

MEETING OF THE GOLDEN RAIN FOUNDATION
COMPLIANCE AD HOC COMMITTEE

Thursday, October 5, 2023 - 1:30 p.m.
24351 El Toro Road, Laguna Woods, California 92637
Community Center – Board Room/Virtual

NOTICE AND AGENDA

1. Call to Order Bunny Carpenter
2. Approval of the Agenda Bunny Carpenter
3. Approval of the Report from August 11, 2023 Bunny Carpenter
4. Chair's Remarks Bunny Carpenter
5. Member Comments Bunny Carpenter
Laguna Woods Village owners/residents are welcome to participate in all open committee meetings and submit comments or questions regarding virtual meetings using one of two options:
 1. Join the committee meeting via a Zoom link <https://us06web.zoom.us/j/89671074866> or by calling 669-900-6833. Access code: 896 7107 4866
 2. Via email to meeting@vmsinc.org any time before the meeting is scheduled to begin or during the meeting. Please use the name of the committee in the subject line of the email. Name and unit number must be included.
6. Response to Member Comments Bunny Carpenter

Items for Discussion and Consideration:

7. Additional Occupancy Fee Steve Hormuth

Concluding Business:

8. Committee Member Comments
9. Future Agenda Items
 - a. None.
10. Adjournment
11. Date of Next Meeting: To be determined

*A quorum of the GRF Board or more may also be present at the meeting.

Bunny Carpenter, Chair
Francis Gomez, Staff Officer
(949) 268-2255



OPEN MEETING

**MEETING OF THE GOLDEN RAIN FOUNDATION
COMPLIANCE AD HOC COMMITTEE**

**Friday, August 11, 2023 - 9:30 a.m. Laguna Woods Village Community Center
Board Room/ Virtual Meeting
24351 El Toro Road, Laguna Woods, CA 92637**

DIRECTORS PRESENT: Bunny Carpenter- Chair, Juanita Skillman, Reza Karimi, Maggie Blackwell, S.K Park, Andy Ginnochio; Joan Milliman and Pearl Lee (both joined via Zoom)

DIRECTORS ABSENT: None.

STAFF PRESENT: Francis Gomez and Ruby Rojas

OTHERS PRESENT: **GRF Directors-** Yvonne Horton and Elsie Addington

CALL TO ORDER

Bunny Carpenter, Chair, called the meeting to order at 9:41 a.m.

APPROVAL OF THE AGENDA

Chair Carpenter made a motion to approve the agenda.
Director Park seconded the motion.

Without objection, the agenda was approved.

APPROVAL OF THE REPORT FROM JULY 14, 2023

Chair Carpenter made a motion to approve the meeting report from July 14, 2023.

Without objection, the report was approved.

CHAIR'S REMARKS

None.

MEMBER COMMENTS

None.

RESPONSE TO MEMBER COMMENTS

None.

ITEMS FOR DISCUSSION AND CONSIDERATION

Member Disciplinary Process

Ms. Francis Gomez, Operations Manager, gave an overview of the Member Disciplinary Process. The Committee Members made comments and asked questions.

Director Skillman made a motion to forward the matter for the full board's consideration. Director Karimi seconded the motion.

By way of consensus, the motion passed.

CONCLUDING BUSINESS:

Committee Member Comments

Director Lee and Director Addington suggested reevaluating member fees in regards to additional occupancy.

Future Agenda Items

- a. Additional Occupancy Fee

Date of Next Meeting

To be determined pending the results of a financial evaluation on the Additional Occupancy Fee.

Adjournment

With no further business before the Committee, the Chair adjourned the meeting at 11:04 a.m.

Bunny Carpenter

Bunny Carpenter- Chair

STAFF REPORT

DATE: October 5, 2023
FOR: GRF Compliance Ad Hoc Committee
SUBJECT: Fee Update – Additional Occupancy Fee

RECOMMENDATION

Staff recommends the board approve changing the monthly GRF Additional Occupant Fee amount to equal 50% of the GRF per manor per month Total Basic Assessment per each additional occupant over two, to be effective January 1, 2024 and for each year thereafter.

BACKGROUND

During the period of 1993 – 2003 the additional occupancy fee was a flat amount of \$42 per month per additional occupants in excess of two. In 2004 the fee increased to \$47 per Resolution 90-03-78 and continued to be recalculated each year to equal 25 percent of the annual GRF Assessment. The fee then increased or decreased slightly over the years in correlation with the assessment. In 2018, the fee was changed to a flat fee of \$90 per month per Resolution 90-17-28 followed by an increase in 2019 to \$100 per month per Resolution 90-19-57. The fee has remained at \$100 per month from 2019 until present.

DISCUSSION

The GRF assessment for net operating costs and reserve contributions is divided equally by the number of units in the Community. Each unit is responsible for a pro rata share of the assessment, whether occupancy is one or two individuals. However, when more than two individuals reside in a unit, GRF charges an additional occupant fee. The purpose of this fee is to recover costs related to incremental usage when more than two people reside in a manor, as it pertains to GRF amenities and facilities.

For the eight-month period ending August 2023, an average of 140 additional occupants are paying this monthly fee.

On September 5, 2023 the GRF Board approved the 2024 Annual Business Plan via Resolution 90-23-47 detailing a Total Basic Assessment of \$228.22 per month (ATT1).

FINANCIAL ANALYSIS

An Additional Occupancy Fee equal to 50% of the Total Basic Assessment results in a monthly fee of \$114.00 ($\$228.22 \times 50\%$), rounded to the nearest dollar. With an increase of \$14 ($\$114 - \100) per month for each occupant in excess of two, an average annual increase of approximately 3.4% from 2019 – 2024, GRF would generate total annual revenue in 2024 of approximately \$191,500 ($\$114 \times 12 \text{ months} \times 140 \text{ additional occupants}$) to offset costs incurred by the extra occupants. The additional \$14 monthly change generates a projected increase of \$23,500 over the current \$100 per month fee.

Prepared By: Steve Hormuth, Director of Financial Services

Reviewed By: Jose Campos, Assistant Director of Financial Services
Eric Nunez, Director of Security
Francis Gomez, Compliance Manager
Pamela Bashline, Community Services Manager

ATTACHMENT(S)

ATT1: GRF 2024 Business Plan

Committee / Board Routing:

October 18, 2023 – GRF Finance Committee Meeting
November 7, 2023 – GRF Board Meeting (For 28 Review)
December 5, 2023 – GRF Board Meeting (For fee approval)



2024 BUSINESS PLAN - BY ACCOUNT

DESCRIPTION	2020 ACTUAL*	2021 ACTUAL*	2022 ACTUAL	2023 PLAN	2024 PLAN	ASSESSMENT			
						Per Manor Per Month		Change	
						2023	2024		
Revenues:									
1	Golf Greens Fees	\$1,241,594	\$1,656,161	\$1,777,020	\$1,744,500	\$1,814,600	\$11.41	\$11.87	(\$0.46)
2	Golf Operations	273,504	318,827	363,750	379,300	377,400	2.48	2.47	0.01
3	Merchandise Sales	269,630	522,651	618,929	609,006	643,147	3.98	4.21	(0.23)
4	Clubhouse Rentals and Event Fees	123,440	113,331	565,790	653,971	695,493	4.28	4.55	(0.27)
5	Rentals	142,958	140,779	144,674	197,500	198,064	1.29	1.30	(0.01)
6	Broadband Services	5,186,355	5,038,208	5,277,634	5,554,800	6,423,300	36.35	42.03	(5.68)
7	Miscellaneous	655,785	659,087	1,021,743	1,217,629	1,171,790	7.97	7.67	0.30
	Total Revenue	\$7,893,266	\$8,449,044	\$9,769,540	\$10,356,706	\$11,323,794	\$67.76	\$74.10	(\$6.34)
Expenses:									
8	Employee Compensation	\$16,656,527	\$17,060,816	\$18,221,733	\$20,123,612	\$20,108,764	\$131.67	\$131.58	(\$0.09)
9	Exp. Related to Compensation	4,913,404	5,058,750	5,405,108	6,331,723	5,965,952	41.43	39.05	(2.38)
10	Materials and Supplies	1,564,387	1,570,108	2,189,516	1,801,729	2,048,209	11.79	13.40	1.61
11	Cost of Merchandise Sold	192,232	431,568	477,382	440,638	467,066	2.88	3.06	0.18
12	Community Events	125,189	45,229	408,472	410,910	432,956	2.69	2.83	0.14
13	Electricity	705,598	881,645	1,161,822	918,102	1,015,216	6.01	6.64	0.63
14	Sewer	67,047	75,868	94,167	126,163	125,568	0.82	0.82	0.00
15	Water	645,378	762,448	783,105	723,350	709,660	4.73	4.64	(0.09)
16	Trash	191,847	128,609	86,161	148,815	139,544	0.97	0.91	(0.06)
17	Natural Gas	164,840	237,215	397,074	334,415	405,425	2.19	2.65	0.46
18	Telephone	316,676	308,599	281,881	342,957	303,338	2.24	1.98	(0.26)
19	Fuel & Oil for Vehicles	370,940	489,252	723,392	628,490	627,894	4.11	4.11	0.00
20	Legal Fees	336,669	737,723	92,364	245,850	248,350	1.61	1.62	0.01
21	Professional Fees	571,281	416,867	629,637	829,009	759,457	5.42	4.97	(0.45)
22	Rentals	200,704	258,816	272,854	289,655	328,042	1.90	2.15	0.25
23	Outside Services	2,252,750	2,829,913	2,886,946	2,900,604	3,216,787	18.98	21.05	2.07
24	Repairs and Maintenance	954,116	886,507	1,192,186	999,673	1,045,997	6.54	6.84	0.30
25	Other Operating Expense	443,005	647,885	734,620	938,280	1,036,567	6.14	6.78	0.64
26	Income, Property, and Sales Tax	718,919	(505,305)	35,300	35,991	37,892	0.24	0.25	0.01
27	Insurance	2,008,550	2,658,323	2,783,674	2,987,766	3,277,996	19.55	21.45	1.90
28	Cable TV Programming	3,792,055	3,966,508	4,196,413	4,415,500	5,143,360	28.89	33.65	4.76
29	Uncollectible Accounts	1,416	12,184	4,144	12,100	13,000	0.08	0.09	0.01
30	(Gain)/Loss on Sale or Trade	(56,922)	(180,899)	17,743	0	(810)	0.00	(0.01)	(0.01)
31	Cost Allocations	(2,900,667)	(2,775,314)	(2,988,482)	(2,875,047)	(3,087,099)	(18.81)	(20.19)	(1.38)
	Total Expense	\$34,235,941	\$36,003,315	\$40,087,212	\$43,110,285	\$44,369,131	\$282.07	\$290.32	\$8.25
32	(Surplus)/Deficit Recovery	\$0	\$0	\$0	(\$1,528,320)	(\$764,160)	(\$10.00)	(\$5.00)	\$5.00
	Net Operating	\$26,342,675	\$27,554,271	\$30,317,672	\$31,225,259	\$32,281,177	\$204.31	\$211.22	\$6.91
Fund Contributions:									
33	Reserve Funds	\$2,903,808	\$2,903,808	\$2,598,144	\$2,598,144	\$2,598,144	\$17.00	\$17.00	\$0.00
34	Contingency Fund	764,160	0	764,160	0	0	0.00	0.00	0.00
	Total Fund Contribution	\$3,667,968	\$2,903,808	\$3,362,304	\$2,598,144	\$2,598,144	\$17.00	\$17.00	\$0.00
TOTAL BASIC ASSESSMENT									
		\$30,010,643	\$30,458,079	\$33,679,976	\$33,823,403	\$34,879,321	\$221.31	\$228.22	\$6.91

*2020 and 2021 actuals were affected by COVID-19 Pandemic.