



**BOARD OF DIRECTORS MEETING - GOLDEN RAIN FOUNDATION
February 24, 2015**

CALL TO ORDER

President Winkler called the regular monthly meeting of the Golden Rain Foundation (GRF) Board of Directors to order at 10:00 a.m., on Tuesday, February 24, 2015, in Clubhouse Four.

ROLL CALL

The Corporate Secretary reported that Directors Michaelides, DeMarco, Snowden, Stone, Reed, Wood, Hood, Rapp, McGuigan, Krieger, Winkler, Craig, Damoci, Lukoff, Kravitz, and Moore were present. Messrs. Blake and Bolton were absent. Executive Director Ankeny and Controller Miller were also present.

PLEDGE OF ALLEGIANCE

Councilwoman for District Five, Sandra Massa-Lavitt, led the Pledge of Allegiance.

ANNOUNCEMENTS/ SERVICE AWARD PRESENTATION

The Committee meeting schedule is published in the *Golden Rain News*. All committee meetings are open to Shareholder/Foundation members.

The Facilities Manager, Ruben Gonzalez, presented a service plaque and pin to:

Ariel Quintero Service Maintenance Department 5 years of service

On behalf of the GRF Board of Directors, the President thanked this employee for his dedicated service.

PRESIDENT'S ANNOUNCEMENTS

The President issued a gentle reminder to the Shareholder/Foundation members and GRF Directors: please refrain from referring to a GRF Director and/or a GRF employee and/or another Shareholder/Foundation member by name, use the person's title. If you have concerns or complaints regarding any of the aforementioned, please contact the GRF Board President or the Executive Director directly.

PRESIDENT'S COMMENTS

It is hard to believe we are in the ninth month of operations under the direction of the 2014-2015 Board of Directors (BOD). We have only three months to go, March, April, May and then the annual meeting on the second Tuesday in June. We have accomplished so much with the help of

our many capable managers and staff. The Tam O'Shanter intersection is on the way to completion. When finished, it will be much easier and less confusing when traffic pulls out of the amphitheater parking lot or pedestrians are crossing the street. Del Monte has been resurfaced and the street is now absent of many of the small pot holes and bumps. The Security building has been painted and the Resale's office is in the process of being painted along with electrical and building repairs. Four new patrol cars were added to our fleet of vehicles along with a new access bus donated by the Golden Age Foundation. We have introduced new pay grades to our Security department and are working on developing them for our many Service Maintenance employees. We have put into place a capital, a reserve and an operation budget for 2016 along with renewing our insurance policies for another year. We have implemented and are up and running on our new software in Accounting, although we still need to do a few more tweaks to the systems. We are also working on developing new access to our Health Care Center and Administration Center. The lists are endless of the many hours spent by the members of this Board of Directors, the department chairs and management staff, along with our many dedicated employees. All this and more was done in addition to conducting the regular daily business of the Golden Rain Foundation.

Many of you may have heard our Social Services Mutual Administration employee has given her notice. We are very sorry to see Tiffany Munholland leave us. She is going to be staying at home with her children and she will be sorely missed. She has committed to assisting us on an "as needed" basis until her replacement is found. The job position has been posted and we have already received a number of interesting resumes. Our Human Resource Director, Ruth Smith, will be making this a prime priority until we have our new Social Services liaison in place.

Under rumor control, not too much has come to my attention. However, it is important to understand the Mutual Representatives on the Executive Committee, who handle personnel issues, approved the pay grade system only and have had no input on the individual classifications and pay grades which will be implemented in our Security Department on March 2.

I was asked recently, "Why a Mutual Administration Sub-Committee?" The rationale behind the Mutual Administration Sub-Committee and the Architectural Design and Review Committee, aka the ADRC, was twofold. Number one, to give us the opportunity to explore and put into place the policies and procedures necessary to work with the administration staff in these two areas. We recognize approximately 70 to 80 percent of the Golden Rain Foundations business is the management and services we provide to our sixteen Mutuals. These include, but are not limited to service maintenance, physical property, security, stock transfers and accounting. It is important to the management of the Foundation that we have direct lines of communication with the Mutuals. The President's Council and the Round Table meetings have proved over and over how necessary it is for the Foundation BOD and management to listen to the concerns and issues from the Mutuals as they manage their buildings, land and provide services to their shareholders. Being able to work directly with Mutual Administration and to discuss their concerns will help the Foundation to do a better job and be more responsive to the Mutuals' concerns.

The ADRC is working at developing a set of design standards for the Foundation. This would include color selections of the buildings and the interior areas, improvements and decorating inside the Club Houses, issues such as Christmas decorations or developing a better image of Leisure World and the Foundation. Once these standards are set and the parameters of their responsibilities are defined, the Physical Property staff will have guidelines by which to make decisions. After all, as your President, I do not want the final word on what color, shape, grade or theme we should have throughout the Foundation properties. In this respect, if a department is

identified as needing paint, new carpeting or lighting or inside repairs, recommendations will be made by the ADRC and much of the decisions will be handled within this Committee. Much of our property has been sadly neglected over the years and does need “sprucing and fixing up” and it is this Committee’s job to figure out what to do and how much it may cost and get the information to the right Committee and then onto the BOD.

The “pool” sub-committee has held meetings and are asking for Board approval of the concept of improvements and possible additions to our swimming pool and possible consideration of a new two story building housing an indoor pool and exercise area. Remember, this is concept approval only, so if approved, the Physical Property department can begin the task to determine how it can be done and how much it will cost. Those ideas and costs are vetted by the Recreation Committee, possibly to the Physical Property Committee and then onto the Board of Directors for approval to start the preliminary work. This process will take months and months; however, we hope to have an idea of costs by budget time for 2016.

Mrs. Weller, Mutual Administration Director was kind enough to show me the very first (#1) membership certificate. It has now been reframed and is hanging in the President’s office on display so everyone can enjoy this historic document.

Once again, the Mutuals and the Golden Rain Foundation Directors are facing election time. Please consider getting involved with the management of our great living space. We need people to stand up, speak up, and share their ideas and opinions with their fellow shareholders and then make decisions about the best possible course of action. Shareholders will have an opportunity to be part of the process of determining what is best for yourself, your neighbors and the continued enjoyment of the many activities offered here inside our walls. It is an opportunity to learn how our management systems work, participate in the decision process, protect your asset (your apartment) and make new friends. I urge you to talk to your Mutual Board of Directors and participate in the process. You are needed!!!

SHAREHOLDER/MEMBER COMMENTS

In accordance with Policy 5610, Participation by Foundation Members, members may enter into a comment period prior to the beginning of business. Shareholder/Foundation Members must register their requests in advance of the meeting. Comments are limited to four minutes.

Eighteen shareholder/members spoke on Jim’s Gate, Leisure World Globe, security at the gates, a poll to change Leisure World name, installation of speed bumps, swimming pool renovation, the stop sign at the RV gate and the refund of excess funds.

CONSENT CALENDAR – APPROVAL OF BOARD QUORUM COMMITTEE MEETING MINUTES

In accordance with Civil Code 4090, the Foundation has made available a summary of the meetings where a quorum of the Board was present. Quorums of the Board were present at seven Committee meetings in January. The Committee minutes for these meetings were approved earlier this month by their respective Committees:

- Minutes of the Library Committee Board Meeting of January 7, 2014
- Minutes of the Communications Committee Board Meeting of January 8, 2015
- Minutes of the Physical Property Committee Board Meeting of January 9, 2014

- Minutes of the Recreation Committee Board Meeting of January 12, 2014
- Minutes of the Executive Committee Board Meeting of January 13, 2014
- Minutes of the Security, Bus & Traffic Committee Board Meeting of January 14, 2014
- Minutes of the Finance Committee Board Meeting of January 20, 2014

The method with which these minutes will be approved is the Consent Calendar, which means any item placed on the Consent Calendar can be approved in one motion.

The Consent Calendar was approved, by general consent of the Board, as distributed.

The Committee Chairs are asked to stop by the Board Office within the next five business days to sign their approved Board Committee minutes. Once they are all signed, they will be posted to the website.

APPROVAL OF BOARD MEETING MINUTES

The minutes of the January 27, 2015 Golden Rain Foundation Board meeting were approved by general consent of the Board, as distributed.

ACCEPT FINANCIAL STATEMENTS FOR AUDIT

Mrs. Wood MOVED, seconded by Ms. Stone and approved by general consent of the Board -

TO accept the January Financial statements for audit.

BUSINESS

Discussion: Community Image, Shareholder Globe Poll

Mr. Craig and Mr. Krieger requested an agenda item, in the form of a letter written by Anne Seifert and signed by Mr. Craig and Mr. Krieger, Community Image, Shareholder's Globe Poll, be placed on the February 24, 2015 Board agenda. Mr. Krieger read an excerpt from the letter. The Chair pointed out that as no motion was included with the letter, at the end of ten minutes of debate, a written motion would need to be produced or discussion would end. Mr. Hood presented a written motion.

Mr. Hood MOVED, seconded by Mr. Krieger -

TO prepare a poll for shareholders to indicate their preference on three possibilities for the Globe, at the entrance of Leisure World, Seal Beach, including the estimated costs of each:

- a. restore/preserve,
- b. preserve as a sphere, or
- c. remove.

Six members and the Executive Director spoke on the motion.

Mr. Craig MOVED, seconded by Mr. Hood -

TO amend the motion for the poll for shareholders to be administered internally.

Ten members spoke on the motion.

The secondary motion failed with 13 no votes (Mr. Michaelides, Mr. DeMarco, Ms. Snowden, Ms. Stone, Mrs. Reed, Mrs. Wood, Mrs. Rapp, Mr. McGuigan, Mr. Craig, Mrs. Damoci, Mr. Lukoff, Mr. Kravitz, and Mr. Moore.)

Mr. Craig called the question, seconded by Mr. Hood.

The motion to end debate was carried unanimously by the Board members present.

The main motion failed with thirteen votes (Mr. Michaelides, Mr. DeMarco, Ms. Snowden, Ms. Stone, Mrs. Wood, Mr. Hood, Mrs. Rapp, Mr. McGuigan, Mr. Craig, Mrs. Damoci, Mr. Lukoff, Mr. Kravitz, and Mr. Moore.)

The Chair called for a five minute recess at 11:26 a.m.; the meeting resumed at 11:31 a.m.

Communications Committee

Approve Additional Capital Funding for News Department Hardware Refresh

Mrs. Reed MOVED, seconded by Ms. Snowden -

TO approve additional capital funding, in the amount of \$2,019.38, and authorize the Executive Director to purchase the equipment from capital funds, as noted in Exhibit A, in an amount not to exceed \$13,098.36.

The motion was carried unanimously by the Board members present.

Executive Committee

Amend Policy 5165-33, Mutual Administration Committee

The Executive Committee recommended several changes to Policy 5165-33, Mutual Administration Committee:

- Add "Social Services" to the areas of policy and operational procedure to be reviewed by the Mutual Administration Committee,
- Move "Management Agreements" after "Trust Agreement" in the Duties and Responsibilities section of Policy 5165-33, and
- Refer recommendations for fees to the Finance Committee.

Ms. Rapp MOVED, seconded by Mr. Hood -

TO amend Policy 5165-33, Mutual Administration.

One Board member spoke on the motion.

Ms. Snowden MOVED, seconded by Mr. Lukoff –

TO amend Policy 5165-33, Mutual Administration Committee by removing the sentence “Due to the difference between Mutual Seventeen (17) and all other fifteen (15) Mutuals, the Director from 17 will always serve on this committee.”

Five Board members spoke on the motion.

Mr. Hood called the question, seconded by Mr. Craig.

The motion to end debate was carried unanimously by the Board members present.

The secondary motion was defeated with nine no votes (Ms. Stone, Mrs. Reed, Mr. Hood, Ms. Rapp, Mr. McGuigan, Mr. Krieger, Mr. Craig, Mrs. Damoci, and Mr. Moore).

The main motion was carried with one no vote (Mr. Lukoff).

Approve Inspector of Elections

Mrs. Damoci MOVED, seconded by Mr. Craig-

TO approve Accurate Voting Services as the 2015 Inspector of Elections and perform such duties as required by Civil Code §5110.

The motion was carried unanimously by the Board members present.

Approve GRF Election Materials

Mrs. Damoci MOVED, seconded by Ms. Rapp –

TO approve the 2015 election documents as represented in Exhibit B, in accordance with Civil Code §5510.

The motion was carried unanimously by the Board members present.

Approve 2015/2016 Employee Healthcare Benefits

Ms. Stone MOVED, seconded by Mr. Craig –

TO approve the renewal of the Medical Plan with Kaiser; the renewal of the Dental HMO, Basic and Voluntary Life and Accidental Death & Dismemberment insurance, Long Term Disability, Employee Assistance and Vision Plans with Guardian; the renewal of the

employee-paid Pet Insurance with VPI Pet; the replacement of the Medical PPO Plan with the low HMO Plan with Kaiser; the renewal of the Dental PPO Plan with Guardian; and the continuation of the IRS Section 125 Plan for the period April 1, 2015 through March 31, 2016, at a monthly cost of \$79,081.00/annual cost \$948,972.00.

One Board member spoke on the motion.

The motion was carried unanimously by the Board members present.

Finance Committee

Prioritization of 2015 Approved Capital Purchases and Projects

At the regular scheduled standing Committee meetings, all Committees were requested to list in order of priority their respective Capital Requests. The Executive Director has taken the Committee prioritizations and regrouped the requests into funding blocks. The intent of the funding blocks is to release the expenditures upon meeting the funding needs of the respective funding group.

Ms. Snowden MOVED, seconded by Ms. Stone—

TO approve the prioritization of the 2015 Capital expenditures in accordance with Exhibit A and authorize the expenditures as follows:

- a. All final quotations and/or proposals of less than \$10,000 shall be reviewed and approved by the respective Committee. Upon Committee acceptance, the Executive Director is authorized to initiate the purchase and/or project,
- b. All quotations and/or proposals greater than \$10,000 shall be Committee-reviewed with a recommendation forwarded to the Board for final approval.

The motion was carried unanimously by the Board members present.

Approve 2014 Financial Statements

Ms. Stone MOVED, seconded by Mrs. Damoci—

TO approve acceptance of the final draft 2014 Golden Rain Foundation financial statements (Exhibit A), reflecting excess income of \$712,850, to allocate the first \$12,627 to the Contingency Operating Fund and the remaining funds of \$700,223 to be refunded directly to the Mutual corporations on a pro rata basis and to direct the Firm of NSBN to prepare the Federal and State Income Tax Reports.

Vice President Damoci called for a voice roll call vote on the motion. The Corporate Secretary took a voice roll call vote on the motion by alphabetical roll call.

The motion was carried unanimously by the Board members present.

Physical Property Committee

Approve Contract to Paint the Amphitheater Stage and Vestibule

Mr. Moore MOVED, seconded by Mr. McGuigan—

TO approve awarding a contract to General Coatings, for a cost of \$7,450, to paint the Amphitheater State and Vestibule area, the funds to come out of the Reserve Account.

The motion was approved with one abstention (Mr. DeMarco).

Approve Contract to Refinish the Amphitheater Stage Floor

Mrs. Damoci MOVED, seconded by Mrs. Reed—

TO approve awarding a contract to Los Al Builders, for \$12,865, to sand and refinish the Stage Floor at the Amphitheater, to come out of the Reserve Account.

Two Board Members spoke on the motion.

The motion was approved unanimously by the Board members present.

Approve Globe Repairs and Conservation

Mr. Lukoff MOVED, seconded by Mrs. Reed –

TO approve the repair and conservation of the Trust asset identified as the Globe, in an amount not to exceed \$163,270, and authorize the President to sign contractual documents in the repair and restoration of the globe.

The motion was carried with fourteen yes votes (Mr. Michaelides, Mr. DeMarco, Ms. Snowden, Ms. Stone, Mrs. Reed, Mrs. Wood, Mr. Hood, Ms. Rapp, Mr. McGuigan, Mr. Krieger, Mr. Craig, Mrs. Damoci, Mr. Kravitz, and Mr. Moore).

Recreation Committee

Approve Replacement of Amphitheater Rigging Service

Mrs. Damoci MOVED, seconded by Mr. Hood -

TO approve awarding a contract to Tru-Roll Rigging & Hardware, in the amount of \$28,158.90 (reserve funds), per the proposal dated November 3, 2014, and to authorize the President to sign the contract.

Seven Board members, the Executive Director and the Recreation Supervisor spoke on the motion.

The motion was carried unanimously by the Board members present.

Conceptual Approval – Swimming Pool Renovation

Ms. Rapp MOVED, seconded by Mr. McGuigan -

TO approve the concept as noted in Exhibit A and authorize the Recreation Committee to continue the development of costs for architectural and engineering plans and documents to be presented as part of the 2016 budget process.

Nine Board members and the Executive Director spoke on the motion.

The motion was carried unanimously by the Board members present.

Security, Bus and Traffic Committee

Amend Policy 5535-37, Pedestrian Gate Security

TO amend Policy 5535-37, Pedestrian Gate Security, to extend the availability of Jim’s Gate to 10:00 p.m.

Two Board members spoke on the motion.

Mr. Michaelides MOVED, seconded by Mr. Craig-

TO commit Policy 5535-37, Pedestrian Gate Security, to the Security, Bus and Traffic Committee for review and recommendations.

CONTROLLER’S REPORT

The Controller’s report is included at the end of the minutes as an attachment.

EXECUTIVE DIRECTOR’S REPORT

The Executive Director’s report is included at the end of the minutes as an attachment.

BOARD MEMBER COMMENTS

Thirteen Directors spoke on today’s Board meeting, agenda item 10.d.i. Prioritization of 2015 Approved Capital Purchases and Projects, a master plan and excess income.

ADJOURNMENT

The meeting was adjourned at 12:42 p.

Mary E. Wood, Corporate Secretary
GRF Board of Directors