

Lake San Marcos Community Association

"LSMCA"

2022 Annual Report



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## **President's Annual Meeting Report 2022**

My name is Adela Franco, and I was your LSMCA president until January 2023. What a year this has been! Before I begin my formal report, I would like to introduce the LSMCA board for 2023. They are as follows: Mike Phipps, President; Jeremy Meadows, 1<sup>st</sup> Vice President; Erin Daniels, 2<sup>nd</sup> Vice President; Mike Orlando, Secretary/Treasurer; Tyler Davidson, Lisa Klinger, Teresa Mosteller, John Paquette, and Jessica Walke. I also want to introduce Sandy Parker, our office manager and the face of LSMCA. Kelly Lara is our bookkeeper and is in the office Tuesdays and Thursdays. While he is not on the board, Rick Lafarge is the liaison to LSM Security. Darlene Aiken serves as our librarian extraordinaire. She is the one who keeps our library running and in order. Thank you, Darlene. Thanks also to Diane Martin, who periodically comes by and picks up books we can't use and takes them to various libraries. I also want to thank John Lee, who faithfully collects the money from the swan food feeders and delivers it to the office for deposit to the swan fund. It is our additional volunteers who keep LSMCA going. Thanks to all.

As you know, our elections to the 2023 Board were a bit unusual. The legal problems prevented us from having an ordinary election in October 2022. We were unsure of our survival, which made it difficult to ask people to run for a seat on the board. The board was finally unanimously approved in January 2023 by the board since the people running for a seat were running unopposed. I'm sure things will get back on track for 2023.

Even though LSMCA's legal problems have not yet been resolved, thanks to the generous donations to the Legal Fund, the board can once again function in community service. Full disclosure of the Legal Fund, donations, and expenses will be given as soon as the LSMCA legal issue has been settled.

We began 2022 with high hopes for a successful year. We integrated our newly elected board members into the existing board, and each got their specific assigned committees. We took another look at our mission statement and resolved to do all we could to involve more members in our various committees.

We had a very successful Club Fair in March, with over 20 clubs participating in the event, including social clubs, political clubs, a garden club, and sports clubs. The clubs are a vital part of our social life here at the lake, and we encourage membership in the clubs. We had successful and well-attended Town Hall meetings. In March, we published a community-wide edition of the Quail Call to promote LSMCA and encourage members to receive the monthly Quail Call. The Quail Call also introduced a new look with that issue. The 4<sup>th</sup> of July at the lake had always been a big event. This year was no different, and there were added attractions. In May, LSMCA sponsored a Wildlife and Ecology Day, which was well received. In June, we had the 2<sup>nd</sup> annual Beautification Day, allowing everyone to get involved in helping to keep our community a clean and beautiful place to live.

The LSMCA board meets every month, and as you will hear from the different Committee Chairs, LSMCA will continue to "strive to build a better community."

Finally, I want to thank all of you and the past boards for the support and encouragement I received during my term as President of LSMCA. I enjoyed being your President, but now I turn the reins over to Mike Phipps and ask you to support him and the entire board who work hard to serve the wonderful community here at Lake San Marcos.

## **Financial Reports/Summary**

**By: Jim Alden LSMCA Secretary/Treasurer**

2022 was a challenging year for the LSMCA. The Association still relies heavily on memberships and Quail Call advertisers as our main source of income. Membership revenue was approximately 10% short of 2022 budget projections. Since our membership drive officially launches in October of each year and ends in the spring of the following year, the board made the decision to change its fiscal year end reporting period. In 2022 the change occurred making September 30th the end of our fiscal year. Going forward, accounting for membership will now occur in the same fiscal year.

The Swan Fund continues to grow and has been accounted for separately. Funds continue to be part of the main checking account. The attached balance sheet highlights the amount of money in the Swan Fund at the end of our fiscal year.

Quail Call advertising has increased now that Covid-19 is primarily behind us. D&O insurance costs remain high as Covid-19 greatly impacted an already hard D&O market, with insurers increasing their pricing and reducing capacity. That coupled with the Associations pending legal action has placed an already burdensome task of securing insurance more difficult. Keeping our insurance costs flat will be a challenge in 2023/2024.

We are unable to project our legal expenses as we begin the 2023 fiscal year. With the support of the community the legal fund has grown since our initial appeal for funds back in September/October of 2022. The supporting financial documents do not reflect the generosity of the community between the end of last October to present. However, since we are unsure as to how long our legal battle will last, and remain hopeful that our balance of \$13,500 (as of 3/3/2023) will carry us a bit longer, additional legal expenses are expected over the next couple of months and perhaps beyond.

Additionally, we still have more time to look into applying for the Employee Retention Credit (ERC) which will allow the Association a tax refund from the United States Treasury Department. The refund is for businesses who kept employees on the payroll during the pandemic.

As of Sept 30, 2022 - Balance Sheet Summary

Current Assets - US Postal Accounts					
		Bulk Mail PI 880		1,168.66	
		Business Reply Mail 737001		743.83	
C3 Bank Accounts					
		1000 · C3 Checking - xx2575		1,002.06	
		( Swan Fund \$4512.04 )			
		1001 · C3 Legal Fund xx2699		3,853.20	
		Total C3 Accounts		4,855.26	
Long Term Liabilities					
		Lounsbery	Paid \$6500 for 2022	0.00	

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## Lake San Marcos Community Association 2022 YTD Financials vs 2022 Budget

LSMCA - Sept 2022 Actuals vs Budget	Jan-Sept Actuals	2022 Budget	% of 2022 Budget
4016 - 2022 Prepaid Member (Oct-Dec 2021)	\$ 32,189.53		
4021 - 2022 Member Dues (Jan-Sept 30, 2022)	23,559.48		
Total Memberships for 2022	\$ 55,749.01	\$ 62,000.00	90%
4214 - Legal Fund Income	4,690.00	\$ 5,000.00	93.80%
4215 - Swan Fund Income	2,499.51	\$ 1,500.00	166.63%
4100 - QuailCall Advertisements	38,234.05	\$ 46,000.00	83.12%
4200 - Member Services / Misc Income	65.16	\$ 300.00	21.72%
	45,488.72	\$ 52,800.00	86.15%
Total Income	\$ 101,237.73	\$ 114,800.00	88.19%
Expense - Memberships, Mailings & Permits			
6680 - QC Printing Cost	\$ 18,087.01	\$ 19,500.00	92.75%
6695 - Business Reply Permit Fee USPS	\$ 1,065.00	\$ 985.00	108.12%
6700 - Bulk Mail Permit Fee	\$ 275.00	\$ 245.00	112.24%
6710 - Quail Call Postage Expense	\$ 3,504.83	\$ 5,000.00	70.10%
6770 - Postage First Mailing Oct	\$ 1,045.56	\$ 975.00	107.24%
6780 - Printing First Mailing Oct		\$ 1,450.00	0.00%
6790 - Annual Ballots Printing	\$ -	\$ 1,264.00	0.00%
6795 - Annual Ballots Postage	\$ -	\$ 475.00	0.00%
6800 - Annual Ballots Supplies	\$ -	\$ 50.00	0.00%
	\$ 23,977.40	\$ 29,944.00	80.07%
Expense - Computer Programs & Updates			
5010 - Tim P. Computer Maintance Rpr	\$ 160.00	\$ 150.00	106.67%
5020 - Microsoft Office	\$ 99.00	\$ 105.00	94.29%
5030 - Carbonite Back Up	\$ 83.99	\$ 85.00	98.81%
5040 - Go Daddy	\$ 440.36	\$ 422.00	104.35%
5050 - CoreLogic	\$ 196.38	\$ 200.00	98.19%
	\$ 979.73	\$ 962.00	101.84%
Expense - Office Facilities			
6500 - Rent	\$ 14,373.36	\$ 19,800.00	72.59%
6900 - Gas & Electric	\$ 984.18	\$ 1,900.00	51.80%
6910 - Telephone & Internet	\$ 1,301.64	\$ 1,700.00	76.57%
6920 - Office Supplies	\$ 1,657.07	\$ 1,700.00	97.47%
6921 - Facilities	\$ -	\$ 250.00	0.00%
6930 - Quickbook Consult / Training	\$ -	\$ 300.00	0.00%
6940 - Clean office	\$ 567.00	\$ 650.00	87.23%
	\$ 18,883.25	\$ 26,300.00	71.80%

**Lake San Marcos Community Association**  
**2022 YTD Financials vs 2022 Budget**

LSMCA - Sept 2022 Actuals vs Budget	Jan-Sept Actuals	2022 Budget	% of 2022 Budget
<b>Expense - Payroll &amp; Taxes</b>			
6600 · Employee Salaries	\$ 16,788.40	\$ 22,500.00	74.62%
6610 · Franchise Tax Board - UnEmPlns		\$ 20.00	0.00%
6620 · Employer Taxes	\$ 3,899.81	\$ 5,200.00	75.00%
6630 · Payroll Service Fee	\$ 593.10	\$ 750.00	79.08%
6640 · Tax Preparation (Coast to Coast)	\$ 465.00	\$ 480.00	96.88%
	<b>\$ 21,746.31</b>	<b>\$ 28,950.00</b>	<b>75.12%</b>
<b>Expense - Insurance &amp; Legal</b>			
6130 · Business Policy - CID Insurance	\$ 827.91	\$ 950.00	87.15%
6140 · Directors liability	\$ 15,217.59	\$ 21,000.00	72.46%
6150 · State Comp Ins Fund	\$ 529.67	\$ 500.00	105.93%
6190 · Legal Expense	\$ 2,998.80		
6180 · Legal Expense - Monthly Fee	\$ 6,500.00	\$ 6,500.00	100.00%
	<b>\$ 26,073.97</b>	<b>\$ 28,950.00</b>	<b>90.07%</b>
<b>Expense - Misc Other</b>			
6430 · Charge Card Merchant Fee	\$ 1,603.80	\$ 1,800.00	89.10%
6440 · Bank Charge	\$ -	\$ 20.00	0.00%
4215 · Swan Fund Expenses	\$ 2,594.74	\$ 350.00	741.35%
7000 · Programs & Annual Events	\$ 819.32	\$ 800.00	102.42%
7100 · Misc Expenses - Gifts etc	\$ 215.84	\$ 900.00	23.98%
	<b>\$ 5,233.70</b>	<b>\$ 3,870.00</b>	<b>135%</b>
<b>Total Expenses</b>	<b>\$ 96,894.36</b>	<b>\$ 118,976.00</b>	<b>81.44%</b>
<b>Total Income</b>	<b>\$ 101,237.73</b>	<b>\$ 114,800.00</b>	<b>88.19%</b>
<b>Total Expenses</b>	<b>\$ 96,894.36</b>	<b>\$ 118,976.00</b>	<b>81.44%</b>
<b>Net Income for 2022</b>	<b>\$ 4,343.37</b>	<b>\$ (4,176.00)</b>	<b>-104.01%</b>

## **Quail Call Annual Report**

### **By: Quail Call Chair Dan Worrells**

The Quail Call is a monthly newsletter published by the Community Association as a community service to its members and is now in its 18<sup>th</sup> year. Our distribution is currently about 1,100, with one copy sent to each member or their designated occupant, and our advertisers. In addition, the monthly ads are available on our website, [ismca.com](http://ismca.com).

A number of residents contribute articles to the Quail Call. Dr. Jim Brown, Tom Strathairn, Barb Whitesides, and Greg Thomas have all continued to contribute. Other residents have also contributed articles to us. And our LSMCA committee members have contributed articles about their committee activities. Much of our issue is dedicated to articles that we receive from LSM clubs and organizations. We freshened the look of the Quail Call a bit in 2022. We plan to make more changes as circumstances change and we get new ideas.

Our means of production have not changed. One volunteer editor produced the entire QC for one month, with Editor Dan Worrells and two Associate Editors, Della Franco and Barbara Dove, taking turns. It takes 30-40 hours to put a Quail Call together. Once the editor is done, he or she sends a digital file to our printer, Alphagraphics, for printing, assembly, mailing preparation, and delivery to the post office. In addition to the production of the Quail Call, our office staff, Sandy Parker and Kelly Lara, handle all the business issues, such as billing and accounting.

Quail Call revenue from our advertisers is a significant part of LSMCA's income, which is needed to pay our office staff, rent, utilities, etc., as well as printing and mailing the Quail Call. If you deal with one of our advertisers, please let them know you saw their ad in the Quail Call. If there is a new or favorite business that you think our residents should know about, let the office know and we will contact them about advertising.

The numbers for the Quail Call were similar to 2021. We published 340 articles and 380 ads. We averaged about one additional page per Quail Call, likely due to our updating our cover with a large photo or graphic.

We are currently looking for another volunteer Associate Editor. If you have some spare time, have decent computer skills with Microsoft Office applications, and would like to be more involved in our community, please contact Editor Dan Worrells at 858-232-1963 or [dan.worrells@gmail.com](mailto:dan.worrells@gmail.com) for more information. The editors hope that you enjoy the Quail Call and find it interesting and informative. Thanks to those who contribute their articles. Suggestions are always welcome.

## **Membership Report**

**By: Membership Chair Jeremy Meadows**

In 2022, we had 997 members and all are thanked for their loyal support. Please use our website to renew your membership via pay pal or just stop by the office. The 2023 dues notices have been mailed out months prior. We encourage everyone to promptly renew their membership if not done already so that the LSMCA can continue to protect the quality of life in our great community and receive the Quail Call newsletter.

## **Communications Report**

**By: Communications Chair Jeremy Meadows**

The LSMCA Facebook page now has surpassed 200 followers and we would like to see this grow even more next year. One of our main goals for membership is to increase our presence and access to younger families or newer families that have moved in recently and might not even know about LSMCA. We also have updated our Website, and have implemented an ongoing email blast communication with all of the lake residents to keep them informed of upcoming events and other important information. We recently just added an LSMCA Instagram page as well. Please follow @lake.san.marcos.communityassoc

## **Highlights from the year:**

- Legal Fund and Annual membership renewal options are available on our website.
- LSMCA is available on Facebook and Instagram
- Successful 4th of July event
- In-person Club Fair
- Trash Pick Up event
- Held several Town Hall Events this year virtually and now in person.
- All board meetings in person. We have the option now if a board member is out of town they can still attend virtually via zoom.



## **Annual Water Quality Report**

### **By: Mike Phipps Water Quality Chair**

2022 was a very important year in the ongoing cleanup of Lake San Marcos. The long-awaited aeration system was installed by the Joint Parties (Citizens Development Corporation, the Cities of Escondido and San Marcos, and the County of San Diego). The system was activated on April 5, 2022.

The aeration system is configured to release air from 10 dual-port diffusers located in the deeper portion of Lake San Marcos. The pilot system is intended to mix the deep waters with the following benefits: Reduction or elimination of anoxic conditions at the bottom of the lake with an associated reduction in the release of nutrients from the bottom sediments; Increased dissolved oxygen levels in lake water due directly to the aerators as well to greater exposure of the deep lake water to atmospheric air (and oxygen); Reduced algae growth resulting from the circulation patterns induced by the aeration system.

## **Annual Traffic and Safety Report**

### **By: Mike Phipps Traffic and Safety Chair**

LSMCA requested a reduction in the posted speed on Discovery Street from La Sombra Drive to San Pablo Drive. Our reason for the reduction was that this portion of Discovery Street is entirely residential and should have a posted speed of 25mph, not the then-posted 40mph. The County agreed with our assessment and lowered the posted speed to 25mph. The County posted a new 25mph sign in both directions from San Marcos Blvd to La Sombra Drive on Discovery Street along with a new 25mph painted on the road.

In August 2022 the traffic signal at San Pablo Drive and Discovery Street was approved by the San Diego County Board of Supervisors. Construction was to begin in early 2023. We have requested an update from the County and will report to the community as soon as we receive new information.

## **Annual Events Report**

### **By: Erin Daniels Events Chair**

Last year we continued with our normal annual events, The Club Fair, Beautification Day (we collected 82 pounds of trash!), and 4th of July Patriotic Dog Contest and Carnival. We hosted our first Wildlife and Ecology at the Lake event that featured educational information from County Fish & Wildlife representatives and an Agua Hedionda Lagoon representative that even brought a Falcon to exhibit! We hosted a Halloween open house in our LSMCA office and had a few spooky visitors! Our monthly

Town Halls continued with guest speakers on City of San Marcos improvements, safety issues and more.

This year we will continue our annual efforts and will be co-sponsoring a Thanksgiving Day Turkey Trot around the lake. We are exploring a movie night on the lawn and a Holiday Event as well. If you have any suggestions for events or topics you would like to have the LSMCA explore please reach out to us!

## **ARCHITECTURAL CONTROL COMMITTEE (ACC) ANNUAL REPORT FOR 2022**

### **By: Lisa Klinger ACC Chair**

Summary: In 2022 the ACC had 36 new Architectural Requests and 11 new Complaints. We approved 33 of the Requests and pended some over to later meetings, usually because we were waiting for signatures from neighbors or for additional information from the applicant, or in two cases because we were waiting for the applicant to actually submit a formal application.

The ACC also had old Complaints and Requests that carried over from meeting to meeting, sometimes for months. The reasons were usually because we got no response (from the owners) to the letters/emails we sent to them. Sometimes we had to track down new emails or addresses for absent owners. Sometimes the owners were working on a project and the complaints were about unkempt or unsightly yards, and these resolved once the construction project moved along.

Types of Architectural Requests that are usually easily approved: Re-roofing, adding solar, painting exterior of house, replacing the concrete driveway and/or walkway with pavers or stamped concrete, widening driveway, replacing patio covers with same or similar size patio cover, landscaping that does not (and will not) block a neighbor's view of the Lake or golf course.

Types of Architectural Requests that require more review: Fences that might be on a common wall or might block neighbor's view of Lake or golf course; complicated re-landscaping plans, where new fences, trees, sheds or patio covers might block a neighbor's view of the Lake or golf course. Applications to build an ADU on property (ancillary dwelling unit).

Types of Complaints ACC often receives: RVs in driveway or on side of property, work trailer in driveway, neighbor's tree or shed or fence blocking a protected view; unkempt yard in general, or unsightly yard because building project is taking too long. (Likely because they are waiting for County to approve permit.)

Other Complaints ACC received in 2022: Neighbor installed a high golf net/fence; noisy fountain that neighbor ran all night, which kept the other neighbor awake all night; Other:

1- The Complaint Form was revised and approved, in March and April.

- 2- Resolution 1-2022 (Clarification of Section 1.16 Recreational Equipment) was signed by the President of the LSMCA (it was adopted by the ACC at the June 3, 2021 ACC meeting).
- 3- Resolution 2-2022 (Section 1.17 & 1.18 Interpretation of Obstruction of Views) signed by the President of the LSMCA (it was adopted by the ACC at the July 1 2021 meeting).
- 4- Complaint from Scott Latham about the fence built around the backyard of the neighbor of the rental house his mother owns continued all year and is now in arbitration at JAMS.
- 5- One homeowner requested guidance on requirements for putting in a pool. ACC advised them to get info from the County and comply with County requirements.