

**LAKE CHAPALA SOCIETY A.C.
ANNUAL GENERAL MEETING
WEDNESDAY, MARCH 18, 2015
LCS COURTYARD**

1. Call to Order

The meeting was called to order at 10:00 AM by President, Ben White. 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 60.

2. Establishment of Quorum

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

3. Adoption of Agenda

Moved by Nancy Creevan; seconded by Howard Feldstein, to approve the agenda as distributed. Membership voted unanimously. Motion Carried.

4. Adoption of Minutes

Moved by Andrew Jackson; seconded by Norm Phifer to approve, as corrected, the minutes of the Annual General Meeting of March 13, 2014. Membership voted unanimously. Motion Carried.

5. President's Report

- President Ben's focus has been in three different areas since he came into office for 2014-2015. They have been:
 - New Key Initiatives of the Strategic Plan;
 - Improved the perception of the LCS in the eyes of members and the greater lakeside community;
 - Optimize programs to assure continued relevance;
 - Re-engineer LCS campus infrastructure to meet current and future needs.
- President Ben has Increased communication to the ex-patriot and Mexican communities as follows:
 - Articulated who we are and our mission in the community and the greater community;
 - Articulated to the Mexican community, particularly local and state government.
- The Audit Committee has successfully completed the external audit by Grant-Thornton;
- Progress has been made on the Key initiatives;
- President Ben has been working with Mexican political officials in Ajijic, Chapala and Jalisco to deter bribing of ex-pats in lieu of ticketing. Results have been that Transitio officers shaking down ex-pats has severely declined;

- IMN officials have come to the grounds to hand out visas to LCS members and on the last occasion the IMN official from Jalisco announced they had devised an “Amnesty” program for any ex-pats whose immigration documentation had expired. If anyone who had this problem came to IMN they would assist them in squaring away the problem as long as they had not broken any other Mexican laws;
- LCS has succeeded in forming a relationship with INAPAM in Jalisco;
- The successful completion of the external audit by Grant-Thornton has been an important first step to obtain donatario, or charitable status. This “top to bottom” review of our organization’s financial policies and procedures is critical to the donatario application process and assures members and potential donors that our organization is being managed according to current best practices in Mexico. Keith Martin, LCS Audit Committee Chair, discussed this matter in greater detail at this meeting;
- President Ben assured the membership that the LCS as an organization is moving in the right direction as the premier ex-pat organization at lakeside as we approach our 60th Anniversary with our adaptation to change, creating value for our members and preparing to take the next steps to become a sustainable organization for the next 60 years.

6. Recessed Annual General Meeting and then convened the Extraordinary Meeting

The Annual General Meeting was recessed at 10:39 AM and the Extraordinary Meeting was convened at 10:40 AM.

7. Adjourned Extraordinary Meeting and Reconvened Annual General Meeting

Annual General Meeting was reconvened by President Ben White at 10:56 PM and stated the quorum had been established and the adoption of the agenda had already been approved.

8. Ratification of 2014 Financial Report

The Treasurer, Michael Searles, provided a financial report for 2014 and noted that LCS finished the year with a deficit of \$203,461 pesos and had increased its net asset value to over sixteen (16) 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. Membership voted unanimously. Motion Carried.

9. 2015 Budget Projections

The Treasurer presented the 2015 budget as approved by the Board.

In accordance with the Constitution, the financial projections for 2015 must be presented to and received by the members each year at the AGM. This item does not require a motion or a vote.

10. Received Report from External Financial Auditor for 2014 and Ratified appointment of External Auditor 2015

Keith Martin, Chairperson of the LCS Board Audit Committee reported on the Audit.

- Auditor’s Opinion on Financial Statements.

Keith Martin introduced Aldo Martinez and read the opinion issued by Salles Sainz-Grant Thornton with respect to the financial statements for the year ended December 31, 2014 as follows:

Unqualified Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of The Lake Chapala Society, A.C., as of December 31, 2014, and its financial performance, and its cash flows for the year then ended, in accordance with Mexican Financial Reporting Standards.

- 2015 AGM Resolution re Ratification of Appointment of Auditors.

Keith Martin, Chair of the Audit Committee proposed the following Resolution:

Moved by Keith Martin; seconded by Nancy Creevan to ratify the appointment of Salles Sainz Grant Thornton S.C. as auditors of The Lake Chapala Society A.C. for the financial year ending December 31, 2015 at a fee, including VAT, of MXN\$98,000 per annum. Membership voted unanimously. Motion carried.

11. Ratification of Membership Categories & Dues

President Ben requested the ratification of one revised membership category and adding two new membership categories as follows:

- Associate members which has limited privileges and no voting rights will be renamed **Monthly membership** and the privileges and rights would remain the same;
- A new membership category will be called **“Senior Members”** for members who are 79 years of age or older and would have the same privileges and rights as regular members, but at reduced annual dues;
- A new membership category proposed will be called “Student Members”. To qualify, the student must be enrolled at an educational institution, full-time or part-time (at least 6 hours). Students would have the same privileges and rights as regular members and would also pay a reduced rate. This category is being proposed in the hope of encouraging Mexican students to join LCS;
- The LCS Board would eliminate multiple member discounts. Each member would pay the same rate and there would no longer be a discount for a couple, triple or quadruple memberships. It would also mean each member would have their own registered email and would thus receive correspondence and surveys from the LCS. In addition, each member would be eligible for an LCS Directory.

Moved by Howard Feldstein seconded by Aurora Michel Galindo to ratify renaming Associate members to Monthly Members with the same privileges and rights; new membership category called “Senior Members” for members who are 79 years of age or older and would have the same privileges and rights as regular members, but at reduced annual dues; a new member category “Student Members” that qualify as student enrolled at an educational institution, full-time or part-time (at least 6 hours) and the students would have the same privileges and rights as regular members and pay a reduced rate; and eliminate multiple member discounts where by each member would pay the same rate and no longer be a discount for couple, triple or quadruple memberships and each member would have their own registered email, receive correspondence and surveys from the LCS and be eligible for an LCS Directory. Discussion. Membership voted unanimously. Motion carried.

President Ben requested the ratification to change the dues structure to ensure that the overall dues collected in 2016 will be revenue neutral. This change in the dues structure, by itself, will not result in increased revenue for LCS. To facilitate this revenue neutral position the following changes to the dues are proposed: Regular Members \$525 pesos, Senior Members \$500 pesos, Monthly Membership \$100 pesos per month, and Student Members \$250 pesos. This will result in a reduction to regular members of \$25 pesos. The objective of these changes is to

promote fairness while keeping the financial integrity of the LCS intact. These changes will improve communication with our members and the quality of our demographic data. Discussion.

Moved by Rachel McMillen seconded by Andrew Jackson to ratify the dues structure of Regular Members \$525 pesos, Senior Members \$500 pesos, Monthly Membership \$100 pesos per month, and Student Members \$250 pesos. Discussion. 58 for/8 against. Motion carried.

12. Ratification of Reserve Fund Deposit

Michael Searles, Treasurer spoke on behalf of the Board which has approved the allocation of \$50,000 pesos to the reserve fund to continue our strategy to accumulate up to 12 months of our operating costs into the Reserve fund.

This transfer will bring the total reserve fund to a total of \$550,000 pesos.

The reserve fund is restricted according to the LCS Constitution to the following:

- Emergency capital repairs or replacements in excess of 2% of the annual budget;
- Employee severance;
- Other uses at the discretion of the membership and determined at an AGM or an Extraordinary Meeting called for that purpose.

In accordance with the constitution this AGM is required to ratify the Board's decision to transfer \$50,000 pesos to the Reserve Fund.

Moved by Emile Badawy seconded by Keith Martin to ratify 50,000 MXN to be transferred to the Reserve Fund. Membership unanimously approved. Motion carried.

13. Report on Annual Objectives

President Ben updated the membership on the annual objectives of the standing committees at LCS as follows:

- Audit Committee
 - Oversight of successful completion of the external audit by Grant-Thornton;
 - Coordinated LCS response to audit findings;
 - Developed and coordinated plans to remedy issues identified by the external auditor. Along with Treasurer coordinating with Grant-Thornton to develop final report with a clean opinion of LCS finances for 2014.
- Campus Committee
 - Re-engineering Campus Characteristics and Building design to include classroom and education needs, forecasting for space needs and plans for integration of the library in final stages;
 - Determine building characteristics of technology, accessibility, "green building" requirements, outdoor space requirements and landscape design;

- Expect to develop a unified campus design requirements for Board review later this year.
- Community Committee:
 - Develop a marketing plan that will reach to those who have not yet arrived, recent arrivals, members for 1-5 years.
 - Increase awareness of value of LCS programs to the Mexican community;
 - New Initiatives are in process which include a revision of the web site to be rolled out in mid-April; new member orientation class that has been offered three time and has been well received; a volunteer training and orientation program to help our volunteers become better ambassadors for LCS and to its members and community, as well as analyzing their input on how we can improve the volunteer experience.
- Fund Development Committee
 - New Initiatives are in the process which include developing programs for annual giving and legacy giving; developing plans to recognize donors;
 - Ad-Hoc committee has been established to plan 60th Anniversary events;
 - Working on evaluating and recommending dues changes and new membership categories;
 - Coordinating with Community Committee to develop strategies to increase membership and update/develop marketing brochures.
- Program Committee
 - Has been focusing on future relevance of programs and services offered by the LCS with new Initiatives to explore ways to get more up-to-date books for the library; provide library services to shut-ins; expand the number of terminals and improved lighting; coordinate with Community Committee on developing new member focus groups to get ideas on future programs; and explore changes to the ESL program to serve more students, reduce attrition and implement shorter class segments;
 - Developing a job description for an Education Director at WEC.
- Finance Committee
 - Implemented financial policies to strengthen internal controls and ensure financial assets are managed properly;
 - Worked with LCS Management team to implement new financial accounting software package to streamline accounting practices and operational processes;
 - Participated in the preparation, review and adoption of 2015 budget;
 - Worked with Grant-Thornton on the 1st external audit of LCS financial records.

14. Election of Officers & Board Members Ratification

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

- Vice-President: Catherine Carroll Howell* (1st term to 2017);
- Treasurer: Michael Searles* - (2nd term 2017).

There are five Director at Large positions open for election. Each of the five candidates for Director at Large were introduced:

Lois Ann Cugini* (2nd term 2017);
Barbara Angell Hildt (1st term 2017);
Yolanda Martinez(1st term 2017);
Garry Neil Musgrave (1st term 2017);
Alfred Earl Harland* (2nd term 2017)

Nancy Creevan asked if there were in nominations from the floor: None stated.

Moved by Peter Johanson, seconded by Norman Phifer to elect the Vice-President, Treasurer; and the five Directors at Large by acclamation since there were no other candidates. Membership unanimously approved. Motion carried.

The Lake Chapala Society A.C., 2015 Board members are:

President: Frank Benjamin White (1st term to 2016);
Vice President: Catherine Carroll Howell (1st term to 2017);
Treasurer: Michael Ross Searles (2nd term to 2017);
Secretary: Carole Jeanne Wolff (1 st term to 2016);

Director-at-Large:

Director - Barbara Angell Hildt (1st term 2017);
Director - Garry Neil Musgrave (1st term 2017);
Director - Alfred Earl Harland (2nd term to 2017);
Director - Yolanda Martinez(1st term 2017);
Director - Ernest Gay Gabbard (1st term to 2016);
Director - Lois Ann Cugini* (3rd term 2017);
Director - Keith Anthony Martin (1st term to 2016);
Director - Peter William Soderman (1st term to 2016).

15. Adjournment

Moved by Aurora Michel Galindo, seconded by Nancy Creevan, that the meeting be adjourned at 11:50 AM.

Minutes prepared by Carole Wolff, LCS Secretary

Final approval is needed at the next AGM in 2016