

MISSION VIEJO SWIM AND RACQUET CLUB
BOARD OF DIRECTORS MEETING
“OPEN SESSION”
TUESDAY JUNE 28, 2011-RESCHEDULED FROM JUNE 21, 2011
MINUTES – MVSRC CLUBHOUSE

I. CALL TO ORDER

Board president, Don Myhra, called the Open Session meeting of the Mission Viejo Swim and Racquet Club Board of Director's to order at 7:05 p.m.

DIRECTORS PRESENT

Don Myhra
Ron Schouten
Rennie Stark
Vickie Steele

DIRECTORS ABSENT

Joe Bolich, Jr.

Mission Viejo Swim and Racquet Club

Sue Ward, Club Manager
Doreen Barron, Meeting Minutes

II. HOMEOWNER FORUM

No homeowners present.

III. APPROVAL OF MINUTES

Meeting of May 17, 2011

Motion: Ron Schouten motioned to approve the May Minutes

Second: Vickie Steele

Ayes: Schouten, Steele, Stark, Myhra

Nays: None

IV. APPROVAL OF FINANCIALS

Operating Financial Statement for 5/1/2011-5/31/2011

Motion: Ron Schouten motioned to approve the May Financial Statements

Second: Vickie Steele

Ayes: Schouten, Steele, Stark, Myhra

Nays: None

A. CPA Firm / Taxes

Discussion:

Sue Ward stated that the club's CPA firm Schonwit & Company, filed a tax extension for the club's 2010 taxes until August 15, 2011. Sue stated that she had given the CPA firm all requested information back in February and didn't understand why the extension was necessary as our taxes are not that complex and the Financial Statement had already been completed. Sue stated that she had to constantly contact the firm to find out the status of both the Financial Statements and Taxes. Sue contacted the CPA firm prior to the June 21st meeting and they said they would have them to us by the following week. Sue suggested to the Board that she obtain bids from other CPA firms that specialize in Homeowner Associations for the Board to review. All Board members at the meeting were in agreement. Ron will check with a CPA he knows and determine if he meets the requirements for a Homeowner's Association.

B. Funding Insurance Premium

Discussion:

Sue Ward notified the Board members that she is concerned that due to the overage in both attorney fees and fees paid to ALS, our collection agency, that there is the possibility that we may fall short on being able to fund our insurance premium payment that will be due in October. If this should occur, we may need to take a loan from our Reserve Account with the intention that we reimburse our Reserve account in 2012. Don Myhra suggested that we hold off on our 3rd quarter Reserve deposit until after we make the insurance premium and see at that time if a loan from the Reserves becomes necessary. Discussion ensued regarding the best approach and the Board members agreed to place a “hold” on the 3rd quarter Reserve deposit.

Motion: Rennie Stark motioned to approve holding off the 3rd quarter Reserve deposit.

Second: Vickie Steele

Ayes: Stark, Steele, Schouten, Myhra

Nays: None

V. OLD BUSINESS

A. Heating/Air Conditioning Proposals & Discussion

Discussion:

Sue Ward distributed for the Board’s review an updated spreadsheet representing the final proposals provided by various vendors for the purpose of replacing our current HVAC System. The spreadsheet identifies the cost of the equipment depending on the different SEER Ratings, warranty information for both the labor and equipment and permit costs, and other associated costs. Sue also provided a spreadsheet that compares projected annual electrical cost savings depending on the SEER Rating chosen. The Board discussed the information and felt the vendor “Dicksons” provided the best price and best warranty by far and concluded the 13 SEER Government/Industry Standard was the best value. The Company has been in business for over 80 years and had garnered many excellent recommendations. Rennie Stark made the suggestion to ask about the replacement of the old refrigerant lines and if the additional cost to remove the asbestos could be included in the proposal. Also mentioned was the removal of the shrubs from around the area the AC units will be located. Sue will also look into new fencing around the air conditioners. Rennie motioned to approve “Dicksons” as the vendor for the replacement of the HVAC System, 2-5 ton AC for the clubhouse and a 1-1/2 Ton AC system for the office, removal of the shrubs and replace with fencing. The cost for the HVAC System is \$15,760.00 including permits to be paid from the Reserve Account. All other costs will be paid, such as shrubbery removal and fencing from the Operating Account.

Motion: Rennie Stark motioned to approve Dicksons as the vendor for the replacement of the heating/air conditioning units for the clubhouse and office

Second: Vickie Steele

Ayes: Stark, Steele, Schouten, Myhra

Nays: None

VI. NEW BUSINESS

A. Board of Director Results for 2011-2012

Discussion:

The Board of Directors appointed the executive positions for the Board of Director's during the 2011-2012 Term and they are as follows;

President – Don Myhra

1st Vice President – Rennie Stark

2nd Vice President – Joe Bolich,

Treasurer – Ron Schouten

Secretary – Vickie Steele

B. Electrical Issues –

Discussion:

Sue Ward informed the Board of some electrical issues outside in the pool area, the lampposts in the parking lot and inside the men's restroom. The electrical issues in the pool area have been resolved. The issue in the men's restroom requires two electricians to replace the junction box in the wall and associated wiring. Sue submitted for the Boards review a proposal to replace two lampposts in the parking lot that require replacement and the associated corroded junction boxes that are beyond repair. It was also mentioned that eventually all the lampposts in the ground will require replacement but for now only the two that are no longer working. The Board members were in agreement to replace the two non-working lampposts by Service 1st Lighting and the cost be paid from the Reserve Account in the amount of \$ 1984.80.

Motion: Ron Schouten motioned for Service 1st Lighting to replace two of the parking lot lampposts.

Second: Rennie Stark

Ayes: Schouten, Stark, Steele, Myhra

Nays: None

C. Reserve Study Draft

Discussion:

The Board reviewed the Reserve Analysis Report provided by ARS. The consultant's report showed that the reserve fund deposit should be increased next year 21%, from \$87,000 to \$105,000. The Board was not in favor of increasing the assessments from the current yearly deposit of \$87,000. The Board went through the report item by item and made modifications to the expenditures for 2012, delaying some repairs by a year or two as appropriate. The Board requested that Sue make the corrections and ask our consultant also make the necessary adjustments to the report and then send an updated report for their review.

Motion: Rennie Stark motioned that ARS make the appropriate corrections and resubmit a new Reserve Analysis Report.

Second: Vickie Steele

Ayes: Schouten, Stark, Steele, Myhra

Nays: None

D. Preventative Maintenance on Gym Equipment

Discussion:

In an attempt to keep our weight room equipment in good repair Sue Ward submitted a proposal on preventative maintenance for the club's gym equipment for the Board's review. A technician would inspect and maintain the gym's equipment on a quarterly basis with recommendations for the necessary repairs. The cost for the preventative maintenance is \$136.00 quarterly but, does not include any extra repairs or replacement of parts. The company sent a technician out, at no cost, to do an inspection of our equipment. The treadmill's front and back rollers were worn and require replacement. All other equipment appeared to be in good repair. The Board thought it would be a good pre-emptive plan for the gym equipment. Sue suggested that we just sign up for 2 preventative maintenance calls and work the 4 quarterly into the budgets for 2012 and if it proves to be helpful then we have already covered the cost in the budgets. Rennie Stark motioned to replace the rollers on the treadmill, and try out the preventative maintenance vendor for the remainder of this year. This expense is covered by the operating budget.

Motion: Rennie Stark motioned to replace the rollers on the treadmill at a cost of \$822.00, to be paid from the operating account and begin preventative maintenance for the remainder of the year at a cost of \$136 per quarter.

Second: Ron Schouten

Ayes: Stark, Schouten, Steele, Myhra

Nays: None

E. Employee Party

Discussion:

Sue Ward requested to move the employee party to the first Sunday of August since a few of the employees will already be gone by the second Sunday of August. Ron Schouten motioned to move the employee party to the first Sunday of August.

Motion: Ron Schouten motioned for the employee party to be moved to the first Sunday of August

Second: Rennie Stark

Ayes: Schouten, Stark, Steele, Myhra

Nays: None

VII. PLACEMENT OF LIENS

That, in accordance with the revised delinquency policy which was mandated by the changes in California Civil Code, the Board authorizes the placement of liens with the following accounts; **NONE**

VIII. EXECUTIVE SESSION

8:15 PM; After announcing to the membership the topics for Executive Session, the Board adjourned into Executive Session.

1. Homeowner requesting to continue payments in the same amount.
2. Property reverted to the association
3. Property became bank owned, and our Jr. Lien wiped out
4. Form SC-108 filed by defendant with court regarding Appeal case
5. Board Member abruptly walks out of open Board meeting

OPEN SESSION MEETING ADJOURNED AT 8:15 PM

NEXT MEETING: JULY 19, 2011 AT 7:00 PM

APPROVED: _____ **DATE** _____