



**BOARD OF DIRECTORS MEETING MINUTES
GOLDEN RAIN FOUNDATION
JANUARY 24, 2017**

CALL TO ORDER

President Carole Damoci called the regular monthly meeting of the Board of Directors (BOD) of the Golden Rain Foundation (GRF) to order at 10:00 a.m., on Tuesday, January 24, 2017, in Clubhouse Two.

PLEDGE OF ALLEGIANCE

Elaine Briskey, of the Onsite Sales Office, led the Pledge of Allegiance.

ROLL CALL

Following the roll call, Corporate Secretary reported that Directors Perrotti, R. Stone, Snowden, L. Stone, Reed, Rapp, Hopewell (left at 11:24 a.m.), Hood, Doderio, Greer, Damoci, Lukoff, Tran, Fekjar, and Moore were present. Directors McGuigan, Pratt and Scheuermann were absent.

Fifteen Directors were present, with a quorum of eight.

PRESIDENTS COMMENTS

Over the last weekend, we experienced very heavy rainfall, causing flooding in some areas. The Security Department, under interim Security Chief Tommy Fileto, jumped into action, blocking off the main areas of flooding and calling in more Service Maintenance technicians to handle the large amount of service calls. I would also like to thank Kathy Thayer, from the Recreation Department, for coming in and helping out by answering the calls. I appreciate the teamwork shown by the Security, Service Maintenance, Transportation and Recreation Departments working together to achieve the best service possible during an emergency.

ANNOUNCEMENTS/ SERVICE AWARD PRESENTATIONS

The GRF Board of Directors met in Executive Session on January 6, January 16 and January 23, 2016 to discuss legal and contractual matters.

Please keep an eye on the *Golden Rain News* for the meeting schedule. As a reminder, committee meetings are open to all shareholders.

SERVICE ANNIVERSARIES

Four employees were recognized with service awards.

Holly Paoletto	Security Department	5 years
Erika Greenwood	Security Department	10 years
John Neal	Fleet Department	10 years
David Van Horn	Physical Property Department	25 years

SEAL BEACH MAYOR'S REPORT

The Mayor of Seal Beach provided a recap of the City of Seal Beach City Council 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

Two shareholder/member 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 eleven December 2016 Committee meetings:

- Minutes of the ITS Committee Board Meeting of December 5, 2016
- Minutes of the Strategic Planning Ad Hoc Committee Board Meeting of December 6, 2016
- Minutes of the Security, Bus & Transportation Committee Board Meeting of December 7, 2016
- Minutes of the Executive Committee Board Meeting of December 9, 2016
- Minutes of the Physical Properties Committee Board Meeting of December 12, 2016
- Minutes of the Architectural Design and Review Committee of December 13, 2016
- Minutes of the Mutual Administration Committee Board Meeting of December 13, 2016
- Minutes of the Publications Committee Board Meeting of December 14, 2016
- Minutes of the Recreation Committee Board Meeting of December 14, 2016

- Minutes of the Finance Committee Board Meeting of December 20, 2016
- Minutes of the Special Architectural Design and Review Committee of December 20, 2016

APPROVAL OF BOARD MEETING MINUTES

The minutes of the December 27, 2016 were approved, by general consent of the Board, as distributed.

NEW BUSINESS

Executive Committee

Approve Group Insurance Renewal

At the regularly scheduled meeting of the Executive Committee (EC) on January 13, 2017, the Committee reviewed the employee health care benefit package proposals (Exhibit A) for the policy period of April 1, 2017 to March 31, 2018. The information was provided by GRF's new health care benefits insurance broker, Trapan Dickins & Associates (TDA), and included quotes from other plan providers. The cost to GRF, services provided to our employees, employee plan contributions, plan design, customer service of each provider, and access to care was considered.

In review of the proposal, it was noted TDA was able to negotiate with the incumbent provider, Kaiser, a rate reduction of 5%, as well as rate pass (no increase) for Dental, Life, Long Term Disability, Accidental Death and Dismemberment and Employee Assistance Programs. The total benefit package, as proposed, represents an estimated savings of \$29,788.00 to the approved 2017 budget.

Healthcare Budget/Costs – April 1, 2017 to December 31, 2017

GL Category	2017 Budget	Employer Portion as Recommended	Budget to Costs Savings	
	April to December	April to December	Based on Current Coverage Levels	
6143000 Medical	\$595,764.00	\$565,976.00	\$29,788.00	5.0%
6143300 Dental	\$12,177.00	\$12,177.00	\$0	0
6143500 Vision	\$7,584.00	\$7,584.00	\$0	0
6145000 Life	\$20,772.00	\$20,772.00	\$0	0
Total Amount	\$636,279.00	\$606,509.00	\$29,788.00	4.7%

Upon deliberation, the Committee unanimously approved to recommend to the GRF Board approval of the benefit package, as presented, including:

- Renewal of the pet insurance with VPI Pet. The pet insurance is 100% paid by our employees.
- Reimbursement of up to \$500 Hospitalization copay annually, per qualified employee (note: in 2016, the expense to GRF was \$1,000).

Ms. Stone MOVED, seconded by Ms. Rapp and carried unanimously by the Board Members present –

TO amend approve the employee health benefit packages: Kaiser Medical Low and High Plans, Guardian Dental HMO and PPO Plans, Guardian VSP Vision Plan, Guardian Basic Life and AD&D Insurance Plan, Guardian Long Term Disability Plan, Guardian Employee Assistance Plan, Guardian Voluntary Life Plan, VPI Voluntary Pet Insurance Plan, Reimbursement of up to \$500 hospitalization copay annually, per qualified employee, and authorize the Executive Director and Human Resources Director to take all required actions and the President to sign all applicable documents, required for the health care benefit package renewals.

Approve Employee Flexible Spending Plan

At the regularly scheduled meeting of the Executive Committee (EC) on January 13, 2017, the Committee reviewed a presentation by the Executive Director and Human Resources Director on a proposed addition to the Employee Benefit package: Flexible Spending Plan.

A **Flexible Spending Plan (FSP)**, also known as a **flexible spending arrangement**, is one of a number of tax-advantaged financial accounts that can be set up through a cafeteria plan of an employer in the United States. An FSP allows an employee to voluntarily set aside a portion of earnings to pay for qualified expenses as established in the FSP, most commonly for medical expenses but often for dependent care or other expenses. Money deducted from an employee's pay into an FSP is not subject to payroll taxes, resulting in payroll tax savings for the employee as well as the employer (see Appendix A, less tax and Workers' Compensation savings, included in the agenda packet). It is important to note, one significant disadvantage to the employee using the proposed FSP is funds not used by the end of the plan year are forfeited to the employer, known as the "use it or lose it" rule.

During the Committee's deliberations, it was noted the expense to GRF was estimated (subject to change based on number of users) at \$1,440.00. Staff presented that savings would be incurred to GRF through employer tax and Workers' Compensation savings estimated at \$1,254 annually for an estimated annual expense of \$36.00.

Ms. Hopewell MOVED, seconded by Ms. Snowden—

TO approve the institution of an employee Flexible Spending Plan, allowing qualified GRF staff members to voluntarily set aside a portion of earnings to pay for qualified expenses, as established in the FSP, at an estimated annual expense not to exceed \$1,440.00 and authorize the Executive Director and Human Resources Director to take the required action and authorize the President to sign all applicable documents. Note: Actual FSP expenses will vary and are dependent on the number of users and forfeited funds at the end of the plan year for a possible total expense to GRF of less than \$500.00 to a saving of greater than \$500.00.

Four Directors and the Executive Director spoke on the motion.

The motion was carried unanimously by the Board members present.

Approve Property Lease, Mutual Eight

At the regular meeting of the Executive Committee held on January 13, 2017, the Committee recommended the Golden Rain Foundation Board of Directors approve the use and lease agreement, commencing January 2017 and to expire on December 31, 2019, with the option to review this agreement annually and renew for additional five (5) year periods; either party retains the right to revoke and terminate this agreement at any time (Exhibit A in the agenda packet).

Ms. Fekjar MOVED, seconded by Ms. Stone -

TO approve the use and lease agreement between Seal Beach Mutual Eight and the Golden Rain Foundation, for Trust Property, Lot E, for three years, commencing January 2017 and to expire on December 31, 2019, with the option to review this agreement annually and renew for additional five (5) year periods; either party retains the right to revoke and terminate this agreement at any time.

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

The motion was carried unanimously by the Board members present.
Adopt Policies, GRF Code of Ethics and Conduct

At the regularly scheduled meeting of the Executive Committee (EC), on January 13, 2017, the EC recommended to the Golden Rain Foundation Board of Directors adoption of Policies 5092-30, Board of Directors' Code of Ethics and Conduct, 5092.01-30, Board of Directors' Censure Procedure and Policy 5092.02-30, Motion to Censure.

Mrs. Reed MOVED, seconded by Mr. Hood -

TO recommend the Board adopt Policies 5092-30, Board of Directors' Code of Ethics and Conduct, 5092.01-30, Board of Directors' Censure Procedure, and Policy 5092.02-30, Motion to Censure.

One Board member and the Executive Director spoke on the motion.

Voice roll call vote – Ayes: Damoci, Doderio, Fekjar, Greer, Hopewell, Hood, Lukoff, Moore, Perrotti, Rapp, Reed, Snowden L. Stone, Tran; Nay: R. Stone

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

Finance Committee

Accept December Financials for Audit

At the regular meeting of the Finance Committee on January 17, 2017, the Committee duly moved to recommend to the Golden Rain Foundation Board of Directors acceptance of the December 2016 Financial Statements for audit.

Mr. Hopewell MOVED, seconded by Mrs. Tran and carried unanimously by the Board members present –

TO accept the December 2016 Financial Statements for audit.

Revision to Financial Statements for Audit Format

At its regular meeting held on January 17, 2017, the Finance Committee discussed and consented to changes in the presentation of the audited financial statements format, as proposed by NSBN, LLP and shown in Exhibit A, in the agenda packet. The proposed changes is to bring the statement presentation more in line with those of generally accepted accounting principles (GAAP) and to combine certain lines within the financial statements to simplify the presentation. The line items

proposed to be combined will continue to be detailed within the notes or other supporting schedules that accompany the annual financial statements.

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

TO accept the proposed changes in the presentation of the audited financial statements format as proposed by NSBN, LLP and shown in Exhibit A, in the agenda packet.

Approve Lease, Leisure World Meals

At the January 17, 2017 meeting of the Finance Committee, the Committee reviewed a proposed annual lease agreement for the use of Trust Property for Leisure World Meals.

The Committee approved to recommend to the GRF Board the agreement, as noted, to stipulate clear terms and conditions in the use of Trust property.

Ms. Snowden MOVED, seconded by Mrs. Dodero and carried unanimously by the Board members present-

TO approve an annual lease agreement with Leisure World Meals (Meals), for a one year term, commencing January 1, 2017 and expiring December 31, 2017, at the annual rent of \$1.00 per year, as stipulated under the governing lease agreement, upon securing the signature of the authorized officer of the service, and authorize the GRF President sign the agreements.

Physical Property Committee

Trust Property Improvement, 1.8 Acres

The Physical Property Committee (PPC), at its regularly scheduled meeting on January 9, 2017, reviewed a request for improvements to Trust Property known as 1.8 Acres. It has been requested to add a 15' x 20' paved area, with a 10' x 20' shade cover, for the Rollin' Thunder Golf Cart Club. Currently, no electricity is available in this area; however, a generator could be used until electrical service can be provided. The cost for a generator, air compressor and shed is \$2,400.00.

MJ Jurado has provided a proposal to upgrade this area (Exhibit A in the agenda packet), for a cost not to exceed \$9,200.00. This includes a 15' x 20' paved area with a 10' x 20' shade cover.

The Committee discussed the scope of work and cost provided by MJ Jurado. After discussion, a request was made to use concrete in place of asphalt. The Committee concurred and estimated an additional \$1,300.00 to the original quote. The PPC unanimously agreed to have MJ Jurado install a 10' x 20' shade cover and pave 15' x 20' area with concrete, a storage shed and associated equipment (generator, air compressor, etc.), for a total amount not to exceed \$19,200.00, and forward this request to the Finance Committee for funding review, then to the Board, for final approval.

At its regularly scheduled meeting on January 17, 2017, the Finance Committee reviewed available funding for this project and unanimously resolved to approve the new Capital request expense for MJ Jurado to install a 10' x 20' shade cover and pave 15' x 20' area with concrete, provide a storage shed and associated equipment, in a total amount not to exceed \$19,200.00, and forward the request to the Board for final approval.

Mr. Lukoff MOVED, seconded by Ms. Stone-

TO award a contract to MJ Jurado to upgrade the 1.8 Area, for the Rolling Thunder Golf Cart Club, by installing a 10' x 20' shade cover, pave 15' x 20' area with concrete, provide a storage shed and associated equipment, in a total amount not to exceed \$19,200.00, funding from Capital, and authorize the President to sign the contract.

Three Directors and the Executive Director spoke on the motion.

The motion as carried unanimously by the Board members present.

Replacement of Work Tables and Storage Racks, Service Maintenance Department

The Physical Property Committee (PPC), at its regularly scheduled meeting on January 9, 2017, reviewed a request for storage improvements in the Service Maintenance Department. Items of discussion included the replacement of work benches, storage racks and cabinets exceeding their useful life. The cost for materials and labor is \$14,902.60.

Upon discussion, the PPC unanimously agreed that there was a clear and present need to replace the items, in an amount not to exceed \$15,000.00, from Reserves funding and forward the request to the Finance Committee for funding review, then to the GRF Board for final approval.

The Finance Committee unanimously resolved to approve the Reserve funds expenditure.

Mr. Lukoff MOVED, seconded by Mrs. Reed-

TO approve the purchase of work benches, storage racks and cabinets, for the Service Maintenance Department, in an amount not to exceed \$15,000.00, from Reserves funding.

One Board member spoke on the motion.

The motion as carried unanimously by the Board members present.

Interior Improvements and Work Station Replacements Purchasing Department

The Physical Property Committee (PPC,) at its regularly scheduled meeting on January 9, 2017, reviewed a request for improvements in the Purchasing Department. Items of discussion included outdated work stations, lack of heat in the un-insulated building and quality of lighting. Quotes and estimates were attached (Exhibits A & B in the agenda packet) and have been secured to make the needed repairs, as follows: construct a new office area with insulation and LED lighting, Material and Labor, Service Maintenance, \$13,200.00; replace three (3) work stations, Talimar Systems, \$3,791.38; and Installation of Heat Pump, Greenwood, \$3,600.00. The project total is \$20,591.38.

Upon discussion, the PPC unanimously agreed to forward a request to the Finance Committee for funding review, then to the Board for approval. At its regularly scheduled meeting on January 17, 2017, the Finance Committee reviewed available funding for this new Capital request for improvements in the Purchasing Department. It was unanimously resolved to approve the Capital request expense to have Service Maintenance construct a new office area with insulation and LED lighting, material and labor; purchase and replace three (3) work stations from Talimar Systems, and have Greenwood install a Heat Pump, for total not to exceed \$20,600.00.

Mr. Stone MOVED, seconded by Ms. Fekjar-

TO approve the Service Maintenance Department construct a new office area within the Purchasing Department with insulation and LED lighting, material and labor; purchase and replace three (3) workstations from Talimar Systems; and have Greenwood install a Heat Pump, for total not to exceed \$20,600.00, funding from Capital, and authorize the President to sign the contracts.

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

The motion was carried unanimously by the Board members present.

Trust Property, Approve Fire Protections Services Contract

At its meeting on January 9, 2017, the Physical Property Committee (PPC) opened four (4) sealed bids received of 14 requests were sent by the Physical Property Department for the annual testing of Trust Property fire alarm monitoring systems and maintaining service for monitoring the alarms for the Clubhouses. The bids are as follows:

Bidder	Total Bid 2017	Total Bid 2018	Total Bid 2019	Total 3 Years
Nationwide Fire	\$6,890	\$6,890	\$6,890	\$20,670
Western States Fire	\$9,464	\$10,264	\$9,464	\$29,192
Brethren Fire	\$33,200	\$28,950	\$28,950	\$91,000
Fire Safety First	\$37,760	\$33,510	\$33,510	\$104,780

After review and consideration of the four bids received, the PPC unanimously agreed to accept the 3-year service proposal from Nationwide Fire Protection (Exhibit A in the agenda packet), in the total amount of \$20,670.00, which will cover years 2017-2019, and forward to the Finance Committee for funding review, then to the Board for final approval.

At its regularly scheduled meeting on January 17, 2017, the Finance Committee reviewed available funding from the Operational budget for this project and unanimously resolved to approve the availability of Operational funds within the 2017 budget for the 3-year service proposal from Nationwide Fire Protection (Exhibit A in agenda packet) in the total amount of \$20,670.00, which will cover years 2017-2019.

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

TO award a contract to Nationwide Fire Protection, for a 3-year service proposal from Nationwide Fire Protection (Exhibit A in the agenda packet), in the total amount of \$20,670.00, which will cover years 2017-2019, and authorize the President to sign the contract.

Recreation Committee

Trust Property Use, Girl Scout Cookie Sales

At its regularly scheduled meeting on January 11, 2017, the Recreation Committee (RC) reviewed a request from a local Seal Beach Girl Scouts Troop on the possibility of allowing the troop to sell Girl Scout cookies within the Community. During Committee deliberation, it was noted GRF has policy restricting such practice; however, variance has been granted to policy to allow the food

services provided upon Trust Property.

It was of the general consensus of the Committee that the sales of cookies, by a local Seal Beach Girl Scout Troop, would be commendable and duly moved and approved to recommend to the Board the grant of a policy variance to allow the local Seal Beach Girl Scout Troop to sell cookies upon Trust Property, with limitations and restrictions established by the Executive Director and Recreation Manager. The Executive Director and Recreation Manager recommend to the Board the following Trust Property use restrictions:

- The Girl Scout Troop leader shall contact the Recreation Manager to reserve a date and time to sell the cookies
- Only the designated locations of Clubhouse 3 and 6 will be used (Exhibit A in agenda packet)
- Troop may sell the cookies, but may not solicit Shareholder/Members or their guest
- Troop shall be required to sign a use and indemnity agreement
- No less than two (2) adult chaperons must be present
- No Girl Scout may use a community restroom without an Adult Troop chaperon present
- Troop is responsible for all tables, setup and break down
- Troop must provide the Recreation Manager the names of all vehicle drivers for community access
- The Recreation Manager or the designated staff member shall have final authority over the amount of space being used, set up materials/signage and reserves the right to request the Troop to leave the community for failure to comply with reasonable requests in the use of Trust property.

Mrs. Perrotti MOVED, seconded by Mr. Moore-

TO approve the use of Trust Property, as noted in Exhibit A in the agenda packet, by the local Seal Beach Girl Scout Troop, per the terms and conditions as noted within this Board Action Request, dated January 12, 2017.

Ten Directors and the Executive Director spoke on the motion.

Mr. Lukoff moved, seconded by Mrs. Greer, and carried unanimously by the Board members present-

TO call the question.

Voice roll call vote – Ayes: Fekjar, Greer, Hopewell, Hood, Lukoff, Moore, Perrotti, Rapp, Reed, Snowden L. Stone, R. Stone, Tran; Nay: Doderro; Present: Damoci.

The motion was carried with one no vote (Doderro) and one abstention (Damoci).

Trust Property Use, Monthly Used Vehicle Sales

At its regularly scheduled meeting of the Recreation Committee (RC) on January 11, 2017, the Committee reviewed the proposed event schedule for 2017. In review of the proposed schedule of events, it was of the general consensus of the Committee the proposed schedule did not offer adequate opportunities to allow Shareholder/Member to promote and sell their vehicles. It was noted that established policy is restrictive on the posting of "For Sale" signage and having a monthly used vehicle promotional area upon Trust property would be a general community benefit. It was the considered opinion of the Executive Director, Recreation Supervisor and interim Security Chief that the parking lot in front of the Administration building offers a central location, available space on weekends and is easily monitored. Proposed day and time: 4th Saturday of each month, 8am to 4pm. The Shareholder/Members would be allowed to display their vehicles for sale, including the use of a single for sale sign, not to exceed 18" x 24", within the designated location.

Mrs. Perrotti MOVED, seconded by Ms. Snowden -

TO approve the use of the Administration parking lot, within the area noted on Exhibit A in the agenda packet, on the 4th Saturday of each month, from 8am to 4pm, for the use of Shareholder/Members to display vehicles for sale and grant a variance to established policy to allow the display of a single for sale sign, not to exceed 18" x 24" on the vehicle, within the approved location, day and time.

Six 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 is included at the end of the minutes as an attachment.

EXECUTIVE DIRECTOR'S REPORT

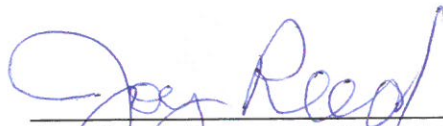
The Executive Director spoke on results of the heavy rain; announced that beginning February 1, 2017, live firing will begin; stated that renovations to Clubhouse Four will be completed next month.

BOARD MEMBER COMMENTS

Thirteen Board members spoke on the proceedings of today's meeting.

ADJOURNMENT

The meeting was adjourned was at 11:41 a.m.

A handwritten signature in blue ink, appearing to read "Joy Reed", is written over a horizontal line.

Joy Reed, Corporate Secretary
GRF Board of Directors
/dfb 01.24.17