

LCS Board Meeting
10:00 AM, Thursday, September 20, 2018
South Campus

Members Present:

President - Carole Wolff (1st term to 2020);
Vice President - Sandy Britton (1st term to 2019);
Treasurer - Tim Boardman (1st term to 2019);
Director - Virginia Pelzl (1st term to 2020);
Director - Janis Sirany (1st term to 2019);
Director - Philip Newbold (1st term to 2020);
Director - Elizabeth Ramirez (1st term to 2020);
Director - Howard Feldstein (1st term to 2019);
Director - Mac Whyte (replaces Azucena Bateman (1st term to 2020));

Members Absent:

Secretary - George Radford (1st term to 2020);
Director - Nick Hanson (1st term to 2019);

Also present:

Executive Director - Terry Vidal.
Ben White - Past President

Vacant positions:

Director at large (2020);
Director at large (2020).

1. Call to order: President Carole Wolff called the meeting to order at 10:05 AM. There was a determination of a Quorum with eight of ten voting members present.
2. Adoption of Agenda: M/S/C Phil Newbold/Sandy Britton to approve the September 20, 2018 revised agenda. The Board unanimously approved.

3. President Request: Approval of Mac Whyte as a new Board of Director.

M/S/C Howard Feldstein/Virginia Pelzl to approve Mac Whyte as a new Board of Director replacing Azucena Bateman (1st term to 2020); to be ratified at the next AGM. Discussion. The Board unanimously approved.

4. Secretary's report: (George Radford not in attendance)

- The minutes of the AGM and April 5, 2018 Board meetings have been protocolized and waiting on signatures from Sandy Britton, George Radford and Tim Boardman.
- Approval of August 19, 2018 Minutes: M/S/C Virginia Pelzl/Phil Newbold to approve the minutes of the August 19, 2018 Board meeting. The Board unanimously approved.

5. Treasurer's report: Tim Boardman for September 2018.

Monthly results ahead of budget, all income lines above budget . Expenses show as being above budget, but only because of a catch-up to budget in student aid. Year to date [YTD]. LCS is now tracking slightly ahead of budget overall. Membership is ahead of budget, donations below and programs are catching up. Program revenues are 108k below budget offset by program expenses being 130k below. Administration is 105k below budget which helps the overall 86k ahead of budget YTD. If the remaining months continue close to budget, LCS is on track to make it's targets for the year.

M/S/C Phil Newbold/Howard Feldstein to accept the September, 2018 Board Report, Balance Sheet and other financial reports. Discussion. The Board unanimously approved. A public report is available in the LCS office.

6. Executive Director's August 2018 Board Report

Executive Director's September 2018 Board Report

Current Membership	Previous report	+/-	September 2017	+/-
<u>Regular</u>	<u>1973</u>	<u>+32</u>	<u>1651</u>	<u>+322</u>
<u>Senior</u>	<u>275</u>	<u>+2</u>	<u>238</u>	<u>+37</u>
<u>Student</u>	<u>1</u>	<u>0</u>	<u>1</u>	<u>0</u>
<u>Business</u>	<u>4</u>	<u>+2</u>	<u>0</u>	<u>+4</u>

<u>Life</u>	<u>14</u>	<u>13</u>	<u>+1</u>	<u>14</u>	<u>0</u>
<u>Honorary</u>	<u>1</u>	<u>1</u>	<u>0</u>	<u>1</u>	<u>0</u>
<u>Monthly</u>	<u>23</u>	<u>45</u>	<u>-22</u>	<u>43</u>	<u>-11</u>
Total	2291	2276	+15	1933	+358

Membership is up by 17% from this time last year.

Donations – Still no news on the probate.

Audit – Received Management letter from Grant Thornton. All ICQ's are finished.

Fund Development - Directory sales are almost complete, but had to reduce the total number of pages for paid ads due to an under performance in sales. Annual fund planning is in process. *Fiestas Patrias* is Friday.

Corporacion de Fundaciones met with board members and explained our options. LCS as it is cannot receive *donatario* status.

Community – Environmental education summit is still being developed, Michael Searles has agreed to assist Terry in the planning. Magazine plans still in process. Terry had a meeting with interested parties as what LCS might do to help elderly abuse lakeside. Nothing to report yet. Terry confirmed our relationship with the Jewish Congregation regarding access to Post Life.

Campus - Still no news from Molinari. Committee met, Howard will report.

Program – PEP and Prueba Mexico classes are in full swing, attendance is adequate. Please look at what's coming up via our web and/or Facebook and attend if something appeals to you. Health Day (vaccinations) is scheduled in October.

Finance – Tim.

7. Standing Committee Reports:

- Audit Committee: Philip Newbold, Chairperson

August/September Team Activities

Philip reported that there are very few specific audit related activities, the team has focused on a variety of finance, audit, database and workflow related activities. These activities included the following:

- On the audit side, Tim and Philip met with Grant Thornton in Guadalajara to plan the timing of the 2018 external audit schedule, review the submission schedule for our internally generated Internal Control Questionnaires (ICQ) and discuss the 2018 Management Letter. Following the meeting, the external audit dates were provided to Terry and Adela.
- Mark Gulko and Philip Newbold conducted the needed ICQ meetings in the Cybersecurity, Finance and Payroll areas. The documentation was then completed, finalized and distributed to Grant Thornton.
- Mark Gulko continued to prepare and evolve the Monthly Investment Analysis Report to provide improved bank statement clarity and improve ultimate balance reconciliation.
- Audit Committee members continue to actively support the Treasurer and the Finance Committee through activities such as monthly financial statement and annual draft budget reviews.
- On the database side, Raja Mukherjee continues the initiative of integrating various member related information into a coherent database structure.
- The audit committee has also taken the preliminary steps with the Executive Director to commence a LCS workflow analysis, documentation and redesign effort. At this point, the documentation gathering and analysis efforts are just still in their initial stages.

Looking Ahead

Numerous activities will be extensions of the work described above. The Audit Committee will continue the following finance related activities:

- The ongoing support of the Finance Committee will continue as an on-going support role we provide.
- Because numerous Audit Committee members will be out of the country in October, there will not be a LCS Audit Committee monthly report submitted to the LCS Board of Directors in October.

Discussion of Possible Operating Control Weaknesses and/or Operating Efficiency

No specific operating control weaknesses or significant operating inefficiencies have been reported or observed. The low risk findings contained in the 2018 Grant Thornton Management Letter have been forwarded to Terry and Adela for review and resolution.

On-going concerns regarding the timeliness of accounting information from the Children's art program is an area that will be reviewed over the next few months.

- Campus Committee: Howard Feldstein reporting for Nick Hanson, Chairperson
 - The Campus Committee received a letter from Raul Juarez of LEAP concerning the status of our project. There were four points in Raul's letter. The first two dealt with the status of a minor update to the Sala Grande overhead door design and the second dealt with the status of the Molinari property and their willingness to include that property in the finished layout of the project.
 - The third and fourth points of the letter dealt with their unwillingness to provide a facade design that fits into the character of our community. They claim that they made it clear to us that architecture should be in the 21st century and our interested in a "Mexican ranchito" style is not within their realm and would be harmful to their professional trajectory.
 - Given their position, the committee discussed our options and we believe we must move forward with another architect. Terry has been working with a professor of architecture at ITESO and they are very interested in using our facade project as a class project and will submit designs created by each student for our selection. As a backup to this competition, Terry will reach out to RSTMX, one of the finalists in the original architect selection process to see if they can help us with this need. With either the ITESO or RSTMX solution, We should have a finished facade design no later than December 15, 2018.
 - The committee seeks board guidance and support for this change in direction.

- Community Committee: Sandy Britton, Chairperson

The main priority of the Community Committee at this time is the LCS magazine project. The group working on the magazine has settled on the name "Conecciones." It's Spanish but recognizable to English speakers, and conveys in a single word what we're trying to achieve with the magazine. Sandy requested a motion to approve the name of the new magazine.

M/S/C Sandy Britton/ to approve the name of the magazine as "Conecciones". Discussion. The Board unanimously approved.

The January issue is shaping up with enough extra articles to make a good start on February. Harriet Hart is still soliciting literary submissions. The biggest concern at this time is selling ads. On Monday the Finance Committee looked at the numbers and asked Terry to bump up the ad prices by 10%. Included with this report is Terry's latest spreadsheet reflecting this increase. Some things that have changed since the last one:

- The printing cost is for using the printer that prints the directory. See Terry's note on the spreadsheet about this.
- The cost reflects a full color magazine. This makes it easier to sell ads.
- The cost reflects a 15% commission for the person who sells the ads and collects the fees. As of now we don't have a designated person to do this.
- The ad income doesn't reflect discounts we might give for ad packages (eg buying multiple months at once) or for ads for philanthropic organizations.

The Committee is also working on a scope document, after which we will revisit the strategic goals for the committee.

- Finance Committee: Tim Boardman. Items were covered in the Treasurer's report above.
- Program Committee: Virginia Pelzi, Chairperson.

Virginia reported on the progress of the Program Committee and its new developments and will present her progress at the next Board Meeting.

- Fund Development Committee George Radford, Chairperson. Not present.
- Capital Campaign Committee: Ben White reported on the progress of the committee.

With the addition of new LCS member, Raja Mukherjee, who has previous fundraising experience, the committee has made solid progress toward building the components of a successful capital campaign.

Capital Campaign Budget: To conduct a successful campaign the committee will need a budget. Raja suggested 2.5% of the total campaign goal spread over five years would be sufficient. $\$2,500,000 \times 15\% = \$375,000$. In our situation, volunteers will fill some of the roles that would be paid positions in a traditional capital campaign.

Staffing: A Fundraising Director will be required to execute the capital campaign. Michael Searles has been tapped for this position. He will be responsible for assisting the campaign chairs in fulfilling their responsibilities as well as monitoring the progress and success of the campaign plan. A detailed description of job responsibilities was

distributed.

Capital Campaign Co-chairs: Ben White & Aurora. Michel will be campaign co-chairs and will serve as the public “Faces of the Campaign”. They will assist with key donor solicitations and chair committee meetings. Attached is a description of duties for the Co-Chairs.

Executive Director Terry Vidal is considering various options on paid positions and salaries.

Donations, pledges and contacts will need to be managed in a centralized database. Raja has looked at the current LCS CRM database and believes it can be modified to track and manage this information. Data fields that would needed to be added to track and manage the campaign.

Discovery Meeting is scheduled for October 16th from 10 am-2:00 pm. The purpose of this meeting would be to identify potential donors and gift levels we could reasonably expect from those donors. Board members, committee chairs and members, key LCS volunteers and friends of LCS will be invited to attend. We hope to attract fifty attendees. Location TBD.

Sandy Britton brought up a concern on more details of the Capital Campaign to date progress for the new people on the Board to better relate on the focus and cost of the renovation of the campus. Ben White said he would set a date for this meeting for the new Board Members.

8. New Business:

- Approval of new Board Member: [Mac Whyte](#) (see revised agenda).
- Save the date Saturday, October 13 for the Board Social Potluck.
- Save the date Tuesday, October 16 for the Discovery Session and location soon to be announced.
- AGM meeting for 2019 was scheduled for March 19, 2019.
- Next board meeting date will be October 18th, 2018 at 10:00 AM.

10. M/S/C Howard Feldstein/Virginia Pelzi to adjourn the meeting. The Board unanimously approved adjournment at 11:35 AM.

Gin Pelzi for George Radford, Secretary

Date of Approval: October 18, 2018

Carole Wolff, President