



**BOARD OF DIRECTORS MEETING MINUTES
GOLDEN RAIN FOUNDATION
January 29, 2019**

CALL TO ORDER

President Linda Stone called the regular monthly meeting of the Board of Directors (BOD) of the Golden Rain Foundation (GRF) to order at 6:02 p.m., on Tuesday, January 29, 2019, in Clubhouse Four.

PLEDGE OF ALLEGIANCE

Margaret Bash, President of the Radio Club, led the Pledge of Allegiance.

ROLL CALL

Following the roll call, the Corporate Secretary reported that Directors Perrotti, R. Stone, Snowden, L. Stone, Gerber, Gould, Hopewell, Fekjar, Dodero, Winkler, Heinrichs, Findlay, Lukoff, Friedman, and Moore were present. The Executive Director and the Director of Finance were also present. Directors Pratt and Rapp were absent.

Fifteen Directors were present, with a quorum of the voting majority.

PRESIDENTS COMMENTS

Welcome residents. Thank you for spending the evening with us. There will be another evening meeting on May 28, 2019. Watch the LW Weekly for updates.

I have three topics that I want to comment on:

First, I want to talk about the 2019 GRF Budget which for the year is \$17,053,833. which equates to \$215.07, per apartment, per month (PAPM). Yet all 6,608 units were assessed \$158.20, which equates to a Budget of \$12,544,820. That's a difference of \$4,509,013. or \$56.87 (PAPM). Just think, you are saving \$56.87 a month.

How are we doing that? In one word: Revenue.

Here are the five main contributors:

- Health Care Lease - \$660.00 annually

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- Onsite Sales Lease - \$478,500 annually (\$6.03 PAPM by buying or selling through Onsite Sales).
- LW Weekly advertising - \$1,130,504 annually
- Recovered SRO fees from the Mutuals - \$1,496,391
- Other - \$743,618

So, in the coming months you will find the various committees investigating ways to increase revenue for this year and the 2020 Budget. And, as we saw above, increased revenue will keep our assessments from increasing or keep them at least to a minimum increase.

Please, do not be alarmed or listen to rumors. This exploration will take place in full view at all committee meetings, which are open to all shareholders.

All committee recommendations or policy changes will be brought to the Board for final approval. There will be plenty of opportunities to voice your comments – concerns and hopefully suggestions for solutions!

Secondly, in November of last year, a group of GRF Directors and key staff visited Laguna Woods Village for the day. We wanted to see the similarities and differences between the two communities. We couldn't completely compare because in some ways it is apples to oranges. For instance, they are over 3 square miles and we are 1 square mile. We have approximately 10,000 residents and they have nearly 20,000. But there are a lot of similarities because their basic structure was modeled after us. They have more pools, more and bigger golf courses, added amenities such as horseback riding, archery and a bar and restaurant.

We wanted to see if they had possible solutions to some of our problems such as access control (they have 12 gates vs our 3), what they are doing about impacted trust streets, clubhouses, etc. I think it is always a good idea to see what our sister communities are doing. Let's not reinvent the wheel! We discovered many new ideas and possible solutions...a field trip well worth the time spent.

And lastly, one of the most attractive reasons people choose to live in Leisure World Seal Beach is for the wealth of amenities that are offered for Shareholder/Members to enjoy with their friends and families.

In addition to reserving clubhouse space and picnic areas for family get togethers, certain activities can be shared with residents' guests.

Trust facilities are provided for the use of GRF Members in good standing and their guests who are at least eighteen (18) years old. Members **must be present at all times** when guests are using the facilities. You are personally responsible for the guests that you issue passes to.

There have been many reports of guest pass abuse. I've even heard that guest passes are being sold for \$100 each. Non-members get or buy a pass that allows them the full use of our amenities 365 days a year. Amenities that you paid for and continue to pay for in maintenance, repair and replacement.

In the coming months you will see spot checks made by a staff member from the Recreation

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Department and/or the Security Department. They will politely ask for your GRF ID and also ask your guest to show their pass. This is being done to ensure that our facilities and amenities are being used first and foremost by shareholders. Let's keep our community a great place to live for those of us who pay the bills. You'll have to admit that we have a pretty good thing going...let's keep it that way!

And now on to the business at hand.

ANNOUNCEMENTS

The GRF Board of Directors met in Executive Session on December 20, 2018 and January 4, 2019, to discuss legal and contractual matters.

SERVICE ANNIVERSARIES

Service awards were deferred until the February 2019 meeting.

SEAL BEACH COUNCIL MEMBER'S REPORT

Seal Beach Council Member Sandra Massa Lavitt was unable to attend the meeting.

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. **NOTE:** Foundation members are permitted to make comments before the business of the Board begins. Requests must be registered in advance of the meeting. The Open Meeting Act allows boards of directors to establish reasonable time limits for the open forum and for speakers to address the board. ([Civ. Code §4925\(b\).](#)) Time limits, per speaker, are limited to:

- 4 minute limit per speaker, when there are no more than 15 speakers
- 3 minute limit per speaker, 16 - 25 speakers
- 2 minute limit per speaker, over 26 speakers

Four members offered comments.

CONSENT CALENDAR – APPROVAL OF BOARD COMMITTEE MEETING MINUTES

In accordance with Civil Code 4090, the Foundation will make available a summary of the meetings where a quorum of the Board was present. A quorum of the Board was present at the following Committee meetings:

- Minutes of the Facilities and Amenities Review Ad hoc Committee Board Meeting of November 30, 2018
- Minutes of the Recreation Committee Board Meeting of December 3, 2018
- Minutes of the Physical Property Committee Board Meeting of December 5, 2018

APPROVAL OF BOARD MEETING MINUTES

The minutes of the December 18, 2018 meeting were approved, as presented.

REPORTS

The Chair of the Facilities and Amenities Review (FAR) Ad hoc Committee presented a report on the progress of the Ad hoc Committee.

The Chair of the Management Services Review Ad hoc Committee was not available to present a report on the progress of the Ad hoc Committee.

The Strategic Planning Ad hoc Committee presented a report on the progress of the Ad hoc Committee.

The Health Care Center Advisory Board presented a report on the progress of the Advisory Board.

NEW BUSINESS

General

Appointment Strategic Planning Ad hoc Committee Chair

In accordance with Article VIII of the Bylaws, Committee chairs and members shall be appointed by the GRF President, "as deem[ed] necessary for the administration of the affairs of the Corporation, and to carry out the purposes of the Corporation, subject to the approval of the Board of Directors."

Ms. Stone MOVED, seconded by Ms. Hopewell and carried unanimously by the Board members present-

TO appoint Strategic Planning Ad hoc Committee Vice Chair, Ronde Winkler, as Chair of the Committee.

Rescind Policy 3330-70, Health Care Center Maintenance

With the approval of a lease with OptumCare, at the July 24, 2018 GRF Board of Directors meeting, Policy 3330-70, Health Care Center Maintenance is no longer applicable.

Mr. Moore MOVED, seconded by Ms. Snowden and carried unanimously by the Board members present-

TO rescind Policy 3330-70, Health Care Center Maintenance.

Reserve Funding Request – Replacement of Heat Pumps, Clubhouses One and Two

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Funding, in the amount of \$25,000 has been allocated in the Reserve Study for all HVAC systems in 2019; as of this date, no funds have been used. The heat pumps (unit #6, in Clubhouse One, and unit #8, in Clubhouse Two) have failed and are beyond their useful life.

The Physical Property Department obtained quotes from two contractors for the replacement of these Reserve Components. The costs are as follows:

Alpine Heating and Air	\$12,600
Greenwood Heating and Air	\$12,900

Mrs. Perrotti MOVED, seconded by Mr. Dodero carried unanimously by the Board members present-

TO award a contract to Alpine Heating and Air, for a cost not to exceed \$12,600, to replace the heat pumps in Clubhouses One and Two, units #6 and #8, respectively, Reserve funding, and authorize the President to sign the contract.

Finance Committee

Accept December Financial Statements

At the regularly scheduled meeting of the Finance Committee on January 17, 2019, the Committee duly moved to recommend to the Golden Rain Foundation Board of Directors acceptance of the December 2018 financial statements for audit.

Ms. Winkler MOVED, seconded by Mr. Lukoff and carried unanimously by the Board members present-

TO accept the December 2018 financial statements for audit.

The motion was carried with one no vote (R. Stone).

Approve Liquid Reserve Funds Transfer Request

At the regularly scheduled meeting of the Finance Committee on January 17, 2019, the members discussed the liquid funds held in various financial institutions and noted the balances in some of the financial institutions exceed the FDIC insurance limit and therefore are not in compliance with Policy 5520-31 – Reserves.

The Committee passed a motion to recommend the GRF Board authorize the transfer of \$500,000 of reserve funds from First Foundation Bank to US Bank, following the maturity of a \$500,000 CDAR on January 31, 2019, for the purposes of maximizing insured funds and to invest in higher yielding CDs with US Bancorp.

Mr. Lukoff MOVED, seconded by Ms. Fekjar and carried unanimously by the Board members

present-

TO approve a transfer of \$500,000 of reserve funds from First Foundation Bank to US Bank, following the maturity of a \$500,000 CDAR on January 31, 2019, for the purposes of maximizing insured funds and to invest in higher yielding CDs with US Bancorp.

Investment Ladder - CD Purchase Request

At the regularly scheduled meeting of the Finance Committee on January 17, 2019, the members discussed terms and interest rates on CDs offered through US Bancorp. Additionally, the Committee discussed the current investment ladder and reserve funds available for investing to fill in the gaps in the investment ladder.

Following this discussion, the Committee passed a motion to recommend the GRF Board authorize the purchase of brokered CDs, totaling \$1,000,000 of reserve funds, all with a 12-month term, at the prevailing interest rates at the time of purchase.

Mr. Lukoff, MOVED, seconded by Ms. Hopewell-

TO approve the purchase of brokered CDs, totaling \$1,000,000 of reserve funds, all with a 12-month term, at the prevailing interest rates at the time of purchase.

One Director and the Director of Finance spoke on the motion.

The motion was carried unanimously by the Board members present.

Additional Fidelity Bond Coverage

At the Finance Committee meeting of January 17, 2019, the Committee reviewed the Fidelity Bond requirements of Assembly Bill 2912, noting detailed discussions were held with DLD and Chubb in reference to the requirements to be compliant with the AB2912. Upon completion of all negotiations, a quotation was secured increasing the existing coverage of \$1.5 million to \$10 million to comply with AB2912 for an additional premium of \$11,435 (expense to be proportionally divided between GRF and all Mutuals).

Ms. Hopewell MOVED, seconded by Ms. Gerber-

TO approve the additional Fidelity Bond coverage per the spreadsheet included in the agenda packet and authorize the

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President to sign the documents to secure the revisions to the Master

Insurance Policy, Fidelity Bond, Form 14-02-17277.

Two Directors and the Executive Director spoke on the motion.

The motion was carried with one no vote (R. Stone).

Authorization of Fund Transfers

At the January 17, 2019, meeting of the Finance Committee, the Committee reviewed the attached resolution as drafted by GRF Corporate Counsel for compliance to AB2912 and duly moved and approved to recommend to the GRF Board acceptance of the resolution as drafted.

Mr. Friedman MOVED, seconded by Ms. Fekjar and carried unanimously by the Board members present-

TO approve the Resolution to Authorize Fund Transfers, as drafted.

FINAL VOTE: Amend Policy 3324-31, Purchasing Fees

At its meeting on October 15, 2018, the Finance Committee recommended the Golden Rain Foundation (GRF) Board of Directors (BOD) amend Policy 3324-31, Purchasing Fees. The Committee further amended the policy at its November 19, 2018 meeting.

At its meeting of November 27, 2018, the Board of Directors voted to tentatively amend this policy, pending a 30-day notice period to Foundation members. The policy draft was published in the November 29th edition on the *Golden Rain News*. Members were welcomed to submit their comments or questions to the Board Office on this matter. Printed copies were also available to shareholders/members in the News Office, the Library and the Reception desk, second floor of the Administration building. This process is recommended in accordance of the Davis-Stirling Act, Civil Code **§4360**.

No correspondence was received, regarding amendment of Policy 3324-31, Purchasing Fees, during the 30-day notification to the membership period.

Ms. Winkler MOVED, seconded by Mr. Friedman and carried unanimously by the Board members present-

TO amend Policy 3324-31, Purchasing Fees, to increase the transaction fee for all materials purchased through the Purchasing department and the Copy & Supply Center from 2% to 5% and to replace “shipping and handling” with “processing” fee.

Information Technology Committee

Capital Funding Request – Technology Updates, Administration Conference Room

At its regularly scheduled meeting on January 17, 2019, the Information Technology Committee (ITC) duly moved and approved to recommend to the GRF Board of Directors technology updates to the Administration Conference Room.

Updates:

- Projectors will be removed and three (3) 75” monitors will be installed
- Webcam will be installed to enable video conferencing
- iPad + Apple Pencil will be purchased to use as a tablet
- Cabling in all cubbies and equipment cabinet will be cleaned up

The costs for all technology updates will not exceed \$15,000, Capital funding.

Ms. Snowden MOVED, seconded by Mr. Gould -

TO recommend the GRF Board approve the purchase of all Administration Conference Room equipment updates, for a cost to not exceed \$15,000, Capital Funding, and authorize the Executive Director to initiate the purchases and equipment installation.

Three Directors spoke on the motion.

The motion was carried unanimously by the Board members present.

Mutual Administration Committee

TENTATIVE VOTE: Amend Policy 1201-33, GRF Identification Cards

At its meeting on October 8, 2018, the Mutual Administration Committee recommended the Golden Rain Foundation (GRF) Board of Directors (BOD) amend Policy 1201-33, Photo Identification Cards.

At its meeting of October 23, 2018, the Board of Directors voted to tentatively amend this policy, pending a 30-day notice period to Foundation members. The policy draft was published in the November 2nd edition on the *Golden Rain News*. Members were welcomed to submit their comments or questions to the Board Office on this matter. Printed copies were also available to shareholders/members in the News Office, the Library and the Reception desk, second floor of the Administration building. This process is recommended in accordance of the Davis-Stirling Act, Civil Code **§4360**.

At the December 18, 2018 GRF Board of Directors meeting, the Board moved to refer Policy 1201-33, GRF Identification Cards back to the Mutual Administration Committee, for further review.

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At its meeting on January 14, 2019, the Mutual Administration Committee further amended the policy and recommended the Golden Rain Foundation (GRF) Board of Directors (BOD) amend Policy 1201-33, Photo Identification Cards.

Ms. Snowden MOVED, seconded by Mr. Dodero -

TO amend Policy 1201-33, Photo Identification Cards, changing the title of the policy to “GRF Identification Cards”, removing the reference to Policy 1801-33, increasing the fee for second and subsequent losses of ID cards to \$50, amending the term “renter” to “renter/tenant”, and stating that the non-surrender fee “may” be waived, rather than “will” be waived in the case of a deceased member, and changing “loss(es)” to “replacement(s)” pending a 30-day notification to the membership and a final decision on March 26, 2019.

Four Directors spoke on the motion.

The motion was carried with three no votes (Fekjar, Hopewell, Perrotti).

Physical Property Committee

Contractors of Record

To streamline the bidding process, it has been suggested to approve contractors of record for a one-year term. The following contractors have won bids with their low bids in the past and have agreed to honor the same cost as previously bid. Attached are costs provided by the following contractors: M.J. Jurado, Schlick Services, Greenwood Heating and Air, Advanced Painting, and Kress Construction.

At its January meeting, the Physical Property Committee agreed to forward a request to the GRF Board to approve contractors of record for M.J. Jurado, Schlick Services, Greenwood Heating and Air, Advanced Painting, and Kress Construction.

Following a brief discussion, Mr. Lukoff MOTIONED, seconded by Ms. Fekjar and carried unanimously-

TO recommend the GRF Board approve contractors of record as indicated above for a one-year term.

Ms. Fekjar MOVED, seconded by Mr. Lukoff-

TO approve contractors of record for M.J. Jurado, Schlick Services, Greenwood Heating and Air, Advanced Painting and Kress Construction, for a one-year term.

Seven Directors and the Executive Director spoke on the motion.

Mr. Friedman MOVED, seconded by Ms. Fekjar -

TO amend the motion to approve contractors of record for contracts that do not exceed \$10,000.

Mr. Lukoff MOVED, seconded by Ms. Winkler –

TO override the prior motion, amending the amendment to approve contractors of record for contracts that do not exceed \$50,000.

Five Directors and the Executive Director spoke on the amendment.

The amendment to the amendment failed with nine no votes (Dodero, Fekjar, Findlay, Friedman, Gould, Hopewell, Snowden, L. Stone, R. Stone).

The original amendment (... for contracts that do not exceed \$10K) was carried with one no vote (R. Stone).

The amended main motion was carried with one no vote (R. Stone).

Capital and Reserve Funding Request – Restrooms, Lockers and Breakrooms, Service Maintenance

The Service Maintenance Committee requested the Architectural Review Design Committee make selections for color and type from a scope of work provided to them for the improvements to the Service Maintenance Break room, Locker room, and Restroom in the Service Maintenance Building. The list of items, selected by the ADRC, is attached as exhibit (A) and was used to obtain costing for this project as follows:

Stall partitions/Lockers Deep Blue and all hardware	
JC Kress Construction	\$46,993
Los Al Builders	\$40,750
Flooring Locker/Restroom/breakroom	
Cornerstone Flooring	\$ 7,400
Kary's Carpet	\$ 8,410
Service Maintenance (in house hours 486)	
Refinish and paint walls Blue Lace #1625	
Replace ceiling tiles - white	
Replae Tables and chairs per sample provided on request list	
Install Kitchenette per sample provided on request list	
Install two Sinks London Grey	
Hand dryers Grey	
Total	\$18,305
Talmar	
Work stations provided by Talmar (ADRC standard)	\$ 1,217
A/C Heater	
Alpine Heating and Air	\$3,950
Greenwood Heating and Air	\$4,200

At its January 2, 2019 meeting, the Physical Property Committee recommended the GRF Board award contracts and work orders, pending Finance Committee review, to the following:

- Los Al Builders for the partition's, lockers, and window replacement.
- Cornerstone Flooring to replace flooring in the break and locker rooms
- Service Maintenance to Refinish and paint walls Blue Lace #1625, Replace ceiling tiles – white, Replace Tables and chairs, Install Kitchenette, install two Sinks and install, two Hand dryers Grey
- Talmar install two work stations
- Greenwood Heating and Air to install heat pump

It was suggested to break down the cost of this project into two parts: Break room and Restroom/Locker room:

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DESCRIPTION	BREAK ROOM	RESTROOM LOCKER ROOM
Demo/Paint	\$ 500.00	\$ 1,500.00
Flooring	\$ 3,590.45	\$ 3,810.50
Tables/Chairs	\$ 2,180.00	
Kitchenette	\$ 1,850.00	
Plumbing		\$ 7,850.00
Hand Dryers		\$ 4,425.00
Work Station	\$ 1,217.58	
Lockers/Partitions/Windows etc.		\$ 40,750.00
Heat Pump	\$ 3,950.00	
	\$ 13,288.03	\$ 58,335.50
	Subtotal	71,623.53
	Contingency	<u>2,000.00</u>
		\$ 73,623.53

At its regular meeting in January 17, 2019 the Finance Committee reviewed available funding for this Capital project, and unanimously resolved Capital funding is available.

Mrs. Perrotti MOVED, seconded by Mr. Friedman-

TO award a contract/work order to Los Al Builders, for the partition's, lockers, and window replacement, Cornerstone Flooring, to replace flooring in the break and locker rooms, Service Maintenance, to Refinish and paint walls Blue Lace #1625, replace ceiling tiles – white, replace tables and chairs, install kitchenette, install two sinks and install two hand dryers, Talmar, to install two work stations, and Alpine Heating and Air, to install heat pump , for a cost not to exceed a total of \$73,623.53, including \$2,000 contingency, Capital funding, and authorize the President to sign the contracts.

Nine Directors, the Executive Director and the Physical Property Director spoke on the motion.

The motion was carried with one no vote (L. Stone).

CONTROLLER'S REPORT

The Finance Director provided a financial report earlier in the meeting.

EXECUTIVE DIRECTOR'S REPORT

The Executive Director provided a written report for the Board and spoke on safety pertaining to coyotes.

BOARD MEMBER COMMENTS

Fifteen Board members spoke on the meeting proceedings.

ADJOURNMENT

The meeting was adjourned was at 7:53 p.m.

Suzanne Fekjar
GRF Corporate Secretary
dfb

DRAFT