

MINUTES OF THE REGULAR MEETING OF THE  
BOARD OF DIRECTORS OF GOLDEN RAIN FOUNDATION OF LAGUNA WOODS  
A CALIFORNIA NON-PROFIT MUTUAL BENEFIT CORPORATION

**August 4, 2015**

The Regular Meeting of the Golden Rain Foundation of Laguna Woods Board of Directors, a California non-profit mutual benefit corporation, was held on Tuesday, August 4, 2015, at 9:30 A.M., at 24351 El Toro Road, Laguna Woods, California.

Directors Present: Kathryn Freshley, Sharon Roddan, Lucy Shimon, Mary Stone, Dick Palmer, Margaret Klein, Richard Johnston, John Beckett, JoAnn di Lorenzo, Stanley Feldstein, John Parker

Directors Absent: None

Others Present: Open Session: Jerry Storage, Kim Taylor, Kristine Courdy, Petros Frangos  
Mr. Jim Beres, Supervisor from Animal Services, Ms. Maureen McDonald from Johnson Controls (JCI)

**CALL TO ORDER**

President Kathryn Freshley served as Chair of the meeting and stated that it was a regular meeting held pursuant to notice duly given and that a quorum was present. The meeting was called to order at 9:30 A.M.

**PLEDGE OF ALLEGIANCE TO THE FLAG**

Director JoAnn di Lorenzo led the membership in the Pledge of Allegiance to the Flag.

**ACKNOWLEDGEMENT OF MEDIA**

A representative of the Laguna Woods Globe and the Channel 6 Camera Crew, by way of remote cameras, were acknowledged as present.

**APPROVAL OF AGENDA**

Director Johnston moved to remove agenda item 8a 'Review of the Laguna Hills Mall Renovation Presentation' from the agenda. Director Stone seconded the motion.

By a vote of 10-0-0 the motion carried and the agenda was approved as amended.

**APPROVAL OF THE MINUTES**

Director Feldstein moved to approve the Regular Open Session minutes of July 7, 2015, the 2016 Business Planning meeting - Version 2 minutes of July 15, 2015 and the Special Open Session minutes of July 22, 2015 as written. Director Stone seconded the motion.

By a vote of 10-0-0 the motion carried.

**CHAIR'S REPORT**

President Freshley spoke of the changes taking place in the community, requested that the community perform due diligence to find out the truth regarding the changes, spoke to the

overview of the GRF transition plan that is going to be given by GRF Treasurer Richard Johnston, and spoke to Associa as a for profit company running the community.

**Presentations:**

GRF Treasurer, Richard Johnston, provided an overview of the GRF Transition Plan to the Community.

Mr. Sergio Prince from Supervisor Lisa Bartlett's office presented President Freshley and the Golden Rain Foundation Board a special award for their participation in the 2015 South County Senior Summit.

**MEMBER COMMENTS**

- Myron Singer (5429) commented on Third Board initiating a recall against 2 GRF Directors.
- Neville Ginsberg (2393-3A) asked for the costs of the CH2 renovation project thus far, the duration of the construction process, and asked for specifics regarding bringing the building up to code.
- Pat Feeney (2399-1E) commented on Director Johnston's presentation and the 17 recommendations brought forward by Associa and asked the Board to be transparent with the information.
- Marty Rubin (895-A) commented on FutureSense and the Board rejecting their recommendations, spoke to Director Johnston's presentation on the GRF transition plan, and micromanaging.
- Sandy Quackenbush (5052) spoke to her being scammed by a couple of people and asked if the Board can do something to help the residents.
- Ethel Rosenfeld (75-D) spoke to the Board's qualifications of running specifics in the community.
- Fred Sherman (3161-A) commended the GRF Board on their transition plan and spoke to motives and creating more work for the Boards.
- Tony Dauer (96-C) thanked the Board for their efforts.
- Al Meissner (3071-B) commented on rumors and suggested that the community research information regarding Associa.
- Nadine Meissner (3071-B) commented on the community researching and supporting GRF in their efforts.
- Bert Baum (3524-B) commented on who is going to mow his lawn when the community is self-managed and asked the Board to consider the timeframe in making the decisions that they have made.
- John Banks (5090) spoke to Leisure World Seal Beach having 16 Mutuals and that Laguna Woods Village would need many more Mutuals if self-managed.
- Faye Pearl (2238-F) thanked the Board and commented on the community moving towards self-management.
- Sanford Glasky (5521-C) spoke to what the GRF Board has spent thusfar in legal fees and commented on the Restaurant 19 lawsuit.
- John Collins (3496-O) commented on self-management of the community.
- Donald Colson (807-D) thanked the Board for their transition presentation.

- Pat English (928-A) thanked the GRF Board for their transition presentation and commented on the intent of keeping all the employees on and asked that the employees stay on.
- Susan Dearing (2303-D) spoke to having a cautious well thought out plan to self-manage the community and spoke to there not being a consensus among all the Boards.
- Noel Hatch (5460-B) spoke to looking at the facts and spoke to staff and to the micromanaging of staff.
- Marion Levine (438-D) spoke to the Globe and the paid ads from the Third Boards and asked who paid for the GRF ad.
- Denise Welch (5517-1C) spoke to GRF cancelling of the Associa Contract and the CCA Town Hall meeting held on July 23, 2015, asked the Board to slow down, and asked for the Board to apologize for stating that Associa was skimming monies.
- Kenneth Hirsch (4010-3F) commented on the transition plan and room rental fees.
- Roberta Berk (933-B) thanked the Board and spoke to bumps in the road.
- Bill Walsh (3162-C) spoke to an interview on TV6 with Kathryn Freshley and GRF Corporate Counsel and asked what is going to happen with M50.
- Sunshine Lutey (3232-D) wished the Board luck.
- Franklin Smith (5369-3D) commented on the current conflicts and data being available for all as an act of transparency.
- Ken Hammer (797-B) spoke to GRF allowing the community to speak, the \$10M loan and GRF giving notice to Associa.
- Jeanne Sanner (615-C) spoke to everyone getting recognition for their hard work and spoke to Associa.
- Juanita Skillman (2154-N) thanked the Board for standing up and doing something and spoke to the Governance Task Force.
- Maxine McIntosh (68-C) thanked the Board for their efforts and spoke to the Laguna Hills Mall renovations.
- Marty Lopata (2398-1B) spoke to being a new resident and walking into this controversy and stated that he is a retired property manager and spoke to following the money and the fear of the process, and his hope that no GRF Board member is receiving any financial benefit related to the change in governance.
- Roger Cohen (229-D) spoke to being a lawyer, spoke to fear and motivation and the GRF transition plan.

The GRF Directors briefly responded to Members' Comments.

Mr. Jim Beres, Supervisor of Animal Services, provided a presentation regarding the posting of coyote warning signs in the community and answered questions from the Board and residents.

### **UNFINISHED BUSINESS**

The Secretary of the Corporation, Director Stone read a proposed resolution approving revisions to the Clubs and Organizations section of the Recreation Division Policy:

### **RESOLUTION 90-15-XX**

### **Revisions to Clubs and Organizations Section of the Recreation Division Policy**

**WHEREAS**, the Golden Rain Foundation has established a Recreation Division Policy to streamline and reduce confusion regarding use of its facilities by residents; and

**WHEREAS**, the GRF Community Activities Committee is recommending revisions to the Clubs and Organizations section of the Recreation Division Policy;

**NOW THEREFORE BE IT RESOLVED**, October 6, 2015, that the Board of Directors of this Corporation hereby adopts the revisions to the Clubs and Organizations section of the Recreation Division Policy, as attached to the official minutes of this meeting; and

**RESOLVED FURTHER**, that Resolution 90-14-12 adopted March 4, 2014 is hereby superseded and cancelled; and

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

Director Stone moved to postpone the resolution and Director Klein seconded the motion.

Members Denise Welch(5517-1C) and Jeanne Sanner (615-C) commented on the resolution.

By a vote of 10-0-0 the resolution was postponed to the October meeting to comply with Civil Code §4360, to satisfy the 30-day notification requirement.

The Secretary of the Corporation, Director Stone read a proposed resolution approving revisions to the Room Reservation section of the Recreation Division Policy:

### **RESOLUTION 90-15-XX**

#### **Revisions to the Recreation Division Policy - Room Reservations**

**WHEREAS**, the Golden Rain Foundation has established a Recreation Division Policy to streamline and reduce confusion regarding use of its facilities by residents; and

**WHEREAS**, the Golden Rain Foundation Room Reservation Task Force has recommended revisions to the Recreation Division Policy with regard to Room Reservations;

**NOW THEREFORE BE IT RESOLVED**, October 6, 2015, that the Board of Directors of this Corporation hereby adopts revisions to its Recreation Division

Policy with regard to Room Reservations, as attached herein, that will take effect January 1, 2016 **and after August 4, 2015 new reservations must comply with the revised policy**; and

**RESOLVED FURTHER**, that Resolution 90-14-12 adopted March 4, 2014 is hereby superseded and cancelled; and

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

Director Stone moved to postpone the resolution and Director Shimon seconded the motion.

Members Sunshine Lutey (3232-D), Maxine McIntosh (68-C), Marty Rhodes (5369-2A), Jeanne Sanner (615-C), Dick Rader (270-D) and Denise Welch (5517-1C), commented on the resolution.

By a vote of 10-0-0 the resolution was postponed to the October meeting to comply with Civil Code §4360, to satisfy the 30-day notification requirement.

The Secretary of the Corporation, Director Stone read a proposed resolution approving revisions to the Obsolete Equipment Policy. Director Stone moved to approve the resolution. Director Shimon seconded the motion and discussion ensued.

Director Feldstein moved to amend the resolution by adding "***in the presence of one or more Directors of GRF***" at the end of the fifth and tenth paragraphs and to add "***after notification to the GRF Treasurer***" at the end of paragraph fourteen. Director Beckett seconded the motion. By a vote of 9-1-0 (Director Parker opposed) the amendments carried.

By a vote of 9-1-0 (Director Parker opposed) the motion carried and the Board adopted the following resolution as amended:

### **RESOLUTION 90-15-41**

#### **OBSOLETE EQUIPMENT POLICY**

**WHEREAS**, in the normal course of business the Golden Rain Foundation (GRF) replaces items of equipment that have reached the end of their economic lives, have become expensive or impossible to maintain or have otherwise become obsolete; and

**WHEREAS**, GRF determines through its capital planning process or via supplemental appropriation which items of capital equipment are to be replaced; and

**WHEREAS**, unless otherwise expressly authorized by the Board of Directors of this Corporation, all items shall be disposed of; and

**WHEREAS**, GRF desires to optimize the proceeds from the disposal of such equipment;

**NOW THEREFORE BE IT RESOLVED**, August 4, 2015 that all GRF equipment to be disposed of will be sold using a variety of selling methods including off-site auctioneer, on-site auctioneer, on-site sales, sealed bid process, and online classified advertisements to provide the maximum net proceeds as determined by the Warehouse Manager, ***in the presence of one or more Directors of GRF***; and

**RESOLVED FURTHER**, that parts can be removed from certain obsolete vehicles and equipment if those parts are difficult to procure or the value of keeping the parts is more than the estimated sale of the obsolete equipment; and

**RESOLVED FURTHER**, that when using the sealed bid process, such items will be publicized at no cost to the community in local media, such as on TV6, in the community newspaper, and on the community's website, and

**RESOLVED FURTHER**, that the Warehouse Manager or Warehouse Coordinator will inform equipment dealers and others who may be interested in purchasing any of the obsolete equipment; and

**RESOLVED FURTHER**, that any notice will include a place and times for inspection of the equipment and a date or deadline for bidding; and

**RESOLVED FURTHER**, that a minimum acceptable bid amount will be set on all equipment to be disposed of that has an estimated value of \$1,000 or more, as determined by the manager of the user department in conjunction with the Warehouse Manager or Warehouse Coordinator ***in the presence of one or more Directors of GRF***; and

***RESOLVED FURTHER, vehicles to be disposed of shall be noticed to the residents for a sealed bid auction with a minimum reserve; if the minimum reserve is not met at the sealed bid auction the vehicle will be sent to public auction; and***

**RESOLVED FURTHER**, that when using the sealed bid process, all bids will be opened by the Warehouse Coordinator and/or Warehouse Manager, and the highest bid will be accepted; and

**RESOLVED FURTHER**, that all such sales will be for cash and will be consummated, including removal of the obsolete equipment from GRF premises, within two weeks of acceptance of bid, and

**RESOLVED FURTHER**, that any equipment that is deemed to pose a significant threat to the safety of a purchaser or user, or would cost more money

to sell than the estimated value of the item, or remains unsold after all reasonable efforts are made, will be disposed of in the proper waste receptacle and in compliance with applicable laws and ordinances ***after notification to the GRF Treasurer***, and

**RESOLVED FURTHER**, that any individual participating in the decision to dispose of an obsolete item shall be precluded from purchasing that item, and

**RESOLVED FURTHER**, that Resolution 90-12-32 adopted March 6, 2012 is hereby superseded and cancelled; and

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

The Board took a brief recess at 1:15 PM for lunch and returned at 1:50 PM.

The Board agreed to take agenda items out of order.

Ms. Maureen McDonald from Johnson Controls (JCI) provided an overview of an energy development study to identify potential energy savings, that JCI could provide.

The Secretary of the Corporation, Director Stone read a proposed resolution approving proceeding with Johnson Controls (JCI) Project Development with an appropriation not to exceed \$5000. Director Stone moved to approve the resolution. Director Johnston seconded the motion and discussion ensued.

By a vote of 9-0-0 (Director Klein was absent for the vote), the motion carried and the Board of Directors adopted the following resolution:

**RESOLUTION 01-15-42**

**Approve Johnson Controls (JCI) Performing Study to Identify Potential Energy Savings**

**WHEREAS**, the Golden Rain Foundation Board of Directors work diligently to identify savings within its facilities;

**NOW THEREFORE BE IT RESOLVED**, August 4, 2015, the Board of Directors of this Corporation hereby authorizes a supplemental appropriation not to exceed \$5,000, from the Contingency Fund, for Johnson Controls (JCI) to perform a study to identify potential energy savings for the Golden Rain Foundation Facilities; 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 Parker moved to approve the posting of coyote warning signs on GRF property in the community, to request that Animal Services make a presentation on TV6 and to supply written documentation for residents placed at the front desk in the Community Center. Director Shimon seconded the motion.

By a vote of 10-0-0 the motion carried.

Ms. Kristine Courdy entered the meeting at 2:15 PM.

The Secretary of the Corporation, Director Stone read a proposed resolution approving revisions to the Delegation of Actions and Commitments. Director Stone moved to approve the resolution. Director Johnston seconded the motion and discussion ensued.

Director Feldstein moved to amend the Delegation of Actions and Commitments to include "***with guidance from any retained consultant***" at the end of number 4 of Section IV (A). The motion died due to a lack of a second.

Director Stone moved the proposed revisions to the next Administrative Process and Procedures Ad Hoc Committee for further discussion. Director Beckett seconded the motion.

By a vote of 10-0-0 the motion carried.

### **RESOLUTION 90-15-XX**

#### **Revisions to the Delegation of Actions and Commitments**

**WHEREAS**, in order to avoid confusion as to the role and responsibilities of the Board and the managing agent, a Delegation of Actions and Commitments Matrix was created to clearly define the responsibilities and authority of the Board and the responsibilities the Board may wish to delegate; and

**NOW THEREFORE BE IT RESOLVED**, August 4, 2015, that the Board of Directors of this Corporation hereby approves revisions to the attached document entitled "Delegation of Actions and Commitments" which identifies the responsibilities and duties of the Board, committees, and the managing agent; and

**RESOLVED FURTHER**, that resolution 90-15-15 adopted March 3, 2015 is hereby superseded and cancelled; and

**RESOLVED FURTHER**, that the officers and agents of this Corporation are directed on behalf of the Corporation to carry out this resolution

Ms. Kristine Courdy left the meeting at 3:10 PM.

The Secretary of the Corporation, Director Stone read a proposed resolution approving revisions to the GRF Committee Appointments. Director Stone moved to approve the resolution. Director Shimon seconded the motion and discussion ensued.

Director Roddan moved to add John Frankel as a non-voting advisor to the Maintenance and Construction Committee and to add John Parker as an Alternate on the Laguna Woods Village Traffic Hearings. Director Beckett seconded the motion.

By a vote of 10-0-0 the motion carried and the Board adopted the following resolution as amended:

### **RESOLUTION 90-15-43**

#### **GRF Committee Appointments**

**RESOLVED**, August 4, 2015 that the following persons are hereby appointed and ratified to serve on the Committees of this Corporation:

##### **Business Planning**

Kathryn Freshley, Chair (GRF)  
Richard Johnston, Vice Chair (GRF)  
Sharon Roddan (GRF)  
Jim Matson (Third)  
Wei-Ming Tao (Third)  
Pat English (United)  
Lenny Ross (United)  
Chace Kendro (Mutual 50)

##### **Clubhouse 2 Renovation Ad Hoc Committee**

Mary Stone, Chair (GRF)  
Kathryn Freshley (GRF)  
Dick Palmer (GRF)  
Rosemarie di Lorenzo Dickins (Third)  
Judith Troutman (Third)  
Jack Bassler (United)  
Ken Hammer (United)  
Ryna Rothberg (Mutual 50)  
Non-Voting Advisors: TBD

##### **Community Activities**

Mary Stone, Chair (GRF)  
JoAnn di Lorenzo, Vice Chair (GRF)  
Margaret Klein, (GRF)  
Beth Perak (Third)  
Rosemarie di Lorenzo Dickins (Third)  
Jan LaBarge (United)  
Ken Hammer (United)

John Dalis (Mutual 50)  
Non-Voting Advisors: Judy Daily

**Energy Committee**

Dick Palmer, Chair (GRF)  
Richard Johnston, Vice Chair (GRF)  
~~Stanley Feldstein (GRF)~~  
**John Parker (GRF)**  
Bert Moldow (Third)  
John Luebbe (Third)  
Eva Lydick (United)  
Jack Bassler (United)  
Henry Nahoum (Mutual 50)  
Non-Voting Advisors: Michele Stanton, Doug Rook

**Finance**

Richard Johnston, Chair (GRF)  
Margaret Klein, Vice Chair (GRF)  
Mary Stone, (GRF)  
Rosemarie di Lorenzo Dickins (Third)  
Wei-Ming Tao (Third)  
Pat English (United)  
Lenny Ross (United)  
Chace Kendro (Mutual 50)  
Non-Voting Advisor: TBD

**Financial Reporting Study Group**

Richard Johnston, Chair (GRF)  
Kathryn Freshley (GRF)  
Margaret Klein (GRF)  
Rosemarie di Lorenzo Dickins (Third)  
Wei-Ming Tao (Third)  
Pat English (United)  
Lenny Ross (United)  
Chace Kendro (Mutual 50)  
Non-Voting Advisor: TBD

**Landscape**

**John Parker, Chair (GRF)**  
JoAnn di Lorenzo, Vice Chair (GRF)  
Lucy Shimon, ~~Chair (GRF)~~  
~~Kathryn Freshley (GRF)~~  
James Tung (Third)  
Judith Troutman (Third)  
Jan LaBarge (United)  
Eva Lydick (United)  
Sy Wellikson (Mutual 50)

Non-Voting Advisors: Elizabeth Morris, Pamela Grundke, John Parker

**Maintenance & Construction**

Sharon Roddan, Chair (GRF)  
Richard Palmer, Vice Chair (GRF)  
Kathryn Freshley (GRF)  
Rosemarie di Lorenzo Dickins (Third)  
Bunny Carpenter (Third)  
Jack Bassler (United)  
Don Tibbetts (United)  
Ryna Rothberg (Mutual 50)  
Non-Voting Advisors: **John Frankel**

**Media and Communications**

Stanley Feldstein, Chair (GRF)  
JoAnn di Lorenzo, Vice Chair (GRF)  
John Beckett (GRF)  
Beth Perak (Third)  
John Luebbe (Third)  
Jan LaBarge (United)  
Juanita Skillman (United)  
Henry Nahoum (Mutual 50)  
Non-Voting Advisors: Carol Skydell, Jonathan Adler

**Mobility & Vehicles**

Lucy Shimon, Chair (GRF)  
John Beckett, Vice Chair (GRF)  
Dick Palmer (GRF)  
Bert Moldow (Third)  
Ray Gros (Third)  
Ming Lee Chang (United)  
Tony Dauer (United)  
John Dalis (Mutual 50)  
Non-Voting Advisors: Mary Kay Tibbetts and Shirley Niederkorn

**Administrative Process and Procedures Ad-Hoc Committee**

Richard Johnston, Chair (GRF)  
~~Kathryn Freshley (GRF)~~  
**John Parker (GRF)**  
Sharon Roddan (GRF)  
Rosemarie di Lorenzo Dickins (Third)  
Bunny Carpenter (Third)  
Juanita Skillman (United)  
Jack Bassler (United)  
Ryna Rothberg (Mutual 50)  
Non-Voting Advisor: TBD

**Security and Community Access**

Sharon Roddan, Chair (GRF)  
JoAnn di Lorenzo, Vice Chair (GRF)  
John Beckett (GRF)  
Ray Gros (Third)  
John Luebbe (Third)  
Eva Lydick (United)  
Anthony Liberatore (United)  
Lou Parker on behalf of (Mutual 50) – non-voting representative  
Non-Voting Advisors: Denny Welch, Mary Kay Tibbets

**Laguna Woods Village Traffic Hearings**

Stanley Feldstein (GRF)  
***John Parker (GRF) - Alternate***

**RESOLVED FURTHER**, that Resolution 90-15-34 adopted June 2, 2015, is hereby superseded and cancelled; and

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

**CONSENT CALENDAR**

No items came before the Consent Calendar this month.

**COMMITTEE REPORTS**

Director Johnston reported from the Finance Committee and presented the Treasurer's Report.

Director Palmer reported from the Energy Committee.

Director Stone reported from the Clubhouse 2 Renovation Ad Hoc Committee.

Director Stone reported from the Community Activities Committee.

Mr. Petros Frangos entered the meeting at 3:00 PM.

Director Johnston reported from the Administrative Processes and Procedures Ad-Hoc Committee.

Mr. Frangos gave a presentation on PCM, Inc. staff's Service Strategy Proposal for the community.

Mr. Petros Frangos left the meeting at 3:45 PM.

Director Shimon reported from the Landscape Committee.

Director Shimon reported from the Mobility and Vehicles Committee.

Director Roddan reported from the Maintenance and Construction Committee.

Director Roddan moved to approve the remodel design of the Historical Society as submitted and to accept the donation for the remodel from the History Center. Director Parker seconded the motion.

By a vote of 10-0-0 the motion carried.

Director Roddan reported from the Security and Community Access Committee.

Director Beckett provided a report from the Orange County Sherriff's Active Shooter Presentation.

Director Feldstein reported from the Laguna Woods Village Traffic Hearings.

Director Feldstein reported from the Media and Communications Committee.

#### **FUTURE AGENDA ITEMS**

Due to time limitations the Board did not discuss future agenda items.

#### **DIRECTORS' COMMENTS**

The Directors made their final comments.

#### **MEETING RECESS**

The meeting was recessed at 4:40 PM to reconvene August 6, 2015 at 9:30 AM.

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Mary Stone, Secretary

#### **Summary of Previous Closed Session Meetings per Civil Code Section §4935**

During its Regular Executive Session Meeting of July 7, 2015 the Board approved the Regular Executive Session meeting minutes of June 2, 2015 and the Special Executive Session meeting of June 29, 2015 as written. The Board approved thirty-four hearing requests for Delinquent Assessments; held three (3) Disciplinary Hearings; considered Title Change GRF Properties Matter; discussed and considered an AED provider; reviewed the Litigation Status Report; and discussed and considered litigation matters.

During the Special Executive Session Meeting of July 20, 2015 the Board discussed and considered a contract with FutureSense for Director Training.

During the Special Executive Session All Boards Meeting of July 27, 2015 the Board discussed and considered contractual and legal matters regarding Associa.

**Proposed Final**

**D. CLUBS and ORGANIZATIONS**

The following requirements must be met for a club/organization to be recognized by GRF:

1. Residents requesting to form a club/organization must first submit a written request to Recreation Staff stating the purpose and/or objective of the proposed club/organization and a list of at least 20 resident names, addresses, and telephone numbers of those requesting membership in the new club/organization.
2. Compliance with the Rules, Policies and Procedures of the Golden Rain Foundation, including the GRF Guest Policy, must be a condition for membership in the club/organization.
3. The club/organization must be organized for educational, social, cultural, recreation or other non-profit purposes.
4. The club/organization may not represent any business or commercial interest or activity.
5. The club/organization must be substantially supported by revenue from its members/donors.
6. The club/organization must have a minimum membership of 90% Laguna Woods Village residents unless otherwise exempted from this requirement by specific policy or rules approved by the GRF Board.  
Non-residents may participate as "guests"
7. A current membership roster and updated contact information must be submitted to Recreation Staff annually unless otherwise exempted from this requirement by specific policy or rules approved by the GRF Board..
8. The club/organization may not advertise events to the general public through media in general circulation outside of Laguna Woods Village including electronic communications.  
Website and Globe articles should say "for Laguna Woods Village residents and their guests only".
9. Although GRF recognized clubs/organizations are afforded promotional privileges by GRF, such organizations are entirely independent and therefore GRF assumes no liability for their acts, whatsoever.

**Proposed Final**

**G. ROOM RESERVATIONS**

**1. General**

- a) Facilities shall only be rented by Laguna Woods Village residents (except for memorials). The requestor must be prepared to show his/her Laguna Woods Village identification card upon request in order to check room availability or make/change/cancel reservations.
- b) Requestor must be an authorized agent of a club/organization to check availability or make/change/cancel reservations on behalf of the club/organization.
- c) Rentable rooms shall not be used to conduct a business, promote a product, or solicit for service. Caterers, entertainers, speakers, and instructors are permitted as service providers to the group.
- d) Rooms are assigned based on planned attendance and availability; exclusive use of the patio is included for those rooms with patio access.
- e) Clubhouse reservation hours are 8:00 AM until 10:00 PM seven days per week, **except for New Year's Eve.**
- f) All weddings and/or wedding receptions for nonresidents are limited to only parents, children, and grandchildren of residents.
- g) The GRF Pricing Policies contains two rates: resident rate and exception rate, refer to the GRF Pricing Policies
  - (1) Exception rate applies:
    - a. (b) To any non-Laguna Woods Village organization/club/group for which a resident makes a reservation.
- h) It is prohibited to use the room for anything but the stated purpose (birthday party, anniversary, family reunion, etc.).
- i) Individual residents/clubs/organizations are limited to two special events/fund raisers per year per group. Special events/fundraisers include sales of any kind and events not regularly carried on that are conducted for the primary purpose of raising funds to support the local club or other non-profit purpose.
- j) Reservations may be cancelled or moved as necessary to accommodate government elections, GRF and Mutual meetings, facility renovations, GRF approved requests, Recreation coordinated community-wide events, etc.; Clubhouse Three Rehearsal Room reservations may be cancelled or moved if the Auditorium is booked.
- k) The length of a reservation must include the set up/decorating, caterer preparation, and clean up time.
- l) Every reservation must submit a Facility Check Out form to the Clubhouse staff at the conclusion of the event indicating the number of residents and non-residents.
- m) Cancellation of a paid reservation requires 14 days' notice and contact with the reservation desk; cancellation or changes to paid reservations (with the exception of an extension in hours) will result in a fee of the minimum for that facility per reservation.
- n) Refunds will be credited to the requestor's credit card or via check by request.
- o) No shows" and cancellation within 14 days of the reservation date will result in the complete forfeiture of the room reservation fees.

## **DELEGATION OF ACTIONS AND COMMITMENTS**

### **I. INTRODUCTION**

One of the core principles of the laws governing corporations, both for-profit and non-profit, is that the ultimate responsibility for the business and operations of the corporation and thus the ultimate authority to take action rests with the corporation's Board of Directors. The board then has the right to determine under what circumstances to delegate specific actions and commitments to committees, committee chairs, to management, to other agents, professionals or contractors.

The Golden Rain Foundation Board of Directors has created a Delegation of Actions and Commitments Matrix that can be used to guide current and future Board members in the responsible delegation of duties and responsibilities. The intent is to develop a document that can be adopted by each of the four boards and can be used to clearly define the responsibilities and authority of the boards and those responsibilities they may wish to delegate.

The goal of the matrix and this accompanying memorandum is to identify more clearly those who have the principal responsibility for performing certain actions or duties and those who are expected to render services and assistance in an advisory capacity to add value and expertise to foster better actions and decisions by the principal decision-maker(s).

### **II. AUTHORITY**

In order for an individual or an organization to accomplish a task, they need a certain amount of authority to carry out the assigned activity. However, implicit in the delegation of authority is that the responsibility for the outcome of the activity remains with the individual or organization that delegated the authority.

When the governing Board of a homeowners' association delegates responsibility and authority to others, it becomes vital to maintain control through the timely reporting of data and information and monitoring the progress or outcome of the delegated responsibilities or functions. This is typically accomplished through timely financial reports that can be evaluated in the context of budgeted/projected income and expenditures for a given fiscal period, and the receipt of progress reports that address work status and milestones achieved during the specified period, such as a calendar month, quarter or fiscal year.

### **III. DELEGATION MATRIX**

The Matrix that accompanies this Memorandum presents four categories of functions that are part of the day-to-day responsibilities of Laguna Woods Village Corporations, namely the formation of contracts, the conduct of Board, Committee and member meetings, financial matters, and manner in which legal services are solicited and utilized by the corporations.

Then, in the columns opposite these four substantive areas of corporate action, the Matrix presents a description of the appropriate role and responsibilities of

the Association's Board of Directors; Board Committee Chairs; Board Committees; and the management agent. The matrix is set forth on Page 9 of this memorandum.

Regardless of any delegation indicated, the Board always has the option to become directly involved in any and every process and item in the Matrix.

#### **IV. PURPOSE OF THIS MEMORANDUM**

The principal purpose of this Memorandum is to provide explanatory text that clarifies and further elaborates on each of the action items in the Matrix.

##### **A. Contracts**

**1. Request for Analysis-Determination of Objectives (Project Request Form)** The decision to commission a subject report request primarily resides with the Board of Directors; however, a committee chair with committee approval may also request a subject report from the managing agent. There may be situations where a committee will request reports from other professional organizations. Certain contracts are processed based upon board-approved service levels and appropriations, and are not a result of a subject report.

##### **2. Subject Report (Tracking # Assigned)**

The committee having jurisdiction over this activity has the option to prepare the subject report, unless otherwise directed by the Board of Directors when the project is assigned to the committee. However, the report preparation usually will be performed by the managing agent. If the agent is unable to perform the work, then with board approval, a consultant may be engaged to draft the report.

##### **3. Approval of Appropriation by Resolution of Board**

This activity is reserved for the Board of Directors. The approval follows the review of the subject report by the appropriate committees with their respective recommendation submitted for action. The board will then review the subject report and the attendant recommendations and either approve the recommended action or return the subject report to committee for further consideration.

##### **4. Draft of Specifications for a Contracted Activity**

This activity, which is a statement of particulars, such as, type, scope, size, performance, terms, conditions, etc., will be performed by the managing agent, ***with guidance from any retained consultant.***

##### **5. Approval of Scope of Work/Specifications**

Below are the approvals required for the scope of work/specifications:

- Less than \$5,000: The managing agent has the authority to approve the scope of work/specification without committee review and approval.
- \$5,000 to \$25,000: The appropriate committee chair has the authority to approve the scope of work/specification without full committee review and approval.

- Greater than \$25,000: The authority to approve the scope of work/specification requires appropriate committee review and approval.

If the scope of work varies significantly from what the Board approved at the time of funding then the Board approval of the scope of work/specifications requires Board review and approval.

#### **6. Preparing the RFP with Approved Scope of Work/Specifications**

The managing agent will prepare the RFP and if the value of the contract is expected to be less than \$5,000 and is within the approved budget, the managing agent has the authority to issue the RFP with the appropriate scope of work/specifications without review by the appropriate committee.

#### **7. Approval of RFP with Approved Scope of Work/Specifications**

Below are the approvals required for RFPs with approved scope of work/specifications:

- Less than \$5,000: The managing agent will proceed to send the RFP to the selected vendors
- \$5,000 to \$25,000: The appropriate committee chair will review and approve all RFPs
- Greater than \$25,000: The appropriate committee will review and approve all RFPs

#### **8. Creation of Initial Bidders List (Excluding Financial and Legal Contracts)**

The bidders list will be created by the managing agent.

#### **9. Approval/Modification of Final Bidders List**

Below are the approvals required for the bidders list:

- Less than \$5,000: The managing agent will proceed to send the RFP to the selected vendors
- \$5,000 to \$25,000: The appropriate committee chair will review and approve the bidders list
- Greater than \$25,000: The appropriate committee will review and approve the bidders list

#### **10. Delivery of Request for Proposal (RFP)**

This activity is performed by the managing agent.

#### **11. Pre-bid Meeting**

The Pre-bid Meeting, if required, will be set up and conducted by the managing agent. The managing agent shall notify the appropriate committee chair of the meeting date.

#### **12. Bid Opening**

The Board does not have to participate in this activity; they may delegate the responsibility to an appropriate committee or, if the expected contract is less than \$25,000, delegate the responsibility to the managing agent. The appropriate committee chair should be invited to all bid openings for projects greater than \$5,000.

### **13. Bid Analysis (Price and Cost Analysis)**

The Board does not have to participate in Bid Analysis; they may delegate the responsibility to an appropriate committee who may elect to exercise control of the bid review and prepare a recommendation to the Board or, if the expected contract is less than \$5,000, delegate the responsibility to the managing agent.

### **14. Recommendation for Award of Contract and Approval of Change Orders**

The managing agent will prepare a memo with the recommendation of the vendor that best fulfills all aspects of the RFP and the required specifications of the work to be performed. This activity may include a concurrent report by the committee involved in the RFP and Bidding process.

### **15. Approval to Award Contract**

Below are the approvals required for contract award that are within the budget for the activity:

- Less than \$5,000: The managing agent will proceed to award the contract to the vendor best fulfilling the requirements of the RFP and the scope of work/specifications without committee review and board approval.
- \$5,000 to \$25,000: The appropriate committee chair will review and approve the contract award to the vendor best fulfilling the requirements of the RFP and the scope of work/specifications.
- Greater than \$25,000: The appropriate committee will review and approve contract award to the vendor best fulfilling the requirements of the RFP and the scope of work/specifications.

For activities requiring expenditures exceeding the budget, the appropriate committee will review and recommend approval of the contract to the Board. The Board will proceed to approve a resolution for supplemental funding and contract award to the recommended vendor.

### **16. Administration of Contract and/or Work**

The managing agent performs this activity with reporting, when requested, to the appropriate committee of progress and discussion of any issues arising during the previous month with the vendor, such that there are no surprises for Board members regarding the contract work and activities. Unless otherwise specified, below are the approvals required for change orders:

- Less than \$5,000: The managing agent will approve change orders
- \$5,000 to \$25,000: The appropriate committee chair will review and approve the change orders
- Greater than \$25,000: The appropriate committee will review and approve the change orders

## **B. Agendas and Minutes – Board and Committee Meetings**

**1. Determine Format and Level of Reporting of Board and Committee Minutes** This activity is performed by the Board with guidance from their legal counsel and the managing agent. Whenever consultants have been used, they must be identified.

### **2. Production of Draft Agendas**

This activity is performed by the managing agent after review with the board.

### **3. Approval of the Board Agenda**

This item is performed by the Board. A draft agenda will be prepared by the managing agent and reviewed by the presiding officer prior to distribution. The final agenda must be approved by the Board at the beginning of the board meeting.

### **4. Approval of the Committee Agenda**

This item is performed by the committee chair. A draft agenda will be prepared by the managing agent and reviewed by the presiding officer prior to distribution.

### **5. Production of Draft Minutes (Board and Committee)**

This item is performed by the by the managing agent, unless the minutes pertain to an executive session regarding management where, with the advice of legal counsel, management should be excluded from the need to know what transpired in the executive session. In this situation, the Board Secretary will prepare the minutes of the session for the Board members and at copy will be provided for the Corporate Records maintained by the managing agent for the corporation.

### **6. Approval of the Board Meeting Minutes**

The text of the minutes must be approved by the Board.

### **7. Approval of the Committee Meeting Minutes**

The text of the minutes must be approved by the respective committee.

## **C. Financial Analysis and Reporting**

### **1. Initiate Request for Analysis/Report—Determination of Objectives**

The initiation of a report on a financial topic primarily resides with the Board of Directors; however, a committee may also request a financial topic report from either the managing agent or another professional organization.

### **2. Determine Structure of Board and Committee Financial Reports**

The board or Finance Committee chair can initiate the structure of the financial reports that are prepared by the agent for either the board or finance committee. The finance committee has the option of participating in the design of the report.

### **3. Prepare Financial Topic and Performance Reports**

The committee has the option to prepare the financial topic report and performance reports, which are often call “Balanced Scorecards”. Unless otherwise directed

by the Committee, this activity will be performed by either the managing agent or a selected professional organization with input from other community sources as the committee deems appropriate.

#### **4. Review of Report and Acceptance of Recommendation**

The committee chair and committee will perform a detailed review of the report and the committee will act on the report. If a resolution is required for implementation of a change in operating practice or requires funding, the committee will forward a recommendation to the board for action.

#### **5. Adoption of Recommendation**

The Board approves the recommendation that has been forwarded by the finance committee and the managing agent implements the new or revised practices. If the recommendation is not approved, the subject will be returned to committee.

#### **6. Establish Budget Goals and Objectives for Community and each Housing Mutual**

The Business Planning Committee with input from the GRF Board will establish the Goals and Objectives for the overall budget. Each housing mutual board should establish the Goals and Objectives for their respective mutual. The preparation is the responsibility of the respective finance committee and will be reviewed and approved by each board.

#### **7. Budget Preparation**

The responsibility for a budget to be prepared, as required by law, resides with the Board who initiates the preparation process. In practice, the preparation process is delegated to the managing agent. Several successive versions of the budget are prepared as a result of reviews by appropriate committees. A final version is presented to the Board for review and approval in August.

#### **8. Budget Approval**

The final version of the budget is reviewed and approved by the Board at the September Board meeting by way of resolution.

#### **9. Develop and Report Financial Rolling Forecast**

Starting in the 5<sup>th</sup> month of the fiscal year, a rolling forecast Income Statement, that projects the year end expenses in each reported line item, is to be prepared by the managing agent for review by the finance committee. This enables the finance committee chair to report to the board any anticipated expense variances that could impact the financial health of the community.

#### **10. Reserve Studies**

The responsibility for a reserve analysis to be performed resides with the Board who initiates the process as part of the budgeting process when legally required. The Reserve Analysis is reviewed and approved by the Finance Committee prior to being submitted to the Board for a resolution approving the key criteria and elements of the document.

#### **11. Select Resident Members for the Select Audit Task Force**

The Finance Committee Chair for GRF and each housing mutual initiate the search for financially qualified representatives for their corporation who will be selected by their finance committee and their board to serve on the community's Select Audit Task Force. The task force has the responsibility to have the RFP prepared for conducting the annual audit of the books of the four Laguna Woods Village corporations. The task force will review and recommend to their respective board the Accounting firm selected to perform the annual Audit. The managing agent will prepare the RFP in accordance with the instructions from the Select Audit Task Force.

## **12. Annual Audits – Review and Approval**

The Select Audit Task Force will conduct the preliminary audit review. Once the preliminary review has been completed, an open meeting of the corporations is held where the firm performing the audit presents its findings and answers questions from the Select Audit Task Force and the membership in attendance. The joint Select Audit Task Force then presents the Audit Report for approval by the boards of the four Laguna Woods Village Corporations.

## **D. Requests for Legal Opinions/Guidance/Interpretation & Distribution of Same**

### **1. Selection of Appropriate Legal Counsel**

This responsibility resides with the Board to initiate and perform the selection process. The board may have their committee and management agent participate in the selection process. However, there is no obligation for the Board to consult with the managing agent if the purpose of the counsel is to evaluate the performance, acts or omissions of management.

### **2. Formulation of Legal Question**

The formulation of a question requiring a legal opinion may occur from the Board, a committee chair and/or committee (if the question is within the committee's charter), or the managing agent.

### **3. Request Submitted to Law Firm to Answer Question**

If a question arises within a Board committee, the Board president would submit the question as identified in writing by the committee to the corporation's counsel, unless the Board approves having the question submitted by the managing agent. The managing agent is delegated the authority to submit questions to corporate counsel regarding occupancy and membership issues, such as lien filings, etc. or issues arising from lending organizations for member mortgages

### **4. Opinion Tendered and Received**

The legal opinions received will be directly submitted to the Board President for distribution to the full Board or committee, except for those opinions dealing with the resident occupancy issues initiated by the managing agent who will provide the opinion during the Board's monthly executive session.

### **5. Opinion Summarized with Appropriate Action Plans and Budgets**

Oftentimes, it is more effective for the non-attorney Board members to have legal opinions summarized and this activity maybe delegated, by the committee or board that requested the opinion, to the managing agent. Legal counsel's opinion often includes a summary. The committee chair may prepare an abstract of the summary and opinion for presentation to the committee. Part of the summary will include an action plan developed by the committee chair and the managing agent. Any Board resolution necessary and appropriate to implement the opinion will be prepared by managing agent.

### **6. Implementation of the Opinion**

The managing agent will implement the action plans within the established funds appropriated by the Board in the resolution.

#### **IV. SUMMARY**

The delegation of actions and commitments by a community association Board of Directors is fundamental to the effective management of a Community Service Organization. Every Board will approach the delegation of responsibility and commensurate authority somewhat differently; however, it is critical that the Board clearly establish how much authority it is willing to delegate to its committees, committee chairs and to the managing agent or CEO. Otherwise, conflicts arise or some activities will not be accomplished because clear objectives and corresponding authority was not defined.

Unfortunately, this can be a very challenging activity, but each Board needs to develop an orientation program for new Board members so that, upon election, each Board member understands the scope of his or her fiduciary responsibilities and duties that are incumbent upon being a Board member in a common interest development or any other non-profit mutual benefit corporation. The laws governing the duties and governance of community service organizations and common interest communities are different from the rules that apply to towns, cities, and municipalities; therefore, it is necessary to have an understanding of the differences between the two community organizational structures, and particularly, the duties of care, inquiry and loyalty, which are specifically defined in Corporations Code, Section 7231 and are critical to individual Board members and ensuring that the Board of Directors operates successfully.

## Delegation of Actions and Commitments

Delegation of the Initiation, Authorization and Performance of Actions and Commitments that are Within the Responsibility Scope of the Organization NOTE: Refer to the Procedure Paragraph that Describes the Particular Action	Organization			
	Board of Directors	Board Committee Chair	Board Committee	Managing Agent

### A. Contracts

1	Request for Analysis--Determination of Objectives (Project Request Form)	I	I <sup>1</sup>	I <sup>1</sup>	
2	Subject Report (Tracking Number)			O	P
3	Approval of Appropriation by Resolution of Board	A			
4	Draft of Specifications for a Contracted Activity	O	O	O	P
5	Approval of Specifications	R,A	R,A	R,A	P,A
6	Initiate a RFP with Approved Scope of Work/Specifications			I	P
7	Approval of RFP with Approved Scope of Work/Specifications		R,A	R,A	R,A
8	Creation of Initial Bidders List (Excludes Financial and Legal Contracts)		I	I	P
9	Approval/Modification of Final Bidders List		R,A	R,A	R,A
10	Delivery of RFP				P
11	Pre-bid Meeting		O	O	P
12	Bid Opening		O	O	P
13	Bid Analysis (Price and Cost Analysis)		O	O	P
14	Recommendation of Award of Contract				P
15	Approval to Award Contract	R,A	R,A	R,A	R,A
16	Administration of Contract and/or Work		R	R	P

### B. Agendas and Minutes--Board & Committee Meetings

1	Determine Format and Level of Reporting of Minutes	P			
2	Production of Draft Agendas				P
3	Approval of Board Agenda	A			
4	Approval of Committee Agenda		R,A	A	
5	Production of Draft Board and Committee Minutes				P
6	Approval of Board Meeting Minutes	A			
7	Approval of Committee Meeting Minutes			A	

### D. Requests for Legal Opinions/Guidance/Interpretation and Distribution of Same

1	Selection of Appropriate Legal Counsel *	I,P	O	O	
2	Formulation of Legal Question *	I	I <sup>1</sup>	I <sup>1</sup>	I
3	Request submitted to Law Firm to Answer Question	P	P		P
4	Opinion Tendered and Received	R	R		R
5	Opinion Summarized with Appropriate Action Plans and Budgets		O	O	P
6	Implementation of Opinion	A			P

\* **Note:** There is no obligation to consult with the managing agent in selection of counsel if the purpose of the counsel is to evaluate the performance, acts or omissions of management.

**Key**

**I** = Initiate an activity, directive may come from either, but the directive is required

**I<sup>1</sup>** = Initiate activity within committee charter and with objective parameters

**A** = Authorize an activity that is within the Governing Documents. For items within the budget for the activity, the Managing Agent is authorized to approve contracts of less than \$5,000, the appropriate committee chair is authorized to approve contracts between \$5,000 and \$25,000 and the appropriate committee is authorized to approve contracts greater than \$25,000

**O** = The Committee or Board may choose to exercise participation at this level; if not, the Agent will perform the task

**R** = Review Reports and/or for Approval, where Necessary and Appropriate

**P** = Performed By