

2009–2010 President's Report The Year of Transition

The Canyon Lake Property Owners Association Annual President's Report has been prepared by Board Presidents, Randy Bonner and Guy Kestell. Randy Bonner was the President until February 2010, and Guy Kestell was President from February to May of 2010.

The following is a message from President Bonner-

Leadership

Change has been witnessed in Washington D.C., the City of Canyon Lake and the Canyon Lake Property Owners Association (CLPOA). In my recent experience as President and CEO of the POA, I have found that some people have confused what is diligent oversight of day-to-day operations with micromanagement. It is a fundamental management philosophy to delegate authority, but not responsibility.

Economic Challenges

With all the headlines emerging from our various media outlets, it is almost difficult to not be aware that we are living in trying times. Our community members have lost jobs, been required to take furloughs, and "accept" reduced compensation and benefit levels. This has been occurring in government, as well as both small and large businesses.

Home foreclosures have been at an all time high. An improved economic picture is forecasted by many of the "experts" to not happen until Calendar Year (CY) 2011 or beyond.

Time for Difficult Decisions

Directors have been very mindful of these conditions. It has been a time to set priorities and delay or cancel unnecessary spending. This is not easy. We reorganized the top management staff to better improve their span of control, improve the unity of command and control, and to improve our service and efficiency.

Canyon Lake's key amenities are the lake and golf course. Water quality can not be compromised and maintaining a high level of course maintenance and playing condition is essential. The efforts of the EVMWD and Valley Crest have made a significant impact. The Green Committee is instrumental in the development of a long term Golf Master Plan. The Lake and Marina Committee has developed an inspection plan to prevent the introduction of Quagga and Zebra Mussels into the lake.

Thanks to the CLPOA staff and Finance Committee we ended Fiscal Year (FY) 2008-2009 at \$379,423 **below** budget.

The member assessment fee was increased last fiscal year by \$10.00 - 75% of the increase was for the Community Development Fund (for amenities) and 25% was for increased Operational expenses.

Our goal this FY was to be in a position to be able to approve at least a nominal reduction of the member FY 2010-2011 monthly assessment fee or no additional increase in the monthly assessment fee.

Team Work is Essential

Canyon Lake City Council members are working to coordinate with the CLPOA on a variety of issues. This combined with a spirit of cooperation between the CL Chamber of Commerce and the local Merchants Association offer promise to help improve our community on multiple fronts.

Business Discipline Needed

More than ever, it is necessary to clearly articulate and follow our policies and procedures while conducting business. We have many members who diligently serve on committees. We have a simple process to obtain their inputs and recommendations. Our Director role is to be liaisons with these accepted committees and represent their views and recommendations at Board meetings.

We simply cannot afford spending that it is not well thought out. "Quick decision spending" is not the solution. For example, the inquiry into the merits of a Gate Entry Program must be analyzed in detail. The program for buying hardware (transponders, License Plate Readers, etc.) is straightforward. However, modification to gate houses, roads and landscaping will also be needed. The largest unknown is the ability to link the Gate Entry application with the Accounting and Administration Financial Software.

Community Involvement

Membership use of many CLPOA facilities is at an all time high. The Fine Arts Guild Club had the Neil Diamond Impersonator and Gary Bonner Holiday Season concert at the Canyon Lake Lodge. Activities at the Lodge included the culmination of our 41st year annual parade and Fiesta Day celebration during Memorial Day weekend, Taco Tuesday through out the hot summer weeks and a spectacular Classic Car Show/Art Show in October.

Indian Beach was reopened after 4+ years with the My Fair Lady presented by the Canyon Lake Performing Arts Club and we enjoyed Oktoberfest being held there.

At Holiday Harbor Beach, there has been a large attendance for events such as, the live entertainment concert with Kulayd, Friday Night movies, CLAMS get-togethers and a popular yearly Snow Day enjoyed by more than 200 children.

The campground was busy throughout the year, but is always especially busy over the 4th of July. Grass and horseshoes were expanded. The baseball fields are pristine. Canyon Lake Little League's registration during the spring and fall, were the highest ever. Our 13-14 year old All-State team went the furthest ever at this years playoffs. Our Equestrian Center stalls are full with an on-going waiting list. It is fun to see the level of tournaments that are held throughout the year at the Tennis Courts.

We have 4 new clubs established– Chair Volleyball, Family Golf, Niners and Canyon Lake Bible Fellowship.

The Senior Center is always alive with activities - Wii games, card games, horseshoe and Bocce Ball, monthly Sunday dinners and the ever special "Potluck and Politics" during the monthly televised Public Board meetings. The Senior Center had their first "Chicago Night" New Year Eve Party. This sold out early in December!

Thank You!

Canyon Lake is truly a “Bit of Paradise.” We have cause to be proud of the hard work and dedication of POA employees, committee members and special event volunteers, as well as past and present Directors. It has been a privilege to have served the first 5 months of this calendar year as the CLPOA Treasurer and the last 7 months as the CLPOA President and Chief Executive Officer (CEO).

In these trying times, particularly, I believe that it's more important than ever to remember how blessed we are. Happy

The following is a message from President Kestell-

Closing the Fiscal year-

After Mr. Bonner resigned as a POA Board Member and resigned as President, the Board unanimously elected me to be the new President. Upon becoming the POA Board President in February 2010, some of the tasks for the remainder of the Fiscal Year included:

Approval of the Annual Budget-

This year's current budget was approved without an increase on the member's assessments. The CLPOA's 2009-2010 Fiscal Year came in under budget by \$971,678. This includes a book value change of \$690,459 which was in relation to a liability that was being carried on the Association's balance sheet for the Lake Lease. The Association and EVMWD reached an agreement in relation to the “Cost Increase Sum” calculation and also agreed to the book change on the Association's balance sheet. Therefore, the Association's net budget surplus excluding the book change related to the Lake Lease was \$281,219.

With the departure of the former General Manager, the Board of Directors selected a new General Management team- Dave Rudat and Jovan Grogan, from Management Partners, to be the new General Managers for the Association. Dave and Jovan bring with them, a fresh new set of eyes to review and oversee the Association's Policies and Procedures and daily functions. In addition to bringing in a new General Management team, the Board has also reviewed and adjusted some of the benefits of the Senior Management employees.

The Board of Directors gave direction to the General Managers to develop RFP's for a new Auditing firm, Legal Counsel, Golf Professional, Pavement Management Program and a Point of Sale System for the Country Club. While many of these are still in process, the Board will review other current contracts and develop additional RFP's where appropriate.

Phase I of the Road Project on Longhorn Dr. was successfully completed. We are currently working on the next phase(s) of the road project.

The Board has also continued providing support and direction to all of the Committees and Clubs throughout the year.

The Board of Directors welcomed the new Board members with a successful and proper election. Although the election was challenged with a recount, no formal legal challenge was made, and the process of the election being properly conducted, was confirmed by an independent outside legal counsel, with a second opinion.

In Closing, I would like to thank all the Board of Directors for their support in serving on the Board, and thank you for the opportunity of serving as the President to the Board of Directors. The Board of Directors would like to thank all the members that volunteer for this community by serving on a Committee or Club, to make Canyon Lake what it is. Also, the Board would like to thank the Association's employees for working through this year of change and transition, and working diligently towards a productive and beneficial goal for the Association and its members.