

**MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS OF
LAGUNA WOODS MUTUAL NO. FIFTY
A CALIFORNIA NON-PROFIT MUTUAL BENEFIT CORPORATION**

September 19, 2013

The Board of Directors of Laguna Woods Mutual Fifty, a California non-profit mutual benefit corporation, met at 2:00 P.M. on Thursday, September 19, 2013 at 24055 Paseo del Lago West, Laguna Woods, California.

Directors Present: Ryna Rothberg, Chair; Chace Kendro, Marilyn Ruekberg, Erwin Levy

Directors Absent: Inesa Nord-Leth

Others Present: Scott Dunham, Sheri Hartvikson, Katy Howe, Betty Parker, Ed Presley, Jerry Storage, Kim Taylor, Deborah Thornton, Steve Roseman and Teresa Agnew

1. Call to Order

President Rothberg, opened the meeting, and stated that it was a regular meeting of the Corporation and that a quorum was present. The meeting was called to order at 2:00 P.M.

2. Pledge of Allegiance to the Flag

Director Levy led the membership in the Pledge of Allegiance to the Flag.

3. Approval of the Minutes

The Board reviewed and approved, without objection, the minutes of the Special Meeting of August 12, 2013 (Budget version 3) and the minutes of the Regular Meeting of August 15, 2013.

4. President's Comments

President Rothberg commented on a legal luncheon given by CAI.

5. Golden Rain Foundation

A report was given by Mr. Jerry Storage on the September 3, 2013 Golden Rain Foundation Board Meeting.

6. Resale and Leasing Reports

A report was given by Mr. Jerry Storage on the resale and leasing activity at the Towers.

Ms. Cathy Flores presented specific resale activity as of August 1, 2013 through September 12, 2013.

7. Members' Comments

- Anne Gilbert (1403) commented on the Penthouses at the Towers.
- Renee Merer (1005) asked what the procedure is to put items on the Board agenda.
- Olive Guggenmos (455) commented on the replacement of tables and chairs in the dining room.
- Gretchen Osborne (1257) commented on a moisture intrusion issue in her manor.

8. Consent Calendar

Without objection, the Board approved the Consent Calendar as written and approved the following resolution:

RESOLUTION M50-13-42

WHEREAS, Member ID 932-960-27 currently delinquent to Laguna Woods Mutual Number Fifty with regard to the monthly assessment; and

WHEREAS, a Notice of Delinquent Assessment (Lien) will be filed upon adoption of this resolution following at least a majority vote of the Board (with no delegation of such action by the Board), acting in an open meeting, and for which the Board's vote is recorded in the minutes;

NOW THEREFORE BE IT RESOLVED, September 19, 2013, that the Board of Directors hereby approves the recording of a Lien for Member ID 932-960-27; and

RESOLVED FURTHER, that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out the purpose of this resolution.

9. Old Business

- a. None.

10. Items for Discussion and Consideration

a. **Approve 2014 Business Plan**

Director Kendro read a proposed resolution approving the 2014 Business Plan. Director Kendro moved to approve the resolution. Director Ruekberg seconded the motion.

Mr. Scott Dunham presented an overview of the insurance portion of the Business Plan and provided Members with tips to stay safe and avoid fires, floods, etc.

By a vote of 3-0-0, the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION M50-13-43

**LAGUNA WOODS MUTUAL NO. FIFTY
2014 BUSINESS PLAN RESOLUTION**

RESOLVED, September 19, 2013, that the Business Plan of this Corporation for the year 2014 is hereby adopted and approved; and

RESOLVED FURTHER, that pursuant to said Business Plan, the Board of Directors of this Corporation hereby estimates that the sum of \$6,690,704 is required by the Corporation to meet the Laguna Woods Mutual No. Fifty operating expenses and reserve requirements for the year 2014 from which will be deducted \$987,739 expected from various sources of revenue. In addition, the sum of \$835,525 is required by the Corporation to meet the Golden Rain Foundation and the Golden Rain Foundation Trust operating expenses and reserve contributions for the year 2014. The Board of Directors hereby estimates that the net sum of \$6,538,490 is required to be collected from and paid by members of the Corporation as monthly assessments; and

RESOLVED FURTHER, that the Board of Directors of this Corporation hereby approves expenditures from reserves in the sum of \$312,100, of which \$250,600 is planned from the Replacement Funds and \$61,500 from the Contingency Funds; and

RESOLVED FURTHER, that all sums paid into the replacement reserves shall be used for capital expenditures only and shall be credited on the books of account of the Corporation to Paid-In Surplus as a capital contribution; and

RESOLVED FURTHER, that the Board of Directors of this Corporation hereby determines and establishes monthly assessments of the Corporation as shown on each member's breakdown of monthly assessments for the year 2014 and as filed in the records of the Corporation; said assessments to be due and payable by the members of this Corporation on the first day of each month for the year 2014; and

RESOLVED FURTHER, that the Board of Directors of this Corporation hereby determines and establishes monthly assessments required to be paid by members of the Corporation effective January 1, 2014 as follows:

Unit Model	Monthly Assessment
A	\$1,830.17
B	\$1,853.28
C	\$2,027.53

D	\$1,999.26
F	\$2,169.98
G	\$1,971.53
H	\$2,130.82

RESOLVED FURTHER, that the second occupant charge will be \$626.54, of which \$525.12 is for food service and \$101.42 is for maintenance; and

RESOLVED FURTHER, that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out the purpose of this resolution.

b. **Approve 2014 Replacement Reserves Plan**

Director Kendro read a proposed resolution approving the 2014 Replacement Reserves Plan. Director Kendro moved to approve the resolution. Director Ruekberg seconded the motion.

By a vote of 3-0-0, the motion carried and the Board of Directors adopted the following resolution:

**LAGUNA WOODS MUTUAL NO. FIFTY
2014 REPLACEMENT RESERVES RESOLUTION**

RESOLUTION M50-13-44

WHEREAS, Civil Code § 5570 requires specific reserve funding disclosure statements for homeowner associations; and

WHEREAS, planned assessments or other contributions to replacement reserves must be projected to ensure balances will be sufficient at the end of each year to meet the association's obligations for repair and/or replacement of major components during the next 30 years;

NOW THEREFORE BE IT RESOLVED, September 19, 2013, that the Board has developed and hereby adopts the Replacement Reserves 30-Year Funding Plan (attached) with the objective of maintaining replacement reserve balances at or above a threshold of \$1,190,000 (indexed for projected inflation), while meeting its obligations to repair and/or replace major components; and

RESOLVED FURTHER, that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out the purpose of this resolution.

c. **Approve Schedule of Patio Enclosure Fees**

Director Kendro read a proposed resolution approving patio enclosure fees. Director

Kendro moved to approve the resolution. Director Ruekberg seconded the motion.

By a vote of 3-0-0, the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION M50-13-45

WHEREAS, eight units have an enclosed patio area and pay a fee for the incremental operating costs, such as utilities, that arise from the increased square footage of interior space; and

NOW THEREFORE BE IT RESOLVED, September 19, 2013, that the Board of Directors of this Corporation hereby approves the following schedule of patio enclosure fees:

Manor	Monthly Fee
1305	\$10.65
1306	\$10.65
1356	\$9.42
1357	\$16.38
1403	\$10.47
1404	\$10.25
1405	\$10.79
1406	\$12.80

RESOLVED FURTHER, the new rates will be effective January 1, 2014 and included in the monthly assessment; and

RESOLVED FURTHER, Resolution M50-12-60, adopted September 20, 2012 is hereby superseded and cancelled; and

RESOLVED FURTHER, that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out the purpose of this resolution.

d. **Approve Revised Collection and Lien Enforcement Policy and Procedures for Assessment Delinquencies**

Director Kendro read the following proposed resolution approving the Revised Collection and Lien Enforcement Policy and Procedures for Assessment Delinquencies:

RESOLUTION M50-13-XX

WHEREAS, Section 1365 of the California Civil Code requires that homeowner associations have a specific policy relating to collection of

delinquent assessment accounts and enforcement of liens placed upon such delinquent properties; and

NOW THEREFORE BE IT RESOLVED, November 21, 2013, that the Board of Directors of this Corporation hereby approves the attached Collection and Lien Enforcement Policy and Procedures for Assessment Delinquencies, effective January 1, 2014; and

RESOLVED FURTHER, that Resolution M50-12-61, adopted September 20, 2012 is hereby superseded and cancelled; and

RESOLVED FURTHER that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out the purpose of this resolution.

Director Kendro moved to approve the resolution. Director Ruekberg seconded the motion.

Without objection, the Board postponed the resolution to November to conform to the 30-day notification requirement.

e. **Approve Creation of Marketing Committee**

Director Kendro read a proposed resolution approving the creation of a Marketing Committee and the Committee's Charter. Director Kendro moved to approve the resolution. Director Ruekberg seconded the motion.

Member Herb Harris (454) commented on the creation of the Marketing Committee.

By a vote of 3-0-0, the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION M50-13-46

**LAGUNA WOODS MUTUAL NO. FIFTY
MARKETING COMMITTEE CHARTER**

WHEREAS, Laguna Woods Mutual No. Fifty Bylaws, Article VIII, Section 1 states in part: The Board may designate one or more Standing, Ad hoc or other committees, each to serve at the pleasure of the Board and each consisting of a sufficient number of Qualifying Mutual Fifty Resident Members to meet the needs of its particular function or functions. The duties and powers of these committees shall be determined by the Board, provided that the authority of each committee is limited to advising the Board and all final actions are subject to the specific approval of the Board;

NOW THEREFORE BE IT RESOLVED, September 19, 2013, the Board of Directors of this Corporation hereby approves the Marketing Committee Charter and assigns the duties and responsibilities of the Committee as follows:

1. Performs the duties imposed upon all standing committees as set forth in the current resolution entitled, "General Duties of Standing Committees."
2. This Committee shall meet as often as necessary but not more than monthly to discuss and devise effective short and long term means to generate a greater sales volume of Mutual Fifty owned units;
3. Explore the attributes of the Mutual owned units and define the attributes in a manner that appeals to the appropriate market segment, including the younger buyer;
4. Explore means of improving the units for sale;
5. Contribute to positive public relations for the Towers including positive articles and press releases regarding activities at the Towers;
6. Identify, measure, and foster new innovative and productive marketing means;
7. Work with Staff in hosting and promoting Open Houses;
8. Monitor and assess local and national consumer price factors;
9. Devise programs that contain program elements that build a strong and appropriate brand image for the Towers at Laguna Woods Village;
10. Strive to educate buyers regarding the value of a purchase at the Towers; and
11. The Committee Chair shall report at the Regular Board meetings concerning Marketing strategies and report the findings of their activities and their recommendations;

RESOLVED FURTHER, that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out the purpose of this resolution.

f. **Approve Creation of the Finance Committee**

Director Kendro read a proposed resolution approving the creation of the Finance Committee and its Charter. Director Kendro moved to approve the resolution. Director Ruckberg seconded the motion.

Ms. Betty Parker provided an assessment of the functions of a Finance Committee.

Director Kendro amended the resolution to omit number (6) "Function as an advisory and liaison body to the managing agent in matters pertaining to membership, assessment delinquencies, leasing, and occupancy," in its entirety. The motion was seconded by Director Ruekberg. By a vote of 3-0-0, the amendment carried.

By a vote of 3-0-0, the original motion carried and the Board of Directors adopted the following amended resolution:

RESOLUTION M50-13-47

MUTUAL FIFTY FINANCE COMMITTEE CHARTER

RESOLVED, that pursuant to Article VIII, Section 1 of the Bylaws, the Finance Committee is hereby established as a standing committee of this Corporation; and

RESOLVED FURTHER, September 19, 2013, that the Board of Directors of this Corporation hereby assigns the duties and responsibilities of the Finance Committee of this Corporation as follows:

1. Review annually the proposed Mutual Fifty Business Plan and recommend to the Board action regarding the same, including the amount of the assessment required to meet the following year's operating budget and reserve contributions.
2. Regularly review the financial statements and reports of Mutual Fifty and review the performance of the managing agent related to the budget and make recommendations to the Board.
3. Review the investment of funds of Mutual Fifty to determine if they are in accordance with the investment policy. Review and recommend changes to the Board, as necessary, to the Mutual's investment policy.
4. Regularly review the status and sufficiency of the Mutual's reserve accounts;
5. Upon request of the Board, review any major proposed expenditure items not included in budgeted appropriations and make appropriate recommendations;
6. Perform such additional functions as may be assigned or referred to this committee by the President as well as those that are necessary and prudent to fulfill the Committee's duties and responsibilities; and

RESOLVED FURTHER, that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out the purpose of this resolution.

g. **Discuss Pay Phone Removal**

Director Kendro read a proposed resolution approving the removal of the payphone. Director Kendro moved to approve the resolution. Director Ruekberg seconded the motion.

By a vote of 3-0-0, the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION M50-13-48

WHEREAS, Mutual Fifty has one payphone installed in the Galleria, which cost Mutual Fifty \$78 per month to maintain; and

WHEREAS, the payphone is rarely used for coin calls, and is mostly used for toll free calls; and

WHEREAS, the area where the payphone is located is near the Crystal Dining Room in the Galleria and could be used for several other purposes;

NOW THEREFORE BE IT RESOLVED, September 19, 2013, that the Board of Directors approves the removal of this payphone; and

RESOLVED FURTHER, that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out the purpose of this resolution.

h. **Discuss Chargeable Services Policy**

Ms. Katy Howe reported that the Board will be taking a look at revising the Chargeable Services Policy to bring the policy up to date.

i. **Discuss California and Crystal Dining Rooms**

Ms. Katy Howe reported that staff is working on keeping the dining room chairs from becoming mismatched in each dining room.

j. **Discuss Patio Repair/AT&T Scaffolding Work Updates**

Ms. Katy Howe reported on the scaffolding around the building. AT&T is performing a major system upgrade which should be completed shortly and when that work is complete the patio repair will begin.

Member Anne Gilbert (1403) commented on the AT&T Tower.

k. **Discuss Air Conditioning Issues**

Ms. Katy Howe commented on the air conditioning issues that arise during hot days and that staff works diligently to keep up with repairs to the system. Ms. Howe expressed her appreciation for everyone's cooperation.

11. Review Preliminary Financial Statements

Ms. Betty Parker reviewed the Preliminary Financial Statements with the Board and answered questions from the Members.

12. Standing Committee Reports:

- **Resident Entertainment Committee:** Deborah Thornton reported on behalf of the Resident Entertainment Committee.
- **Business Planning Committee:** No report was given
- **Orientation Committee:** No report was given.
- **Architectural Control Committee:** No report was given.

13. GRF Committees:

- **Community Activities Committee:** No report was given.
- **Recreation Master Plan Ad Hoc Committee:** No report was given.
- **Finance Committee:** No report was given.
- **Landscape Committee:** No report was given.
- **Maintenance and Construction Committee:** No report was given.
- **Media and Communications Committee:** No report was given.
- **Mobility and Vehicles Committee:** No report was given.
- **Security Committee:** No report was given.

14. Administrator's Report

Ms. Katy Howe thanked the Board and Members for making her feel welcomed during her first month. Ms. Howe encouraged Members to run for the Board.

15. Directors' Forum

No comments were made.

Recess

The meeting recessed at 4:17 PM and reconvened into Executive Session at 4:20 PM

Summary of Previous Closed Session Meetings per Civil Code Section §1363.05

During its Regular Executive Session meeting of August 15, 2013, the Board of Directors reviewed and approved the minutes of the July 18, 2013 Regular Executive Session meeting; approved three delinquent assessment write-offs; approved two Notice of Defaults; and discussed litigation and disciplinary matters.

There being no further business to come before the Board, the meeting was adjourned at 6:30 P.M.

Chace Kendro, Secretary