

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

**March 3, 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, March 3, 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, Stanley Feldstein, Margaret Klein, JoAnn di Lorenzo, Richard Johnston, John Beckett

Directors Absent: Kim Shirley

Others Present: Open Session: Jerry Storage, Kim Taylor  
Executive Session: Jerry Storage, Kim Taylor, Cris Robinson, Blessilda Fernandez, Scott Dunham

**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 John Beckett 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**

Director Stone moved to approve the Regular Open Session minutes of February 3, 2015 as written. Director Palmer seconded the motion. By a vote of 9-0-0 the motion carried.

**MEMBER COMMENTS**

- Tony Dauer (96-C) asked Members to be considerate regarding parking in United Mutual.
- Maxine McIntosh (68-C) commented on the transparency of the Boards, the Residents Voice meeting, and the openness of the February committee meetings.
- Stan Wambolt (5487-B) commented on the maintenance building at the Par 3 golf course and requested that it be upgraded and improved.
- Pamela Grundke (2214-B) asked that the Board comment on why the GRF Treasurer was removed last month, and clarified the reason for the monthly Resident Voice meetings featuring Board Members.

- Judith Hurst (3138-C) requested having clip-on mics for speakers so the hearing impaired can hear the speaker as they move around and spoke to excess water near Building 5510.
- Pat English (928-A) thanked the Board for their work and commented on the Bylaw Amendment passed last year by the Corporate Members.
- Joan Milliman (969-3E) commented on Mary Stone speaking at Friends of the Village and spoke to her support of posting the entire GRF agenda on the website.
- Bill Walsh (3162-C) commented on West Coast Internet regarding network neutrality and the current laws passed.
- Rae Tso (3256-A) asked for clarification regarding a rumor of conflict between Associa and PCM and the departure of the Maintenance Director.
- Franklin Smith (5369-3D) commented on transparency regarding the posting of the full agenda on the website and spoke to radio headphones.
- Jonathan Adler (2315-B) commented on the new network neutrality law and stated that it does not affect the speed of the end user.

The Directors briefly responded to Members' comments.

#### **GENERAL MANAGER'S REPORT**

Mr. Jerry Storage reported on the ongoing cost savings and efficiency measures that Staff implemented during February 2015 within the Community.

#### **CHAIR'S REPORT**

President Freshley spoke to the 17 actions that Associa presented to all the Boards on January 16, 2015 and announced that the GRF Board engaged an independent company, FutureSense Consulting, to study the current Governance structure and to provide an opinion on how to proceed in the best interest of the Community. President Freshley announced that FutureSense will hold a Town Hall meeting on March 19, 2015 from 4:30 to 6:30 PM for the Members of Laguna Woods Village.

#### **UNFINISHED BUSINESS**

Director Stone read a proposed resolution approving the Delegation of Actions and Commitments. Director Stone moved to approve the resolution. Director Shimon seconded the motion and discussion ensued.

Member Maxine McIntosh (68-C) commented on the resolution.

By a vote of 9-0-0 the motion carried and the Board of Directors adopted the following resolution as amended:

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

#### **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**, March 3, 2015, that the Board of Directors of this Corporation hereby approves 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 the officers and agents of this Corporation are directed on behalf of the Corporation to carry out this resolution.

Director Stone read a proposed resolution approving revisions to the GRF Committee assignments. Director Stone moved to approve the resolution. Director Johnston seconded the motion and discussion ensued.

By a vote of 8-1-0 (Director Klein opposed) the motion carried and the Board of Directors adopted the following resolution as amended by adding the changes to Business Planning and Finance Committees for United Mutual:

### **RESOLUTION 90-15-16**

#### **GRF Committee Appointments**

**RESOLVED**, March 3, 2015 that the following persons are hereby appointed and ratified to serve on the Committees of this Corporation:

##### **Business Planning**

Kathryn Freshley, Chair (GRF)

~~Margaret Klein, Vice Chair (GRF)~~

**Richard Johnston, Vice Chair (GRF)**

Sharon Roddan (GRF)

Jim Matson (Third)

Wei-Ming Tao (Third)

Pat English (United)

~~Don Tibbetts (United)~~

**Lenny Ross (United)**

Chace Kendro (Mutual 50)

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

Mary Stone, Chair (GRF)

Kim Shirley, Vice Chair (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, ~~Vice Chair~~ (GRF)

~~Sharon Roddan (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)

~~JoAnn di Lorenzo, (GRF)~~

**Stanley Feldstein (GRF)**

Bert Moldow (Third)

John Luebbe (Third)

Eva Lydick (United)

Jack Bassler (United)

Alice Gokkes (Mutual 50)

Non-Voting Advisors: Michele Stanton, Doug Rook

**Finance**

Richard Johnston, Chair (GRF)

Margaret Klein, **Vice Chair** (GRF)

Mary Stone, ~~Vice Chair~~ (GRF)

Rosemarie di Lorenzo Dickins (Third)

Wei-Ming Tao (Third)

Pat English (United)

~~Don Tibbetts (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)

~~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

**Landscape**

Lucy Shimon, Chair (GRF)  
JoAnn di Lorenzo, Vice Chair (GRF)  
Kim Shirley (GRF)  
James Tung (Third)  
Judith Troutman (Third)  
Jan LaBarge (United)  
Eva Lydick (United)  
Inesa Nord-Leth (Mutual 50)  
Non-Voting Advisors: Elizabeth Morris, Pamela Grundke

**Maintenance & Construction**

Sharon Roddan, Chair (GRF)  
Richard Palmer, Vice Chair (GRF)  
Kim Shirley (GRF)  
Rosemarie di Lorenzo Dickins (Third)  
Bunny Carpenter (Third)  
Jack Bassler (United)  
Don Tibbetts (United)  
Ryna Rothberg (Mutual 50)  
Non-Voting Advisors: TBD

**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)  
Alice Gokkes (Mutual 50)  
Non-Voting Advisors: Carol Skydell, Jonathan Adler

**Mobility & Vehicles**

Lucy Shimon, Chair (GRF)  
John Beckett, Vice Chair (GRF)  
***Dick Palmer (GRF)***  
~~Richard Johnston (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)***

Stanley Feldstein (GRF)

Mary Stone (GRF)

***Kim Shirley (GRF)***

Sharon Roddan (GRF)

Rosemarie di Lorenzo Dickins (Third)

Bunny Carpenter (Third)

Pat English (United)

Jack Bassler (United)

Ryna Rothberg (Mutual 50)

Non-Voting Advisor: TBD

**Security and Community Access**

Margaret Klein, Chair (GRF)

***Sharon Roddan, Chair (GRF)***

Stanley Feldstein, Vice Chair (GRF)

***JoAnn di Lorenzo, Vice Chair (GRF)***

John Beckett (GRF)

Ray Gros (Third)

John Luebbe (Third)

Tony Dauer (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 Court**

Stanley Feldstein (GRF)

**RESOLVED FURTHER**, that Resolution 90-15-10 adopted February 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.

Director Stone read a proposed resolution approving revisions to the Distribution of Publications by Non-Residents of Laguna Woods Village within Laguna Woods Village Policy, which was postponed in January to comply with Civil Code §4360. Director Stone moved to approve the resolution. Director Feldstein seconded the motion and discussion ensued.

By a vote of 9-0-0 the motion carried and the Board of Directors adopted the following resolution as written:

**ADOPTED OCTOBER 1983, Resolution G-83-47**  
**REVISED JULY 1998, Resolution G-98-55**  
**REVISED MARCH 10, 2015, Resolution 90-15-17**

**Distribution of Publications by Non-Residents of Laguna Woods Village  
within Laguna Woods Village**

**WHEREAS**, Golden Rain Foundation of Laguna Woods (“GRF”) adopted a policy applicable to the distribution of all First Amendment publications within Laguna Woods Village by non-residents; and

**WHEREAS**, GRF’s Board of Directors has determined that it is appropriate that said policy be updated and revised;

**NOW THEREFORE BE IT RESOLVED**, that on March 3, 2015 the Board of Directors of this corporation hereby adopts the following policy for the distribution of publications by non-residents of Laguna Woods Village within Laguna Woods Village:

Distribution of unsolicited ~~materials~~ **publications** by non-residents is strictly prohibited. Only ~~materials~~ **publications** specifically requested by resident(s) may be distributed to said resident(s).

Any non-resident individual or entity (the “Applicant”) wishing to distribute publications within Laguna Woods Village shall complete and submit the Application for Pass(es) to Distribute Publications, obtain a Gate Entry Pass allowing entry for distribution, and comply with all applicable rules. The applicant shall provide the following information:

1. A subscriber list showing names and addresses of residents who have solicited the publication.
2. The name of the individual or entity intending to distribute such publication within Laguna Woods Village;
3. The address, phone number, fax number, e-mail address, and other pertinent identifying information so as to permit contact with the Applicant;
4. A brief description of the publication to be distributed, sufficient to allow GRF to determine if the publication that is actually distributed is the same publication described in the Application;
5. A brief statement as to the date(s) and frequency with which the Applicant intends to deliver its publication;
6. A statement to be executed by the Applicant pursuant to which the Applicant acknowledges that he, she, or it will be responsible for all acts of its employee or agents while they are distributing the publication on behalf of the Applicant within Laguna Woods Village, as well as agreeing to abide and be bound by all applicable Laguna Woods Village rules regarding distribution of publications (which is set forth on the reverse side of the Application);
7. An Acknowledgment by the Applicant that it shall only be entitled to distribute its publication following approval of Applicant’s Application and the issuance of a Gate Entry Pass by GRF’s managing agent.

The application shall further state the Applicant shall be required to produce a Gate Entry Pass to Security personnel prior to gaining access to the Laguna Woods Village community.

**RESOLVED FURTHER**, that the basic rules for which all of the Applications shall be required to follow shall be as follows:

- a. While on the premises of Laguna Woods Village, knocking on doors, business solicitation, or other behavior which intrudes on the privacy of Laguna Woods Village residents is prohibited.
- b. Door-to-door distribution of **solicited** publications shall be permitted, so long as residents are not disturbed.
- c. ~~Material~~ **Publications** that ~~is~~ **are** distributed door-to-door may only be left on the surface of the thresholds of front doors. ~~Material~~ **Publications** may not be hung from doorknobs.
- d. The Applicant, its employees or agents must bring and present the Gate Entry Pass to Security personnel prior to gaining access to the Laguna Woods Village community.

**RESOLVED FURTHER**, this resolution shall in no way restrict legitimate distribution of political and/or campaign related ~~material~~ **publications**; and

**RESOLVED FURTHER**, that Resolution number G-98-55, dated July 7, 1998, is hereby superseded and all previous distribution policies are void; 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 establish a Task Force for the purpose of reviewing the proposed revisions to the Room Reservation Policy and refer the Policy to the Task Force. Director Feldstein seconded the motion.

Members Maxine McIntosh (68-C), Sunshine Lutey (3232-D), Denny Welch (5517-1C), Pardiss Broomand (524-B), Juanita Skillman (2154-N), Jonathan Adler (2315-B), and Franklin Smith (5369-3D) spoke to the motion.

By a vote of 9-0-0 the motion carried.

Director Stone read a proposed resolution approving the Direct Buy Membership Policy. Director Stone moved to approve resolution. Director Johnston seconded the motion and discussion ensued.

Director Stone moved to amend the Policy with the revisions noted in the Policy attached to the Minutes of the Meeting.

Members Joan Milliman (969-3E) and Denny Welch (5517-1C) commented on the motion.

By a vote of 8-0-1 (Director Beckett abstained) the motion carried and the Board of Directors adopted the following resolution as amended and with the provision that further modifications to the Policy may be implemented at a future date:

**RESOLUTION 90-15-18**

**Direct Buy Membership Policy**

**WHEREAS**, on January 6, 2015 the Board of Directors of this Corporation approved obtaining a Membership to Direct Buy for the purposes of corporate procurement;

**NOW THEREFORE BE IT RESOLVED**, March 3, 2015, that the Board of Directors of this Corporation hereby adopts the Direct Buy Membership Policy, as attached to the official minutes of this meeting; 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 and Members discussed installation of AEDs in the Community.

Director Shimon moved to consider installation of AEDs in the Community. Director Roddan seconded the motion. By a roll call vote of 7-2-1 the motion carried.

Director Klein called for a roll call vote.

By the following roll call vote of 7-2-1 the motion carried:  
AYES: Beckett, Palmer, Johnston, Roddan, Shimon, Freshley, di Lorenzo  
NAYES: Stone, Klein  
ABSTENTION: Feldstein

Director Stone read a proposed resolution amending Resolution 90-14-37, to replace the Wording "Specific Plan" with "General Plan Amendment". Director Stone moved to approve the resolution. Director Feldstein seconded the motion and discussion ensued.

Director Klein moved to amend the resolution to change the appropriation to "not to exceed \$25,000" in the first paragraph. Director Stone seconded the amendment.

By a vote of 5-3-1 (Director Shimon, Roddan, and Palmer opposed, Director Beckett abstained) the amendment carried.

By a vote of 8-0-1 (Director Roddan abstained) the motion carried and the Board of Directors adopted the following resolution as amended:

**RESOLUTION 90-15-19**

**Garden Center 3 Amendment**

**WHEREAS**, on August 5, 2014, the Board approved funding for the Garden Center 3 preliminary design with an appropriation of \$77,000 funded from the Facilities Fund pending City approval of the Specific Plan by way of Resolution 90-14-37; and

**WHEREAS**, on September 2, 2014, Resolution 90-14-47 replaced the Specific Plan with a General Plan Amendment;

**NOW THEREFORE BE IT RESOLVED**, March 3, 2015 that Resolution 90-14-37, adopted August 5, 2014, is hereby amended to replace the wording "Specific Plan" with "General Plan Amendment"; and

**RESOLVED FURTHER**, *funding for the Garden Center 3 preliminary design shall not exceed \$25,000; and*

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

#### **NEW BUSINESS**

Ms. Toni Barrient from the Hearing Well Club provided a Hearing Loop Demonstration for the Board and Members of the Community.

The Board took a brief recess for lunch at 12:55 PM and returned at 1:35 PM.

Director Stone read a proposed resolution approving Single Sourcing Inspector of Elections for 2015 to Martin and Chapman. Director Stone moved to approve the resolution. Director Feldstein seconded the motion and discussion ensued.

By a vote of 9-0-0 the motion carried and the Board of Directors adopted the following resolution as written:

#### **RESOLUTION 90-15-20**

##### **Approve Inspector of Election Services**

**RESOLVED**, March 3, 2015, 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 2015; 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 addition of posting address signs in GRF Facilities on the facility exterior at the main entrance and on the inside of the main meeting rooms of the facilities.

Without objection, the Board referred the issue to the next Maintenance and Construction Committee meeting.

### **CONSENT CALENDAR**

Director Stone moved to approve the Consent Calendar as written. Director Shimon seconded the motion and discussion ensued.

Without objection, the board moved "Deny the request from the Bridge Club to change the policy regarding age limits for the Bridge Room" to under the CAC Committee Report as Agenda Item 18b.

By a vote of 9-0-0 the Consent Calendar was approved as amended, and the Board took the following actions:

Approve the Senior Summit event put on by Age Well on July 24<sup>th</sup>, 2015 at Clubhouse Three provided all room reservations to be paid for at the Exception Reservation Rate.

Approve removing the displays from Clubhouse Three and finding appropriate places to locate them or return them to the clubs they belong to.

Approve the request from the Saddle Club to donate an outdoor table and chairs to the Equestrian Center.

Deny the request from resident Hanif El-Amin for an exception to the Exception Reservation Rate.

Deny the request from the Sunshine Performance Club to post posters at all the clubhouses and the Village Greens.

~~Deny the request from the Bridge Club to change the policy regarding age limits for the Bridge Room.~~

Deny the request to extend the time for parking lot lighting at Clubhouse Four.

Approve the limited use of the Community streets inside Gate 2 on the morning of May 25, 2015, for the City of Laguna Hills Memorial Half Marathon, 10K and 5K run/walk event

### **RESOLUTION 90-15-21**

#### **City of Laguna Hills Memorial Half Marathon, 10K and 5K Run/Walk Request to Use a Portion of Laguna Woods Village**

**WHEREAS**, the City of Laguna Hills Memorial Half Marathon, 10K and 5K run/walk is scheduled to take place on Monday, May 25, 2015; and

**WHEREAS**, the City of Laguna Hills is requesting that the Golden Rain Foundation allow a portion of the course to traverse Laguna Woods Village, to enter in Gate 2, traverse around Via Estrada, to Calle Aragon, to Avenida Sevilla, to Avenida Majorca, back to Via Estrada and out Gate 2;

**NOW THEREFORE BE IT RESOLVED**, March 3, 2015, that the Board of Directors of this Corporation hereby authorizes the limited use of the Community streets inside Gate 2 on the morning of May 25, 2015, for the City of Laguna Hills Memorial Half Marathon , 10K and 5K run/walk event; and

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

### **COMMITTEE REPORTS**

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

Director Feldstein reported from the Media & Communications Committee.

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

Director Palmer reported from the Energy Committee.

Director Shimon reported from the Landscape Committee.

Director Stone reported from the Community Activities Committee.

Director Stone read, as amended, a proposed resolution approving relocating the "Time is of the Essence" Art Piece in light of recent Clubhouse Three refurbishing efforts and amend Resolution 90-04-35. Director Stone moved to approve the resolution. Director Johnston seconded the motion and discussion ensued.

By a vote of 9-0-0 the motion carried and the Board of Directors adopted the following resolution as amended:

### **RESOLUTION 90-15-22**

#### **Remove "Time is of the Essence" Art Display at Clubhouse Three**

**WHEREAS**, art work "Time is of the Essence," valued at \$2,500, donated by Ms. Posy Adler has been on display in Clubhouse 3 since May 2004; and

**WHEREAS**, the Community Activities Committee has recommended relocating the "Time is of the Essence" art work in light of the recent Clubhouse Three refurbishing efforts;

**NOW THEREFORE BE IT RESOLVED**, March 3, 2015, that the Board of Directors of this Corporation authorizes removing this art work from Clubhouse Three to a location designated by the Art Work Selection and Display Study Group; and

**RESOLVED FURTHER**, that Resolution 90-04-35 adopted May 4, 2004, is hereby superseded and amended; 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 recommendation from the CAC Committee to deny the request from the Bridge Club to change the policy regarding age limits for the Bridge Room, which was removed from the Consent Calendar.

Director Stone moved to deny the request from the Bridge Club to change the policy regarding age limits for the Bridge Room. Director Johnston seconded the motion.

By a vote of 7-2-0 (Director Beckett and di Lorenzo opposed) the motion carried.

Director Shimon reported from the Mobility & Vehicles Committee.

Director Roddan reported from the Maintenance & Construction Committee.

Director Roddan moved to utilize the appropriation for Gate 5 Renovation, Capital Plan 14035, to include the renovation of both Gates 5 and 6. Director Stone seconded the motion.

Member Maxine McIntosh (68-C) commented on the motion.

Director Klein called for a roll call vote.

By the following roll call vote of 8-1-0 the motion carried:  
AYES: Beckett, Palmer, Johnston, Roddan, Shimon, Stone, Feldstein, di Lorenzo  
NAYES: Klein

Director Roddan reported from the Security & Community Access Committee.

Director Feldstein reported on the Traffic Hearings.

### **FUTURE AGENDA ITEMS**

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

### **DIRECTORS' COMMENTS**

Due to time constraints the Board did not make final comments.

### **MEETING RECESS**

The Board took a brief recess at 12:55 PM for lunch and returned at 1:30 PM.  
The regular open meeting recessed and reconvened into Executive Session at 3:35 PM.

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

During its Regular Executive Session Meeting of February 3, 2015 the Board approved the Regular Executive Session minutes of the January 6, 2015. The Board held two member disciplinary hearings; discussed and considered contract matters; approved two hearing requests; discussed three presentations from AED vendors; and discussed the Direct Buy Membership.

During its Regular Executive Session Reconvened meeting of February 4, 2015 the Board discussed and considered engaging a management advisory and consultant firm for an independent review.

During its Regular Executive Session Reconvened meeting of February 6, 2015 the Board reviewed a presentation on GRF-funded staff support programs.

During its Special Executive Session All Boards meeting of February 9, 2015 the Boards discussed the hiring of a consulting firm to conduct an independent Operational Audit.

During its Special Executive Session All Boards meeting of February 24, 2015 the Boards reviewed a presentation regarding PCM, Inc. Compensation and Benefits.

**ADJOURNMENT**

There being no further business to come before the Board of Directors, the meeting adjourned at 6:20 PM.

---

Mary Stone, Secretary

### **Direct Buy Membership Policy**

In accordance with GRF Board resolution #90-15-06, GRF will enter into a **two year** membership with Direct Buy of Greater Orange County, located at 4925 E. Hunter Ave, Anaheim Hills, CA 92807 (Direct Buy) at a cost not to exceed \$6,000.00.

The following procedures and ethics policies will apply to all use of the membership:

The Purchasing **Manager** and ~~Supply~~ **Financial Services Director** will be the designated contact for Direct Buy and will **be responsible for set up, maintain, and change the Direct Buy** website access information. Access information to the Direct Buy website must be kept confidential and only provided to Purchasing Department personnel. The Purchasing **Manager** and ~~Supply~~ **Financial Services Director** will change the access information when an employee leaves the Purchasing Department.

Use of the Direct Buy website for viewing purposes will be limited to Board Members, Staff and persons authorized by Board Members or Staff. All access to the website will be arranged through the Purchasing **Manager** and ~~Supply~~ **Financial Services Director**.

In order to keep the Direct Buy website access information secure, authorized users must be logged-on to the Direct Buy website by Purchasing Department personnel, using a computer located in the Community Center. The users will be required to log in and out.

Authorized users must not attempt to change any Direct Buy website set up information or passwords.

Authorized users can obtain pricing through the Direct Buy website. Proposals for items not on the website must go through Staff.

Visiting the Direct Buy showroom or Direct Buy Suppliers will be limited to Board Members, Staff and persons authorized by Board Members or Staff. All appointments will be arranged through the Purchasing **Manager** and ~~Supply~~ **Financial Services Director**.

~~Only~~ **The** Purchasing Department personnel ~~are authorized to~~ **will** purchase items from Direct Buy ~~on behalf of GRF and only after receiving an approved requisition.~~ **Authorized buyers Board of Directors and Staff** are prohibited from purchasing items for personal use ~~outside Laguna Woods Village.~~ Board Members and residents cannot purchase items from Direct Buy ~~on behalf of GRF or for personal use.~~

~~If any~~ **Unauthorized user** initiates a purchases from Direct Buy, ~~these costs will not be~~ **paid/reimbursed** by GRF.

The GRF credit card is an acceptable form of payment to Direct Buy.

Items purchased from Direct Buy may be items required by GRF, United Laguna Woods Mutual, Third Laguna Hills Mutual, and Laguna Woods Mutual Fifty.

Per terms and conditions of the membership, Direct Buy proposals and pricing will not be shown to or discussed with other vendors or manufacturers.

Staff will not purchase items from Direct Buy on behalf of contractors for use in Laguna Woods Village, unless supply of those items is stated in the contract.

Staff may request proposals from recommended Direct Buy suppliers **prior to receiving a bid from Direct Buy.**

Membership renewal will be included in the annual operating budget and approved by the Board.

Staff will comply with the terms and conditions of the Direct Buy Membership Agreement.

## **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. 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.

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

The scope of work/specifications will be reviewed and approved by the appropriate committee. In circumstances where the expected value of the contract will be less than \$5,000 the managing agent has the authority to approve the scope of work/specification without committee review and approval. In circumstances where the expected value of the contract is greater than \$5,000, but less than \$25,000, the board committee has the authority to approve the scope of work/specification without full board review and approval. In circumstances where the expected value of the contract is greater than \$25,000, the authority to approve the scope of work/specification requires full board review and approval.

##### **5. 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.

**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 \$25,000 and is within the approved budget, staff 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**

The committee will approve all RFPs with expected values greater than \$25,000. For RFPs with expected values less than \$25,000, the managing agent will proceed to send the RFP to the selected vendors.

**8. Creation of Initial Bidders List (Excluding Financial and Legal Contracts)** The bidders list will be created by the managing agent following approval of the RFP. The committee may recommend appropriate bidders be added to the list.

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

If the contract is expected to exceed \$25,000, the appropriate committee may choose to 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 Board may request that appropriate committee representatives participate in the meeting.

**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.

**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 Chang 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**

For contracts valued at less than \$5,000 and within the budget for the activity, the managing agent is delegated the authority 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.

For contracts in excess of \$5,000 the appropriate committee will review and approve the award of contract. 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 to award the contract 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. Change orders over \$5,000 must be submitted to the committee for review and approval.

## **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 a 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 called "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	Draft of Specifications for a Contracted Activity	O	O	O	P
4	Approval of Specifications		R	R,A	P,A
5	Approval of Appropriation by Resolution of Board	A			
6	Initiate a RFP with Approved Scope of Work/Specifications			I	P
7	Approval of RFP with Approved Scope of Work/Specifications		R	R,A	R,A
8	Creation of Initial Bidders List (Excludes Financial and Legal Contracts)			I	P
9	Approval/Modification of Final Bidders List			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	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	

**C. Financial Analyses**

1	Initiate Request for Analysis/Report--Determination of Objectives	I	I <sup>1</sup>	I <sup>1</sup>	
2	Determine Structure of Board and Committee Financial Reports	I	I	O	P
3	Prepare Financial Topic and Performance Reports (Scorecards for Board Members)		O	O	P
4	Review of Report and Acceptance of Recommendation		R	R,A	
5	Adoption of Recommendation	A			P
6	Establish Goals and Objectives for Community and each Housing Mutual	R,A	I	P	
7	Budget Preparation	I	O	O	P
8	Budget Approval	A	R	R	
9	Develop and Report Financial Rolling Forecast		R	R	P
10	Reserve Studies	A	R	R	P
11	Select Resident Members of Select Audit Committee from Each Mutual and for GRF	A	I	R,A	P
12	Annual Audits - Review and Approval	A		R	

**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. The Managing Agent is authorized to approve contracts of less than \$xx,xxx

**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