

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

December 1, 2009

The Regular Meeting of the Golden Rain Foundation of Laguna Woods Board of Directors, a California non-profit mutual benefit corporation, was held on December 1, 2009, at 9:30 A.M., at 24351 El Toro Road, Laguna Woods, California.

Directors Present: Erwin Stuller, Bob Miller, Don Tibbetts, Bea McArthur (via telephone), Bob Hatch, Burns Nugent, Ruth May, Jim McNulty, Ray Gros, Ken Hammer, Jim Matson

Directors Absent: None

Others Present: Milt Johns, Patty Kurzet
Executive Session: Milt Johns, Patty Kurzet, Luis Rosas, Cris Robinson

Designated Representative from Mutual Fifty: None

CALL TO ORDER

Erwin Stuller, President, 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.

A moment of silence and reflection was held to honor our US Troops who are serving our Country, and for those who are in harm's way.

PLEDGE OF ALLEGIANCE TO THE FLAG

Director Bob Hatch led the membership in the Pledge of Allegiance to the Flag.

ACKNOWLEDGEMENT OF PRESS

Ms. Claire Webb from the Laguna Woods Globe was present and the Channel 6 Camera Crew, by way of remote cameras, was also acknowledged as present.

APPROVAL OF AGENDA

Without objection, the agenda was approved as written.

APPROVAL OF MINUTES

The Board reviewed and approved the Minutes of the Regular Session of November 3, 2009 as written.

CHAIR'S REPORT

President Stuller thanked Ms. Marcia Wilson, Social Services Manager, for attending last month's meeting to speak on providing welfare checks on behalf of the residents.

OLD BUSINESS

The President entertained a motion to approve the following revised Recreation Division Policies with respect to "Section II Use of GRF Recreation Facilities," "Section IV Clubs and Organizations," and "Section XIII(J) Clubhouses and Community Center Recreation Rooms:"

RESOLUTION 90-09-

WHEREAS, the Board of Directors of this Corporation adopted Resolution 90-07-81 which approved the new Recreation Division Policy, Section I "General Recreation" & Section II "Use of Clubhouses and Community Center Rooms"; and

WHEREAS, a recommendation has been made by the Community Activities Committee to make additional changes to further accommodate the needs of the residents;

NOW THEREFORE BE IT RESOLVED, December 1, 2009, that the Board of Directors of this Corporation hereby adopts and approves the revised Recreation Division Policy with respect to "Section II Use of GRF Recreation Facilities," effective December 1, 2009; and

RESOLVED FURTHER, that Resolution 90-07-81 adopted November 6, 2007 is hereby amended; and

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

RESOLUTION 90-09-

WHEREAS, the Board of Directors of this Corporation adopted Resolution 90-07-81 which approved the new Recreation Division Policy, Section I "General Recreation" & Section II "Use of Clubhouses and Community Center Rooms"; and

WHEREAS, a recommendation has been made by the Community Activities Committee to make additional changes to further accommodate the needs of the residents;

NOW THEREFORE BE IT RESOLVED, December 1, 2009, that the Board of Directors of this Corporation hereby adopts and approves the revised Recreation Division Policy with respect to "Section IV Clubs and Organizations," effective December 1, 2009; and

RESOLVED FURTHER, that Resolution 90-07-81 adopted November 6, 2007 is hereby amended; and

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

RESOLUTION 90-09-

WHEREAS, the Board of Directors of this Corporation adopted Resolution 90-07-81 which approved the new Recreation Division Policy, Section I “General Recreation” & Section II “Use of Clubhouses and Community Center Rooms;” and

WHEREAS, a recommendation has been made by the Community Activities Committee to make additional changes to further accommodate the needs of the residents;

NOW THEREFORE BE IT RESOLVED, December 1, 2009, that the Board of Directors of this Corporation hereby adopts and approves the revised Recreation Division Policy with respect to “Section XIII(J) Clubhouses and Community Center Recreation Rooms,” effective December 1, 2009; and

RESOLVED FURTHER, that Resolution 90-07-81 adopted November 6, 2007 is hereby amended; and

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

No motion was made to approve the resolutions and the matter died.

Director Bob Hatch explained the following proposed resolution approving the revised Recreation Division Policy with respect to “Section XIV Aquatics:

RESOLUTION 90-09

WHEREAS, the Board of Directors of this Corporation adopted Resolution 90-07-82 on November 6, 2007, which approved Section III of the new Recreation Division Policy with respect to “Recreational Facilities;” and

WHEREAS, a recommendation has been made by the Community Activities Committee to make additional changes to further accommodate the needs of the residents;

NOW THEREFORE BE IT RESOLVED, January 5, 2010, that the Board of Directors of this Corporation hereby adopts and approves the revised Recreation Division Policy with respect to “Section XIV Aquatics,” effective January 5, 2010; and

RESOLVED FURTHER, that Resolution 90-07-82 adopted November 6, 2007 is hereby amended; and Resolution 90-08-71, adopted October 7, 2008 is hereby superseded and cancelled; and

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

Director Hatch made a motion to approve the resolution. Director Matson seconded the motion.

Director McArthur made a motion to postpone the resolution to the January meeting to satisfy the 30-day notification requirements. Director Miller seconded the motion and the motion carried unanimously.

The meeting recessed at 9:42 A.M. and reconvened at 9:50 A.M.

NEW BUSINESS

Director Hatch made a motion to establish a Joint Long Range Planning Committee and attendant duties as referenced in the report. Director Gros seconded the motion and discussion ensued.

Members Mike Curtis (342-A), Connie Grundke (2214-B), Pat Feeney (2399-1E), Barbara Copley (410-D), Pamela Grundke (2214-B), Barbara Marsh (3433-B), Mary Stone (356-C), Corkie Eley (2401-2E), Margaret Klein (3487-A) addressed the Board on the motion.

Director McNulty called the question. Director Hatch seconded the motion and the motion carried unanimously.

The main motion carried unanimously.

Director Hatch made a motion to approve the development of a charter using the elements as referenced in the subject report. Director Gros seconded the motion and discussion ensued.

Members Mike Curtis (342-A), Barbara Copley (410-D), and Tony Dauer (96-C) commented on the motion.

The main motion carried unanimously.

Director Miller a motion to adopt GRF's 30-year Reserve Expenditure Plan as GRF's Long Range Plan as referenced in the report. Director McNulty seconded the motion and discussion ensued.

Director Hatch amended the motion to clarify that the 30-year Reserve Expenditure Plan shall be the basis for GRF's Long Range Plan. Director May seconded the motion and the amendment carried unanimously.

Members Mike Curtis (342-A), Barbara Copley (410-D), Margaret Klein (3487-A), and Noel Hatch (5460-B) commented on the 30-year Reserve Expenditure Plan.

The main motion as amended carried unanimously.

Director Hatch made a motion to establish an Entitlement Ad Hoc Committee and develop a charter using the elements as referenced in the subject report. Director Miller seconded the motion and discussion ensued.

Members Mike Curtis (342-A), Connie Grundke (2214-B), Pat Feeney (2399-1E), Mary Stone (356-C), Pamela Grundke (2214-B), Tony Dauer (96-C), Corkie Eley (2401-2E), Margaret Klein (3487-A), Kay Margason (510-C), Delsie Zuzak (674-A), Karel Brouwer (3189-C), and Tiffany Gerstmeier (3514-B) addressed their concerns with the motion.

The meeting recessed at 11:09 A.M. and reconvened at 11:19 A.M.

Members Selma Bukstein (5419) and Corkie Eley (2401-2E) commented on the motion.

The question was called by a vote of 9-0-1 (Director Tibbetts abstained).

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

Director Miller made a motion to ratify a letter to the El Toro Water District requesting reconsideration of assessed penalties to GRF. Director McNulty seconded the motion.

Member Dick Palmer (3031-O) commented on the penalties.

The motion carried unanimously.

In the absence of an appointed Nominating Committee, a discussion was held relative to providing direction on appointing someone to organize and lead the "Meet the Candidates" Meeting on December 9, 2009. Without objection, the Board authorized President Stuller to select a name.

Director Hammer made a motion to direct staff to produce the Incentive Plan Report for the years 2000-2007, as requested by Director Matson. Director Hatch seconded the motion and discussion ensued.

Director Matson provided a brief summary of his request and his proposed plan to re-instate an Incentive Plan for the Managing Agent.

Director Hatch amended the motion to produce a report readily available from 2005-2007. Director Tibbetts seconded the motion.

Members Connie Grundke (2214-B), Tony Dauer (96-C), Arthur Harris (3244-1G), Charlene Sydow (646-A), Lucie Falk (3377-A), Karel Brouwer (3189-C), Pamela Grundke (2214-B),

Margaret Klein (3487-A), Gloria Stein (2404-1G), and Stanley Feldstein (2403-1B) expressed their comments and concerns with the motion.

By a vote of 10-0-0, the amendment carried.

Without objection, the main motion as amended carried.

The meeting recessed for lunch at 12:02 P.M. and reconvened into Executive Session at 12:56 P.M.

The Executive Session recessed at 1:33 P.M. and the Regular Open Session reconvened at 1:37 P.M.

GENERAL MANAGER'S REPORT

Mr. Milt Johns spoke to the rumors and misinformation regarding the San Sebastian gate access, sale and/or swap of the parking lot next to the San Sebastian project, the Incentive Plan payouts, and PCM making a profit on the Community.

CONSENT CALENDAR

No items came under the Consent Calendar.

COMMITTEE REPORTS

Director Bob Miller gave the Treasurer's and Finance Committee reports.

Director Ruth May reported from the Government and Public Relations Committee.

Director Ken Hammer reported from the Bus Services Committee.

Director Bob Hatch reported from the Community Activities Committee.

Director McArthur read a proposed resolution implementing a Student Parking Pass Fee for non-resident students who take Saddleback College Emeritus Institute courses. Director McArthur moved to approve the resolution. Director May seconded the motion and discussion ensued.

Members Dick Blatman (5168), Stanley Feldstein (2403-1B), Pat Feeney (2399-1E), Pamela Grundke (2214-B), and Mike Curtis (342-A) addressed their concerns with the motion.

Director Hatch amended the motion to implement the fee in the summer. Director May seconded the motion.

By a vote of 10-0-0, the amendment carried.

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

RESOLUTION 90-09-94

WHEREAS, the Saddleback College Emeritus Institute provides educational services to residents and non-residents of Laguna Woods Village; and

WHEREAS, a concern was raised that non-residents use the equipment and facilities during class time at no charge, while the residents pay monthly assessments to upkeep GRF property;

NOW THEREFORE BE IT RESOLVED, December 1, 2009, that the Board of Directors of this Corporation hereby implements a Student Parking Pass Fee of \$20 per semester (\$10 for summer semester) for non-resident students who take Saddleback College Emeritus Institute courses in Laguna Woods Village, effective with the Spring ~~Spring~~ **Summer** Semester 2010 enrollment; and

RESOLVED FURTHER, that such fees shall be used to defray the operational and administrative costs, and shall be collected during the time of student gate pass distribution; and

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

Director Jim Matson reported from the Landscape Committee.

Director Jim Matson reported from the Golf Building Ad Hoc Committee.

Director Don Tibbetts reported from the Maintenance and Construction Committee.

Director McArthur read a proposed resolution ratifying the action to remove the new striping at Calle Sonora and Gate 14 and restore the street to its original traffic configuration. Director McArthur moved to approve the resolution. Director Tibbetts seconded the motion.

Members Pat Feeney (2399-1E) and Karel Brouwer (3189-C) commented on the motion.

By a vote of 10-0-0, the motion carried and the Board of Directors adopted the following resolution.

RESOLUTION 90-09-95

WHEREAS, the results of a speed survey conducted on Calle Sonora near Gate 14 indicated that the downhill northbound speed is generally greater than the uphill southbound speed; and

WHEREAS, one of the traffic control measures to reduce vehicle speed is to reduce the width of the street; and

WHEREAS, the GRF Board at its meeting on October 6, 2009 unanimously passed a motion to approve Resolution 90-09-87 that authorized the restriping of the northbound traffic lanes to a single lane 14 feet wide from Calle Sonora Oeste to Gate 14 for a 90-day trial basis; and

WHEREAS, in the days following the restriping, Security Staff reported having witnessed conflicts between slower moving golf carts and automobiles in this new single lane; and

WHEREAS, based on the reports of conflict between golf carts and automobiles along the restriped lane, the GRF Maintenance and Construction Committee, in the interest of safety, directed Staff to remove the new striping and restore the street to its original traffic configuration; and

WHEREAS, the Committee also directed Staff to have the traffic engineering consultant who prepared the traffic restriping plan, re-evaluate the traffic calming restriping plan for the northbound traffic lanes, and provide recommendations to address the issue;

NOW THEREFORE BE IT RESOLVED, December 1, 2009, that the Board of Directors of this Corporation hereby ratifies the action to remove the new striping and restore the street, Calle Sonora, to its original traffic configuration, and to have the traffic engineering consultant who prepared the traffic restriping plan provide recommendations to address the issue regarding potential golf cart and vehicular conflicts created by the striping approved by resolution 90-09-87; 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 Bea McArthur reported from the Broadband Committee.

The Secretary of the Corporation read a proposed resolution authorizing supplemental appropriations to contract with a stenographer and to purchase equipment to provide closed captioning. Director Miller moved to approve the resolution. Director Gros seconded the motion and discussion ensued.

Director McArthur amended the motion to place the matter on a 3 month trial and to bring the matter back to the Board for re-evaluation. Director Nugent seconded the motion and discussion ensued.

Members Mary Robertson (5184), Mike Curtis (342-A), Karel Brouwer (3189-C), and Tiffany Gerstmeier (3514-B) commented on the amendment.

By a vote of 8-2-0 (Directors Miller and McNulty opposed), the amendment carried.

Absent objection, the Board agreed to have the stenographer provide the service for the entire length of the meeting.

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

RESOLUTION 90-09-96

WHEREAS, members of the Community who are hearing impaired or suffer some degree of hearing loss do not have an opportunity to participate in Community governance by way of the televised Board meetings; and providing closed captioning for televised Board meetings would assist such residents in comprehending actions that occur during televised Board meetings;

NOW THEREFORE BE IT RESOLVED, December 1, 2009, that the Board of Directors of this Corporation hereby authorizes a supplemental appropriation in the amount of \$3,400 from the Equipment Fund to purchase equipment to provide closed captioning of up to 50 Board meetings, televised on channel 6 during the entire length of the meetings; and ~~up to three hours in length; and~~

RESOLVED FURTHER, that the Board further authorizes a supplemental appropriation in the amount of \$15,000.00 from the Contingency Fund to contract a stenographer for one year, **but re-evaluate the program in 3 months**; 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 Ray Gros reported from the Security and Community Access Committee.

MEMBER COMMENTS ON COMMITTEE REPORTS AND NON-AGENDA ITEMS

- Barbara Copley (410-D) commented on CC&Rs and disclosing the results of the mediation
- Stanley Feldstein (2403-1B) commented on actions taken by the Boards based on staff recommendations and the need for a forensic audit
- Pamela Grundke (2214-B) commented on allowing non-residents into the Community
- Kay Margason (510-C) commented on gate access at the San Sebastian
- Mike Curtis (342-A) commented on the upcoming audit by KPMG and the need for the Select Audit Committee to look into a more detailed audit
- Dick Palmer (3031-O) commented on the El Toro Water District water penalties
- Charlene Sydow (646-A) commented on classifying the Community as a social benefit operation and not as a non-profit organization

DIRECTORS RESPONSES TO MEMBER COMMENTS

- Director McNulty explained what a forensic audit entails and wished staff and the residents a Happy Hanukkah and Merry Christmas
- Director Hatch commented on performing an operational review
- Director Miller responded to Ms. Copley's comments regarding CC&Rs and commented on landscaping
- Director Hammer addressed disparaging remarks made about PCM, and security matters
- Director Tibbetts thanked the residents for returning to the open session meeting

MEETING RECESS

The regular open meeting recessed at 3:17 P.M. and reconvened back into Executive Session at 3:20 P.M.

Summary of Previous Closed Session Meetings per Civil Code Section §1363.05

During its Regular Executive Session Meeting of November 3, 2009, the Board reviewed and approved the minutes of the Special Executive Session Meeting of September 29, 2009, the the Regular Executive Session Meeting of October 6, 2009, the Special Executive Session Meeting of October 21, 2009, and the Special Executive Session Meeting of October 26, 2009; heard four (4) Disciplinary Hearings; and discussed contractual matters, potential litigation, and other member disciplinary matters.

ADJOURNMENT

There being no further business to come before the Board of Directors, the meeting adjourned at 4:03 P.M.

Elizabeth McArthur, Secretary