

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

May 2, 2017

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, May 2, 2017, at 9:30 A.M., at 24264 El Toro Rd, Laguna Woods, California.

Directors Present: John Parker, JoAnn diLorenzo, Beth Perak, Judith Troutman, Joan Milliman, Ray Gros, Kathryn Freshley, John Beckett, Diane Phelps, Tom Sirkel

Directors Absent: Richard Palmer

Staff Present: Open Session: Brad Hudson, Lori Moss, and Corinne Ohe
Executive Session: Brad Hudson, Corinne Ohe,

CALL TO ORDER

President Parker 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 AM.

PLEDGE OF ALLEGIANCE TO THE FLAG

Director Freshley led the membership in the Pledge of Allegiance to the Flag.

ACKNOWLEDGEMENT OF MEDIA

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

APPROVAL OF AGENDA

Director Milliman requested agenda Item 11f, Entertain Motion to Approve T.V. Network Programming Contract Renewals, be pulled from Consent and placed under New Business as Item 13c. Director Beckett requested agenda Item 11e, Entertain Motion to Amend Purchasing Policies, be pulled from Consent and placed under new business as item 13d.

Director Freshley moved to approve the agenda as amended. Director Gros seconded the motion. Without objection, the agenda was approved as presented. By a vote of 9-0-0, the motioned carried.

APPROVAL OF THE MINUTES

Director Beckett moved to approve the minutes of April 4, 2017, as written. Director Freshley seconded the motion. Without objection, the minutes were approved as written.

CHAIR'S REPORT

President Parker thanked the City of Laguna Woods for the use of the Council Chambers. He stated that he visited the new Board Room and that he was very pleased with the new state

of the art facility. He further stated that on June 6, 2017, the GRF Board would be inaugurating the new Board Room. He stated that Chief Moy would be giving an update on the Emergency Operations Plan today. He further stated that he signed the Engineering Contract for the decision to begin on the new Pickle Ball/Paddle Ball facility.

UPDATE FROM VMS – Chair Lisa Bender

Ms. Lisa Bender, Village Management Services, Inc. (VMS) Representative, spoke about VMS and their activities. She spoke on the Strategic Plan the Board has been working on. She encouraged everyone to watch the State of the Village video. She stated that the Board would be keeping the five goals, will be implementing Ceridian Day Force software in HR, will be using more tablets in Landscaping and is re-implementing employee referral program. She spoke on the many changes in Resident Services and gave kudos to staff.

CEO REPORT

Mr. Bradley Hudson, CEO/General Manager, spoke on Dwelling Live and Granicus, he encouraged residents to use a smartphone or tablet to download the app to receive faster service, save money and keep expenses down. CEO Hudson spoke on the new Board Room and all the new technology and sound system that the residents can expect to see at the next meeting. The meetings will be streaming live. He spoke about changes in the T.V. Services. He reminded everyone that beginning January 2018, Analog TV will no longer be supported. Residents were encouraged to get a digital TV. He spoke on the new fitness center hours, which have been changed to 5:30 AM to 9:00 PM Monday through Friday and 8:00 AM to 2:00 PM on Saturday and Sunday for Clubhouse 1 and the Community Center. At Clubhouse 5, the gym hours are 5:30 AM to 9:00 PM everyday. CEO Hudson further stated that no new staff had to be added to accommodate the change in hours. He spoke on the changes to the Emeritus program: a few classes will be discontinued to ensure that residents have primary access to the facilities. He spoke on the internet speed, which is being upgraded to triple the speed with no extra cost to Residents. He spoke on the importance of the emergency operation plan.

MEMBERS COMMENTS

- Sue Margolis, 34-C, spoke on the Emeritus Program and the canceled classes. She asked the Board to reconsider.
- Sandra Feigelman, 254-A, spoke on the Emeritus Program and the canceled classes. She stated that she does not agree that people were kicked-out of the class. She wants the Saddleback teachers to stay.
- Paulette Stochelle, 360-D, stated that she attended the circuit classes and inquired as to why the residents were not a part of the decision before canceling classes.
- Ron Beldner, 203-C, commented on the price of the replacement car stickers. He thanked the Board for canceling non-resident classes. Mr. Beldner commented that as a Docent Tour guide he has often had the teachers advise his tour group that residents are not allowed to use the facilities unless they are part of a class. He stated that he has reported this to staff in the past.
- Mike Epstein, 2245-D, Spoke on the Emeritus program. He is in favor of keeping the programs. He asked if the classes are removed, who will teach them and how much will it cost the residents?

- Maxine McIntosh, 68-C, spoke on the garden center. There is not enough land to accommodate the long waiting list. She would like to see new gardens by next year.
- Mary Wall, 239-D, spoke about the bus shelter at gate 5 that was removed. She is requesting that it be replaced.
- Don Cole, 3365-2A, spoke on the locker room showers at the pools. They do not work well and the water flow is low. He is asking for showerheads to be replaced.
- John Sauers, 5377-B, Commented that he agreed with Mr. Cole's showerhead comments. He also talked about the RV parking area and the prices that the Third Mutual is charging for replacement parts.
- Carol Agon, 353-D, Spoke about the Emeritus program and how important those classes are to residents who do not drive.
- Pamela Grundke, 2214-B, addressed the Board and stated that she was the wife of one of the professors, Conrad Grundke. She is against canceling the classes.
- Chris Collins, 3306-Q, Representing the Foundation of Laguna Woods, spoke on the budget of the Foundation, Meals on Wheels and a \$30K start up grant for a respite program for Village Residents.

CEO Brad Hudson, President Parker, and Directors Troutman, Gros, Freshley, diLorenzo, Perak and Sirkel briefly responded to Members' comments.

CONSENT CALENDAR

- (a) Entertain Motion to Approve Allowing Extended Summer Grandkid Pool Hours
- (b) Entertain Motion to Approve Consignment tickets for Sunshine Performance Club
- (c) Entertain Motion to Approve Family Dive-In Movie Night Exceptions
- (d) Entertain Motion to approve in concept prioritizing the Installation of Gate Access System in Two Phases. Phase I – United Gates 1, 2, 3, 4; and Third Gates 7, 8, 9, and 10 subject to 2018 budget. Phase II – Gates 11, 12, 14.

Director Sirkel made a motion to approve the Consent Calendar as amended. Items 11e and 11f were moved to New Business. Director Perak seconded the motion. By a vote of 9-0-0, the motion carried.

UNFINISHED BUSINESS

- a) Entertain a Motion to return the previously approved Drone Policy back to the Security and Community Access Committee

President Parker added that there is a special meeting Scheduled for May 18, 2017, at 1:30 PM, to address the Drone Policy.

NEW BUSINESS

- (a) Entertain Motion to Approve Community Activity Committee Finance Task Force changes to Club Funding. **Resolution (initial notification - must postpone to June to conform to the 30-day notification requirement)**

Director diLorenzo read the Endorsement as follows:

ENDORSEMENT (to GRF)

CAC Finance Task Force changes to Club Funding

The Committee reviewed the recommendation of the Finance Task Force, that GRF fund only permanent item requests by clubs, i.e. court repairs, nets, computers, kilns, etc. Funding will no longer be allowed for consumable items, i.e. racquets, balls or shuttlecocks.

The Committee voted to accept the staff recommendation to fund permanent items requested by clubs with one abstention.

Director Milliman made a motion to accept the Endorsement as written, seconded by Director Phelps. Discussion ensued. By a vote of 8-0-0, the motion carried. (Director Freshley was absent for the vote).

- (b) Entertain Motion to Approve Emergency Operations Plan - **Resolution**

Director diLorenzo read the Resolution as follows:

RESOLUTION 90-17-XX

Emergency Operations Plan

WHEREAS, an Emergency Operations Plan is important to save lives, minimize damage, and ensure response readiness in case of a community wide emergency; and

WHEREAS, an EOP provides appropriate steps to manage the entire life cycle of a potential crisis; and

WHEREAS, the Security Department is responsible for preparing, coordinating, training and keeping the EOP updated; and

WHEREAS, Cities are required to adopt disaster plans and states recommend that private communities adopt similar plans; and

WHEREAS, the proposed EOP conforms with all federal, state, and local guidelines;

NOW THEREFORE BE IT RESOLVED, June 6, 2017, that the Board of Directors of this Corporation hereby adopts the Emergency Operations Plan; and

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

May Initial Notification – (must postpone to June to conform to the 30-day notification requirement)
Should the Board endorse the proposed Emergency Operations Plan, Staff recommends that a motion be made and seconded to accept the resolution and allow discussion to ensure that the resolution reads to the satisfaction of the Board. Staff then recommends that a Board Member postpones the resolution to the next available Board Meeting no less than 30-days from the postponement to comply with Civil Code §4360.

President Parker commented that there was an Endorsement for the Emergency Operation Plan report.

Director diLorenzo read the Endorsement as follows:

ENDORSEMENT

Emergency Operations Plan Report

On April 20, 2017, the Security and Community Access Committee met to review the updated Emergency Operation Plan for the Village. Tim Moy, Chief of Security, introduced the guest presenter, David Lopez, from ELA & Associates (consultant who prepared the plan). Mr. Lopez presented the Emergency Operations Plan. The Committee Members made comments and asked questions.

The Committee voted to approve the Emergency Operations Plan. By unanimous vote, the Motion carried.

Director diLorenzo made a motion to accept the Resolution as written. The motion was seconded by Director Sirkel. By a vote of 9-0-0, the motion carried.

Chief Moy spoke on the Emergency Operation Plan. Discussion ensued and scribner corrections were made as recommended by Director Milliman, to the PowerPoint.

(c) Entertain Motion to Approve T.V. Network Programing Contract Renewals.

Director diLorenzo read the resolution as follows:

RESOLUTION 90-17-15

Programming Network Contract Renewals

WHEREAS, contract renewals are the sole responsibility of GRF; and

WHEREAS, the Media and Communications Committee (MACC) has found it necessary to define a standard that implements a procedure that evaluates programming contracts when they come up for renewal; and ensures that the rising cost of television programming is kept to a minimum; and

WHEREAS, GRF belongs to a cable television cooperative, National Cable Television Cooperative, which assists in the negotiation of most contracts which results in the best rates as the cable television cooperative represents more than six million subscribers;

NOW THEREFORE BE IT RESOLVED, May 2, 2017, that the Board of Directors recognizes Programming Network Contracts as a special industry contract and hereby establishes the following contract renewal standard for future television contract negotiations. independent contracts are executed by two GRF officers, if a service provider contract exceeds the budgeted amount or includes significant changes in programming, the contract will be reviewed in executive session.

RESOLVED FURTHER, that Resolution 90-03-76, adopted August 5, 2003 is hereby superseded and cancelled.

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

Director diLorenzo moved to accept staff's recommendations, seconded by Director Troutman. Discussion ensued.

Director Milliman made a motion to approve the resolution based on the above amendments. Seconded by Director Phelps. Discussion ensued.

Mary Stone, 356-C keep comments on the amended contracts.

By a vote of 8-0-1, the motion carried (Director Phelps Abstained)

(d) Entertain Motion to Amend Purchasing Policies.

Director diLorenzo read the Resolution as follows:

RESOLUTION 90-17-16

Board Operation Purchasing and Contracts Policies

WHEREAS, the Purchasing Task Force was formed to ensure that adequate purchasing controls are in place; to streamline the internal purchasing and contracting process; and to ensure transparency and that a professional and

competitive process is used for the procurement of high quality products and services for the community; and

WHEREAS, the Board has updated the Purchasing Policy to include exceptions for special industry contracts;

NOW THEREFORE BE IT RESOLVED, May 2, 2017, that the Board of Directors of this Corporation hereby approves the Board Operation Procedures Contracts Matrix, Change Order Policy and amended Purchasing Policy as attached to the official minutes of this meeting; and

RESOLVED FURTHER, that Resolution 90-16-48, adopted October 4, 2016, is hereby superseded and cancelled.

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

Director diLorenzo moved to accept staff's recommendations, seconded by Director Freshley. Discussion ensued.

Mary Stone, 356-C commented on the proposed changes.

By a vote of 7-2-0 the motion carried (Directors diLorenzo and Beckett opposed)

COMMITTEE REPORTS

Director Phelps reported from the Finance Committee.

Director Perek reported from the Community Activities Committee.

Director diLorenzo reported from the Media and Communications Committee.

President Parker reported there was no Landscape Committee Meeting.

Director Troutman reported from the Maintenance and Construction Committee.

Director Sirkel reported from the Security and Community Access Committee.

Director Gros provided a Traffic Hearing Update.

Director Perek reported from the Mobility and Vehicles Committee.

FUTURE AGENDA ITEMS

Entertain Motion to Approve Revised Recreation Policies regarding Room Capacity Requirements and the addition of Billiards Rooms at clubhouses 5 and 6 – **Resolution**

(April initial notification - must postpone to June to conform to the 30-day notification requirement)

DIRECTORS' COMMENTS

The Directors made final comments.

MEETING RECESS

The Board recessed at 12:30 PM and reconvened into Executive Session at 1:10 PM.

ADJOURNMENT

There being no further business to come before the Board of Directors, the meeting adjourned at 4:30 PM.

JoAnn diLorenzo, Secretary
Golden Rain Foundation

Attachment 1

PURCHASING POLICY

1. PURPOSE

The Purchasing Department's goal is to obtain the product or service that best meets the needs of the corporation at the best possible value and to protect the corporation from litigation resulting from these services.

2. CODE OF CONDUCT

No employee, officer, or agent shall participate in the selection, award, or administration of a contract if a real or apparent conflict of interest would be involved. Such a conflict would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in the firm selected for an award. The officers, employees, and agents of the Corporation shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, or parties to sub agreements except for where the financial interest is not substantial or the gift is an unsolicited item of nominal value. Members of the Corporation Board of directors shall comply with all relevant fiduciary duties, including those governing conflicts of interest, when they vote upon matters related to procurement contracts in which they have a direct or indirect financial or personal interest. Officers, employees, directors, and agents of the Corporation shall be subject to disciplinary actions for violations of these standards.

3. FUNDS

Funding for all procurement is approved by the Corporation Board of Directors through the capital plan, a supplemental appropriation or the operating budgets of each department, prior to procurement of goods or services.

4. COMPETITIVE BIDDING PROCESS

The Purchasing Department carries out a bidding process whether the request is for an item, a service or a project. The following steps are taken:

- a. A Purchase Requisition (PR) and a detailed Scope of Work (SOW) are submitted by the requesting department. The Purchasing Department reviews the SOW and if it requires more detail, it is returned to the requesting department with questions and comments.

- b. The Purchasing Department will incorporate the final SOW into a request for proposal (RFP) for professional services or bid solicitation for constructions services , together with brief information about the community, insurance requirements, a pre-bid meeting date and the deadline for submitting proposals/bids. The RFP/bid solicitation is normally sent to at least three (3) vendors/contractors to obtain bids, or may be widely advertised. When the proposal/bids are received, the Purchasing Department will evaluate them to ensure that each bidder meets the SOW and will recommend the best qualified bid and competitive proposal/bid. If a proposal is submitted late, the Purchasing & Supply Manager will determine if the proposal should be accepted or rejected.

Exceptions to carrying out the bidding process are when:

- The Board of Directors passes a resolution to single source the work.
- The item or project is under \$2,500, unless required by the Purchasing & Supply Manager.
- A specialized item or project is required and vendors/contractors are limited or the vendor/contractor has previously proven their expertise in this field. (Sole Source)
- Work is required immediately (e.g. a broken water main).
- A current material purchase agreement or annual service contract is expiring using a proven vendor/contractor and their pricing does not increase.
- A contractor is currently working under a service contract and the same work is required for a one time project.
- Having received no complaints from a contractor currently working if no price increases.
- Blanket purchase orders are used. Items are supplied without agreed prices on an emergency basis only.
- Change Order to an existing contract, as per the Board-adopted Contract Change Order Policy.

5. AWARD PROCESS

- a. After proposal/bids are received, opened, and analyzed by staff, a detailed Contract Award report will be prepared for the appropriate Committee or Board as outlined in the Board-adopted Delegation of Action and Commitments Matrix. The Contract Award report will be prepared by the Division overseeing the selection.

be contracted for, and shall include a comparison spreadsheet listing all the proposals/bidders; a description of the services to be contracted for; and staff's recommendations.

6. CONTRACTS

Following the competitive bidding process the parties enter into an agreement. The process and document differs between product and services:

a. Supply item:

The Buyer uses the Purchase Requisition (PR) to create a Purchase Order (PO) and then forwards it to the vendor.

b. Stock item:

A material purchase agreement is written and after execution the Warehouse Department creates purchase requisitions when the stock items are required. The requisitions are approved by the Purchasing & Supply Manager and the items ordered by the Buyers.

c. Annual service:

A contract is written for the service and when executed a Purchase Order from the requisition is generated to enable payment through the accounting system.

d. Minor project (Less than \$1,000):

The Purchasing Department obtains approval of the contractor and value from the requesting division. The Contract Administrator adds conditions to the purchase requisition, prepares a Purchase Requisition and the Purchasing Department generates a Purchase Order after all requirements are met, and forwards it to the contractor.

e. Small Project (\$1,000 - \$25,000):

The Purchasing Department obtains approval of the contractor and value from the requesting division and a contract is written for the work. The contract SOW is copied from the RFP with any changes that occurred during the bidding process. The completed contract is signed by the contractor then by the VMSI CEO or designated Division Director.

f. Medium Project (\$25,000 - \$100,000):

The Purchasing Department obtains approval of the contractor and value from the appropriate Committee via the requesting division and a contract is written for the work. The contract SOW is copied from the RFP with any changes that occurred during the proposal/bidding process. The completed contract is presented to the appropriate committee and signed by the contractor then by two Officers of the Board.

g. Large Project (>\$100,000):

The Purchasing Department obtains approval of the contractor and value from the appropriate Board via the requesting division and a contract is written for the work. The contract SOW is copied from the RFP with any changes that occurred during the proposal / bidding process. The completed contract is signed by the contractor then by two Officers of the Board.

h. Very Large and Special Projects (>\$500,000)

Additional process and specific procedures required for Very Large Projects with direct Board involvement not covered here.

i. Leasing;

Leasing agreement will be forwarded to the appropriate Board for signature. Examples are Copier Equipment, Golf Carts and other agreements that the leasing agent require on their forms.

j. The Purchasing Department will assist the requesting department to cancel a contract or produce written warnings to a contractor.

k. Non-standard contracts will be forwarded to VMS legal counsel with expertise in contract law for review.

l. Industry specific contracts (e.g. Programming Network Contracts) are exceptions to this policy.

7. CHANGE ORDER TO CONTRACTS

a. Per the Board-adopted Change Order Policy.

8. AX PAYMENT PROCESSING

a. When an executed contract is completed, the Contract Administrators will process the PR and a PO will be generated for work approval and payment.