

LCS Board Meeting
10:00 AM, Thursday, November 16, 2017
South Campus

Members Present:

President - Ben White (2nd term to 2018);
Vice President - George Radford (1st term to 2018);
Secretary - Carole Wolff (2nd term to 2018);
Treasurer - Michael Searles (3rd term to 2019);

Directors at Large:

Director - Cate Howell (3rd term to 2018);
Director - Philip Newbold (replacing Butler 2nd term to 2018);
Director - Philip Rylett (replacing Barbara Hildt 1st term to 2019);
Director - Nick Hanson (1st term 2019);
Director - Roberto Serrano (1st term to 2019);

Members Absent:

Executive Director - Terry Vidal;
Director - Janis Sirany (1st term to 2019);
Director - Dee Dee Camhi (1st term to 2018).

1. Call to order: President Ben White called the meeting to order at 10:02 AM. There was a determination of a Quorum with nine of eleven voting members.
2. Adoption of Agenda: M/S/C Michael Searles/George Radford to approve November 16, 2017 agenda. The Board unanimously approved.
3. Secretary's report:
 - Approval of the October 19, 2017 Minutes: M/S/C George Radford/Philip Newbold. The Board unanimously approved.
4. Executive Committee: President Ben White.
 - Formation of 2018 Nominating Committee – The LCS Constitution calls for the formation of a Nominating Committee 2018 before the AGM. It was decided to ask for Board approval for the Executive Committee to serve as the Nominating Committee at the next Executive Board Meeting on December 18th at 12 noon in conjunction with the Standing Committee chairs on potential Board members. which will be approved in the new business today.
 - Socialization of LCS Campus renovation plans – The Committee is concerned about

getting more feedback from members and potential donors. It was decided to start with 50 “power volunteers” and two groups of about 20 each of potential donors and discussion of the potential of presenting plans for membership at the AGM.

- Molinari house status – There is one appraisal and John Molinari has four. Two of the people he used were people we were planning to approach.

5. Treasurer's report: Michael Searles for September and October, 2017.

M/S/C George Radford/Cate Howell to accept the September and October, 2017 Board Report, Balance Sheet and other financial reports. The Board unanimously approved. All reports reflected that LCS is financially healthy. A public report is available in the LCS office.

● **Report to the Board on LCS September, 2017 Financial Statement.**

- September income was \$49,366 below the budgeted amount. This shortage was primarily due to Donations (-\$37,717), Programs (-\$27,639), Facilities Use (-\$309) and Directory (-\$12,905). This shortage in income was partially offset by overages in Membership (\$21,737), Investment Income (\$4,790) and Fundraising (\$2,677).

- Expenses for September were \$48,906 below the budgeted amount. The major contributors to these savings were below budget spending in Administration (-\$2,536), Buildings/Grounds (-\$7,685), Programs (-\$47,897) and Student Aid (-\$10,000), which was somewhat offset by above budget spending in Fundraising (\$19,212).

- The bottom line impact of the above is a surplus of \$136,274. The overall net result is \$460 below the budgeted amount.

- Year to date income was \$215,790 under the budgeted amount. This shortage was primarily due to Donations (-\$77,250), Programs (-\$70,619), Fundraising (-\$191,411) and Directory (-\$38,246). This shortage was partially offset by above budget amounts in Membership (\$8,199), Facilities Use (\$22), and Investment Income (\$153,515).

- Year to date expenses were under budget by \$368,801. This saving was primarily due to Administration (-\$238,348), Buildings/Grounds (-\$15,079), Directory (-\$500), Programs (-\$55,929), Fundraising (-\$14,445) and Student Aid (-\$44,500).

- The bottom line is a surplus of \$144,017 which is \$153,011 over the budgeted amount. With the inclusion of the Capital Campaign donation, the net surplus is \$288,267, which is \$297,261 above the budgeted amount. LCS continues to be financially sound.

● **Report to the Board on LCS October, 2017 Financial Statement.**

➤ October income was \$7,434 above the budgeted amount. This overage was primarily due to Membership (\$60,942) and Programs (\$19,757). This shortage in income was partially offset by shortages in Donations (-\$29,749), Facilities Use (-\$108), Investment Income (-\$11,400), Fundraising (-\$19,810) and Directory (-\$12,198).

➤ Expenses for October were \$101,640 below the budgeted amount. The major contributors to these savings were below budget spending in Administration (-\$20,668), Buildings/Grounds (-\$704), Directory (-\$80,250) and Fundraising (-\$9,400), which was somewhat offset by above budget spending in Programs (\$1,382) and Student Aid (\$8,000). ➤ The bottom line impact of the above is a surplus of \$128,358. The overall net result is \$109,074 above the budgeted amount.

➤ Year to date income was \$208,356 under the budgeted amount. This shortage was primarily due to Donations (-\$106,999), Programs (-\$50,862), Facilities Use (-\$86), Fundraising (-\$211,221) and Directory (-\$50,444). This shortage was partially offset by above budget amounts in Membership (\$69,141), and Investment Income (\$142,115).

➤ Year to date expenses were under budget by \$450,437. This saving was primarily due to Administration (-\$239,012), Buildings/Grounds (-\$15,783), Directory (-\$80,750), Programs (-\$54,547), Fundraising (-\$23,845) and Student Aid (-\$36,500).

➤ The bottom line is a surplus of \$272,371 which is \$242,081 over the budgeted amount. With the inclusion of the Capital Campaign donation, the net surplus is \$416,621, which is \$386,331 above the budgeted amount. LCS continues to be financially sound.

6. Executive Director's November 2017 Board Report: Terry was not in attendance but sent in his report as follows:

Current Membership	Previous report	+/-
Regular 1824	1758	+66
Senior 267	245	+22
Student 1	1	0
Life 14	14	0
Honorary 1	1	0
Monthly 78	46	+32
Total 2185	2065	+120

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Donations – Carole reported on the Annual fund which is at 68,954.78. George and Terry met with a donor who has pledged 20% of her retirement accounts as a legacy gift upon her death. Copies of the paperwork is now in the office safe. Terry has been informed that LCS is a beneficiary of 25% of an estate that is just entering probate. Another probated estate has been pledged to LCS.

Audit – The annual ICQ process is in progress. Grant Thornton has also begun the 2017 audit.

Fund Development - 2018 directory has arrived and distribution will begin in early December. The bus trip to McAllen was cancelled, not enough participation. A fundraiser for the annual fund is being developed for December 11, a trivia afternoon.

Community - The first half of the 2017 Membership Survey has been launched and is open through November 15. To date almost 1000 surveys have been completed. Terry is still waiting for confirmation on a date for the signing of the memorandum of understanding with U de G. Terry met with the Canadian Consul, and will be inviting him to give a talk at LCS early next year. The LCS Singles group has been revamped into the LCS Social Club and they held their first event on November 14, a Hot Dog Social.

Campus - See Nick Hanson can update you on Molinari progress, LEAP progress. Terry is making purchases for campus and IT related costs during Buen Fin.

Program – The second half of the 2017 LCS Membership Survey, focusing primarily on programs, will be launched on December 4. The PEP schedule for January 2018 will be announced shortly. Likewise Prueba Mexico classes are being developed for 2018.

Finance – 2018 draft budget in process.

Other – Next event is the Holiday Sale December 1 & 2; Lakeside Trivia December 11; January 10 the 3rd Annual International Mariachi Festival.

Alejandra Perez Garcin, our PR/Marketing Manager will not longer be under LCS employment but will consider working on our next year directory.

7. Standing Committee Reports:

- Audit Committee: Philip Newbold, Chairperson.

The Internal Control Questionnaire (ICQ) process, referenced in the Executive Director's Report, has been completed.

On the Finance and Payroll side, no apparent weaknesses in internal controls were noted although there is always room for improvement. Many processes, automated in most North of the Border firms, are largely manual in LCS.

On the Information Technology (IT) side, the initial review identified a couple of areas that required almost immediate improvement. The IT staff internal procedures covering virtually all of the IT ICQ areas have been developed, vetted and are awaiting Executive Director final approval. In addition, several important improvements have been identified and targeted for implementation by the end of 1Q2018.

- Campus Committee: Nick Hanson, Chairperson is working on the campus plan. He is targeting November to socialize the campus and rescheduling of monthly meetings.
- Community Committee: Cate Howell, Chairperson is working with the Community Committee and Terry brought up a proposed meeting of local community leaders who requested by Chapala Vialidad, to get expats opinions of how the Chapala traffic police are relating to expats and to discuss safety issues of concern to the expat community. Proposed date is November 13th.

The committee discussed financial implications of our 3 Strategic Goals, as approved at last month's meeting. The primary expected expenses relate to the costs of getting surveys done and done well, by experienced and/or professional concerns. Our budget requests were \$20K pesos for the 2018 budget, and \$40K pesos to be divided between 2019 and 2020 budgets. The requests have been sent to the chairs of the Finance and Fund Development committees.

- Finance Committee: Michael Searles, Chairperson:

Michael recommended and discussed the need to start increasing the dues structure. M/S/C Michael Searles/George Radford move a motion to bring to The Lake Chapala Society Annual General Meeting in 2018 for an increase in the annual membership dues to \$700 MXN for full membership, \$550 MXN for members over 79 years old and \$250 MXN for monthly membership, with a long-term goal over the next several years and to increase full membership to the equivalent of \$60 USD (adjusted for annual inflation). The increase in full membership would not increase more than \$100 pesos in any given year. Monthly membership would increase commensurately so that full annual membership would be less expensive than three months of monthly membership. The membership fee for those over 79 years of age would remain at \$550 MXN. Discussion. The Board unanimously approved.

M/S/C Michael Searles/Philip Newbold move that if the previous motion on the increases in dues is approved at the Annual General Meeting in 2018, that \$50MXN of such increase in

the annual membership of each member be designated for the Reserve Fund. Approval for such addition would also be sought at the Annual General Meeting. Discussion. The Board unanimously approved.

- Program Committee: Philip Rylett, Chairperson.

The Program Survey is complete. Small cosmetic changes are being made and then it will be ready to go out in December.

The committee has defined its scope of responsibility. This resolves any issues we had regarding overlap or conflicts with executive operations, marketing plan and other LCS committees. This means that now the Program Committee Strategic Plan can be continued.

Requests have been made for data covering cost and value for all LCS managed programs.

Data collection and analysis is complete for endorsed programs and policies and recommendations are being written.

- Fund Development Committee: George Radford, Chairperson.

Que Ganga

Profit targets continue to fall below plan. Que Ganga is grossing approximately 1,000 mp per day. October year-to-date net revenue is \$48 thousand pesos below our forecast; that said the thrift store is still forecast to contribute almost 190 thousand pesos to the general revenue fund.

Annual Giving Campaign

Board member donation matching contributions have yet to be fully accounted for and Terry is making arrangements for a fundraising event (trivia) to boost donations.

Membership Non Renewals

Still need to determine where we are with the automated process for notifications.

Comprehensive Survey

Final adjustments were made to the first of a two part survey. The survey was launched a couple of weeks ago and received tremendous response – over a thousand members, former members and non-members have completed the survey.

Amistad Canada

An approach to positioning LCS to be a candidate as an AMISTAD “project” has been agreed upon. George R. is to develop the draft of an “expression of interest” to appeal for support as one of the AMISTAD charities. Target is November 30th 2017.

Business Membership

A recent meeting has proposed an approach to attract two of the three classes of potential commercial membership. Action required by George R.

FDC Membership

With the resignations of Robert Stephens, Barbara Hildt, Matthew Butler, Geoffrey Kaye the unavailability of Alex Jones the committee now has Carole W. as its sole member.

8. Old Business:

9. New Business:

- M/S/C Philip Rylett/Nick Hanson for Board approval for the Executive Committee to serve as the Nominating Committee at the next Executive Board Meeting on December 18th at 12 noon in conjunction with the Standing Committee chairs on potential Board members. Discussion. Board unanimously approved.
- Roberto Serrano outlined an opportunity the LCS had not pursued to-date. Specifically serving as a focus for advocacy for Mexican residents. Apparently there is a real need to help organize Mexican residents to effectively represent areas of need and common interest.

- Next board meeting date will be December 21, 2017 at 10:00 AM.

10. M/S/C Michael Searles/Philip Newbold to adjourn the meeting. Board unanimously approved adjournment at 11:30 AM.

Carole Wolff, Secretary

Date of Approval: December 21, 2017

Ben White, President