

Open Meeting

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

September 20, 2007

The Board of Directors of Laguna Woods Mutual Fifty, a California non-profit mutual benefit corporation, met at 10:00 a.m. on Thursday, September 20, 2007 at 24055 Paseo del Lago West, Laguna Woods, California.

Directors Present: Richard Wurzel, Chair; Ruth Mervis; Janet Schwartz; and Robert Lutz

Directors Absent: Keith Wallace

Advisors Present: None

Others Present: Judie Zoerhof, Milt Johns, Patty Fox

1. Call to Order:

Richard Wurzel, Chair, stated that it was a regular meeting of the Corporation and that a quorum was present. The meeting was called to order at 10:00 A.M.

2. Pledge of Allegiance to the Flag:

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

3. Approval of the Minutes:

The report of the Special 2008 Business Planning Meeting – Version 2 of July 25, 2007, the report of the Special 2008 Business Planning Meeting – Version 3 of August 9, 2007, and the Regular Meeting of August 16, 2007 were approved.

4. Member Comments:

- Betty Bent (1251) commented on second hand smoke
- Louise Colin inquired on timeline for painting ledges
- Lorna Ingram (1161) commented on replacing carpet in the Elevators
- Ann Gilbert (1402) commented on Sennheiser installation

5. Financial and Budget Report:

a. GRF Finance Committee

In Director Wallace's absence, Director Schwartz presented the Treasurer's report.

6. City of Laguna Woods:

On Dr. Brenda Ross's behalf, Mayor Milt Robbins reported on behalf of the City of Laguna Woods.

7. Standing Committee Reports:

- a. Activities Committee:** Lorna Ingram reported on behalf of the Activities Committee.

Mutual Members Ruth Simons (401), Hannah Tenenbaum (103), and Vicky Kasselheim (1056) commented on the acoustics of the room

- b. Business Planning Committee:** No report was made on behalf of the Business Planning Committee.
- c. Information and Orientation Committee:** On Freda Sullivan's behalf, President Wurzel reported on behalf of the Information and Orientation Committee.

8. GRF Committees:

- a. Community Activities Committee:** Director Lutz reported on behalf of the Community Activities Committee.
- b. Broadband Services Committee:** President Wurzel reported on behalf of the Broadband Services Committee.

Mutual Member Lorna Ingram (1161) addressed President Wurzel on his report.

- c. Government and Public Relations Committee:** No report was given.
- d. Bus Services Committee:** Director Schwartz reported on behalf of the Bus Services Committee.
- e. Select Audit Committee:** No report was given.

9. Golden Rain Foundation:

Milt Johns, General Manager, reported on the September 4, 2007 Golden Rain Foundation Board Meeting.

10. Administrators Report:

Judie Zoerhof reported on the completion of the front door project, announced the return of the cookies to the Hearth Rooms, and announced the upcoming flu shot program.

11. Old Business

Without objection, the motion to approve the policy to charge a fee for service during special events and holiday parties was removed from the table.

Director Mervis made a motion to approve the resolution. Director Lutz seconded the motion.

Mutual Members Vicky Kasselheim (1056) and Lorna Ingram (1161) commented on the motion.

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

RESOLUTION M50-07-39

WHEREAS, Mutual Fifty Board of Directors has requested that Staff review the usage of food for the monthly parties to ensure the maximum quality food be served in the dining rooms for the evening meals; and

WHEREAS, the corporation subsidizes one birthday party each month and one special event or holiday party each month;

NOW THEREFORE BE IT RESOLVED, September 20, 2007, that the Board of Directors of this Corporation on behalf of the Corporation hereby approves a policy in which, Memorial Day, 4th of July, Labor Day patio parties, and any other special event patio parties, other than the Luau, will be a fee for service with tickets sold at the Reception Desk to cover the cost of the party food and food service; and

RESOLVED FURTHER, that such fee is intended to cover the cost of the event the price will be on a sliding scale dependent upon those costs.

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.

12. New Business

a. Approve 2008 Business Plan

Director Mervis made a motion to approve the 2008 Business Plan resolution. Director Schwartz seconded the motion.

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

RESOLUTION M50-07-40

**LAGUNA WOODS MUTUAL NO. FIFTY
2008 BUSINESS PLAN RESOLUTION**

RESOLVED, September 20, 2007, that the Business Plan of this Corporation for the year 2008 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 \$2,598,612 is required by the Corporation to meet the Laguna Woods Mutual No. Fifty operating expenses and reserve requirements for the year 2008, from which will be deducted \$88,000 from prior years' surplus and \$122,357 expected from various sources of revenue. In addition, the sum of \$763,766 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 2008. The Board of Directors hereby estimates that the net sum of \$3,152,021 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 \$343,700 of which \$219,700 shall be expended from the Replacement Fund, \$124,000 expended from the General Equipment Depreciation Fund; 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 2008 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 2008; and

RESOLVED FURTHER, that funds will also be collected and held in trust to pass through to third party vendors as follows:

Audit Fee	\$7,000
Electricity	306,480
Gas	114,000
Housekeeping	583,555
Food Services	2,246,642

from which will be deducted \$341,989 in estimated revenue from sources other than monthly assessments. This leaves a balance of \$2,915,688 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 determines and establishes monthly assessments required to be paid by members of the Corporation effective January 1, 2008 as follows:

Unit Model	Monthly Assessment
A	\$1,500.51
B	\$1,527.09
C	\$1,699.51

D	\$1,671.53
F	\$1,840.48
G	\$1,644.10
H	\$1,801.72

RESOLVED FURTHER, that the second occupant charge will be \$601.55, of which \$514.08 is for food service and \$87.47 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 2008 Replacement Reserves Plan

Director Mervis made a motion to approve the 2008 Replacement Reserves resolution. Director Lutz seconded the motion.

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

RESOLUTION 50-07-41

**LAGUNA WOODS MUTUAL NO. FIFTY
2008 REPLACEMENT RESERVES RESOLUTION**

WHEREAS, Civil Code § 1365.2.5 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 20, 2007, 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 \$1,040,000 (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 Ballot Package

Director Mervis made a motion to approve the ballot package. Director Lutz seconded the motion.

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

RESOLUTION M50-07-42

RESOLVED, September 20, 2007 that the ballot package for the 2007 election of directors of this corporation, as prepared by the managing agent, is hereby approved; and

RESOLVED FURTHER, that the "Meet the Candidates" meeting will be held on Wednesday, November 7, 2007; 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 Replacement of First Floor Locks

Director Mervis made a motion to approve the supplemental appropriation to replace first floor locks. Director Lutz seconded the motion.

Mutual Members Leon Manheimer (802), Ramona Petersen (652), and Lorna Ingram (1161) commented on the motion.

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

RESOLUTION M50-07-43

WHEREAS, the 2007 Reserve Expenditure Plan includes a Manor Door Locking System item with an appropriation of \$106,000; and

WHEREAS, this funding is not sufficient to cover the estimated cost of manor door locks and control of the first floor perimeter door locks is of a higher priority than manor door locks;

NOW THEREFORE BE IT RESOLVED, September 20, 2007 that the Board of Directors of this Corporation hereby authorizes the use of the \$106,000 appropriated in the 2007 Reserve Expenditures Fund to replace eleven first floor entry door locks with proximity card readers; 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.

e. Approve Installation of Elevator Carpet

Director Mervis made a motion to approve the supplemental appropriation to install elevator carpet. Director Lutz seconded the motion.

Mutual Member Vicky Kasselheim (1056) commented on the motion.

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

RESOLUTION M50-07-44

RESOLVED, September 20, 2007 that the Board of Directors on behalf of the Corporation hereby approves a supplemental appropriation from the Replacement Reserve Fund in an amount of \$3,100 for the purpose of recarpeting the four Mutual Fifty elevators.

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 Recording Notice of Delinquent Assessment Lien

Director Mervis made a motion to approve the resolution authorizing recording a Notice of Delinquent Assessment Lien for Member ID 932-962-24. Director Lutz seconded the motion.

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

RESOLUTION M50-07- 45

WHEREAS, Member 932-962-24 is 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 20, 2007 the Board of Directors of this Corporation on behalf of the Corporation hereby approves the recording of a Lien for Member 932-962-24; 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.

13. Discussion Items

No discussions came before the Board

14. President's Comments:

President Wurzel commented on working hard to keep the members happy and encouraged the residents to get involved in the Community.

15. Resale & Leasing Report:

Milt Johns reported on the year-to-date resale and leasing activity.

16. Directors Forum:

There were no comments at this time.

Recess:

The meeting recessed at 11:34 A.M. and reconvened into Executive Session at 11:37 A.M.

During its August 16, 2007 Regular Executive Session Board Meeting, the Board reviewed and approved the Minutes from the July 19, 2007 Regular Executive Session, and the Minutes from the August 1, 2007 Special Executive Session; discussed member discipline and approved a payment plan for Member ID #145803.

There being no further business to come before the Board, the meeting was adjourned at 11:50 A.M.

Ruth Mervis, Secretary