

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**

March 16, 2017

The Board of Directors of Laguna Woods Mutual No. Fifty, a California non-profit mutual benefit corporation, met at 1:30p.m. on Thursday, March 16, 2017 at 24055 Paseo Del Lago West, Laguna Woods, California.

Directors Present: Ryna Rothberg-Chair, Sy Wellikson, June Greenwald, Irving Waaland, Nancy Hou

Staff Present: Kristen Orr, Ed Presley, Alba Andronic, Alex Banegas, Chuck Johnson, Martin McKenna, Michael Miller

Others Present: Scott Marvel

CALL TO ORDER

President Ryna Rothberg called the meeting to order at 1:31 p.m. and established that a quorum was present.

PLEDGE OF ALLEGIANCE

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

APPROVAL OF AGENDA

Director Rothberg moved to remove item 13(c) from the agenda. By unanimous consent the Board approved the amended agenda.

APPROVAL OF MINUTES OF MEETING

Director Rothberg submitted questions to staff regarding the open meeting minutes of February 16, 2017. By unanimous consent the Board approved the special open meeting minutes of March 9, 2017.

PRESIDENT'S COMMENTS

President Rothberg commented on:

- The recent Katy's Comments regarding the Energy Management System project and encouraged all owner-members to vote in the upcoming special election.

Presentation on Thrive Program by Scott Marvel

Scott Marvel gave a presentation regarding the Thrive Program and would like to interview residents at The Towers to document their life. Mr. Marvel requested that

people interested in the program contact Sy Wellikson. Larry Strauss, unit 1455, stated that he would like to help with the program.

GOLDEN RAIN FOUNDATION REPORT

President Rothberg commented on the following actions taken at the March 7, 2017 Golden Rain Foundation meeting:

- Approval of a Board Member Code of Ethics.
- Approval of a Drone Policy that will later be submitted to the City of Laguna Woods.

GENERAL MANAGER'S REPORT

Chuck Johnson presented information on the Energy Management Systems Project, including: costs, energy savings, and monetary savings. A 2/3 vote from the membership is required to implement the project. Voting material will be mailed to the membership next week, and ballots will be due by April 19, 2017. A Residents' Forum will be held on Wednesday, March 29th, 2017 in Lortscher Hall at 7 p.m. to answer questions from the membership.

Ms. Orr presented the monthly Maintenance Report, Food Service Report, and Resale and Leasing Report.

TREASURER'S REPORT/FINANCE COMMITTEE

Treasurer Nancy Hou reported on the Finance Committee on March 8, 2017. The meeting was attended by accounting staff including, Cynthia Valdes and Brenda Boone. At the meeting, the committee resolved several outstanding issues from September, October, and November financial statements. The committee also reviewed preliminary December 2016 financial statements and submitted some questions for further research. Ms. Hou will report to members for 2016 after adjustments. Additionally, staff is preparing to complete the 2016 audit.

MEMBERS' COMMENTS

- Norma Koskoff, unit 1159, spoke about Game Room setup.
- Anne Gilbert, unit 1403, spoke on the fishpond.
- Renee Merer, unit 1005, spoke on the painting project.
- Larry Strauss, unit 1455, spoke on paying assessments by credit card, penthouse patio furniture, and adding vending machines in the building.
- Lou Parker, unit 1206, spoke on the Energy Management System.
- John Dalis, unit 1202, spoke on the movies and activities at The Towers.

RESPONSE TO MEMBERS' COMMENTS

Directors and the staff responded to Members' comments.

CONSENT CALENDAR

None.

OLD BUSINESS

Mutual Fifty Committee Appointments

Secretary Greenwald read the proposed resolution:

Resolution 50-17-10

Mutual Fifty Committee Appointments

RESOLVED, March 16, 2017, the Board of Directors of this Corporation is hereby authorized on behalf of the Corporation to establish and appoint members to the following Laguna Woods Mutual No. Fifty committees:

Activities Committee:

Audrey Small - Chair
Sylvia Belzer
Saretta Berlin
Alice Gokkes
Marge Harrison
Roz Kreeger
Vickie Kasselheim
Renee Merer
Estelle Nitikman
Estelle Kravitz
Katie Holgate
Susan Geib
Gloria Hollander
Anita Margulis, Advisor
Ruth Allen, Advisor
Harriet Fillmore, Advisor

Business Planning:

Nancy Hou, Chair

Finance Committee:

Nancy Hou, Chair
Tommy Hou
Steve Handelman
Henry Nahoum
Inesa Nord-Leth

Marketing Committee:

Ryna Rothberg, Chair
Renee Merer
Steve Handelman
Norm Stevens
Claire Weisberg
Flo Boggio
Gloria Hollander
Inesa Nord-Leth
Thilde Peterson, Advisor

Orientation Committee:

Bea Gross and Claire Weisberg, Co-Chairs

Roz Kreeger
Katie Holgate
Idell Holburt
Sally Schwartz
Audrey Small

Building Inspection and Maintenance Committee:

Irving Waaland, Chair
Inesa Nord-Leth
Herb Harris
John Dalis
Henry Nahoum

Dining Services Committee (Committee of the Whole)

Ryna Rothberg, Chair
Sy Wellikson
June Greenwald
Nancy Hou
Irving Waaland

Architectural Control Committee (Committee of the Whole)

Ryna Rothberg, Chair

RESOLVED FURTHER, that Resolution M50-17-07, adopted February 16, 2017 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 Wellikson moved to amend the resolution to add John Dalis to the Building Inspection and Maintenance committee. Director Waaland seconded the motion. By a vote of 4-0-0, the motion carried. Director Wellikson moved to approve this resolution as amended. Director Waaland seconded the motion. By a vote of 4-0-0, the motion carried.

Golden Rain Foundation Committee Appointments

Secretary Greenwald read the proposed resolution:

Resolution 50-17-11

GRF Committee Assignments

RESOLVED, March 16, 2016 that the following persons are hereby suggested to serve on the Committees of Golden Rain Foundation:

Business Planning

Nancy Hou

Community Activities

Ryna Rothberg

Finance

Nancy Hou

Landscape

Sy Wellikson

Maintenance & Construction

Ryna Rothberg

Media & Communications

Sy Wellikson

Mobility & Vehicles

June Greenwald

Security and Community Access

Representative: Lou Parker

Laguna Woods Village Traffic Hearings
Board Members by Rotation

RESOLVED FURTHER, that Resolution M50-16-59, adopted December 9, 2016 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.

By unanimous consent the Board approved the resolution.

Game Room Costs/Acoustic Upgrades and Game Room
This item was removed from the agenda.

Mutual Fifty Rules and Regulations
Secretary Greenwald read the proposed resolution:

Resolution 50-17-XX

WHEREAS, on January 19, 2006 the Mutual Fifty Board of Directors adopted Resolution M50-06-08, outlining rules and regulations of the corporation to be given to escrow and leasing offices for the information of new residents and lessees; and

WHEREAS, with the changes in policies over the last 11 years, these forms need revision;

NOW THEREFORE BE IT RESOLVED on April 20, 2017 the Board of Directors of this Corporation on behalf of the corporation hereby adopts the following rules and regulations to be distributed to all new residents prior to move-in; the list does not endeavor to detail all of the rules and regulations of Mutual Fifty:

1. When a home is purchased in The Towers and the buyer is approved for Membership, he/she becomes a member of Laguna Woods Mutual Fifty, a California non-profit mutual benefit corporation and a resident member in the Golden Rain Foundation of Laguna Woods, also a California non-profit mutual benefit corporation.
2. Laguna Woods Mutual No. Fifty is jointly owned in undivided interest by the 311 owners of the respective units comprising The Towers, which is managed as a condominium project under the direction of its elected resident Board of Directors. The Corporation has retained a managing agent for the purpose of executing its policies and Business Plan.

3. The Golden Rain Foundation holds in trust for all Laguna Woods Village residents all common properties such as golf courses, clubhouses, buses, swimming pools, etc. It is also managed under the direction of its elected resident Board of Directors. Mutual Fifty Directors are elected by the 311 members and Directors of GRF are elected by the Corporate members, United Laguna Hills Mutual, Third Laguna Hills Mutual, and Laguna Woods Mutual No. Fifty Boards of directors.
4. The residents of The Towers are provided reception desk services; housekeeping services; common area maintenance service; dining services; and educational and recreational activities. Services beyond what the Board determines to be basic services may be provided as a chargeable service, at an additional cost to the resident.
5. The Towers is not an assisted care facility. The residents must be capable of self-care or financially able to provide for health care attendants.
6. Personalized Motorized Vehicles are permitted within The Towers common area when prescribed by a doctor.
7. Residents are required to dress in acceptable clothing, appropriate to the location and occasion when in the common areas and to conduct themselves in an acceptable manner. There is a dress code in the dining rooms.
8. The monthly assessment for each unit includes all costs except property taxes for the unit, telephone, internet and premium cable service, personal property insurance, and maintenance of the living space of the unit.
9. Each unit is provided with housekeeping services - bathrooms every week, and the rest of the rooms in the unit, every other week.
10. The monthly carrying charge includes the cost of a daily meal. Additional fees may be charged if the resident purchases more meals than a daily meal.
11. There is no tipping of staff at the Towers at any time.
12. There have been occasions when residents have been rude to staff, sometimes causing staff members to resign from his/her position. To avoid this, when an incident of rudeness to staff occurs, the Board of Directors may discipline the resident, including fining the resident up to five hundred dollars (\$500.00) depending upon the severity of the incident.
13. Residents are allowed up to two pets in their unit. Residents who wish to keep pets in their unit must make application to the Mutual and obtain approval before the pet may reside. Applications are available in the Towers Administration office. The

Board of Directors may discipline any resident who violates this policy. This does not apply to personal assistance animals.

14. When Residents plan to move into the Towers or move out of the Towers, they MUST schedule the move with the Reception Desk at (949) 597-4278.
15. All construction and remodeling planned within a unit MUST be scheduled through the Maintenance shop (949) 434-5614.

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 Wellikson moved to postpone review of this resolution until next month. Director Rothberg seconded. By a vote of 4-0-0, the motion carried. The Board requested that staff include delinquencies in the resolution and provide a redline version of this resolution next month.

NEW BUSINESS (Items for Discussion and Consideration)

New Dining Room Policies

Mike Miller presented the new dining room policies including, point-of-sale system, alternate menus, catering, meal hours, seating, reservations, and meal plan.

Resolution 50-17-XX

WHEREAS, Laguna Woods Mutual No. Fifty recently entered into a contract with Sodexo to provide dining at The Towers; and

WHEREAS, resolution 50-06-25, adopted June 15, 2006, does not allow for removal of food from the dining rooms at any time and allows only for one meal per day; and

WHEREAS, Sodexo is proposing a new dining services policy that incorporates a point of sale system and a new Towers Meal Plan which will allow residents to order and pay for extra food, take leftovers back to their units, and pick up carryout meals, and

WHEREAS, certain holidays at The Towers typically have a highly attended brunch, with low demand for dinner those evenings and other holiday meals are traditionally served mid-day, rather than in the evening, and

NOW THEREFORE BE IT RESOLVED, April 20, 2017, that the Board of Directors of this Corporation hereby adopts the Dining Services Policies, Procedures and Meal Costs, including allowing for residents to take leftovers out

of the dining rooms and back to their units, allowing the residents to order more than one meal a day, and allowing residents to pick up meals in the California Dining Room for carryout; and

RESOLVED FURTHER, that the Board adopts the following holiday list and will switch to a "Brunch Only" sit down meal or carryout meal on the following holidays, Thanksgiving, Christmas, Easter Sunday, Mother's Day, and Father's Day; 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 Wellikson moved to postpone the resolution to next month in order for the Board to have more time to review the policy changes. Director Rothberg seconded the motion. By a vote 4-0-0, the motion carried.

Update on Dining Room Remodel Planning and Costs

Mike Miller discussed the seating layout design for the dining room remodel.

Create Reserve Account with South County Bank

Secretary Greenwald read the proposed resolution:

Resolution 50-17-12

WHEREAS, in February 2017, Laguna Woods Mutual No. Fifty signed a letter of intent to finance a \$2.2 million loan with South County Bank to provide energy infrastructure upgrades; and

WHEREAS, South County Bank requires a minimum \$250,000 deposit of funds from Laguna Woods Mutual No. Fifty to enter into a loan agreement; and

WHEREAS, Laguna Woods Mutual No. Fifty is currently holding more than that amount of reserve funds in its operating checking account with Union Bank;

NOW THEREFORE BE IT RESOLVED, March 16, 2017, that the Board of Directors of this Corporation hereby approves the creation of a reserve account with South County Bank with a deposit of \$250,000 in funds from the Union Bank operating checking account; 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 Wellikson moved the resolution. Director Greenwald seconded the motion. Director Hou spoke on the deposit being a condition for the loan. Director Wellikson spoke on this being contingent until the project starts. By a vote of 4-0-0, the motion carried.

Supplemental Appropriation for Emergency Cooling Tower Repairs
Secretary Greenwald read the proposed resolution:

Resolution 50-17-13

WHEREAS, the air heating/cooling system at The Towers includes two large cooling towers, located on the back side of Tower II; and

WHEREAS, these cooling towers operate using a variable speed drive (motor) and the variable speed drive on one of the cooling towers failed and can now only be run at 100%, which is very noisy for residents, or not at all; and

WHEREAS, replacement of these drives is approximately \$8,900 each;

NOW THEREFORE BE IT RESOLVED, March 16, 2017, that the Board of Directors of this Corporation hereby approves a supplemental appropriation of \$8,900 from the Replacement Fund for the replacement of the failing variable speed drive on the cooling towers; 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 Wellikson moved the resolution. Director Waaland seconded the motion. By a vote of 4-0-0, the motion carried.

Drone Rules

Secretary Greenwald read the proposed resolution:

Drone Rules
Resolution 50-17-XX

WHEREAS, the increasing popularity of drones increases the risk of residents and non-residents attempting to fly drones on Laguna Woods Mutual No. Fifty property; and

WHEREAS, flight of drones on Mutual Fifty property can cause potential liability to Mutual Fifty if an accident occurs; and

NOW THEREFORE BE IT RESOLVED, April 20, 2017, that the Board of Directors of this Corporation hereby approved the attached Drone Rules; 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.

I. Purpose of Drone Rules

It is the policy of the Laguna Woods Mutual No. Fifty (Mutual Fifty) that Residents and/or approved commercial users may operate Drones in the Laguna Woods Village Community in compliance with the following rules.

II. Definitions

For the purpose of these rules:

- a. A Remote Pilot in Command (PIC) is directly responsible for the operation of the Drone, and must ensure the Drone will pose no undue hazard to people, aircraft, or property in the event of loss or control of the Drone.
- b. A Drone as used in this Policy is defined as a Small unmanned aircraft system as that term is defined in 14 C.F.R. 107.3.
- c. Federal Aviation Administration (FAA) of the United States is a national authority with powers to regulate all aspects of civil aviation.
- d. Visual Observer means a person who is designated by the PIC to assist the PIC in seeing and avoiding other air traffic or objects aloft or on the ground.
- e. Resident is defined as a Member or Lessee who has been approved by the Board of Directors for occupancy.

III. Conditions

- a. A Drone is not allowed to operate unless a permit is granted by GRF.
- b. The Resident or approved commercial user to whom a permit for the operation of a Drone is granted is deemed the PIC, and only the PIC may manipulate the controls of the Drone.
- c. The PIC must submit a flight plan prior to each and every flight of the Drone which must occur wholly within the bounds of Laguna Woods Village.
- d. Each PIC may operate only one drone at a time within Laguna Woods Village.
- e. Guests of Laguna Woods Village Residents are not permitted to operate Drones in the Village.
- f. The PIC must provide proof the Drone is registered with the FAA.
- g. The PIC must be at least 18 years of age and must not operate in a careless or reckless manner so as to endanger the life or property of another.

- h. A Visual Observer is encouraged, but not required, as an additional measure of safety protecting life and property within Laguna Woods Village. However, the Drone must remain within visual line-of-sight of the PIC. Visual line-of-sight means that the PIC has an unobstructed view of the drone.
- i. The FAA registration number must be displayed on the aircraft decal.
- j. The PIC must provide flight software (version and manufacturer) that has the FAA "Return to Home" safety feature (in case of low battery or loss of signal).
- k. The time period during which a drone may be used within the Village is limited to the hours between sunrise and 30 minutes before sunset.
- l. Resident and/or approved commercial use planning to operate a Drone must provide proof of liability insurance with \$1 Million policy limits. The Resident and/or approved commercial user agrees to indemnify GRF, Village Management Services, Inc. (VMS), United Laguna Woods Mutual (ULWM), Third Laguna Hills Mutual (TLHM) and/or Mutual Fifty in the event a claim is asserted against GRF, VMSI, ULWM, TLHM, and/or Mutual Fifty relating to an act or omission involving Drone use, with GRF, ULWM, TLHM, or Mutual Fifty named as an additional insured on their liability insurance policy.
- m. The PIC agrees to yield the right-of-way to other aircraft; the Drone must not exceed 100MPH; may not carry hazardous materials; and must fly below 400 feet. Takeoff and landing of the drone must be carried out in open, common area.
- n. The Drone cannot be operated above anyone not directly participating in the operation, from under a covered structure, or from either a moving or stationary vehicle.
- o. The PIC must adhere to all state and federal laws regarding Drones.

IV. **Procedure**

- a. The Resident and/or approved commercial user must complete and submit "Application for Use of a Drone Permit" for review, one time only.
- b. The "Application for Use of a Drone Permit" and "Flight Plan" must be received at least seven days prior to the anticipated use of the Drone.
- c. The Resident and/or approved commercial user must complete and submit a flight plan every time the drone goes up into the air with an approved permit on file.
- d. The Resident and/or approved commercial user must provide a copy of their FAA registration and liability insurance listing GRF, VMS, ULWM, TLHM, and Mutual Fifty as additional insurer.
- e. The application and copies are to be submitted to the Resident Services Department located in the Laguna Woods Village Community Center.
- f. The application will be reviewed and conditionally approved or denied by the Chief of Security or his designee and the Resident and/or approved commercial user will be notified of the results within seven business days. Special circumstances may be granted.
- g. If approved, the Drone Permit must be present with the PIC whenever the Drone is operated.

V. Enforcement

GRF, VMS, ULWM, TLHM, and Mutual Fifty are authorized to take disciplinary action against a Member found to be in violation of the Drone Rules. When a violation occurs the Board is obligated to evaluate and impose, if appropriate, member discipline as set forth in the governing documents. The Board of Directors has the authority to impose monetary fines, suspend Member privileges, and/or bring forth legal action.

The Member is entirely responsible for ensuring that these rules are followed by anyone they allow into the community. This includes any Co-occupant, lessee, or guest.

A complaint may be registered with the Compliance Department by calling 949-268-CALL or by calling the Security Department at 949-580-1400.

Sy Wellikson moved to provide 30-day notice of the proposed rules to the membership. Director Waaland seconded the motion. By a vote of 4-0-0, the motion carried.

Board Member Code of Ethics

Secretary Greenwald read the proposed resolution:

**Board Member Code of Ethics
Resolution 50-17-14**

WHEREAS, Laguna Woods Mutual No. Fifty does not have a Board Member Code of Ethics; and

WHEREAS, the Community Association's Institute, the industry association for homeowner associations in Orange County, recommends that all homeowners associations adopt a code of ethics to encourage thoughtful consideration of ethical standards,

NOW THEREFORE BE IT RESOLVED, March 16, 2017, that the Board of Directors of this Corporation hereby adopts the attached code of ethics; and

Board Member Code of Ethics

Board members should:

1. Strive at all times to serve the best interests of the association as a whole regardless of their personal interests.

2. Use sound judgement to make the best possible business decisions for the association, taking into consideration all available information, circumstances and resources.
3. Act within the boundaries of their authority as defined by law and the governing documents of the association.
4. Provide opportunities for residents to comment on decisions facing the association.
5. Perform their duties without bias for or against any individual or group of owners or non-owner residents.
6. Disclose personal or professional relationships with any company or individual who has or is seeking to have a business relationship with the association.
7. Conduct open, fair and well-publicized elections.
8. Always speak with one voice, supporting all duly adopted board decisions – even if the board member was in the minority regarding actions that may not have obtained unanimous consent.

Board members should not:

1. Reveal confidential information provided by contractors or share information with those bidding for association contracts unless specifically authorized by the board.
2. Make unauthorized promises to a contractor or bidder.
3. Advocate or support any action or activity that violates a law or regulatory requirement.
4. Use their position or decision-making authority for personal gain or to seek advantage over another owner or non-owner resident.
5. Spend unauthorized association funds for their own personal use or benefit.
6. Accept any gifts – directly or indirectly – from owners, residents, contractors or suppliers.
7. Misrepresent known facts in any issue involving association business.
8. Divulge personal information about any association owner, resident or employee that was obtained in the performance of board duties.
9. Make personal attacks on colleagues, staff or residents.
10. Harass, threaten or attempt through any means to control or instill fear in any board member, owner, resident, employee or contractor.
11. Reveal to any owner, resident or other third party the discussions, decisions and comments made at any meeting of the board properly closed or held in executive session.

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 Wellikson moved the resolution. Director Greenwald seconded the motion. By a vote of 4-0-0, the motion carried.

Saddleback Emeritus Summer Schedule

Director Rothberg spoke on the Saddleback Emeritus summer schedule details.

Director Wellikson moved to approve the schedule. Director Waaland seconded. By a vote of 4-0-0, the motion carried.

MUTUAL FIFTY COMMITTEE REPORTS

Activities Committee Report – Harriet Fillmore

Reported on the actions of the Activities Committee.

Finance Committee – Nancy Hou

Report given during Treasurer's report.

Marketing Committee – Ryna Rothberg

No meeting, no report.

Orientation Committee Meeting

No verbal report given, report was included in the package.

GRF COMMITTEE REPORTS

Community Activities Committee – Ryna Rothberg

No report given.

Business Planning Committee – Nancy Hou

No meeting, no report.

Finance Committee – Nancy Hou

Reported on the actions of the GRF Finance Committee including, Blackrock/Merrill Lynch presentation regarding investment portfolio of all four mutuals, review of GRF Finance statement as of December 31, 2016, and introduction of two types of tax options for Homeowner Associations.

Landscape Committee – Sy Wellikson

No meeting held, no report.

Maintenance and Construction Committee – Ryna Rothberg

No report given.

Media and Communications Committee- Sy Wellikson

No meeting held, no report.

Mobility and Vehicles Committee – June Greenwald

Reported on the actions of the Mobility and Vehicles Committee.

Security and Community Access – Lou Parker

No report.

Laguna Woods Traffic Hearings – June Greenwald/Ryna Rothberg

No resident violators.

Board Member Closing Comments

- Director Wellikson spoke on the importance of the Energy Management System project election.
- Director Rothberg spoke on the fact that the Energy Management System project will not require supplemental funding.

RECESS

The meeting recessed at 3:30 p.m. and reconvened into Executive Session at 3:45 p.m.

Summary of Previous Closed Session Meetings per Civil Code Section 4935

During its Regular Executive Session meeting of February 16, 2017, the Board approved the minutes of the January 19, 2016 Regular Executive Session, and discussed contractual and legal matters.

The meeting was adjourned at 4:47 p.m.



June Greenwald, Secretary