



SPECIAL FINANCE BOARD COMMITTEE MINUTES
November 5, 2015

The special meeting of the Finance Committee and the Golden Rain Foundation (GRF) Board of Directors (BOD), held on Thursday, November 5, 2015, was called to order by Chair Stone at 1:03 p.m., in Clubhouse Four, Section B, followed by the Pledge of Allegiance.

ROLL CALL

Present:	Ms. L. Stone, Chair	Ms. P. Snowden
	Mrs. C. Damoci	Mr. R. Stone
	Mrs. M. Dodero	Ms. R. Winkler, Ex Officio
	Mr. P. Hood	

Absent: Mr. P. Friedman

Staff:

- Mr. R. Ankeny, Executive Director
- Ms. C. Miller, Controller
- Mrs. C. Weller, Mutual Administration Director
- Ms. J. Hopkins, Mutual Administration Assistant Manager
- Mrs. M. McAuley, Recording Secretary
- Mrs. L. Perrotti, GRF Representative, Mutual One
- Mr. P. Pratt, GRF Representative, Mutual Two
- Mrs. J. Reed, GRF Representative, Mutual Four
- Mrs. Wood, GRF Representative, Mutual Six
- Mr. B. Lukoff, GRF Representative, Mutual Fourteen
- Mr. P. Moore, GRF Representative Mutual Seventeen

24 Foundation Members

Guests:

- Ms. Sandi Sikora, DLD Insurance Brokers, Inc., Director, Real Estate Division
- Jill Clark, DLD Insurance Brokers, Inc., Account Executive, Executive Liability & Financial Products
- Maria Sanducci, DLD Insurance Brokers Inc., Account Manager

INTRODUCTION OF STAFF AND GUESTS

The Chair introduced and welcomed Foundation members, guests and Staff.

By unanimous consent, the Chair declared the reading of the quorum notification be dispensed with.

In accordance with California Civil Code Section 4090, please be advised that a quorum of the GRF Board of Directors is present at today's posted meeting. The business of the Finance Committee will be conducted in accordance with the agenda. As a quorum of the Board is present, this meeting will be conducted as a committee meeting *and* a Board meeting. The agenda actions of the committee will be limited only to the members of the committee and will only constitute such actions in accordance with stated committee policy and/or provide recommendations to the GRF Board of Directors at its regular Board meeting on the 4th Tuesday of the month. GRF Board members who are not committee members will be allowed to comment when recognized by the Chair and only during the proscribed Foundation member comment period, not to exceed four minutes, as set forth in Policy 5610, Participation by Foundation Members. The minutes of today's Board meeting will be presented to the Board for approval following the approval of the committee meeting minutes in December.

COMMITTEE RULES

The Chair reviewed the meeting rules and asked that courtesy and respectfulness be acknowledged at all times. Please remember to turn off your cell phones.

CHAIR'S ANNOUNCEMENTS

It was the consensus of the Finance Committee members present to add to the agenda, under New Business, item C, Excess Flood Insurance.

NEW BUSINESS

Approve 2015-2016 Golden Rain Foundation and Mutual Insurance Renewal Policies

In an effort to obtain the most competitive quotes possible and still retain the necessary terms and coverage, DLD approached over 75 carriers for the Directors & Officers (D&O), Errors & Omissions (E&O), Forefront Portfolio and Property/Casualty placements to ascertain their interest in quoting the various coverages.

As regards to the Property, General Liability, Automobile, and Boiler/Machinery policies, many insurance providers are, as in past years, no longer willing to take on the exposure, having considered the losses incurred, not just within GRF and the Mutuals, but in other like senior living communities. The incumbent carrier (Philadelphia) provided the only viable quote received. No other carrier's terms and conditions came close enough to the terms, conditions and premiums, shown on Exhibit A – Insurance Proposal Binder, for the policy period.

For California exposures, many carriers are no longer writing the type of coverages that the Foundation and the Mutuals need to cover their liabilities. The loyalty and commitment from several returning carriers are evident in their quotations in that increases are kept to a minimum in spite of loss history and losses incurred during the December 1, 2014 to November 30, 2015 policy period.

Ms. Stone MOVED, seconded by Mr. Hood and carried unanimously –

TO recommended the Board approve the contract for the placement of property, boiler and machinery, flood (excluding earthquake), general liability and automobile liability insurance with Philadelphia and the placement of umbrella liability, ForeFront Portfolio (crime, fiduciary, kidnap, ransom, extortion and workplace violence), E&O, D&O/Employee Practices Liability, and Cyber Liability Coverage with the recommended carriers through DLD Insurance Brokers, Inc. for the period December 1, 2015 to November 30, 2016, for a premium of \$2,080,320. In addition, we are in the second year of a three-year term Pollution Policy, which expires in 2017, at \$99,255 or \$33,085 per year. Combining the new insurance proposal of \$2,080,320 with the current Pollution policy of \$33,085 results in an overall premium totaling \$2,113,405.

Combined funds (Foundation and Mutuals'), in the amount of \$2,177,194.00 were included in the respective 2016 Operational Budgets, based upon estimates and assumptions made during the budgeting period.

Excess Flood Insurance

In review of the Master Policy, it was noted the Master Policy provides for the perils of flood, insurance coverage of \$5,000,000 per occurrence.

With the widely published information on "El Nino", weather experts are forecasting the strong possibility for rains well above seasonal norms. It was the recommendation of DLD Insurance Brokers that due to the possibility of rain fall exceeding that of previous "El Nino" associated events, additional flood coverage would be prudent for the Golden Rain Foundation and Mutual Corporations to consider an option to purchase additional Flood coverage.

Mr. Stone MOVED, seconded by Ms. Snowden and carried unanimously –

TO recommend to the Board, the purchase of additional Flood coverage, in the amount of \$22,140, for \$5,000,000 of per occurrence provided by Philadelphia, for the policy period of December 1, 2015 to November 30, 2016, per the insurance proposal dated November 5, 2015, as prepared and submitted by DLD Insurance Brokers.

Investment Ladder

Mrs. Damoci MOVED, seconded by Mr. Hood and carried unanimously –

TO purchase a one-year CDAR in November, December and January using the proceeds of maturing CDARs (designated to reserve funds) in these months plus an additional \$250,000 for each purchase using the funds held in the US Bank Money Market

Reserve account, and to purchase a one-year CDARs in November and December for \$125,000 each, using the proceeds from the maturing bonds (designated to the contingency operating fund) in said months.

PRESIDENT'S COMMENTS

The President thanked the Chair for a productive and informative meeting. She thanked DLD Insurance representatives for attending and answering shareholder/member questions.

FOUNDATION MEMBER COMMENTS

Ten Foundation members spoke on one item pertaining to the Committee's area of purview and for allowing them to ask questions and be more informed on what coverage is provided and not provided.

COMMITTEE MEMBER COMMENTS

Committee Members commented on the meeting was informative, shareholders attendance, DLD Insurance representative attendance and advice, and thanked the Chair for her leadership.

ADJOURNMENT

The next scheduled meeting of the Finance Committee is on Monday, November 17, 2015 at 10:00 a.m. in the Administration Conference Room.

The Chair adjourned the meeting at 2:07 p.m.



Linda Stone, Chair
FINANCE COMMITTEE
mm 11.16.15

**RECAP OF MOTIONS AND ACTIONS TAKEN AT THE SPECIAL FINANCE
COMMITTEE MEETING ON NOVEMBER 5, 2015**

MOTIONS

- By unanimous consent, the Chair declared the reading of the quorum notification be dispensed with;
- It was the consensus of the Finance Committee members present to add to the agenda, under New Business, item C, Excess Flood Insurance;
- **TO** recommended the Board approve the contract for the placement of property, boiler and machinery, flood (excluding earthquake), general liability and automobile liability insurance with Philadelphia and the placement of umbrella liability, ForeFront Portfolio (crime, fiduciary, kidnap, ransom, extortion and workplace violence), E&O, D&O/Employee Practices Liability, and Cyber Liability Coverage with the recommended carriers through DLD Insurance Brokers, Inc. for the period December 1, 2015 to November 30, 2016, for a premium of \$2,080,320. In addition, we are in the second year of a three-year term Pollution Policy, which expires in 2017, at \$99,255 or \$33,085 per year. Combining the new insurance proposal of \$2,080,320 with the current Pollution policy of \$33,085 results in an overall premium totaling \$2,113,405;
- **TO** recommend to the Board, the purchase of additional Flood coverage, in the amount of \$22,140, for \$5,000,000 of per occurrence provided by Philadelphia, for the policy period of December 1, 2015 to November 30, 2016, per the insurance proposal dated November 5, 2015, as prepared and submitted by DLD Insurance Brokers;
- **TO** purchase a one-year CDAR in November, December and January using the proceeds of maturing CDARs (designated to reserve funds) in these months plus an additional \$250,000 for each purchase using the funds held in the US Bank Money Market Reserve account, and to purchase a one-year CDARs in November and December for \$125,000 each, using the proceeds from the maturing bonds (designated to the contingency operating fund) in said months.