

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

February 2, 2016

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, February 2, 2016, at 9:30 A.M., at 24351 El Toro Road, Laguna Woods, California.

Directors Present: Mike Comer, John Parker, Beth Perak, Judith Troutman, Margaret Klein, JoAnn diLorenzo, John Beckett, Richard Johnston, Richard Palmer, Joan Milliman, John Luebbe

Directors Absent: Judith Troutman (Closed Session Only)

Staff Present: Open Session: Brad Hudson, Kim Taylor, Betty Parker, and Russ Ridgeway
Executive Session: Kim Taylor, Russ Ridgeway, Francis Rangel, Jacob Huanosto, Cindy Grace, Laurie Chavarria, and Betty Parker

Others Present: None

CALL TO ORDER

President Mike Comer 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 Richard Johnston 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

Without objection, the agenda was approved as written.

APPROVAL OF THE MINUTES

Without objection, the meeting minutes of January 5, 2015 were approved as amended by changing Director Beckett with Director Palmer at the bottom of page 5 under Unfinished Business.: "By a vote of 9-0-0 (Director ~~Beckett~~ **Palmer** was absent for the vote) the motion carried."

CHAIR'S REPORT

President Comer commented on the completion of the transition and the new General Manager, Brad Hudson. President Comer spoke to the completion of the Management Agreement between GRF and VMS and the Governance 101 workshop for all Directors which will be provided by FutureSense.

MEMBER COMMENTS

- Carol Hirsch (4010-3F) asked for a room rental exemption for the Hadassah Club.
- Bert Moldow (3503-A) spoke to potential savings with regard to moving forward with JCI and implementation of energy programs.
- Bill Walsh (3162-C) commented on GRF cancelling the JCI workshop and spoke to potential savings if the program is implemented.
- Steven Leonard (696-D) addressed continuing the design studies with JCI and spoke to potential savings if the program is implemented.
- Andre Torng (389-Q) thanked the Board for their work in the community.
- Sharon O'Neil (581-P) commented on the hand rails at Aliso Creek and completion of the project.
- Elizabeth Morris (581-O) thanked the Board for a smooth transition and welcomed Brad Hudson as CEO; spoke to the Aliso Creek biologist and working together with contractors and residents in the area.
- Rena Konheim (795-B) commented on the change in status of the Hadassah Club and asked for an exception in the room rental rates.
- Maxine McIntosh (68-C) welcomed Brad Hudson as CEO and spoke to the cost of the transition.
- Franklin Smith (5369-3D) finished his statement regarding MBT from last month, he further commented on the JCI presentation and on Ground Hog Day.
- Lucy Shimon (3228-D) commented on the letters to the editor and suggested that residents write letters to the Editor of the Globe.
- Juanita Skillman (2154-N) stated that United Mutual is looking at the JCI project and looking to the future with energy savings, and commented on the Directors Training 101 Workshop.
- Fred Sherman (3161-A) asked that the Board and Committees limit discussion/agenda items in Closed Session meetings.
- Mike Landry (693-B) commented on his concern with changing the rails at Aliso Creek and using water conserving plants in the community.

The GRF Directors briefly responded to Members' Comments.

CEO REPORT

Mr. Bradley Hudson spoke to his commitment to the community, to transparency, updated the Board on his strategy to improve customer service throughout the company, his open door policy and welcomed everyone to stop by and have a cup of coffee with him.

CONSENT CALENDAR

No items came under the Consent Calendar this month.

Without objection the Board agreed to take agenda items out of order.

COMMITTEE REPORTS

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

Clubhouse 2 Renovation Representative, Blanca Mercedes spoke to the unforeseen change orders needed at Clubhouse 2.

The Secretary of the Corporation, Director Troutman read a proposed resolution approving a change order for replacing the concrete sub slab, a change order for arch columns repair and a change order for re-routing electrical conduit at Clubhouse 2. Director Parker moved to approve the resolution. Director Troutman seconded the motion. Discussion ensued.

Members Maxine McIntosh (68-C), Mary Stone (356-C), Roberta Berk (933-B), Bert Moldow (3503-A), Bill Walsh (3162-C) and John Frankel (3473-A) commented on the resolution.

By a vote of 9-1-0 (Director Palmer opposed) the motion carried and the Board approved the following resolution:

RESOLUTION 90-16-07

Supplemental Appropriation for Change Orders to Renovate Clubhouse 2

WHEREAS, by way of resolution 90-14-36 adopted on August 5, 2014 the Board of Directors of this Corporation approved proceeding with the design phase of the Clubhouse 2 renovation with an appropriation of \$200,000 funded from the Facilities Fund; and

WHEREAS, the proposed project cost for Clubhouse 2 Renovation in the 2015 Capital Plan was \$4,000,000; and

WHEREAS, by way of resolution 90-15-46 on August 14, 2015 the Board authorized an additional supplemental appropriation of \$2,112,000 needed for the Clubhouse 2 Renovation; and

WHEREAS, in preparation for the replacement of the patio, the existing Sub-Slab was found in poor condition with cracks and grades that create drainage problems; and

WHEREAS, after removal of the existing exterior patio pavers, the base of the plaster columns were exposed showing the wood structure to be dry rotted and not structurally sound; and

WHEREAS, to provide for a better HVAC system and ongoing maintenance the air handling unit #1 will be relocated and a new split system will be added in the front office; and

NOW THEREFORE BE IT RESOLVED, February 2, 2016, the Board of Directors of this Corporation hereby authorizes an additional supplemental appropriation of \$378,670 funded from the Facilities Fund to address the issues stated above; and

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

Director Klein reported from the Finance Committee, presented the Treasurer's Report, spoke to the cost of the transition to date, and updated the Members on the Microsoft Dynamics AX conversion project.

The Secretary of the Corporation, Director Troutman read a proposed resolution approving revisions to the Investment Policy. Director Troutman moved to approve the resolution. Director Milliman seconded the motion.

By a vote of 9-0-1 (Director Beckett abstained) the motion carried and the Board approved the following resolution:

RESOLUTION 90-16-08

INVESTMENT POLICY

RESOLVED, February 2, 2016, that Village Management Services Inc., managing agent of this corporation, and an outside Investment Manager are hereby authorized to invest the funds of the corporation which, in the opinion of said managing agent are not required within a reasonable time to pay obligations of the corporation; and

RESOLVED FURTHER, that the Board of Directors of this Corporation hereby authorizes the Managing Agent of this corporation, Village Management Services, Inc., to retain an Investment Manager and to give that Manager discretion to transact purchases and sales of investments for Golden Rain Foundation's account. Such discretion is subject to the underlying conditions as stated below. The Board will determine the amount to be managed in this discretionary account; and

RESOLVED FURTHER, that all investments on behalf of this corporation must be made with the underlying principles in the following order of priority: (1) safety, (2) liquidity, where applicable, and (3) yield, and are subject to the following conditions:

1. Notification of confirmation shall be given to the managing agent and treasurer of this corporation upon completion of each investment transaction;
2. For funds administered by Village Management Services, Inc., known as the "non-discretionary account" no investment may be sold, withdrawn, redeemed or otherwise converted to cash prior to maturity without a demonstrated immediate need for the funds and the consent of any two of the following: the Treasurer, the President or the 1st or 2nd Vice President

of this corporation. Furthermore, if there is a request that an investment be sold, withdrawn or otherwise converted to cash prior to maturity where there has been no demonstrated immediate need, approval must be received from the Board of Directors of this corporation;

3. Managed funds, known as the “discretionary account”, shall be invested only in authorized investments as provided herein; :
 - a. obligations of, or fully guaranteed as to principal by, the United States of America;
 - b. Up to 30% of the portfolio may be invested in Corporate Bonds rated A through AAA;
 - c. No more than 3% of portfolio is to be invested in any one corporate bond issuer; and
 - d. Up to 25% of the portfolio may be invested in Government Sponsored Federal Agencies, namely FNMA (Federal National Mortgage Association – Fannie Mae), FHLMC (Federal Home Loan Mortgage Corporation – Freddie Mac, and FHLB (Federal Home Loan Bank).
4. Investments on behalf of this corporation may be made concurrently with investments made on behalf of other corporations at Laguna Woods Village. However, separate investment receipts will be held in the name of this corporation. Any such investments may be held for the account of the corporation in book-entry form;
5. Any authorized investments, as defined in Item 3 above, previously made by said Managing Agent or Investment Manager, are hereby ratified; and

RESOLVED FURTHER, that Resolution 90-13-23 adopted on March 5, 2013, is hereby superseded and cancelled.

Director Troutman reported from the Maintenance and Construction Committee.

Director Beckett reported from the Security and Community Access Committee.

Director Beckett reported from the Mobility and Vehicles Committee.

Director Klein reported from the Community Activities Committee.

The Board discussed the Archery Club’s request for sharing the Shuffleboard Court B facility.

Member Gordon Richiusa (603-G) provided an overview of the Archery Club’s request to use Shuffleboard Court B, until its remodeling in 2017, as part of the Clubhouse One renovation.

Member Paula Minnehan (65-H) commented on the discussion.

Director diLorenzo reported from the Media and Communications Committee.

The Secretary of the Corporation, Director Troutman read a proposed resolution to approve offering high definition digital to analog converter boxes for lease to the Members. Director Troutman moved to approve the resolution. Director diLorenzo seconded the motion.

By a vote of 9-1-0 (Director Beckett opposed) the motion carried and the Board approved the following resolution:

RESOLUTION 90-16-09

Leasing of High Definition (HD) DTA Converter Boxes

WHEREAS, in an effort to provide a low cost alternative for the community to view additional programming; and

WHEREAS, February 5, 2013 GRF approved funding for an all-digital cable system and the purchase of digital to analog (DTA) converter boxes, Resolution 90-13-19; and

NOW THEREFORE BE IT RESOLVED, February 2, 2016, that the Board of Directors of this Corporation hereby authorizes leasing of High Definition (HD) DTA converter boxes for a monthly fee of \$4.95, to residents who wish to see additional programming; and

RESOLVED FURTHER, that the HD DTA converter box could be installed by the resident or be installed by a technician at the current installation fee of \$30.00; 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 discussed the placing of a one sided sign at the triangular south section of Gate 1 Facing toward the Village.

Director Parker moved to place the previously approved one sided sign at the triangular south section of gate 1 facing toward the Village. Director Luebbe seconded the motion. By a vote of 10-0-0 the motion carried.

Without objection, the Board endorsed the formation of a Community Newsletter Sub Committee.

Director Parker reported from the Landscape Committee.

Director Luebbe reported from the Energy Committee.

Director Johnston reported from the Laguna Woods Village Traffic Hearings.

UNFINISHED BUSINESS

The Secretary of the Corporation, Director Troutman read a proposed resolution approving revisions to the GRF Committee Assignments. Director Troutman moved to approve the resolution. Director diLorenzo seconded the motion.

By a vote of 10-0-0 the motion carried and the Board approved the following resolution:

RESOLUTION 90-16-10

GRF Committee Appointments

RESOLVED, February 2, 2016 that the following persons are hereby appointed and ratified to serve on the Committees of this Corporation:

Annual Contract Renewal Process Ad Hoc Committee

~~xxx, Chair (GRF)~~

~~xxxx (GRF)~~

~~xxxx (GRF)~~

~~Bunny Carpenter (Third)~~

~~Wei-Ming Tao (Third)~~

~~Ming Lee Chang (United)~~

~~Don Tibbetts (United)~~

Business Planning

Mike Comer, Chair (GRF)

Margaret Klein, Vice Chair (GRF)

Richard Johnston (GRF)

Jim Matson (Third)

Wei-Ming Tao (Third)

Pat English (United)

Lenny Ross (United)

Clubhouse 2 Renovation Ad Hoc Committee

Judith Troutman, Chair (GRF)

John Parker, Vice Chair (GRF)

Dick Palmer (GRF)

~~Jim Matson (Third)~~

Bert Moldow (Third)

Bill Walsh (Third)

Jack Bassler (United)

Ken Hammer (United)

Ryna Rothberg (Mutual 50)

Non-Voting Advisors: TBD

Community Activities

Margaret Klein, Chair (GRF)

John Parker, Vice Chair (GRF)

Beth Perak (GRF)

Burt Baum (Third)
Rosemarie diLorenzo Dickins (Third)
Jan LaBarge (United)
Tom Sirkel (United)
John Dalis (Mutual 50)
Non-Voting Advisors:

Energy Committee

John Luebbe, Chair (GRF)
Beth Perak, Vice Chair (GRF)
Dick Palmer, (GRF)
Bert Moldow (Third)
Bill Walsh (Third)
Ken Hammer (United)
Jack Bassler (United)
Henry Nahoum (Mutual 50)
Non-Voting Advisors:

Finance

Margaret Klein, Chair (GRF)
Richard Johnston, Vice Chair (GRF)
Judith Troutman (GRF)
Rosemarie diLorenzo Dickins (Third)
Wei-Ming Tao (Third)
Pat English (United)
Lenny Ross (United)
Marilyn Ruekberg (M50)
Non-Voting Advisor: TBD

Financial Reporting Study Group

Margaret Klein, Chair (GRF)
Mike Comer, Vice Chair (GRF)
Richard Johnston (GRF)
Rosemarie diLorenzo Dickins (Third)
Wei-Ming Tao (Third)
Pat English (United)
Lenny Ross (United)
Non-Voting Advisor:

Landscape

John Parker, Chair (GRF)
JoAnn diLorenzo, Vice Chair (GRF)
Joan Milliman (GRF)
James Tung (Third)
Bunny Carpenter (Third)
Jan LaBarge (United)
Eva Lydick (United)
Sy Wellikson (Mutual 50)

Non-Voting Advisors: Pam Grundke, Elizabeth Morris

Maintenance & Construction

Judith Troutman, Chair (GRF)
John Parker, Vice Chair (GRF)
John Luebbe (GRF)
~~Bunny Carpenter (Third)~~
John Frankel (Third)
Bert Moldow (Third)
Jack Bassler (United)
Don Tibbetts (United)
Ryna Rothberg (Mutual 50)
Non-Voting Advisors:

Media and Communications

JoAnn diLorenzo, Chair (GRF)
Beth Perak, Vice Chair (GRF)
Joan Milliman (GRF)
Rosemarie diLorenzo Dickins (Third)
Bill Walsh (Third)
Jan LaBarge (United)
Juanita Skillman (United)
Henry Nahoum (Mutual 50)
Non-Voting Advisors: **Steve Carman**

Mobility & Vehicles

John Beckett, Chair (GRF)
Beth Perak, Vice Chair (GRF)
Richard Johnston (GRF)
David Finley (Third)
Ray Gros (Third)
Ming Lee Chang (United)
Jan LaBarge (United)
John Dalis (Mutual 50)
Non-Voting Advisors:

Security and Community Access

John Beckett, Chair (GRF)
Margaret Klein, Vice Chair (GRF)
John Luebbe (GRF)
Ray Gros (Third)
Burt Baum (Third)
Ming Lee Chang (United)
Tom Sirkel (United)
Lou Parker on behalf of (Mutual 50) – non-voting representative
Non-Voting Advisors: Dick Rader

Laguna Woods Village Traffic Hearings

Richard Johnston (GRF)
JoAnn di Lorenzo (GRF) - Alternate

RESOLVED FURTHER, that Resolution 90-16-04 adopted January 5, 2016, 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 John Beckett reported from the AED Task Force.

NEW BUSINESS

The Secretary of the Corporation, Director Troutman read a proposed resolution approving Bradley Hudson as Ex-officio Officer of the Corporation. Director Troutman moved to approve the resolution. Director Milliman seconded the motion.

By a vote of 10-0-0 the motion carried and the Board approved the following resolution:

RESOLUTION 90-16-11

Golden Rain Foundation Board Officers

RESOLVED, February 2, 2016, that the following persons are hereby elected as officers of this Corporation:

Mike Comer	President
John Parker	1st Vice President
Beth Perak	2nd Vice President
Judith Troutman	Secretary
Margaret Klein	Treasurer

RESOLVED FURTHER, that the following person is hereby appointed as ex-officio officer of this Corporation:

Bradley Hudson ***Vice President***

~~Jerry Storage~~ ~~Vice President~~

RESOLVED FURTHER, that Resolution 90-15-64, adopted November 12, 2015, is hereby superseded and canceled.

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

The Secretary of the Corporation, Director Troutman read a proposed resolution approving Martin & Chapman as Inspector of Election for 2016. Director Troutman moved to approve the resolution. Director Beckett seconded the motion.

By a vote of 10-0-0 the motion carried and the Board approved the following resolution:

RESOLUTION 90-16-12

Approve Inspector of Election Services

RESOLVED, February 2, 2016, that due to Martin and Chapman's agreement to conform to the criteria established in the specifications as an Inspector of Election, carrying the proper insurance, and its familiarity with the Community, the Board of Directors of this Corporation hereby approves to single-source the contract to Martin and Chapman to perform the Inspectors of Election services for all Corporate elections in 2016; and

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

Without objection, the Board agreed to renew the ECHO Membership for GRF for 2016 at a cost of \$575.00 for the Membership.

FUTURE AGENDA ITEMS

No items were discussed.

DIRECTORS' COMMENTS

The Directors made their final comments.

MEETING RECESS

The Board recessed at 11:55 AM and reconvened into Executive Session at 1:05 PM.

ADJOURNMENT

There being no further business to come before the Board of Directors, the meeting adjourned at 4:20 PM.

Judith Troutman, Secretary
Golden Rain Foundation

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

During its Regular Executive Session Meeting of January 5, 2016 the Board approved the Regular Executive Session meeting minutes of December 1, 2015 as written. The Board held two (2) Disciplinary Hearings and held two (2) Meet and Confers and imposed \$150 in fines for violations of the rules and regulations; approved seven (7) deactivation of cable services on behalf of the Mutuals; approved two (2) requests for hearings; held four (4) common area

damage restoration hearings; discussed and considered corporate counsel; discussed and considered Mutual No. Fifty Memorandum of Agreement; discussed and considered entry license agreement for Arizona Pipeline Co.; discussed and considered coyote trapping contract with Critter Busters; and discussed litigation matters.

During the Special Executive Session meeting of December 21, 2015, the Board discussed and considered legal matters, personnel matters, corporate counsel and the Management Agreement.

During the Special Emergency Executive Session meeting of January 8, 2016, the Board discussed and considered Workers Comp. Insurance Matters.

During the Special Executive Session meeting of January 22, 2016, the Board discussed and considered Member disciplinary matters.

During the Special Executive Session meeting of January 28, 2016 the Board discussed and considered contractual matters.