



REGULAR MEETING OF THE FINANCE COMMITTEE

**Wednesday, February 21, 2018 – 1:30 p.m.
Laguna Woods Village Community Center Board Room
24351 El Toro Road**

AGENDA

1. Call to Order
2. Acknowledgment of Media
3. Approval of the Agenda
4. Presentation of Investment Portfolio by BlackRock/Merrill Lynch
--- 5 Minute Recess ---
5. Approval of Meeting Report for December 20, 2017
6. Chair Remarks
7. Member Comments (Items Not on the Agenda)
8. Department Head Update

Reports

9. Preliminary Financial Statements dated January 31, 2018

Items for Discussion and Consideration:

10. Credit Card Payment Policy
11. Endorsements from Standing Committees
 - a. Fumigation for Termites at GRF Facilities
 - b. Update on Pickleball Courts

Items for Future Agendas

Fee Schedule
Collection Policies

Concluding Business:

12. Committee Member Comments
13. Date of Next Meeting – Wednesday, April 18, 2018 at 1:30 p.m.
14. Recess to Closed Session

Diane Phelps, Chair
Betty Parker, Staff Officer
Telephone: 949-597-4201



REPORT OF THE REGULAR OPEN MEETING
OF THE GOLDEN RAIN FOUNDATION FINANCE COMMITTEE

Wednesday, December 20, 2017 – 1:30 p.m.
Laguna Woods Village Community Center Board Room, 24351 El Toro Road

MEMBERS PRESENT: Diane Phelps - Chair, Annette Soule, Tom Sirkel,
Juanita Skillman, Gary Morrison, Steve Parsons, Rosemarie
diLorenzo, Alfred Amado;
Advisors – Alan Dickinson, Greg Corigliano

MEMBERS ABSENT: None

STAFF PRESENT: Betty Parker, Solange Backes, Chuck Holland, Pamela Bashline,
Christopher Swanson

OTHERS: UNITED: Andre Tornø
VMS: Dick Radar

Call to Order

Director Phelps chaired the meeting and called it to order at 1:32 p.m.

Acknowledgment of Media

None.

Approval of Meeting Agenda

A motion was made and carried unanimously to approve the meeting agenda with the following addition: Discuss and Consider ID Card and Decal Fees.

Approval of the Regular Meeting Report of October 25, 2017

A motion was made and carried unanimously to approve the report as written.

Chair Remarks

Chair Phelps advised of an opening on the select audit committee, which will be advertised in the Laguna Woods Village Globe to seek candidates.

Member Comments (Items Not on the Agenda)

None.

Department Head Update

None.

Review Preliminary Financial Statements dated November 30, 2017

The Committee reviewed and commented on the financial statements dated November 30, 2017. The Committee asked Staff to confirm the status of High Definition Programming and

Clubhouse 3 Walk-through projects. The Committee asked Staff to correct the description of JP18340000 to “Gates 7, 8, 9 and 14.”

Trust Facilities Fee Policy

The Committee reviewed the current Trust Facilities Fee Policy and discussed a proposal to add a waiver that would eliminate the fee requirement for members who have previously paid the fee for a primary residence.

A motion was made and carried unanimously to adhere to the existing Trust Facilities Fee Policy without change. Director diLorenzo was not present for the vote.

Whole-Home DVR Fee

The Committee reviewed a staff report and endorsement from Media and Communications Committee proposing a new Whole-Home DVR Service and fees.

A motion was made and carried unanimously to recommend the Board approve changing the digital pay tier system to include Whole-Home DVR services with fees as outlined in the report.

Social Media and Reputation Management Program

The committee reviewed a staff report and endorsement from the Media and Communications Committee regarding the extension of the Social Media and Reputation Management Program.

A motion was made and carried unanimously to recommend the Board approve extension of the contract from January to June, 2018 with a supplemental appropriation of \$22,200 to be funded from the Contingency Fund.

ID Card Replacement Fee

The Committee discussed the current ID Card Replacement Fee, a \$25 charge from GRF, and confusion over a related fee change in the Third Mutual lease policy. Director diLorenzo indicated that Third Mutual will remove the separate ID replacement fee from their policy.

Future Agenda Items

Collection Policies.

Committee Member Comments

Director diLorenzo commented on fliers included with annual budget report mailing and requested that a contact number be provided for the coupon books.

Advisor Dickinson complimented the presentation of financial information.

Advisor Corigliano commented on amenities fees relating to owners vs. lessees.

Date of Next Meeting

Wednesday, February 21, 2018 at 1:30 p.m.

Adjournment

The meeting recessed to closed session at 3:32 p.m.



Diane Phelps, Chair

Agenda Item 9 – Preliminary Financial Statements as of December 31, 2017

Financials will be issued under separate cover prior to the meeting.

STAFF REPORT

DATE: March 6, 2018
FOR: Board of Directors
SUBJECT: Electronic Payment Services

RECOMMENDATION

Staff recommends the acceptance of electronic payments for assessments, fines, fees, and chargeable services with the payor being charged a convenience fee equal to an amount necessary to offset processing fees from the merchant provider, currently contracted at 2.95 percent per credit card transaction and \$1.95 per eCheck/ACH transaction.

BACKGROUND

The Laguna Woods Village boards have requested the ability to accept credit card payments for assessments and chargeable services.

Credit card payments are already accepted at several point-of-sale locations, such as those used at the Village Greens (Resolution 90-11-102), Broadband Services (Resolution 90-12-130), and the Performing Arts Center (90-14-01), with the associated merchant processing fees absorbed into operations at these revenue-generating operations

GRF offers an electronic payment method for monthly assessments called EZPay and 70 percent of Laguna Woods Village members take advantage of this free auto-debit service to automatically deduct assessments from their bank account. The remaining members pay by check using coupons that are directed to automated processing services (lockbox) at the bank or by dropping off payment in person at the Community Center. However, to date members have not been able to make assessment payments by credit card.

DISCUSSION

To accommodate additional payment options, GRF has initiated a service agreement with RevoPay to process electronic payments via the Community's resident portal and in person at the Community Center, which will be activated once the technology infrastructure is in place. Implementation costs have already been appropriated for the resident portal via supplemental appropriation (90-17-34).

Making payment options more convenient to members may improve timeliness and reduce delinquencies.

FINANCIAL ANALYSIS

None. Merchant processing fees for credit card and eCheck/ACH transactions will be recovered through a convenience fee charged to the user of these services.

Prepared By: Betty Parker, Financial Services Director

ATTACHMENT(S)

ATT1: Resolution – Electronic Payments

RESOLUTION 90-18-XX

ELECTRONIC PAYMENT POLICY

WHEREAS, Golden Rain Foundation of Laguna Woods Village (GRF) has adopted several electronic payment methods over the years;

WHEREAS, credit card payments are accepted at several point-of-sale locations, such as those used at the Village Greens (Resolution 90-11-102), Broadband Services (Resolution 90-12-130), and the Performing Arts Center (90-14-01), with the associated merchant processing fees absorbed into operations at these revenue-generating operations;

WHEREAS, GRF offers an electronic payment method for monthly assessments called EZPay and 70 percent of Laguna Woods Village members take advantage of this free auto-debit service to automatically deduct assessments from their bank account;

WHEREAS, GRF desires to increase electronic payment options for assessments and introduce options for chargeable services; and,

WHEREAS, GRF has initiated a service agreement with RevoPay to process electronic payments via the Community's resident portal and in person at the Community Center, which will be activated once the technology infrastructure is in place.

NOW THEREFORE BE IT RESOLVED, on March 6, 2018 that GRF approves the acceptance of electronic payments for assessments, fines, fees, and chargeable services with the payor being charged a convenience fee equal to an amount necessary to offset processing fees from the merchant provider, currently contracted 2.95 percent per credit card transaction and \$1.95 per eCheck/ACH transaction.

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

STAFF REPORT

DATE: March 6, 2018
FOR: Maintenance and Construction Committee
SUBJECT: Fumigation for Termites at GRF Facilities

RECOMMENDATION

Approve a Supplemental Appropriation in the amount of \$33,000 funded from the Contingency Fund for termite fumigation at GRF Facilities by the Mutual's contractor, Newport Exterminating during the 2018 Fumigation Program.

BACKGROUND

In December 2017, staff, along with the GRF contracted vendor, Newport Exterminating, conducted visual interior and exterior inspections of the structures at Clubhouses 1, 2, 3, 5 and 6. As requested by the Security Department, a separate inspection was also completed at Gatehouse 8. Clubhouse 7 had been previously inspected and found clear of termites. Clubhouse 4 was fumigated for termites in August 2017.

DISCUSSION

No evidence of termite infestations was found at Clubhouses 1, 5 and 6.

Reports of findings and recommendations were received from Newport Exterminating for the facilities found to have termites. The reports indicate that Clubhouse 2 has drywood termites and subterranean termites at various locations (Attachment 1). The Lawn Bowling Clubhouse and Storage Room was also found to contain drywood termites (Attachment 2). The PAC (Clubhouse 3) and Gatehouse 8 were also found to have dry wood termites (Attachments 3 and 4 respectively).

Both a full structure treatment and localized treatments are required to eradicate the termite infestation at these facilities. The work will be coordinated with the Recreation Department to facilitate any closures during fumigation.

Currently GRF facilities are not on a regular inspection schedule for termite infestation. Staff will recommend funding appropriations during the budget process to ensure all GRF facilities are inspected and treated on a regular schedule.

FINANCIAL ANALYSIS

This unbudgeted service would require a supplemental appropriation in the amount of \$33,000 to be funded from the Contingency Fund to complete work in 2018.

Prepared By: Dennis Moore, Operations Inspector II

Reviewed By: Patrick Cleary, Maintenance Operations Manager
Ernesto Munoz, P.E., Maintenance and Construction Director
Betty Parker, Financial Services Director

ENDORSEMENT (to Finance and GRF)

Supplemental Appropriation for the Fumigation of Termites at GRF Facilities

In December 2017, staff, along with the GRF contracted vendor, Newport Exterminating, conducted visual interior and exterior inspections of the structures at Clubhouses 1, 2, 3, 5, 6, and Gatehouse 8. Clubhouse 7 had been previously inspected and found clear of termites. Clubhouse 4 was fumigated for termites in August 2017.

No evidence of termite infestations was found at Clubhouses 1, 5 and 6.

Evidence of termite infestations and recommendations were received from Newport Exterminating for various areas at Clubhouse 2, the Lawn Bowling Clubhouse and Storage Room, the PAC (Clubhouse 3) and Gatehouse 8.

Both a full structure treatment and localized treatments are required to eradicate the termite infestation at these facilities. The work will be coordinated with the Recreation Department to facilitate any closures during fumigation.

A motion was made and unanimously approved to recommend that the Board authorize a supplemental appropriation in the amount of \$33,000 to be funded from the Contingency Fund to complete work by the Mutual's contractor, Newport Exterminating during the 2018 Fumigation Program.

STAFF REPORT

DATE: February 14, 2018
FOR: Maintenance and Construction Committee
SUBJECT: Paddle Tennis and Pickleball Courts at Gate 12

RECOMMENDATION

Direct staff to advertise for engineering and construction bids to build a post tension concrete slab over the existing concrete slab and reconfigure the existing four (4) courts to accommodate seven (7) combined pickleball and paddle tennis courts (Attachment 1).

BACKGROUND

Constructing pickleball courts has been a topic of discussion at Committee and Board meetings for many years dating back to 2003, at which time the existing tennis courts at Gate 12 were converted into four (4) paddle tennis courts.

On June 23, 2014 the GRF Board approved the 2015 Capital Plan which included funding to relocate and expand the paddle tennis courts with an appropriation of \$600,000, funded from the Facilities Fund.

On July 18, 2016 at the GRF M&C Committee meeting, staff provided an update on the paddle tennis and pickleball courts and responded to questions from the Committee. Discussion ensued regarding security to the new facility, parking requirements, noise restrictions, and construction designs for phase 1 and phase 2 at the new Parcel 3 location.

On August 10, 2016, staff received a geotechnical report prepared by LGC with soils recommendations for the new court site located on Parcel 3 in Gate 16.

On August 15, 2016 at the GRF M&C Committee meeting, staff provided an update on the paddle tennis and pickleball courts and responded to questions from the Committee. Discussion ensued regarding a feasibility study, court size and a decibel sound study. Staff informed the Committee the plan would have 3 phases. A feasibility study will be conducted in phase 1, the conceptual design will be phase 2, and bidding and construction will be phase 3.

At the September 30, 2016 M&C Committee meeting, staff provided an update on the pickleball site feasibility study and answered questions from the Committee. Discussion ensued regarding various issues such as parking areas, restroom location, lighting, fencing entrances, net height and the width of the road requirement.

At the November 21, 2016 M&C Committee meeting, Vice Chair Parker provided an update on the additional costs that would be required by the City of Laguna Woods if Parcel 3, which is located behind Gate 16, was utilized as the new location for the pickleball courts. Discussion

ensued regarding the use of \$20,000 from the phase 1 budget to have a study conducted regarding the improvements of the existing site for expansion of the pickleball courts. By consensus, staff was directed to order a study of the existing site, using only \$20,000 from the phase 1 budget and to bring this information back to a future open session Committee meeting.

At the April 4, 2017 GRF Board meeting staff was directed to proceed with the preparation of construction documents for the maximum number of courts and fencing that could be constructed on Parcel 3, with a budget not to exceed \$500,000. Staff worked with the design consultant to produce a site development plan for submission to the city. Prior to submission to the city, the General Manager's office requested changes to the plans, which were subsequently, submitted for site development review. The city returned the plans with comments for revisions. On August 23, 2017 a noise study was submitted for review and approval, and was completed on September 19, 2017.

On August 25, 2017 staff was directed to prepare a compressed schedule for the construction of the pickleball courts project. The compressed schedule was predicated on advertising the project for construction ahead of city approval of the Site Development Plans. Staff began the construction bid solicitation process utilizing the preliminary site development drawings to lock in a construction contract. Staff directed the design consultant to begin the preparation of construction documents, ahead of site development approval in an attempt to minimize the time required due to the city's review process.

On September 6, 2017, after several more plan revisions, drawings were resubmitted to the city, and an ADA path of travel was removed from the submittal package, per direction from the city. On September 8, 2017 the city released the first round of comments on the Water Quality Management Plan for corrections.

At the November 7, 2017 GRF Board meeting, a motion was entertained and approved to award a contract to B. Foster Construction to construct six (6) pickleball courts at Parcel 3 within Gate 16 in the amount of \$498,955, to be funded from the Facilities Fund.

Subsequent to the issuance of a contract to B. Foster Construction, staff was directed to develop a plan to construct seven (7) courts at the existing site. In addition, staff met with the paddle tennis and pickleball club representatives and an agreement to share the courts was reached.

DISCUSSION

Multiple locations and concepts have been studied for the creation of an expanded pickleball facility. Each option reviewed to date has required additional land use or new locations utilizing other parcels of land within the community. This new concept to construct a post tension concrete slab over the existing slab provides a lower fiscal impact to the community as well as better utilization of available land resources.

The current paddle tennis and pickleball location at Gate 12 has been inspected by staff and a licensed geologist. The site is well drained and the pad is stable with no visible signs of differential expansion, and it is suitable for its current use. There are visible cracks on the surface of the existing courts, which are primarily the projection of the control joints on the existing reinforced concrete slab. However, the native soil below the slab is stable with no visible signs of expansion.

Staff prepared a new concept for the Committees consideration and is requesting direction to advertise for engineering and construction bids. This new concept converts the existing four (4) paddle tennis / pickleball courts at Gate 12 to seven (7) combined pickleball and paddle tennis courts including a gathering area for players (Attachment 1). The existing interior fencing would be removed and a new post-tensioned concrete slab would be installed over the existing concrete court surfaces to provide a flat playing surface that does not require control joints which would cause the surface of the courts to crack. The courts would be striped and new nets and internal fences installed to separate the courts and provide a gathering area.

Additionally, as an alternate option, staff has included estimated pricing to install court lighting for evening play. A budget estimate for these items has been included as Attachment 2. The lighting element will be included as a bid alternate to the construction documents to allow the committee to decide whether lighting improvements should be included in the project once the pricing information is received from contractors. Prior to implementing site improvements, staff will work with the city to obtain the appropriate project entitlements, at which time, the city may impose additional conditions for approval that have not been captured in this proposed scope of work.

FINANCIAL ANALYSIS

On September 2, 2014 the GRF Board approved funding for paddle tennis courts with an appropriation in the amount of \$600,000, from which a current balance remains of \$499,310.

The estimated preliminary cost for the proposed court improvements without lighting is \$285,000. The estimated preliminary cost to add court lighting is an additional \$211,000.

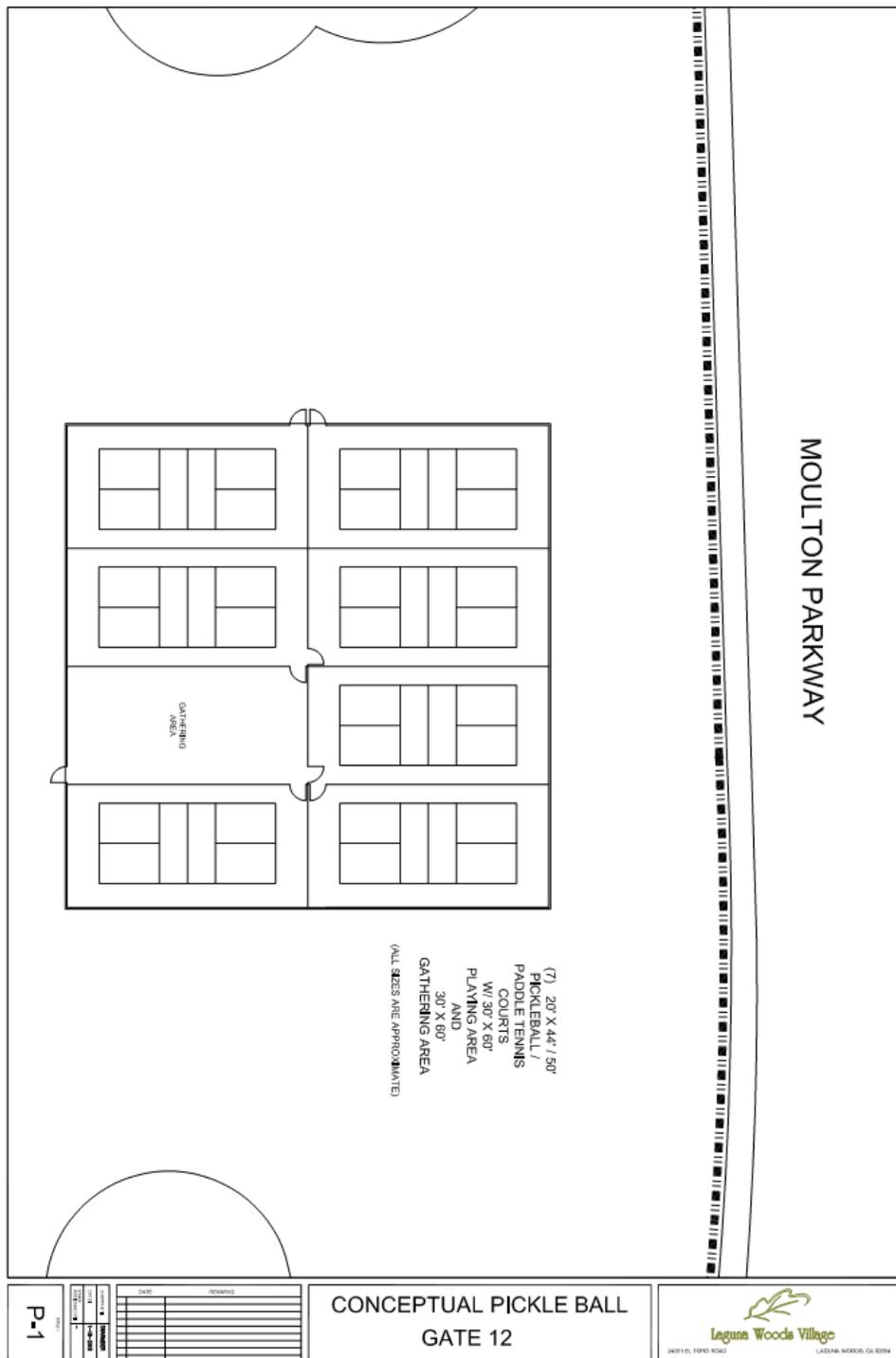
Prepared By: Steve Warmbier, Project Manager

Reviewed By: Guy West, Projects Division Manager
Ernesto Munoz, P.E., Maintenance and Construction Director

ATTACHMENTS:

Attachment 1 – Gate 12 Proposed Paddle Tennis and Pickleball Concept Drawing
Attachment 2 – Gate 12 Paddle Tennis and Pickleball Preliminary Budget Estimate

Attachment 1 – Gate 12 Proposed Paddle Tennis and Pickleball Concept Drawing



Attachment 2 - Gate 12 Paddle Tennis and Pickleball Preliminary Budget Estimate

Gate 12 Paddle/Pickleball Courts
Estimated Preliminary Cost Breakdown

Description	Base	Alternate	Prelim Est.
Consulting Fees			\$ -
Entitlement Fees	\$ 10,000		\$ 10,000
			\$ -
Lighting Infrastructure		\$ 55,000	\$ 55,000
Court Lighting		\$ 156,000	\$ 156,000
Engineering	\$ 5,000		\$ 5,000
AG Base	\$ 10,000		\$ 10,000
Post Tension Slab	\$ 145,000		\$ 145,000
Perimeter Fence Modification	\$ 5,000		\$ 5,000
Interior Fencing and Gates	\$ 40,000		\$ 40,000
Court Coating	\$ 30,000		\$ 30,000
Court Netting and Striping	\$ 40,000		\$ 40,000
			\$ -
	\$ 285,000	\$ 211,000	\$ 496,000