



OPEN MEETING

**REGULAR MEETING OF THE THIRD LAGUNA HILLS MUTUAL
RESIDENT POLICY AND COMPLIANCE COMMITTEE**

**Tuesday, June 28, 2022 – 9:30 A.M.
Board Room/Virtual Meeting
Laguna Woods Village Community Center
24351 El Toro Road**

AGENDA

- | | |
|--|-----------|
| 1. Call to Order | Mark Laws |
| 2. Acknowledgment of Media | Mark Laws |
| 3. Approval of the Agenda | Mark Laws |
| 4. Approval of Meeting Report for May 24, 2022 | Mark Laws |
| 5. Chair's Remarks | Mark Laws |
| 6. Member Comments (Items Not on the Agenda) | |

Laguna Woods Village owner/residents are welcome to participate in committee meetings and submit comments or questions regarding virtual committee meetings using one of two options:

- a. 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 manor number must be included.
- b. Join the Committee meeting via Zoom at: <https://us06web.zoom.us/j/83556074136> or by dialing 669-900-6833 Access Code: 835 5607 4136.

Reports:

None

Items for Discussion and Consideration:

- | | |
|---|------------------|
| 7. Member Disciplinary Process | Blessilda Wright |
| 8. Board Member Participation in Committees | Blessilda Wright |
| 9. Deactivation of Cable/Internet Services as a Disciplinary Action | Blessilda Wright |

Items for Future Agendas:

10. Social Media Use Policy
11. Barbeque Rules and Regulations

Concluding Business:

12. Committee Member Comments
13. Date of Next Meeting – July 27, 2022
14. Adjournment

Mark Laws, Chair
Blessilda Wright, Staff Officer
Telephone: 949-597-4254



OPEN MEETING

REGULAR MEETING OF THE THIRD LAGUNA HILLS MUTUAL RESIDENT POLICY AND COMPLIANCE COMMITTEE

Tuesday, May 24, 2022 – 9:30 A.M.
Board Room/Virtual Meeting
Laguna Woods Village Community Center
24351 El Toro Road, Laguna Woods, CA 92637

MEMBERS PRESENT: Robert Mutchnick, Chair, Lynn Jarrett, Cush Bhada and Mark Laws

MEMBERS ABSENT: None

ADVISORS PRESENT: None

ADVISORS ABSENT: Stuart Hack

STAFF PRESENT: Blessilda Wright, Pamela Bashline and Paul Nguyen

CALL TO ORDER

Robert Mutchnick, Chair, called the meeting to order at 9:29 a.m.

ACKNOWLEDGEMENT OF MEDIA

The Media was not present.

APPROVAL OF AGENDA

Director Bhada made a motion to approve the agenda. Director Jarrett seconded the motion.

By consensus, the motion carried.

APPROVAL OF MEETING REPORTS

Director Laws made a motion to approve the April 26, 2022 meeting report as presented. Director Jarrett seconded the motion.

By unanimous vote, the motion carried.

CHAIRMAN'S REMARKS

None

MEMBER COMMENTS ON NON-AGENDA ITEMS

Mr. John Hess of (3106-P Via Serena South) wanted to discuss the recently passed "Additional Occupancy Fees".

Chair Mutchnick advised the member that the Directors have received his packet and will thoroughly look through it and may consider for a future agenda item.

Director Bhada advised that the information provided will be reviewed.

REPORTS

None

ITEMS FOR DISCUSSION AND CONSIDERATION

Distribution of Printed Materials

Blessilda Wright, Compliance Supervisor, presented Distribution of Materials. The Committee commented and asked questions.

Director Jarrett made a motion to approve Distribution of Printed Materials Policy with corrections to the Staff Report and Resolution to include Printed

Director Laws seconded the motion.

By unanimous vote, the motion carried.

Resale Policy

Pamela Bashline, Community Service Manager, presented Resale Policy. The Committee commented and asked questions.

Director Laws made a motion to approve Resale Policy, Equity of US Property and make changes to II. Net Worth Requirements, Section B: add U.S. in front of residential, and income real estate.

Director Jarrett seconded the motion.

By unanimous vote, the motion carried.

ITEMS FOR FUTURE AGENDAS

- Review Resolution 03-15-100 Deactivation of Cable Services at a Delinquent Member's Unit
- Review Resolution 03-71 Board Member Participation in Committees

CONCLUDING BUSINESS

Committee Member Comments

Director Laws thanked staff for doing a great job that helped this meeting move along quickly.

Director Jarrett stated this was a short nice meeting.

Chair Mutchnick advised the Committee that Mr. Hess' comments about "Additional Occupancy Fees" had been shared with legal counsel as his opinion had already been received.

Date of Next Meeting

Tuesday June 28, 2022 at 9:30 a.m.

Adjournment

With no further business before the Committee, the Chair adjourned the meeting at 9:58 a.m.

Robert Mutchnick

Robert Mutchnick (May 27, 2022 07:49 PDT)

Robert Mutchnick, Chair
Third Laguna Hills Mutual



STAFF REPORT

DATE: June 28, 2022
FOR: Resident Policy and Compliance Committee
SUBJECT: Member Disciplinary Process

RECOMMENDATION

Received and File.

BACKGROUND

On July 20, 2004, the Board of Directors established a member-discipline process for the purposes of holding disciplinary hearings in a timely manner and ensuring progressive discipline (Attachment 1, Resolution 03-04-12). The Board of Directors is obligated to evaluate and impose if appropriate, member-discipline under its Bylaws and California Civil Code.

The member-discipline process is coordinated by the Compliance Division. Upon notice of an alleged violation, staff investigates and should staff identify objective evidence of a violation by a member or their guests, staff will send a courtesy notice to the offending party describing the allegation(s) and the disciplinary action that may ensue if not corrected. Staff will monitor the situation and if compliance is not evident, staff will send a final notice requesting compliance. Additionally, the matter is scheduled for a disciplinary hearing with the Board of Directors to determine if member-discipline is merited. If the alleged violation has been resolved, no further action is required.

If a disciplinary hearing is merited, staff will proceed with noticing the Member for a hearing. During a Member Disciplinary Hearing the member has the right to meet before the Board of Directors in executive session. If the board finds the member to be in violation of the governing documents, the board may impose a fine based on the Monetary Fee Schedule, suspend Member privileges for delinquency, and/or consider legal action.

The Executive Hearings Committee meets for four hours on a monthly basis for damage restoration and disciplinary hearings. For 2021, the Committee averaged six disciplinary hearings per monthly meeting.

DISCUSSION

On average, the member-disciplinary process takes approximately 45 days from when a complaint is reported to when a disciplinary hearing is scheduled. Additionally, at present time, approximately 82% of disciplinary cases are resolved with the courtesy notice. The following categories currently result in an immediate hearing: violations involving hazardous materials, dog bite, major manor maintenance/repair, and major nuisance violations.

Complaints received via a Complaint Form or Staff are investigate to confirm there is a violation to the Third's governing documents. Due to confidently staff is unable to disclose finding of a complaint to the reporting party. Furthermore, if a resident submits a complaint they are also advised to contact the Security Department when the violation occurs for a Security Officer to verify the violation i.e. dog barking, loud television or construction violations.

FINANCIAL ANALYSIS

None

Prepared By: Blessilda Wright, Compliance Supervisor

Reviewed By: Francis Gomez, Operations Manager

ATTACHMENT(S)

Attachment 1: Member Disciplinary Process

Attachment 1: Member Disciplinary Process

MEMBER DISCIPLINARY PROCESS

The following notice is provided pursuant to Civil Code Section 5850

Resolution 03-04-12, adopted July 20, 2004 by the Third Laguna Hills Mutual (Third) Board of Directors established a member-discipline process for the purposes of holding disciplinary hearings in a timely manner and ensuring progressive discipline. The Board of Directors is obligated to evaluate and impose if appropriate, member-discipline under its Bylaws and Civil Code Section 5850.

Each Member of Third is obligated to comply with the rules, terms, and conditions as set forth in the Mutual's governing documents. Following is the disciplinary process adopted by the Board of Directors when violations occur:

- Upon notice of alleged violation, Staff investigates and files an Incident Report (IR) and/or Notice of Clutter Violation (NOV).
- By way of the initial investigation, should Staff identify objective evidence of a violation by a Member or their guests, Staff will send a letter to the offending party describing the allegation(s) and the disciplinary action that may ensue if not corrected.
- Staff will monitor the situation and if compliance with the request is not evident, an additional IR and/or NOV is filed, and a letter is sent to the offending party advising that a Disciplinary Hearing may be scheduled with the Board of Directors to determine if member-discipline is merited. If the alleged violation has been resolved, no further action is required.
- If a Disciplinary Hearing is merited, Staff will proceed with noticing the Member for a hearing. Hearings are noticed based on Section 4.5, Discipline or Suspension, of the Bylaws.
- During a Member Disciplinary Hearing the Member has the right to meet before the Board of Directors in executive session. If the Board finds the Member to be in violation of the governing documents, the Board may impose a fine based on the Monetary Fee Schedule, suspend Member privileges, and/or consider legal action.

Violations include but are not limited to: abandoned/inoperable vehicles, unauthorized alterations, animal nuisance, breezeway clutter, carport clutter, common area clutter, interior clutter, patio clutter, illegal occupancy, nuisance, non-payment of assessments, etc.

The Member Disciplinary process is coordinated by the Compliance Division. A complaint may be registered by calling the Security Department at 949-580-1400 or the Compliance Department at 949-268-CALL or by email at compliance@vmsinc.org.



STAFF REPORT

DATE: June 28, 2022
FOR: Resident Policy & Compliance Committee
SUBJECT: Board Member Participation in Committees

RECOMMENDATION

Receive and File.

BACKGROUND

On October 21, 2003, the Third Laguna Hills Mutual (Third) Board of Directors (Board) established Resolution 03-03-71, the Board Member Participation in Committee allowing board member's who attend committee meetings to vote. Staff was unable to locate a staff report from 2003 explaining the need to this resolution.

On November 17, 2020, the Board amended Resolution 03-20-80, Rules for Board Meetings to include clarifying language to the Closed Session Hearings.

DISCUSSION

Each committee created by the Third Board has a committee charter that dictates the parameters of the committee's purpose. The charter includes who can vote, how many board members and advisors are assigned to each committee and the frequency of the committee meetings.

The Board Member Participation in Committee policy allows for board members to be alternates in a committee meeting even if the Committee Assignments approved by the board does not list the board member as an alternate. This allows for the committee meeting to continue within the parameters of the charter.

Additionally, Resolution 03-20-80, Rules of Board Meetings Policy, Committee: Reports, Meeting states "A committee consisting of six or more Directors, or including at least six Directors in its roster, shall conduct its meetings in the same manner as a Board meeting, with agenda, minutes, Open Forum, and in compliance with all other requirements applicable to Board meetings." In the event additional directors show up for a specific committee meeting staff will have to advise the chair of the policy or postpone the meeting to follow the policies procedure.

Prepared By: Blessilda Wright, Compliance Supervisor

Reviewed By: Francis Gomez, Operations Manager

ATTACHMENT(S)

Attachment 1: Resolution 03-03-71, Board Member Participation in Committee

Attachment 2: Resolution 03-20-80, Rules for Board Meetings

RESOLUTION M3-03-71

Adopted at the Tuesday, October 21, 2003 Open Meeting

Approval of allowing Board member to participate as a voting member at committee meeting they are attending

RESOLVED, October 21, 2003 that the Board of Directors of this Corporation hereby approves that any Board Member that attends a committee meeting shall be allowed to participate as a voting member of the committee at the meeting

RULES FOR BOARD MEETINGS

Resolution 03-13-04, adopted January 15, 2013; Resolution 03-14-04, adopted January 21, 2014; and Resolution 03-20-80; Adopted November 17, 2020

I. INTRODUCTION

Successful, efficient and orderly Board meetings benefit everyone in the community. Manor owners ("Members") have the right to observe the open board meetings and are encouraged to attend, but meetings which are disorderly or too long can be discouraging.

These Rules inform both Director and non-Director as to what is expected of all attending Board meetings, and how meetings are conducted. The goal is orderly and efficient meetings, protection of Owners' right to observe productive deliberations, and enhancement of the governance and the membership experience in Third Laguna Hills Mutual ("Third").

II. BOARD MEETINGS

A. Regular Board Meetings

Notice of the date, time and location of regular Board meetings will be provided by posting in the Clubhouse kiosks and the community center bulletin board and on the web site a minimum of four days before the meeting is to take place. Board meetings are open to all Association Members to attend and observe. Non-Members may attend only at the discretion of the Board of Directors.

Normally, regular Board meetings are held in the morning on the third Tuesday of each month. However, four days posted advance notice is always given of all open Board meetings except in case of emergency. Regular Board meetings are normally held in the Board Room on the ground floor of the Community Center at 9:30 a.m.

B. Special Meeting or Altering Location, Date or Time

If a special Board meeting is called or if the location, date or time of a Board meeting is to be changed, all Members will be notified at least four days prior to the meeting by posting in the Clubhouse kiosks and on the web site. In an emergency, the President or any two Directors may call for a Board meeting on shorter notice.

C. Attendance

Members may attend Board meetings, but Executive Session meetings are closed. **A "Member" is not a tenant, guest, family, or legal counsel of the Member.**

D. Agendas

1. **Preparation.** Agendas are prepared by the President **1**, in cooperation with management staff. At least one week prior to a Board meeting, the President will inquire if any Director requests inclusion of an agenda item. The Chair may also call a Board meeting for the purpose of setting the regular Board meeting agenda.
2. **Request for inclusion.** A Director may request an item be included in an agenda, by submitting the action requested and an explanation of the reason for the request. A Director requesting an agenda item is responsible to present that item to the Board with supporting information if the item is included in the agenda.
3. **Rejected agenda items.** The Chair with the assistance of Management Staff shall include a requested item in the agenda unless the item:
 - a) Has no suggested action;
 - b) Is redundant with an item already on the agenda or was addressed in a Board meeting in the previous three months;
 - c) Must be discussed in Executive Session;
 - d) Would make the agenda unduly lengthy (and so will be on the next agenda);
 - e) Is sent first to a committee for recommendation; or
 - f) Is, based on the advice of legal counsel, proposing action barred by law.
4. **Board request for agenda item.** Notwithstanding the foregoing, if an agenda item is requested in writing or by electronic mail by at least six Directors, the Chair shall include it in the Agenda for the open meeting or the Executive Session meeting, depending upon the item.
5. **Member Request for Agenda Item.**
 - a) A Member may request the President in advance that a topic be added to the agenda, but the President with the assistance of Staff will determine whether a requested topic will be included in the agenda.
 - b) A topic will also be added to the agenda if at least one week prior to the scheduled Board meeting, the Chief Executive Officer (CEO) or Staff receives a petition signed by at least twenty five different Members entitled to vote.
 - c) The requested agenda topic must still meet the standards of Rule II(D)(3) above.

1 Any action to be taken by the President may be taken by the First Vice President or the next officer in order as stated in the By-laws if the President is unable to attend or participate.

- d) A Member who has requested an agenda item which is placed on the agenda ("Requesting Member"), may speak to the item during Open Forum, or at the election of the Chair, may present the topic to the Board immediately before the Board begins its deliberation of the item (assuming there is a Motion from the Board after the Requesting Member speaks). The Requesting Member may speak on the matter for up to five minutes. Only one person may be considered the "Requesting Member" for the purpose of addressing the Board. The Board may by motion give the Requesting Member more time to speak.
- 6. **Publication, agenda packets.** Agendas will be published at least four days prior to any non-emergency Board meeting. The Board will receive a board packet (also referred to as "agenda package"), prepared by management staff, at least four days prior to the meeting, and may be transmitted electronically upon request. To make the meeting more efficient, Directors should read the board packet prior to arriving at the meeting.
- 7. **No discussion of matters not disclosed on agenda.** The Board may not discuss subjects which are not on the agenda unless the matter is determined by a majority of the Board to involve an emergency, or unless the matter arose prior to the meeting but after the agenda was published and at least eight Directors concur that the matter requires immediate action.

Sample agenda. The following is a typical Agenda:

- a) Call meeting to order/Establish Quorum.
- b) Pledge of Allegiance
- c) Acknowledge Media
- d) Approval of Agenda
- e) Approval of Minutes
- f) Report of the Chair
- g) Open Forum (Three Minutes per Speaker)
- h) Responses to Open Forum Speakers
- i) CEO/COO Report
- j) Consent Calendar
- k) Unfinished business
- l) New Business
- m) Committee Reports
- n) GRF Committee Highlights
- o) Future Agenda Items
- p) Director's Comments
- q) Recess
- r) Adjournment

E. Committees: Reports. Meetings

1. If the Bylaws provide for standing committees or if the Board from time to time establishes committees, committee reports may be submitted to the Board prior to the meeting for review. If the committee recommends any Board action, the report should also indicate the reasons it is recommended. If possible, the committee Chair or a member of the committee should present the report.
2. A committee consisting of six or more Directors, or including at least six Directors in its roster, shall conduct its meetings in the same manner as a Board meeting, with agendas, minutes, Open Forum, and in compliance with all other requirements applicable to Board meetings.
3. A committee consisting of both Directors and non-Directors but which has less than six Directors may, but is not required to, conduct its meetings in the same manner as a Board meeting, but shall prepare and submit a report to the Board prior to the agenda publication, including any recommended action.
4. Any committee reports will be included in the board packets if they are timely submitted. Committee reports which do not contain a request for action will be noted in the minutes as “received.”
5. A committee request for action shall be placed by the Chair or staff on the agenda, so long as it complies with Rule D(3).
6. Directors, upon presentation of a committee report, may ask questions about the report, but may not deliberate about the report unless that subject was timely placed on the agenda for deliberation and possible action in that meeting.

F. Open Forum

The Open Meeting Act, Civil Code §§4900-4950, provides that Board meetings are open to Members. A “meeting” under the law is “a congregation of a majority of the members of the board at the same time and place to hear, discuss, or deliberate upon any item of business that is within the authority of the board.” The Board thus may not exclude Members from attending, absent discipline imposed as provided herein. The only exception is for Executive Session as discussed further below.

1. **Time for Open Forum.** Open Forum will normally occur at the beginning of the Board meeting. The agenda may also provide for a second Open Forum time at the end of the agenda. The Board may by motion re-open Open Forum on a specific agenda item, or reschedule Open Forum within the agenda.

2. **Member's Right to Speak.** Open Forum is a valuable and legally required portion of every open Board meeting. Open Forum is the opportunity for the Member to inform the Board of matters which may not be known.
 - a) During Open Forum, a Member may speak to the Board on any topic not on the agenda. The purpose of Open Forum is to inform the Board of viewpoints or information of which the Board may not be aware regarding Third. Therefore, although a Member may use their time to speak upon any topic of interest to the Member, Members are advised that the Board may not be as attentive to comments on matters outside the Board's jurisdiction.
 - b) At the time designated on the agenda for Open Forum, the Chair shall ask the Members present to raise their hand if they wish to speak in Open Forum. In order to give all Members an opportunity to speak at meetings, and to control meeting length, each member may speak for a maximum of three minutes. In the event more than ten Members indicate a desire to speak, the time limit per speaker shall be shortened to two minutes per speaker.
 - c) Open Forum is the time for Members to speak and provide additional opinions and viewpoints to the Board, and is not a time for the Board to speak. Directors will listen and not respond or otherwise interrupt a speaker at Open Forum, so long as the speaker is within these Rules and time limits. A response, if any, by a Director or staff to an Open Forum remark or question shall be after the close of Open Forum. The Chair may appoint a Director or Staff-person as timekeeper.
 - d) So long as the Open Forum comments comply with these Rules, neither staff, the Chair, nor other Director shall interrupt the speaker.
 - e) The statements made by Members in Open Forum are not the position of the Association, and Third takes no responsibility as to the content of Open Forum comments. At the beginning of Open Forum, the Chair shall remind all attending as to these Rules regarding Open Forum.
3. **Open Forum During Agenda Item Discussions.**
 - a) During the Board deliberations of a matter, and when the Chair at the Chair's sole discretion determines there has been sufficient discussion to inform the attendees in the audience of the issue, the Chair will inquire if any Members in the audience wish to speak to the motion at hand.
 - b) If the Chair sees any hands raised indicating a desire to speak, Open Forum will be reopened on the issue, and the Members indicating a desire to speak to the topic may speak for up to three (3) minutes on the specific agenda item.
 - c) Off-topic commentary will not be permitted, but so long as the speaker complies with the Rules, neither the Chair nor any Director will interject or otherwise interrupt during the speaker's remarks.

- d) The Chair in its sole discretion may reduce the time per speaker to two (2) minutes on an issue, if the Chair deems it necessary to insure that all who wish to speak have the opportunity to do so.
 - e) A member (or co-Owner of a Member) shall only speak once on a given agenda item.
 - f) Once the Chair determines that all have spoken who wished to speak, or that no one has indicated a desire to speak, the Chair shall announce Open Forum is again closed, and the Board shall resume and conclude its deliberations on the item.
4. **Re-opening of Open Forum.** If an issue on the Agenda is deemed by the Board to require further Membership input, the Board may by majority vote re- open Open Forum, to allow Members to speak to the pending subject. If Open Forum is reopened, Members may speak for up to two minutes each. Upon completion of such Membership input, in compliance with Open Forum Rules, the Board will then close Open Forum and resume deliberating the subject.
5. **Member Observation of Deliberations.** Except for Open Forum, Members may not speak to the Board, and shall quietly observe Board deliberations except for those in Executive Session. Members do not vote or make motions at Board meetings, as only Directors vote at Board meetings. Applause, boos, or other audible response to Board deliberations or decisions is out of order.
6. **Addressing the Board During Open Forum.** When speaking, the Member will identify Member's name and Manor, and will stand at the speaker's podium if physically able to stand, and will address the Board, not the audience.

G. Meeting Conduct

Directors, Members and anyone else permitted to attend the meeting will conduct themselves in a reasonable manner. The following conduct is strictly prohibited:

- 1. Profane or obscene language;
- 2. Slurs involving race, religion, ethnicity, gender, sexual orientation, gender identity, or age;
- 3. Shouting or yelling;
- 4. Physical threats, including non-verbal communications such as gestures or using body language in such a way as to intimidate;
- 5. Pounding on table or throwing items; and
- 6. All other unreasonable and disruptive behavior which does not allow Members to peacefully observe the proceedings, or which otherwise impedes the ability of the Board to peacefully conduct its deliberations and the Members to

peacefully observe those deliberations.

Directors will also refrain from making comments which:

7. Divulge information from closed sessions;
8. Divulge attorney client privileged confidential advice; or
9. Maliciously malign any person, business or entity.

To create a positive atmosphere, all persons present will be seated (unless some handicap exists by which they cannot be seated) and will remain seated at all times when others are speaking, except when standing in line to speak for their turn in Open Forum. Neither Directors nor anyone addressing the Board will be allowed to speak while standing or hovering over someone else. All in attendance must behave in a professional and orderly manner. Directors shall refrain from interrupting each other or from making audible "sidebar" remarks while a fellow Director is speaking. Directors shall keep their microphones off except when they are addressing the Board.

H. Violation of Rules

Anyone (Member or Director) violating these Rules during a meeting may be:

1. First warned by the Chair,
2. Then warned by majority vote of the Board, and
3. Then by majority vote of the Board asked to leave the meeting.
4. In the event a person refuses to leave after the Board votes to eject the individual, the meeting shall be recessed until such time as security and/or law enforcement can be summoned to assist or until the person voluntarily leaves.

The Board may schedule a disciplinary hearing to determine whether a Member will as a result of violation of these Rules be suspended from attending one or more future Board meetings as well as any other appropriate disciplinary measures.

A non-Member who is permitted to attend but disrupts a Board meeting may be ejected upon majority Board vote without warning.

I. Parliamentary Procedure

Meetings will generally follow "Robert's Rules of Order." In brief, there should be no discussion on an item unless and until motion is made and there is a second to the motion. A motion is a proposal that the Board takes a stand or takes action on some issue. Only Directors can make motions.

The Resolution or motion recommended by a Committee report shall be considered as a motion and need not have a second for discussion to commence, so long as the recommendation has been stated on the agenda at least four days in advance of the meeting, absent emergency.

The Chair, normally the President, may call for a motion or, if temporarily passing the gavel, may make a motion. If there is no second to a motion, the issue is dropped. If a motion receives a second, then the Chair will ask for debate and discussion. Fair play, courtesy and cooperative behavior is preferred over strict compliance with Robert's Rules.

J. Recording of meetings: Minutes

The proceedings of Board meetings shall not be electronically recorded, except by "Village TV". Any other recording devices (audio, video or photographic) at Board or committee meetings are forbidden. The proceedings of such meetings shall be recorded in the minutes of the meeting. Minutes of Board meetings are prepared by the Secretary or, if the Board directs, by a Recording Secretary who need not be a Director. Minutes shall record actions taken, but shall not record commentary or statements by Directors, or comments during Open Forum.

K. Board Deliberations

1. Directors will deliberate topics only when on an agenda, except for emergency matters, and when a motion has been made and seconded by a Director, except for Committee recommendations, which do not require a motion or second. Unless a Director is only asking a question, Directors will indicate at the beginning of their remarks if they speak for or against the pending motion.
2. Generally, the motion initiating discussion should be made by the Director requesting the item to be placed on the agenda.
3. Directors shall:
 - a) Cooperate to keep their remarks on the topic of a motion,
 - b) Speak to each other,
 - c) Not address the live audience or the television audience, and
 - d) Avoid repetition of points already made, or repeating their own previous remarks on a motion.
4. If a Director violates the standards set forth in these Rules, the Chair may remind the Director of the standard being violated, and will then request the Director to bring their comments into compliance. In the event a Director continues to violate these Rules, the Board may proceed pursuant to subpart II(H) herein.
5. Motions may be amended in at least two ways:
 - a) A motion, after receiving a second, may be amended by a motion, which motion must also receive a second and a majority vote.
 - b) A motion may also be amended by a "friendly amendment" in which the author of the original motion consents to a proposed amendment to the motion. If the second also consents, the motion is amended and deliberations continue on the motion as amended.

L. Board Comments During Meetings

1. The comments of Directors, staff, or Mutual consultants during Board or Committee Meetings are not comments of the Mutual, and only the speaker's opinions.
2. The position of the Mutual is only that expressed in Motions or Resolutions which are adopted by the Board of Directors.
3. The Chair of any Board or Committee Open Meeting shall make an announcement at the beginning of the Board or Committee meeting which recites the first two sentences of this section verbatim.

M. Chair

1. The Chair shall be the President of Third, if present at the meeting, unless the Chair passes the gavel temporarily to the First Vice President. If the First Vice President is unavailable, then the Second Vice President may serve as Chair. If neither the President, First or Second Vice President are in attendance, then the Secretary or Treasurer may serve as Chair.
2. The Chair may discuss and vote on any motion, unless the Chair recuses itself.
3. If the Chair wishes to make a motion, the Chair shall pass the gavel to the First Vice President or next Officer in succession until deliberation of the motion is concluded by a vote on the motion.
4. The Chair shall be entrusted with the orderly progress of the Board's deliberations. In the event the Chair perceives that deliberations have ceased to move the discussion forward (either because unanimity already exists; debate has become repetitive or otherwise unduly lengthy; positions on a motion have become clear; or because the Board is not ready to decide on the matter), the Chair shall call for a motion to close debate, or a motion to table the matter.
5. The relationship between the Board and Chair should be one of mutual respect. The Board should give respect and deference to the Chair's leadership in moving deliberations forward, while the Chair should give respect and not request a conclusion to deliberations of a matter if the Board majority wishes to continue deliberation of a topic.
6. Any Director also may move the previous question, which is not debatable, and requires a two thirds vote to conclude deliberations so that the matter being deliberated may be voted upon.

III. EXECUTIVE SESSION

A. Purpose of Executive Session

Executive Session meetings allow the Board of Directors to address issues of sensitive nature, which may involve attorney client privilege or other privacy rights. It is important that all information discussed and disclosed at these sessions remain private.

The Board may meet in Executive Session only on the following subjects:

1. Litigation or threatened litigation.
2. Contract negotiations.
3. Member disciplinary hearings (i.e.: imposing fines or other penalties).
4. **Hearings on Mutual reimbursement claims against a Member**
5. Member's proposal of a payment plan for delinquent assessments.
6. Voting on the decision to foreclose upon an assessment lien.
7. Personnel issues.

Subsequent Board minutes will contain a general note of the actions taken.

B. Confidentiality Agreement

To protect Third and its Members, each Director shall annually sign a confidentiality agreement before attending and participating in Executive Session meetings. A Director who refuses to do so will not be permitted to attend Executive Session meetings, and legal counsel will not copy that Director on confidential communications, nor participate in legal advice discussions with that Director present.

The Confidentiality Agreement shall state substantially as follows:

"I, _____ (Name), after having been duly elected or appointed as a Director of Third Laguna Hills Mutual, do hereby agree that all information which is disclosed by or to me, orally or in writing, and all discussions held at an Executive Session Meeting of the Board and all attorney advice shall be kept confidential and shall remain confidential, even after I am no longer a Director. I understand that this means that anything I say, hear or see at an Executive Session Meeting may not be discussed with anyone outside of Executive Session.

I further understand that if I do not sign this Confidentiality Agreement or do not honor this Agreement, I will not be permitted to participate in or attend Executive Session Meetings or to receive confidential attorney-client communications. I further understand that I will be held responsible for any damages which result to the Mutual or its individual Members if I violate this agreement."

C. Procedure for Setting

The notice for a meeting which is solely an Executive Session meeting must be posted two days in advance, unless it is an emergency Executive Session meeting.

The notice should state that the only item of business to come before the Board will be held in Executive Session and that no issues will be discussed in open session.

D. Agenda Packets

Due to the sensitive nature of the subjects discussed in closed session, Directors will return their Executive Session agenda packets to management staff immediately upon adjournment of the meeting, or when they depart from the meeting, whichever occurs first. The Secretary, Treasurer and Committee Chair and Co-chair may retain the agenda packet. Executive session agenda packets will not be distributed to Directors in electronic form.

IV. CLOSED SESSION HEARINGS

The Mutual conducts its disciplinary hearings and reimbursement claim hearings in closed session. The following rules are to inform both members and Directors regarding how these hearings are conducted.

A. Notification

If the Mutual is considering discipline or pursuing a reimbursement claim against a Member, it will first provide written notification to the Member, of a hearing to be held by the Board to consider the matter, at least ten days after the date the notification is sent to the Member. The notification will inform the Member the nature of the alleged violation or reimbursement claim.

B. Attendance

A Member being considered for discipline or a reimbursement claim may attend the hearing to address the Board regarding whether the Board should impose discipline or pursue reimbursement. The Member may bring written witnesses statements. The member may not bring legal counsel. The member being considered for discipline or reimbursement claim may not observe the Board's deliberation of the matter. A member may provide a written statement as a substitute for personally appearing at the hearing.

A complaining member may provide a written statement to the Board. The complaining member will not be permitted to hear the Board's deliberation or the presentation by the Member being considered for discipline.

C. Addressing the Board

A Member being considered for discipline or reimbursement claim may speak to the Board for a maximum of five minutes of uninterrupted time. Then the Board will have five minutes to ask questions for a total of 10 minutes. If a Member brings supporting documentation, it is suggested the member bring one copy for staff, one copy for Mutual legal counsel, and 11 copies for the Board. If a member brings supporting witnesses, an additional five minutes can be added to the member's time.

Members addressing the Board should be prepared and organized for the hearing, to maximize their allotted time.

D. The Board's Decision

The Board will notify the Member being considered for discipline or reimbursement claim within fifteen (15) days of the hearing. The Board will not notify other Members of the Board's decision, which shall remain confidential.



STAFF REPORT

DATE: June 28, 2022
FOR: Resident Policy & Compliance Committee
SUBJECT: Deactivation of Cable Service as a Disciplinary Action

RECOMMENDATION

Staff recommends amend the Deactivation of Cable/Internet Services at a Delinquent Member's Unit to expand to all disciplinary matters.

BACKGROUND

On May 16, 2017, the Third Laguna Hills Mutual (Third) Board of Directors (Board) established Resolution 03-17-49, Deactivation of Cable/Internet Services at a Delinquent Member's Unit. The current policy only allows for the Board to hold a disciplinary hearing and suspend cable/internet service for delinquent accounts only.

On November 7, 2017, the Golden Rain Foundation (GRF) Board of Directors (Board) approved Resolution 90-17-38, Suspend Cable/Internet in the Event of a Disciplinary Action giving authority to the housing mutual to suspend cable/internet service for disciplinary cases.

On May 24, 2022, the Resident Policy and Compliance Committee discussed including suspension of cable/internet services as a possible disciplinary action for matters brought before the Board.

DISCUSSION

The purpose of the amendment is to provide clarifying language allowing suspending cable/internet services as a possible disciplinary action for matters brought before the Board.

Prepared By: Blessilda Wright, Compliance Supervisor

Reviewed By: Francis Gomez, Operations Manager

ATTACHMENT(S)

Attachment 1: Resolution 03-22-XX, Deactivation of Cable/Internet Service as a Disciplinary Action

RESOLUTION 03-22-XX

Deactivation of Cable/Internet Services as a Disciplinary Action

WHEREAS, Third Laguna Hills Mutual (Third) desires to strengthen disciplinary actions; and

WHEREAS, the Board recognizes the need to expand the option to deactivate cable/internet service to all disciplinary matters when cases are brought for a disciplinary hearing; and

WHEREAS, the GRF Board adopted Resolution 90-17-38 which GRF authorizes, Third, to take disciplinary action against a Member which includes, but is not limited to, the suspension of the Member's right to use the cable/internet services; and

NOW THEREFORE BE IT RESOLVED, on August XX, XXX that the Board of Directors hereby approves deactivation of cable/internet services as a disciplinary action; and

RESOLVED FURTHER, that Resolution 03-17-49 adopted May 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.