



OPEN SESSION

**Minutes of the Regular Meeting of the Golden Rain
Foundation Tuesday, November 6, 2018, 9:30 a.m.
24351 El Toro Road, Laguna Woods, California**

Directors Present: Beth Perak, Joan Milliman, Jim Matson, Richard Palmer, Annette Sabol Soule, Judith Troutman, Bert Moldow, Ray Gros, Diane Phelps, and Jim Juhan

Directors Absent: None

Staff Present: Siobhan Foster, Eileen Paulin, Chris Spahr, and Whitney Thornton

Others Present: United Mutual: Juanita Skillman, Pat English, Elsie Addington, and Don Tibbetts
Third Mutual: John Frankel and Cash Achrekar
VMS: Lucy Shimon
Mutual 50: Ryna Rothberg

1. Call to Order

1st Vice President Perak called the meeting to order at 9:30 a.m. and acknowledged that a quorum was present.

2. Pledge of Allegiance to the Flag

Director Troutman led the meeting in the Pledge of Allegiance to the Flag.

3. Acknowledgment of Media

A representative of the Laguna Woods Globe and the Village Television Camera Crew, by way of remote cameras, were acknowledged.

4. Approval of Agenda

Director Moldow made a motion to approve the Agenda as presented. Director Phelps seconded the motion and it passed by unanimous consent.

5. Approval of Minutes

Director Gros made a motion to approve the minutes of October 2, 2018, as amended. The motion was seconded by Director Sabol Soule and it passed by unanimous consent.

6. Report of the Chair

First Vice President Perak welcomed everyone to the meeting and commented that this would be her first GRF Board meeting as Chair while

encouraging the continuation of collaboration and teamwork with the other Boards. First Vice President Perak also acknowledged retiring Director Troutman's contributions to the Board and thanked VMS Staff for their hard work.

7. Update from VMS

Director Shimon gave an update of the VMS meeting in the month of October:

- Recognition of outstanding employee Daniel Slaughter
- Acknowledgment of Employee Excellence Awards
- Recap of Resident service goals
- Current employment opportunities
- Employee recruitment award

8. CEO Report

CEO Foster gave a report on upcoming community events and updates on current projects:

- Election day voting
- Veteran's Day celebration at Clubhouse 2
- Holiday Call Center schedule
- Pickle Ball and Paddle Tennis update
- Community Center HVAC project
- Pool 5 closure for maintenance
- Seasonal pool closings
- VMS staff accomplishments since Brad Hudson's departure:
 - Manor Alterations move to the Pine Room
 - Social services renovations with three new staff members
 - New passive park/green space
 - RV Lot A opened three weeks ahead of schedule

9. Open Forum (Three Minutes Per Speaker)

Members spoke on the following topics: Laguna Woods Village Foundation update, charging stations for electric vehicles for caregivers, Non-toxic Laguna Woods Project update, possible new club for inventions by residents, rumor regarding Facilities Fee, and the annual corporate meeting agenda.

10. Responses to Open Forum Speakers

Several Directors responded to and provided input regarding member comments.

11. Consent Calendar

- (a) None

12. Unfinished Business

- (a) Discuss and Consider Revisions to Trust Facility Fee Policy and Promissory Note (**September initial notification - 30-day notification to comply with Civil Code §4360 has been satisfied**)

Director Milliman, Secretary of the Board, read the following:

RESOLUTION 90-18-48
Trust Facilities Fee Policy

WHEREAS, as Trustee of the Golden Rain Foundation Trust, the Board of Directors of the Golden Rain Foundation is required to maintain and improve the recreational and other amenities available to all residents of Laguna Woods Village; and

WHEREAS, the Board of Directors finds that reinstatement of the capital contribution to the Trust originally required to be made for each manor sold will ensure the continuation of the amenities that make Laguna Woods Village unique;

NOW THEREFORE BE IT RESOLVED, November 6, 2018, that as Trustee of the Golden Rain Foundation Trust, a declaration of Trust recorded March 6, 1964, the Board will impose a fee, to be known as the "Trust Facilities Fee," in accordance with all terms and conditions contained in this policy statement and in California Civil Code §4580 (as amended by Senate Bill 1128, Stats 2010 Chapter 322, §2, effective January 1, 2011), on all transactions involving the purchase of a separate interest in any of the Trustors' common interest developments (United Laguna Woods Mutual, Third Laguna Hills Mutual and Mutual Fifty, each of which is hereinafter referred to as a "Trustor") within the City of Laguna Woods, as an obligation of the purchaser(s); ***effective January 1, 2019. For purposes of determining the Effective Date, purchase contracts entered prior to January 1, 2019, in which escrow opens before January 1, 2019, and closes on or before March 31, 2019, are deemed transactions occurring prior to the Effective Date:*** and

RESOLVED FURTHER, the Trust Facilities Fee will be a fixed amount, as provided herein and as determined from time to time by the Trustee of the Golden Rain Foundation Trust. The entirety of each such fee, when and as paid by the purchaser(s), shall be deposited into the Trust Facilities Fee Fund and shall be applicable to all such transactions, excluding the following transfers of a separate interest:

1. Where ownership of a separate interest is joined between a current beneficiary of a Trustor and a non-beneficiary spouse,

domestic partner or other relative of such beneficiary;

2. Where ownership of a separate interest is transferred to a non-beneficiary of a Trustor by gift or through inheritance from a beneficiary of a Trustor;

3. Where ownership of a separate interest is transferred by a beneficiary of a Trustor to the current qualifying resident (as defined in the Bylaws of each Trustor) of the separate interest, where the transferor has never been a qualifying resident and has previously paid a Trust Facilities Fee; or

4. Where ownership of a separate interest is being transferred to a trust whose settlor or principal beneficiary is the transferor, or to another trust for estate planning purposes.

RESOLVED FURTHER, effective with escrows opened, or purchase contracts signed, on or after January 1, 2018, the Trust Facilities Fee shall be set at \$5,000 for units with a sales price of \$75,000 or higher and \$2,500 for units that sell below \$75,000, until modified by the Trustee; and

RESOLVED FURTHER, in accordance with California Civil Code §4580 each new purchase of a separate interest in any of the Trustors' common interest developments within the City of Laguna Woods to which this Trust Facilities Fee applies (i.e., all new purchases other than a transfer qualifying for any of the exclusions set forth in subparagraphs 1-4 above), shall in compliance with California Civil Code §4580 have the option to either:

- (i) pay the fee in its entirety at the time of transfer; or
- (ii) pay the fee amount pursuant to an installment payment plan for a period of seven years.

If the purchaser elects to pay the fee in installment payments under the second of the above statutorily permitted options, then the Trustee may also collect additional amounts not to exceed the actual costs for billing and financing on the amount owed (as set forth below, and in compliance with the Davis-Stirling Act, as the same may be amended from time to time), and if the purchaser sells their separate interest prior to the end of the installment payment plan period, he or she shall pay the remaining balance of the fee owed to the Trustee prior to transfer. A fee of \$10 will be imposed for any late payments.

The Golden Rain Foundation Board shall assess a one-time non-refundable origination fee of \$300 for the preparation of the

promissory note and related records. The Golden Rain Foundation Board shall also assess interest not to exceed the maximum rate allowed by law. The Payor(s) of the note may prepay the note in whole prior to maturity date without penalty and may receive, at the request of the Payor(s), evidence of debt fulfillment. Payments received in excess of monthly note installment shall be applied to future Note installments and not a direct reduction of principal. The monthly payment of the Trust Facilities Fee, the origination fee and interest shall be due on the 1st day of each month; and

RESOLVED FURTHER, Resolution 90-17-35, adopted November 7, 2017, is hereby superseded and cancelled; and

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

Director Milliman made a motion to approve the Trust Facility Fee Policy and Promissory note Resolution. Director Phelps seconded the motion and it passed by unanimous consent.

- (b) Entertain a Motion to Approve the Commercial Vehicle Storage Fee for RV Lot **(September initial notification - 30-day notification to comply with Civil Code §4360 has been satisfied)**

RESOLUTION 90-18-49

Commercial Vehicle in RV Lots

WHEREAS, Golden Rain Foundation of Laguna Woods has administration control of Recreational Vehicles (RV) Lot A & B and these spaces have been rented to residents; and

WHEREAS, the Security and Community Access Committee has recognized the need to find parking for commercial vehicles; and

NOW THEREFORE BE IT RESOLVED, on November 6, 2018, the Board of Directors of this Corporation hereby allows that open RV lot parking spaces can be utilized by Residents' commercial vehicles, as space permits, for \$640 per space per year; and

RESOLVED FURTHER, Residents will be given a 30-day notice if required to vacate their commercial vehicle space in order to accommodate a Resident's RV; and

RESOLVED FURTHER, Residents will be paid a pro-rata amount of their fee if vacancy is required;

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 Milliman made a motion to approve the Commercial Vehicle in RV Lots Resolution. Director Moldow seconded the motion and it passed by unanimous consent.

- (c) Entertain a Motion to Approve a Resolution for Clubhouse 2 Loggia and Sequoia Ballroom Rental (**October initial notification - 30-day notification to comply with Civil Code §4360 has been satisfied**)

RESOLUTION 90-18-50

Clubhouse 2 Loggia and Sequoia Ballroom Rental

WHEREAS the Palo Verde Loggia (patio) and Sequoia Ballroom are rented as two different spaces since renovations were completed in 2017;

WHEREAS the Loggia includes a barbeque, counter and small sink for food preparation, patio tables, chairs and sofas; and

WHEREAS staff frequently encounters logistical issues and user complaints with separate bookings of the ballroom and patio;

NOW THEREFORE BE IT RESOLVED, November 6, 2018, that the Board of Directors of this Corporation hereby approves the Palo Verde Loggia at Clubhouse 2 to be included with the rental of the Sequoia Ballroom without an additional fee, eliminating the option for separate rental of the patio;

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

Director Milliman made a motion to approve the Clubhouse 2 Loggia and Sequoia Ballroom Rental Resolution. Director Sabol Soule seconded the motion and it passed by unanimous consent.

- (d) Entertain a Motion to Approve a Resolution for Summer Kids Swim Permanent Relocation to Pool 6 (**October initial notification - 30-day notification to comply with Civil Code §4360 has been satisfied**)

Director Milliman, Secretary of the Board, read the following:

RESOLUTION 90-18-51
**Summer Kids Swim Permanent
Relocation to Pool 6**

WHEREAS, Clubhouse 2 pool is the designated kids pool with limited hours from noon to 2 p.m. daily during the non-summer season; and

WHEREAS, residents consistently expressed concern that the kids were interfering with their exercise programs and/or overall facility enjoyment; and

WHEREAS, on January 11, 2018, and February 6, 2018, respectively, the CAC and GRF Board approved the relocation of the Summer Kids Swim Program to Pool 6 on a trial basis; and

WHEREAS, Clubhouse 6 pool had been the least utilized pool, averaging ten swimmers per day during the summer and due to low utilization, the pool is only open during the summer months and closed the remainder of the year;

NOW THEREFORE BE IT RESOLVED, November 6, 2018, that the Board of Directors of this Corporation hereby approves Pool 6 as the permanent location for the Summer Kids Swim Program with the daily hours being noon to 4 p.m., Memorial Day weekend through the season/closure of Pool 6; and

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

Director Milliman made a motion to approve the Summer Kids Swim Permanent Relocation to Pool 6 Resolution. Director Phelps seconded the motion and it passed by unanimous consent.

13. New Business

- (a) Entertain a Motion to Approve Reappointment of GRF representative to VMS Board

Director Milliman, Secretary of the Board, read the following:

Resolution 90-18-52
**Reappointment to Village Management Services, Inc. Board of
Directors**

WHEREAS, Section 2.6 of the VMS Bylaws identifies GRF as a Member of

VMS; and

WHEREAS, at the end of the 2018 term, GRF will have one vacant position on the Village Management Services, Inc. (VMS) Board of Directors; and

WHEREAS, Section 4.3 of the VMS Bylaws governs the Appointment and Term of Office of the VMS Board of Directors; and

WHEREAS, VMS Directors shall be appointed by the Members acting through their respective boards of directors, in the same month as the Member's annual meeting; and

WHEREAS, the GRF Annual Meeting of Corporate Members will be held on November 14, 2018; and

WHEREAS, any person serving as a VMS Director may be reappointed, and there shall be no limitation on the number of terms which a Director may serve, except that no Director may serve more than two consecutive three-year terms; and

WHEREAS, Lisa Bender was appointed by GRF to the VMS Board of Directors and is completing a two-year term running from 2016 to 2018; and

WHEREAS, 2016 to 2018 term was Lisa Bender's first on the VMS Board; and

WHEREAS, VMS Director Bender has expressed a willingness to accept the reappointment to the VMS Board for a three-year term for the period of 2018 to 2021;

NOW THEREFORE BE IT RESOLVED, November 6, 2018, the Board of Directors of this Corporation hereby approves the reappointment of Lisa Bender to the VMS Board of Directors for the three-year term running from 2018 to 2021 in accordance with the requirements of the VMS Bylaws; 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 Milliman made a motion to approve the Reappointment to Village Management Services, Inc. Board of Directors Resolution. Director Moldow seconded the motion and it passed by a vote of 9-1-0(Director Troutman voted against).

- (b) Entertain a Motion to Approve Declaring the Slate of Candidates for the Office of Golden Rain Foundation (GRF) Director Elected

Director Milliman, Secretary of the Board, read the following:

RESOLUTION 90-18-53
**Declaring the Slate of Candidates for the Office of Golden Rain
Foundation (GRF) Director, Elected**

WHEREAS, following the close of the 2018 term, there will be three vacant seats on the GRF Board of Directors to be filled; and

WHEREAS, vacancies on the Board shall be filled at GRF's annual meeting (Bylaw 8.3.7); and

WHEREAS, GRF's annual meeting is held the second Wednesday in November (Bylaw 5.2); and

WHEREAS, the second Wednesday in the current year is November 14, 2018; and

WHEREAS, nominations for the office of GRF director close 50 days before the annual meeting (Bylaw 8.3.5); and

WHEREAS, the fiftieth day prior to November 14, 2018, and therefore the close of nominations for the present year is September 25, 2018; and

WHEREAS, as of September 25, 2018, and following the nomination procedure set forth in Bylaw 8.4, only three qualified candidates had been nominated; and

WHEREAS, Bylaw 8.5.1 anticipates an election where the number of nominees exceeds the number of vacant seats; and

WHEREAS, following the close of nominations, where the number of qualified candidates does not exceed the number of vacancies, those qualified nominees shall be declared elected (Bylaw 8.5.2); and

WHEREAS, Civil Code Section 5115 mandates director elections pursuant to the double secret ballot procedure; and

WHEREAS, Civil Code Section 5100(d) exempts from the election procedure mandated by Section 5115 where votes are cast by elected representatives; and

WHEREAS, in accordance with Bylaw 5.8.2 votes at director elections are cast by elected representatives, the directors of each of the housing mutuals; and

WHEREAS, Bylaw 8.5.2 is supported by Corporations Code 7522(d), which states that corporations may without further action declare

qualified nominees elected where following the close of nominations the number of nominees does not exceed the number of vacancies;
and

WHEREAS, eliminating the need for a director election saves the copying and postage expense associated with the distribution of ballots, plus the approximately \$1,000 traditionally paid to a third-party vendor to serve as GRF's inspector of elections;

NOW THEREFORE, BE IT RESOLVED, November 6, 2018, that the three qualified nominees arising from the 2018 nomination procedure are hereby declared elected to the GRF Board of Directors:

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

Director Milliman made a motion to approve the resolution Declaring the Slate of Candidates for the Office of Golden Rain Foundation (GRF) Director, Elected. Director Phelps seconded the motion.

Discussion ensued among the Directors and the candidates were acknowledged by the Directors.

First Vice President Perak called for a vote on the Motion and it passed by unanimous consent.

- (c) Entertain a Motion to Approve the Amended Security Patrol Vehicle Policy

Director Milliman, Secretary of the Board, read the following:

RESOLUTION 90-18-54
Security Patrol Vehicles Policy

WHEREAS, the Golden Rain Foundation through the Security Department patrols the Community by way of marked security vehicles, bicycle patrol, and foot patrol;

WHEREAS, the Board of Directors of this Corporation set forth a policy that all Security Patrol Vehicles shall be limited to small pickup trucks;

NOW THEREFORE BE IT RESOLVED, on November 6, 2018, that the Board of Directors of this Corporation hereby approves the proposed revisions to the Security Patrol Vehicles Policy to include energy efficient vehicles, passenger vehicles and sports utility vehicles;

RESOLVED FURTHER, Resolution 90-06-104 adopted November 7, 2006, 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 this resolution.

Director Milliman made a motion to approve the Security Patrol Vehicles Policy Resolution. Director Sabol Soule seconded the motion and discussion ensued among the Directors.

Director Moldow made a motion to amend the Resolution to read "energy efficient passenger vehicles and sports utility vehicles". Director Troutman seconded the motion.

Discussion ensued among the Directors.

Director Milliman made a motion to amend the amendment to read "energy efficient vehicles, passenger vehicles, and sports utility vehicles". Director Troutman seconded the motion and it passed by unanimous consent.

First VP Perak called for a vote on the Resolution as amended and it passed by unanimous consent.

(d) Entertain a Motion to Form an Investment Task Force

Director Milliman, Secretary of the Board, read the following:

RESOLUTION 90-18-55
Investment Task Force

WHEREAS, various Committee and Board members have expressed a desire to perform an in-depth review of Laguna Woods Village investment portfolios.

NOW THEREFORE BE IT RESOLVED, November 6, 2018, the Board of Directors hereby forms an Investment Task Force and assigns the duties and responsibilities as follows:

MISSION

The purpose of the Investment Task Force is to conduct an in-depth analysis of investments on behalf of the Golden Rain Foundation, United Laguna Woods Mutual, and Third Laguna Hills Mutual, to ensure exceptional service from a professional investment manager, maximize yields within the Board-approved investment policies, and minimize fees.

MEMBERSHIP

The Investment Task Force shall be comprised of six members, one officer from each of the Boards of Directors and one at-large member selected by each of the Boards of Directors to represent each Corporation based on their investment or financial expertise. The at-large members will be owners and may or may not currently serve as Board Members or Committee Advisers.

DUTIES AND RESPONSIBILITIES

1. The Task Force members will appoint a chair and meet as often as determined necessary to accomplish the objectives.
2. The Task Force will study the history of investment strategies used in the Community, understand current investment policies, examine existing service agreements with Merrill Lynch and related fees from BlackRock for professional investment services, review current investment portfolios, and evaluate yields.
3. The Task Force will review a draft RFP and proposers list, used by Staff to solicit proposals from investment management firms for account services. Several qualified bidders will be asked to make a presentation to the GRF Finance Committee.

RESOLVED FURTHER, the Task Force shall perform such other duties as may be assigned by the GRF Finance Committee during this assignment.

RESOLVED FURTHER, the Investment Task Force will be automatically disbanded upon conclusion of the duties and responsibilities assigned herein or when directed by the Board.

Director Milliman made a motion to approve the Investment Task Force Resolution. Director Phelps seconded the motion and discussion ensued among the Directors.

First VP Perak called for the vote and motion passed by a vote of 9-1-0(Director Moldow voted against)

- (e) Entertain a Motion to Adopt Illegal Dumping Reward Program

Director Milliman, Secretary of the Board, read the following:

RESOLUTION 90-18-56

Illegal Dumping Reward Program

WHEREAS, Laguna Woods Village, through the City of Laguna Woods, contracts with Waste Management Services for the disposal of bulky trash items; and

WHEREAS, illegal dumping of bulky trash items is an ongoing problem throughout the Village and a majority of these incidents are not immediately reported; and

WHEREAS, local authorities have been successful in gaining greater citizen involvement by offering rewards for reported specific violations or crimes;

NOW THEREFORE BE IT RESOLVED, on November 6, 2018, that the Board of Directors of this Corporation hereby approves an Illegal Dumping Reward Program with the following guidelines:

1. Reward is only valid for illegal dumping violations within the Village
2. Callers are eligible for a \$100 reward
3. Callers must contact the Security Department to report the illegal dumping incident
4. Callers have the option to remain anonymous (a number will be issued to track the reward process)
5. Information from the caller must result in positive identification of the suspect with a resulting monetary penalty administered through the Mutual's disciplinary process
6. VMS employees are not eligible;

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

Director Milliman made a motion to approve the illegal Dumping Reward Program Resolution. Director Troutman seconded the motion and discussion ensued among the Directors.

First VP Perak called for the vote and motion passed by a vote of 6-4-0(Directors Milliman, Phelps, Perak, and Juhan voted against).

14. Committee Reports

- (a) Report of the Finance Committee/Financial Reports – Director Phelps. Next meeting December 19, 2018, at 1:30 p.m. in the Board Room.

- (b) Report of the Community Activities Committee – Director Perak. Next meeting November 8, 2018, at 1:30 p.m. in the Board Room.
- (c) Report of the Maintenance & Construction Committee – Director Matson. Next meeting December 12, 2018, at 9:30 a.m. in the Board Room.
 - Report of the Performing Arts Center (PAC) Renovation Ad Hoc Committee - Director Perak. Next meeting TBA
 - Report of Village Energy Task Force – Director Moldow. Next meeting November 7, 2018, at 1:30 p.m. in the Willow Room.
- (d) Report of the Media & Communications Committee – Director Milliman. Next meeting November 19, 2018, at 1:30 p.m. in the Board Room.
- (e) Report of the Mobility & Vehicles Committee – Director Troutman. Next meeting December 5, 2018, at 1:30 p.m. in the Board Room.
- (f) Report of the Security & Community Access Committee – Director Sabol Soule. Next meeting December 17, 2018, at 9:30 a.m. in the Board Room
 - Report of the Traffic Hearings – Director Gros. Next meeting November 21, 2018, 9:00 a.m. in the Board Room & 1:00 p.m. in the Cypress Room.
 - Report of the Disaster Preparedness Task Force- Director Troutman. Next meeting November 27, 2018, 9:30 a.m. in the Cypress Room.
- (g) Report of the Landscape Committee – Director Moldow. Next meeting December 19, 2018, at 2:30 p.m. in the Sycamore Room.

15. **Future Agenda Items** - *All matters listed under Future Agenda Items are Resolutions on 30-day public review or items for a future Board Meeting. No action will be taken by the Board on these agenda items at this meeting. The Board will take action on these items at a future Board Meeting.*

None

16. **Directors' Comments**

- Director Sabol Soule commented it was a good meeting;

- Director Moldow wished Director Troutman success in run for the Laguna Woods City Council;
- Director Milliman wished Director Troutman good luck and commented it was a good meeting;
- Director Gros encouraged Residents to get more information regarding the Laguna Canyon;
- Director Troutman commented that she will be assisting at voting stations, read a passage from Mother Teresa, and noted it was an honor to serve on the GRF Board;
- Director Juhan gave a recap of his experiences working with Director Troutman on the Third and GRF Boards;
- Director Matson encouraged Residents to vote;
- First Vice President Perak thanked Director Troutman for her hard work while on the GRF Board and wished her good luck in her future endeavors.

17. **Recess** - *At this time, the Meeting will recess for lunch and reconvene to Executive Session to discuss the following matters per California Civil Code §4935.*

Closed Executive Session Agenda

Approval of Agenda

Approval of Minutes

(a) October 2, 2018 – Regular Executive Session

Discuss and Consider Member Disciplinary Matters


Discuss and Consider Personnel Matters

Discuss and Consider Contractual Matters

Discuss and Consider Litigation Matters

Discuss Litigation Report Summary

18. Adjournment



Joan Milliman, Secretary of the Board
Golden Rain Foundation