that as much income will be generated by memberships this fall as last and he pointed out that this machine is an investment that has been needed for some time. The benefits of the coordination of information must be factored into the discussion. In response

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to the suggestion that this item be tabled for further discussion by Terry and Roger, it was noted by Ed that if the machine is going to be used for membership this fall, training will need to be provided in September. Therefore, a decision is required immediately. Emile pointed out that there is enough money in reserve and a decision should be made now.
Moved by Mary Ann Waite, seconded by Mary Alice Sargent that the Zebra 210 card printing machine be purchased immediately. Motion approved unanimously.

Ed requested written authorization from the Board to go ahead and purchase the printer. Mary Ann suggested that the dealer be given ½ of the amount of the price when the machine is ordered and the other half would be paid after the dealer has finished his end of the project.

Membership Report

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| Membership as of August 1, 2009 | 3,172 |
| Membership as of August 1, 2008 | 3,667 |

This is a decline of 495 members = 16%

Nancy requested that in future a line be added to the Profit & Loss Statement showing membership. This will allow the Board to keep track of membership income as well as numbers of members. According to the budget at the end of July 2009 membership income is only 5000 pesos under the same time last year.

Mary Ann reported that Pay Pal has been in existence for one year now and \$89,739 pesos has gone through the account. Terry asked Roger to ensure that in future at least 1,000 pesos is left in the account after every withdrawal. This will cover any fees that come out of the account. Nancy requested that Mary Ann Waite ensure that Membership is on the agenda each month.

Service Providers at LCS

Terry, Karen and Mary Ann will meet as a subcommittee about this. Roger should also be added to the committee, since Rick Feldmann was previously on it. Rick had suggested that a

500 peso per month fee be charged for-profit groups and nothing for non-profit groups. The subcommittee will later present to the full board a policy for new service providers.

Strategic Planning Process

Nancy reported that last Friday there was a Skype meeting in the Sala with Conrad and most of the people that were interviewed. Next Tuesday at 2:00 there will be a work group that will review the documents from Conrad.

Karen reported that people coming in to pick up nomination papers are asking what position they are applying for – the old job description or the new one. Nancy stated that job descriptions under both systems are in the package. People are asking what is wrong with the current board structure and why the change to the new structure is necessary. Explanations, in simple language, are required. Terry suggested that since the original suggestion for the change came from an Audit Committee Report, it would be appropriate for the Audit Committee to issue a draft one page background document on why it is important to make these changes.

Roger noted

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that people need to look at things in terms of purpose and need. Mary Alice informed the Board that in the mid 90's there were 5 officers and 6-7 department heads on the LCS board of directors. Then the Board went to 7 members and she felt the larger Board worked better than the smaller one – possibly because with more Board members each person had less work.

Roger indicated that he needs to know who is managing each area, as next year each will have to do their own budget. Terry pointed out that the Board needs to start developing next year's budget and Karen will need to bring her department heads to meet with Roger and Terry. If there is no department head for the Library they will need to appoint one or the entire Library Committee will need to act together.

Karen Schirack retired from the meeting at 1:45pm as previously agreed due to another obligation.

Financial Concerns: Roger Borg

Roger made the following points:

1. An ad hoc Financial Committee meets on the Monday prior to the Board meeting. There are some good people on this committee and he hopes that a lot of work can be done at the committee and then brought to the Board.
2. There are good financial policies but they need to be implemented better.
3. Finish execution of current budget.
4. Need to lean on accountant more to get information that has not been provided.
5. Need to work with Ed Farnsworth about membership drive.
6. Concerned about computer systems and would like to see areas such as membership tied together with the other systems.

Terry was asked to make a list of who is spending money and Roger will bring them in one at a time to discuss their budget.

Mary Alice asked if Roger could provide her with all of the information on the 5600 and 5700 budget items. Mary Ann Waite asked what is included in the 5900 item. Mary Ann and Roger will meet to discuss this.

Discussion followed regarding the Letter to the Editor in the Guadalajara Reporter. Nancy indicated that in the past the Board has not responded in the newspaper to letters such as this. Emile reported that the Audit Committee recommends that all letters be answered and the Board can decide whether they want it made public or not. During discussion it was noted that information

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regarding LCS finances should be public, and Roger pointed out that if money is going to be spent that isn't in the budget the Board must be upfront about where the money is coming from. However, it was noted that the Board will not discuss personal salaries. The Board agreed that a personal letter sent to the Board should be forwarded to the Audit Committee and the Board will respond to the letter. Nancy will draft a response stating "LCS has been questioned on the following issues and this is our response....." Short discussion followed regarding an ongoing legal suit. Nancy stated that the LCS attorney has not received details regarding a settlement proposal.

Around the Table

Mary Alice Sargent: The remedial class was successful and there will be an article about it in the next Lake Chapala Review. English class registration will start next Monday and Spanish registration will start the following week. Volunteers teaching English will be holding a one-day workshop prior to the start of classes. Three students from the Student Aid program recently graduated and Mary Alice attended one of the graduation ceremonies. Mary Alice will be away from September 7 – September 30th and from October 15 – 29th.

Emile: Nothing

Roger: Nothing

Mary Ann Waite:

1. A new member value added service will be Magic Jack free long distance service to the US and Canada for LCS members only. It will be hooked up to one of the computers at a cost of \$40.00 per year. Ken Caldwell will bring the necessary equipment when he returns. Emile suggested that there should be at least a small charge for the use of the service, even if it is just \$10 pesos. Nancy suggested that a time limit be placed on the calls.
2. There is a lot of food left over from the fiesta and as the costs have already been absorbed Mary Ann suggested that it be used to hold a volunteer party. Terry suggested a complete inventory be done of what is available and then use this, and also have a potluck party. It was suggested that the event be called a "Volunteer Picnic".

Moved by Mary Ann Waite, seconded by Mary Alice Sargent that a no cost Volunteer Picnic be held in September. (Date to be announced.)

Action: Mary Ann will create an invitation and Terry will do a PDF file of it. Mary Ann and Karen will plan the event.

Mary Alice Sargent moved to adjourn the meeting at 2:30 pm.