

**LAKE CHAPALA SOCIETY
ANNUAL GENERAL MEETING
THURSDAY, MARCH 13, 2014**

1. Call to Order

The meeting was called to order at 10:03am by President, Howard Feldstein. As there was not 50% of the membership present at the meeting it was recessed for 30 minutes to obtain an alternate quorum in compliance with Mexican law and the LCS constitution. At 10:30 attendance was 119.

2. Establishment of Quorum

The meeting was reconvened at 10:30am. The secretary confirmed that attendance for the alternate quorum was over the 50+1 members required.

3. Adoption of Agenda

Moved by David Huff ; seconded by Jim Garrow, to approve the agenda as distributed. Motion Carried.

4. Adoption of Minutes

Moved by Bert Slocombe; seconded by Ed Farnsworth, to approve as distributed the minutes of the Annual General Meeting of February 28, 2013. Motion Carried.

As a point of clarification: At last year's AGM Ernest Gabbard was elected instead of being ratified by the membership to fill the remaining year of a term expiring in 2014. Ernest Gabbard is therefore eligible to serve three consecutive elected terms on the Board.

5. President's Report

The president reported that LCS is now entering its 60th year.

This past year the Board commissioned a study by Professor David Truly to determine the feasibility of raising money to rebuild and reconfigure our main campus here for the next 60 years. Dr. Truly told us that although the money may be available in our community and there is support for reintegration of the LCS Wilkes Center onto the main campus, we better spend time re-educating the communities we serve about who we are and what we do for both expats and Mexican nationals. Truly's report led the board to convene for a 24 hour retreat in November to review our Strategic Plans and set us on a path for at least the next 2 or 3 years. There are three Strategic Initiatives from the conclusion of the Strategic Plan:

1. Improve community and member perception of LCS.
2. Optimize Programs to assure continued relevance to LCS members and the lakeside community.
3. Re-engineer campus infrastructure to meet current and future needs.

Each of these 3 Strategic Initiatives were assigned to a reconfigured standing committee of the Board to oversee and develop plans for implementation.

- The Community Committee (formerly the Community Relations Committee) chaired by Board Member-at-Large, Andy Houck.
- The Program Committee chaired now by Member-at-Large, Fred Harland.
- The Campus Committee chaired by Member-at-Large, Cate Howell.

The Finance Committee, chaired by Treasurer, Michael Searles have done a fine job overseeing the financial reporting of the Society. Among other things, this past year the Finance Committee has accomplished:

1. Drafted and proposed twenty Financial policies which were adopted by the Board of Directors.
2. Worked with management of LCS to determine the best professional, accounting program and began the conversion to that accounting program (Compaqi).
3. Initiated a dialog and quarterly meeting with our partners in the Casi Nuevo Thrift Shop.
4. Participated in the investigation on the establishment of a 501(c)3 for The Lake Chapala Society.
5. Recommended the hiring of an external auditor to audit on the financial statements of LCS.
6. Researched, reviewed and recommended policies and procedures for the establishment of an audit committee to oversee the work of the external auditors and report to the Board of Directors.

The Fund Development Committee is currently without a chair.
The Audit Committee will be discussed later at this meeting.

Life Membership was bestowed upon 3 LCS members: Richard and Arlene Warmowski, and Joan Davis. Their years of dedicated service to LCS is very much appreciated.

6. Ratification of 2013 Financial Report

The Treasurer, Michael Searles, provided a financial report for 2013 and noted that LCS finished the year with a surplus of over \$451,082 pesos and had increased its assets value to over four (4) million pesos.

Moved by Michael Searles; seconded by Emile Badawy , that in accordance with the Constitution, the financial statements as presented to the members be ratified. Motion Carried.

7. 2014 Budget Projections

The Treasurer presented the 2014 budget as approved by the Board. *In accordance with the Constitution, the financial projections for 2014 must be presented to and received by the members each year at the AGM. This item does not require a motion or a vote.*

8. Ratification of Appointment of External Financial Auditor for 2014

Keith Martin, Chairperson of the LCS Board Audit Committee gave a report outlining the process that brought the following recommendation to the AGM for ratification::

Moved by Keith Martin; seconded by Robert Katz: Resolved that Salles Sainz Grant Thornton S.C. be ratified as auditors of The Lake Chapala Society for the financial year ending December 31, 2014 at a fee, including VAT, of MXN \$98,000 per annum. Motion carried.

9. Ratification of Membership Categories & Dues

The Board did not recommend any changes to membership categories for 2014.

The board recommend the following dues increases for 2014:

Single member dues increase from \$500 pesos to \$550 (a 10% increase);

Double membership (two people) dues increase from \$800 pesos to \$950 (a 19% increase); Triple membership (three people) dues increase from \$1100 pesos to \$1350 (a 23% increase); Quad membership (four people) dues increase from \$1400 pesos to \$1700 (a 21% increase).

Moved by Michael Searles, seconded by Dan Houck to ratify the new dues structure. Motion carried.

10. Ratification of Reserve Fund Deposit

Treasurer Michael Searles advised that the Board has approved the recommended allocation of 50,000 pesos to the reserve fund to continue toward the goal of accumulating up to 12 months of operating costs. *Moved by Michael Searles; seconded by Nancy Creevan, that in accordance with the Constitution, the decision to transfer 50,000 pesos to the reserve fund be ratified. Motion Carried.* This brings the reserve fund to 500,000 pesos.

11. Adoption of Long Term & Strategic Goals (Strategic Plan)

Moved by Howard Feldstein; seconded by Nancy Hagen to adopt the Strategic Plan as described in the President's Report under item #5 above. Motion carried.

12. Report on Annual Objectives

Reviewed under item #5, President's Report.

13. Election of Officers & Board Members

The Chair of the Nominating Committee, Nancy Creevan, was introduced. She presented the candidates being put forward by the Nominating Committee:

- President: Frank Benjamin White (1st term) - Nominations from the floor: none
- Secretary: Carole Jeanne Wolff - Nominations from the floor: none

Moved by Nancy Creevan, seconded by Tom Keane to elect the President and Secretary by acclamation since there were no other candidates. Motion carried.

There are four (4) Director at Large positions open for election. Each of the five candidates for Director at Large were asked to speak briefly to the membership about their qualifications. *Moved by Dale Palfrey, seconded by David Huff to limit each candidate to two minutes. Motion Carried.*

Each candidate spoke briefly. Michael Searles spoke on behalf of Ernest Gabbard who was unable to attend the meeting. Candidates for Directors at Large:

Ann Dirreen McDonald-Houck (2nd term)
Ernest Gay Gabbard (1st term)
Keith Anthony Martin (1st term)
Peter William Soderman (1st term)
Mitchell Perey (1st term)

Nominations from the floor: None

Moved by Andrew Jackson seconded by Bert Slocombe to report the results of the election after the meeting has

adjourned by posting on the LCS website and posting on the LCS campus bulletin board. Motion carried.

Election results are as follows:

Ann Dirreen McDonald-Houck (2nd term)	128*
Ernest Gay Gabbard (1 st term)	125*
Keith Anthony Martin (1 st term)	133*
Peter William Soderman (1 st term)	101*
Mitchell Perey (1 st term)	68

* *Winner.*

The Lake Chapala Society A.C., 2014 Board members are:

President: Frank Benjamin White (1st term to 2016)
Vice President: Vacant (appointee will serve until election time in 2015)
Treasurer: Michael Ross Searles (1st term to 2015)
Secretary: Carole Jeanne Wolff (1st term to 2016)

Director-at-Large:

Director - Ann Dirreen McDonald-Houck (2nd term to 2016);
Director - Wallace George Mills (2nd term to 2015);
Director - Alfred Earl Harland (1st term to 2015);
Director - Aurora Michel Galindo (2nd term to 2015);
Director - Ernest Gay Gabbard (1st term to 2016);
Director - Lois Ann Cugini (2nd term to 2015);
Director - Catherine Carroll Howell (2nd term to 2015);
Director - Keith Anthony Martin (1st term to 2016);
Director - Peter William Soderman (1st term to 2016).

14. Ratification of Appointed Officers & Board Members: None

15. Members Petitioned Agenda Item: That the AAC be maintained as an independent committee responsible to the membership.

Moved by Beverly Gardner, seconded by Kenneth Caldwell that the AAC be maintained as an independent committee responsible to the membership and free from control by the Board of Directors and that it continue to exercise its authority to accomplish the stated purposes as set forth in the current policies and procedures of the AAC and quoted below.

“The Committee’s stated purpose is to monitor the integrity of the LCS’ financial statements, compliance with governing documents, and the performance of general operations and to handle complaints and grievances filed directly with the Committee by LCS members. In addition, the Committee will provide recommendations to the LCS Board with respect to matters that come to the Committee’s attention during the conduct of its work.

The Committee is also responsible for observing the conduct and procedures of voting at the LCS Annual General Meeting and any Extraordinary Meetings.”

The Secretary stated the following: "Mr. President, this motion is out of order. **RROR, Article VIII (8) Section 47.** Titled **Votes that are Null and Void even if Unanimous**, says, "No motion is in order that conflicts with the laws of the nation, or state, or with the assembly's constitution or by-laws, and if such a motion is adopted, even by a unanimous vote, it is null and void." So, while the agenda item itself is in compliance with Section 7.07 subsection (2) of the LCS Constitution, the motion is out of order because it is contrary to the LCS Constitution. Section 9.04, Obligations of the Board of Directors, subsection (e), obligates the Board to establish Board Committees, designate their purpose, appoint their chairs and ratify committee members. Section 10.02 speaks directly to the establishment of standing committees, and Section 10.04 speaks to establishing or disbanding Ad Hoc committees. Therefore, this motion cannot be considered by the Annual General Meeting as it would first require an amendment to the LCS Constitution."

The President ruled the motion out of order.

Kenneth Caldwell moved to appeal the President's ruling. *Moved by Dale Palfrey, seconded by Karl Homann to limit each speaker to two minutes. Motion carried.*

Several members spoke for and against the ruling. *The motion to appeal the President's ruling was defeated. The President maintained his ruling that the motion was out of order.*

16. Adjournment

Moved by Michael Searles, seconded by David Huff, that the meeting be adjourned at 12:34 pm.

Minutes prepared by John Rider, LCS Secretary

Date of Approval: March 13, 2015

Carole Wolf, Secretary

Ben White, President