



**BOARD OF DIRECTORS MEMBERS MEETING MINUTES- GOLDEN RAIN FOUNDATION  
November 24, 2015**

Call to Order

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

Pledge of Allegiance

We were honored today to have Juanita Townsend, of the American Legion Auxiliary and Jim Hoover, of the American Legion, Post 327, to lead us in the Pledge of Allegiance.

Roll Call

The Corporate Secretary reported that Board members Perrotti, R. Stone, Pratt, Snowden, Hood, Wood, Rapp, L. Stone, Damoci, Winkler, Reed, McGuigan, Doderio, Greer, Lukoff, Friedman, Bolton (arrived 10:01 a.m.) and Moore were present. Executive Director Ankeny and Controller Miller were also present. Eighteen Board members were present, ten constituted a majority.

Announcements/Service Award Presentation

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

Two service awards were acknowledged this month:

The GRF President recognized the following service anniversaries:

Anita Smith	Security Department	5 years of service
Marianne Klinger	Security Department	5 years of service

President's Comments

There are always many rumors making their way around our small city and it would be so helpful if our Mutual 10 residents took the time to ask about them.

Rumor: we do not have flood insurance. Yes, we do have flood insurance to the tune of ten

million dollars. In fact, we actually increased our coverage this year. This rumor grew out of an error on our annual financial statements regarding our insurance coverage. However, we do not have earthquake coverage. This coverage is very expensive and would increase all our assessments considerably.

Recently, a friend came to me and requested information on a rumor and I was happy to share what was happening in actuality. Rumor: The Golden Rain Foundation (GRF) was going to require all exercise instructors to pay fees and limit the number of days they can teach. Not true! FAR (the Facilities and Amenities Ad Hoc Committee), along with the Recreation Committee, is reviewing the use of our club houses, how they are used, who lockers are assigned to and how our club house space is used by our 268 clubs. The issues are complicated; however, we have a system in place which encourages residents to form a new club so an instructor can teach more days than our policies allow. So, now we have twice as many clubs to keep track of and fewer times available for individual use such as a memorial for a loved one. We also have no real information on the instructors and to protect our liability we do need to know who is using our facilities. We are a long way away from making any changes and your input to the Recreation Committee or FAR Ad Hoc Committee would be appreciated.

Rumor: The Westminster Wall collapsed and people are coming over the broken wall to enter our community. Approximately seventy feet of the Westminster Wall collapsed as the top three-four feet keeled over in the wind. Temporary fencing has been installed and we will be getting a survey of the damage and what the alternatives are regarding replacing the wall. Several months ago, the BOD did vote to replace the wall and to move out towards Westminster Boulevard as far as allowable. We will keep everyone posted as to what we will be doing; please note, your Physical Property Committee is aware this is a top priority and will push this project along.

Just a note, a few shareholders are writing letters to the other local newspaper, the "Sun", of their displeasure with the management decisions made by your BOD as they feel they cannot get their letters published in our own Golden Rain News. We will print negative letters of concern from our residents. However, they must produce documentation that their facts are correct and the source of that information, they cannot mention names of employees or other residents and they cannot exceed 250 words. The Sun Newspaper does not check facts and/or the accuracy of those letters so please contact your GRF Director to clarify any information contained therein. We also send all letters which are specific to a certain Standing Committee to be read and reviewed at that Committee's meeting.

Yesterday, we welcomed Linda Walton and Don Collins from the Orange County Council on Aging HICAP program with a tour of their new office in building 5. HICAP does Medicare counseling and advocacy along with Benefit Enrollments such as food stamps and utility assistance. They will be bringing information of all their nine programs. Recently, we distributed their ANSWER resource guide to all our residents. We will be sharing this resource information also through the Golden Rain News.

I will be leaving right after this meeting, or possibly earlier, if we do not complete our business in time to fly to Oregon where I will be welcoming another great-grand child. This will be my seventh and I am very excited. I wish you all a happy Thanksgiving.

## Shareholder/Member Comments

Eleven shareholder/members spoke on various topics concerning the operations of the community.

**NOTE:** Foundation members are permitted to make comments before the business of the Board begins. Requests must be registered in advance of the meeting and comments are limited to four minutes.

## **CONSENT CALENDAR – APPROVAL OF BOARD 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 six Committee meetings in October. The Committee minutes for these meetings were approved earlier this month by their respective Committees:

- Minutes of the Facilities and Amenities Review Committee Board Meeting of October 5, 2015
- Minutes of the Physical Property Committee Board Meeting of October 7, 2015
- Minutes of the Executive Committee Board Meeting of October 9, 2015
- Minutes of the Recreation Committee Board Meeting of October 12, 2015
- Minutes of the Mutual Administration Committee Board Meeting of October 13, 2015
- Minutes of the Security, Bus & Traffic Committee Board Meeting of October 14, 2015

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 October 27, 2015, November 4, 2015 and November 5, 2015 Golden Rain Foundation Board meetings were approved, by general consent of the Board.

## **NEW BUSINESS**

### **Finance Committee**

#### Approve October 2015 Financials

Ms. Stone MOVED, seconded by Ms. Rapp and was carried unanimously by the Board members present.

**TO** accept the October 2015 Financial Statement for audit.

## Distribution of Surplus 2015 Operational Funds

Per the October 2015 Financial Statements and anticipated expenses in the months of November and December 2015, there is a clear indication that the 2015 operational budget will close with a surplus. Policy 5528-31, Refund of Excess Income, which provides the guidelines to follow for the distribution of surplus operational funds at the close of the year, was attached to the Board agenda.

At the regular Finance Committee meeting on November 17, 2015, the Committee passed a motion to recommend to the Board of Directors the distribution of the 2015 surplus operational funds, upon completion of the 2015 Financial Statement audit, in the following manner:

1. Retain funds to be transferred to the contingency operating fund, in an amount necessary to bring the fund balance to equal to five (5) percent of the average of the operating costs for the previous five year period. Operating costs for 2015 will be determined upon finalizing the 2015 Finance Statement audit.
2. Retain all remaining excess funds to be transferred to the Reserve fund account.

Ms. Stone MOVED, seconded by Mr. Hood and carried unanimously by the Board Members present-

**TO** distribute the 2015 surplus operational funds, upon the completion of the 2015 Finance Statement audit, as follows:

1. Retain funds to be transferred to the contingency operating fund, in an amount necessary to bring the fund balance to equal to five (5) percent of the average of the operating costs for the previous five year period. Operating costs for 2015 will be determined upon finalizing the 2015 Finance Statement audit.
2. Retain all remaining excess funds to be transferred to the Reserve fund account.

## Rescinding of Procedures

At the regular Finance Committee meeting on November 17, 2015, the Finance Committee reviewed the following procedures contained within the Policies of the Golden Rain Foundation of Seal Beach:

- 3320.1-31, Receiving
- 3321.1-31, Basic Purchasing Procedures & Responsibilities
- 3321.2-31, General Purchasing Procedure
- 3321.3-31, Requisitioning, Purchasing and Receiving Procedures
- 3321.4-31, Purchase Requisitions

The Finance Committee noted during deliberations that policies are intended to provide a set of guiding principles to support decision making; these items are procedures, which are a set of instructions and/or action directions. The Committee unanimously approved the rescission of

these procedures from the policies; each department will, in the future, maintain a procedure manual.

Mr. Stone MOVED, seconded by Ms. Snowden and carried unanimously by the Board Members present-

**TO** rescind:

- 3320.1-31, Receiving
- 3321.1-31, Basic Purchasing Procedures & Responsibilities
- 3321.2-31, General Purchasing Procedure
- 3321.3-31, Requisitioning, Purchasing and Receiving Procedures
- 3321.4-31, Purchase Requisitions

## **Mutual Administration Committee**

### Amend Policy 1110-33, New Resident Information

Policy 1110-33, New Resident Information, sets forth the procedure to provide each new member of the Golden Rain Foundation with new resident information.

At the regular Mutual Administration Committee meeting on November 10, 2015, the Committee unanimously suggested Policy 1110-33, New Resident Information, be updated from August 2000, by incorporating the procedures into the Welcome Book, which is reviewed annually in January. The proposed amendment was attached to the Board of Directors agenda packet.

Ms. Rapp MOVED, seconded by Mrs. Reed and carried unanimously by the Board Members present-

**TO** approve the amendment of Policy 1110-33, New Resident Information, as attached in Exhibit A.

## **Physical Property Committee**

### Outdoor Furniture Purchase

At the November 4, 2015 regular scheduled meeting of the Physical Properties Committee, the Committee reviewed the request from the Architectural Design Review Committee (ADRC), to purchase new outdoor furniture at the Administration Building/Health Care Building (Centennial Brick area), Clubhouse 3/Library patio and Clubhouse 6 patio.

Upon review and discussion, the Committee unanimously agreed to recommend to the Board the purchase of outdoor furniture as selected by the ADRC, in an amount not to exceed \$35,000 (detailed breakdown of product, product description, quantity, prices and total provided to the Board of Directors).

At the regular scheduled meeting of the Finance Committee, the Committee reviewed the availability of Capital funds, noting that funding is available within the Capital fund and approved to recommend to the Board the allocation of \$35,000, from the Capital fund, for the purchase of

the items.

Mr. Lukoff MOVED, seconded by Ms. Rapp -

**TO** approve the purchase of outdoor patio furniture from Leisure Creations, per Exhibit A, in an amount not to exceed \$35,000, funding from the Capital fund, and authorize the Executive Director to initiate the purchase.

One Board member spoke on the motion.

The motion carried with one no vote (Snowden), one abstention (Perrotti), and 15 yes votes.

#### Emergency Action, Storm Drain Cleaning

Due to the possibility of rain fall exceeding that of previous “El Nino” associated events, additional storm drain cleaning and preventive maintenance is prudent. To expedite the process of cleaning, inspection and GIS mapping, the catch and debris basins to the point the effluent enters the channels, the Finance Committee, on November 16, 2015, unanimously approved non-budgeted funding, in an amount not to exceed \$50,000, from Cost Center 79. Note: per the October 2015 Financial Statements, the Foundation is in sound financial health with an expectation of being at or below the established operational budgets for November and December, 2015.

Due to time constraints to expedite this action, the Chair of the Physical Properties Committee conducted a poll of the Physical Properties Committee members to move this matter to the Board without committee review. All Committee members independently responded with their consent for action at the November 24, 2015 meeting of the Board of Directors.

Currently, a three (3) year contractual agreement is in place with Empire Pipe Cleaning and Equipment, Inc. (attached in the Board of Directors’ agenda packets) for sewer line cleaning. Empire provided an addendum to the agreement (also attached in the Board of Directors’ agenda packets).

Mr. McGuigan MOVED, seconded by Ms. Snowden -

**TO** approve the contract addendum with Empire Pipe Cleaning and Equipment, Inc., dated November 13, 2015, in the amount of \$41,350, and authorize the President to sign the addendum. Further, to approve contingency funding in the amount of \$8,650 for expenses related to the related “Roll Off” for debris disposal and other amounts required to accomplish the cleaning of the storm drains. The Chair of the Physical Properties Committee is to approve all expenses from the contingency fund.

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

The motion was carried unanimously by the Board members present.

**CONTROLLER’S REPORT**

The Controller’s report was presented. The Controller clarified, for the audience’s benefit, that the \$.66 per unit for the storm drain cleaning in 2015 will be funding from the 2015 budget surplus; there will be no additional cost to shareholder/members for this project.

**EXECUTIVE DIRECTOR’S REPORT**

The Executive Director spoke on holiday package delivery, the Globe and other projects, and community fires.

**BOARD MEMBER COMMENTS**

Sixteen shareholder/members spoke on topics related to today’s Board of Directors meeting.

**PRESIDENT**

The GRF President encouraged the audience to attend the meetings of the Seal Beach City Council.

**ADJOURNMENT**

The meeting was adjourned at 11:39 a.m.

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Joy Reed, Corporate Secretary  
GRF Board of Directors  
dfb 11/24/15