



BOARD OF DIRECTORS MEMBERS MEETING MINUTES- GOLDEN RAIN FOUNDATION February 23, 2016

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 a.m., on Tuesday, February 23, 2016, in Clubhouse Four.

PLEDGE OF ALLEGIANCE

We were honored today to have Joan Shramek, of the Leisure World Historical Society, to lead us in the Pledge of Allegiance.

ROLL CALL

The Corporate Secretary reported that Board members Perrotti, R. Stone, Snowden, Pratt, Hood, Wood, Rapp, L. Stone, Damoci, Winkler, Reed, McGuigan, Doderio, Greer (arrived 10:10 a.m.), Lukoff, Bolton (arrived 10:06 a.m.) and Moore were present. Board Members Friedman was absent. Executive Director Ankeny and Controller Miller were also present. Seventeen Board members were present, nine constituted a majority.

PRESIDENT'S COMMENTS

Rumor Control! The Golden Rain Foundation is going to have the four lanes on St Andrews changed down to two lanes the entire length of the street, from Northwoods Road to the St. Andrew's gate. Not true! GRF will be paving the street from our only signal to the St Andrews gate. Those of you who attended the Town Hall meeting last week learned two engineering reports advised to turn this into two lanes to facilitate the ingress and egress from the security building and make it easier for cars to enter and exit the gate. To those residents concerned about slow drivers, keep in mind, St Andrews is the only four lane street in Leisure World.

Rumor #2: All parking will be eliminated along the repaved portion of the street. Again, not true, there will be a few lost spaces; however, it might be time for all the Mutuals to take a close look at their parking situations. One Mutual shortened their parking spaces and managed to increase their parking by several more spaces. We also need to study what to do about the many unregistered cars parked on the GRF Trust streets. We hear of people parking more than two or three cars on the streets. In one instance, I have been told there are a few people who have six, seven or more automobiles parked on Mutual and Trust streets, making it difficult for everyone to find room for one of their cars. Remember, back in the sixties, our streets and carport parking were designed for one car, per unit. Many residents have more than one car and find it difficult to find parking spaces in the carports they can rent so these cars end up on the Trust or Mutual

streets and, in some Mutuals, parking is really difficult to find. We need to find a solution to our parking situation. If you are not sure where the Trust streets are located, look at the colored map of Leisure World. The streets in yellow are Trust streets.

Last month, I shared my concern regarding the futures of those Mutuals who are having a difficult time in finding residents who will get involved in their Mutual's governance by running for their Board of Directors and or the GRF Board. Many, many people don't even bother to attend their board meetings so they can understand and learn how their Mutuals take care of their buildings and grounds. If a Mutual cannot get a quorum of their BOD, the Mutual can be sent into receivership and an outsider will be appointed to manage their Mutual, at a substantial cost, which will be paid out of the Mutual bank account and, eventually, your bank account in the form of higher assessments. So, the answer is to get involved just to protect your asset, your home.

The first step is really simple! Whether you keep your calendar on your cell phone, a tablet, a computer or the old fashioned way, like I do, on a paper monthly calendar, record the Mutual and GRF board meetings for every month for the next twelve months. Unless the meeting date falls on a holiday, they are at the same time and place every month. This really helps to remember there is a meeting. If you are really interested in how the process works, consider attending the Foundation Committee meetings.

Residents, when an issue is on the agenda that they are concerned about, come out to share their thoughts and opinions and we do listen. I recently listened to a Mutual resident complain that we don't act on their suggestions or concerns. Remember, we are subject to the Civil Code also known as Davis Sterling and we cannot act on any item unless it is on the agenda, which has been posted four days in advance. Our Committee Chairs welcome the opportunity to listen to your opinions and they will take those opinions into consideration and the place to hear them is the Committee meetings. It is amazing to me that many GRF board members attend most of the committee meetings and many of the thirteen sub-committees because they want to understand the issues and have an opportunity to study the material given them so they can make informed decisions. As I sit there listening, I am always learning something new. We are a very complex business and the rules governing the interaction between the Foundation and the Mutuals is also complex and there is so much to learn which can be really important to your pocket book and your cognitive abilities. Please enter those dates, times and place on your calendar and be active in your Mutual.

ANNOUNCEMENTS/SERVICE AWARD PRESENTATION

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

Three service awards was acknowledged this month.

The GRF President recognized the following service anniversaries:

Miguel Jimenez	Recreation Department	5 years of service
Kwang "Fred" Byan	Transportation Department	5 years of service
Beverly Korytowski	Stock Transfer Department	10 years of service

Shareholder/Member Comments

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

NOTE: In accordance with applicable sections of the Civil Code and Policy 5610 of the Golden Rain Foundation, Members may provide comments to the Board. Members must register their requests in advance of the meeting, and comments are limited to four (4) 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 five Committee meetings in January. The Committee minutes for these meetings were approved earlier this month by their respective Committees:

- Minutes of the Physical Property Committee Board Meeting of January 6, 2016
- Minutes of the Recreation Committee Board Meeting of January 11, 2016
- Minutes of the Mutual Administration Committee Board Meeting of January 12, 2016
- Minutes of the Security, Bus & Transportation Committee Board Meeting of January 13, 2016
- Minutes of the Special Physical Property Committee Board Meeting of January 29, 2016

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 26, 2016 Golden Rain Foundation Board meeting were approved, as distributed, by general consent of the Board.

NEW BUSINESS

Golden Rain Board of Directors

Alleged Conflict of Interest

The Golden Rain Foundation (GRF) Board of Directors (BOD), relying on the advice of legal counsel, has determined, according to the terms and conditions as stated in Bylaws of the Golden Rain Foundation of Seal Beach and all applicable laws, no conflict of interest exists between directors simultaneously serving on the Boards of GRF and the Golden Age Foundation.

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

TO accept corporate counsel's determination that no conflict of interest exists between qualified members of the Golden Rain Foundation of Seal Beach serving simultaneously on the Boards of GRF and the Golden Age Foundation.

Three Board Members spoke on the motion.

Mr. Lukoff MOVED, seconded by Mr. Bolton –

TO amend the motion, adding at the beginning "TO the best of the Golden Rain Foundation's Board of Directors' knowledge,..."

One Board Member spoke on the amended motion.

The amendment to the main motion was carried by the Board Members present, with one no vote (McGuigan) and two abstentions (Dodero and Wood).

TO the best of the Golden Rain Foundations' Board of Directors' knowledge, no conflict of interest exists between qualified members of the Golden Rain Foundation of Seal Beach serving simultaneously on the Boards of GRF and the Golden Age Foundation.

The amended main motion was carried by the Board Members present with two abstentions (Dodero and Wood).

Executive Committee

Inspector of Elections, 2016 Voting Cycle

At a special meeting of the Executive Committee on February 4, 2016, the Committee unanimously recommended the GRF Board of Directors appoint Accurate Voting Services, Inc. as the Inspector of Election for the 2016 election cycle.

This recommendation is in compliance with Policy 5025-33, Election Services, which states that the Executive Committee will "recommend that the Board appoint the election services company as its Inspector(s) of Election." This action is also in accordance with Civil Code §5110.

Mrs. Damoci MOVED, seconded by Mr. Hood and carried by the Board Members present-

TO appoint Accurate Voting Services, In. as the Inspector of Election for the 2016 election cycle.

Amend Policy 5025-30, Election Procedures, Amend Policy 5026-30, Election of Officers and Approve the 2016 GRF Election Materials

At a special meeting of the Executive Committee on February 4, 2016, the Committee and corporate counsel reviewed drafts of the 2016 election documents. At that meeting, the Committee requested counsel update the documents for clarity, consistency, and to ensure their compliance with the Foundation Bylaws and Civil Code.

At the regular meeting of the Executive Committee on February 12, 2016, the Committee reviewed the updated documents and unanimously recommended the GRF Board of Directors approve the GRF election materials and policies, in compliance with Policy 5025-30, Election Procedures, and in accordance with Civil Code §5105.

- Policy 5025-30, Election Procedures
- Policy 5026-30, Election of Officers -
- Application for Candidacy
- Candidate Instructions
- Candidate Eligibility Disclaimer
- 2016 Schedule for Election of GRF Directors Representing Even-Numbered Mutuals
- News Article "How to be a Candidate to Run for the GRF Board of Directors for Even-Numbered Mutuals Only"
- Ballot

On motion of the GRF BOD President, the proposed elections documents were considered seriatim and accepted, with amendments.

Mrs. Reed MOVED, seconded by Mrs. Wood and carried by the Board Members present-

TO approve the 2016 GRF elections documents, including the amendment of Policy 5025-30, Election Procedures and Policy 5026-30, Election of Officers, as amended.

Adopt Policy 4191-36, Commissions

At the regular scheduled meeting of the Executive Committee on February 12, 2016, the Committee recommended adoption of Policy 4191-36, Commissions, with the amendment of the title Media Manager to Publications Manager.

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

TO adopt Policy 4191-36, Commissions.

Employee Healthcare Benefits 2016/2017

At the regular scheduled meeting of the Executive Committee on February 12, 2016, the Committee recommended that the current Medical Plan be renewed with Kaiser, the Dental HMO, PPO, VSP Vision, Life, Long Term Disability, AD & D and the Employee Assistance Plans be renewed with Guardian; the employee paid Voluntary Life Plan be renewed with Guardian and the employee paid Pet Insurance Plan be renewed with VPI Pet.

Additionally, the Kaiser HMO High Plan be revised to increase copays, the Foundation set aside

\$500, per employee, to reimburse any employee for the first \$500 copay they incur for themselves or a covered dependent to offset the increased out of pocket costs.

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

TO approve the employee healthcare benefit packages:

- Kaiser 2733
- The Dental HMO, PPO, VSP Vision, Life, Long Term Disability, AD & D and the Employee Assistant Plans be renewed with Guardian;
- The employee paid Voluntary Life Plan be renewed with Guardian;
- The employee paid Pet Insurance Plan be renewed with VPI Pet;

And authorize the President to sign all applicable documents and further authorize the Executive Director and Human Resources Director to take all applicable actions required for the health care benefit package renewals.

Trust Property, Area Outside Wall referred to as Westminster

At the regular scheduled meeting of the Executive Committee on February 12, 2016, the Committee reviewed general information in reference to the full Board's action of January 26, 2016, on wall sections L & M (Westminster Wall). The Committee discussed three options (improve the land at estimated cost of \$854,000 with an estimated annual maintenance of \$84,000; leave the land as is; or deed the property to the City of Seal Beach). The Committee recognized the merit in option three, deed the property to the City of Seal Beach and recommends to the Board the authorization of the Executive Director to contact the City Manager and open dialog about the possibility of deeding all the land from the exterior wall sections L & M to the City.

Mr. Lukoff MOVED, seconded by Mr. McGuigan -

TO authorize the Executive Director to contact the City Manager to open dialog with the City for the consideration of a quit claim deed between GRF and the City of Trust property from the exterior of proposed wall sections L & M and Westminster.

Three Board Members and the Executive Director spoke on the motion.

The motion was carried by the Board Members present.

Finance Committee

Approve January 2016 Financials

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

TO accept the January 2016 Financial Statements for audit.

Approve Capital Funds Transferred to Reserve Funds

At the regular meeting of the Finance Committee on December 16, 2014, the Committee discussed the need to carry over funds from the 2014 capital budget to finance various projects still in progress at year-end and for projects that were approved by the Board of Directors in 2014 that had not been started prior to year-end. It was the Committee's intention to move all unused funds for these projects to the Reserve fund upon completion of these projects.

In 2015, several projects were approved using capital improvement funds that qualify as replacements and therefore, more appropriately should be reclassified as reserve projects. Projects include Globe (replacement of continents), perimeter wall sections and the St. Andrews gate improvement projects.

At the regular meeting of the Finance Committee on February 16, 2016, the Committee passed a motion to transfer all remaining funds related to the projects from the Capital Improvement Fund to the Reserve Fund.

Ms. Snowden MOVED, seconded by Ms. Rapp and carried by the Board Members present-

TO provide authorization to the Executive Director and the Director of Finance to transfer \$966,032 from the Capital Improvement Fund to the Reserve Fund as indicated in Exhibit A (provided in the agenda packet). This amount represents unused funds from projects authorized in 2014 and completed in 2015 as well as unused funds from projects in progress authorized in 2015 as a capital project that should be reclassified as a reserve project.

Drawdown of Budget Contingency Fund

At the regular meeting of the Finance Committee on February 16, 2016, the Committee discussed the option of funding the Budget Contingency fund from GRF excess income from 2015 in accordance with Policy 5528-31 – Refund of Excess Income. The Committee agreed that the Budget Contingency fund, with a year-end balance of \$706,642 should be drawn down to a balance of \$500,000 and that the remainder of the funds be transferred to the Reserve fund.

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

TO approve the drawdown of the Budget Contingency fund to \$500,000 and that the remainder of funds be transferred to the Reserve Fund.

ITS Committee

Request for Additional Funds for Axxerion Conversion

At the regular meeting of the Information Technology Committee on February 9, 2016, the Committee discussed the need for additional funds to bring the Axxerion project to implementation.

The software conversion project commenced in August 2015 immediately following the signing of the contract. The conversion team consisted of the ITS Manager (who was delegated to be the internal training manager), Controller, Accounting Supervisor and the Purchasing Manager. Shortly after the project began, the ITS Manager left the company resulting in no ITS representation or delegated training manager on the conversion team. Significantly more time has been spent on the project than initially planned.

Although the project is progressing favorably, additional hours are needed to bring the project to implementation. Before implementation, key tasks must be completed such as finalizing the draft process flows and coding scripts for work order, purchase order and inventory transaction processing, building queries and developing reports, training users of the system and making minor adjustments to the process flows prior to implementation. Training the staff will be performed in-house whereas the remaining tasks will require the vendor's time in the form of frequent telephone meetings with the conversion team and developing queries, reports, modifying scripts and adjusting the process flows.

The ITS Committee approved an additional \$25,000 for the Axxerion project pending Finance committee funding approval. At its meeting on February 16, 2016, the Finance Committee confirmed that sufficient funds are available from the Capital Improvement Fund to meet this request.

Mr. Stone MOVED, seconded by Mrs. Damoci -

TO approve funding from the Capital Improvement fund, not to exceed \$25,000, to cover estimated remaining costs of the Axxerion software conversion project.

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

The motion was carried unanimously by the Board Members present.

Physical Property Committee

Dual Parking Lot Lights and Pole Damage

During a weather related event on January 31, 2016, light pole number 4 was damaged to the extent of being non repairable.

At its February 3, 2016 meeting, the Physical Properties Committee unanimously approved to recommend to the Board Kress Construction for replacement of the Trust asset, at a cost not to exceed \$6,568.

At its February 16, 2016 meeting, the Finance Committee reviewed Reserve funds and determined that GRF has sufficient Reserve funds to accommodate the replacement of the Trust asset, as noted.

Mr. Moore MOVED, seconded by Ms. Snowden -

TO approve the replacement of light pole and fixture number 4, Asset ID 0605, and authorize the President to sign a contract with Kress Construction, in an amount not to exceed \$6,568a. Funding to replace the asset, as noted, through Reserves.

Four Board Members spoke on the motion.

The motion was carried by the Board Members present, with one abstention (McGuigan).

Clubhouse Six Heat Pumps

Two (2) of six (6) heat pumps at Clubhouse Six, units 3 and 6, have required several service calls over the past year and are now considered beyond their useful life. At its February 3, 2016 meeting, the Physical Properties Committee reviewed three (3) proposals for the replacement of the units and unanimously recommended to the Board Greenwood Heating and Air, per their estimate 1312, dated November 24, 2015, at a cost not to exceed \$10,650.

At its February 16, 2016 meeting, the Finance Committee reviewed Reserve funds and determined that GRF has sufficient Reserve funds to accommodate the replacement of the Trust asset, as noted, Asset ID 0404, units 3 and 6.

Mrs. Greer MOVED, seconded by Mrs. Dodero and carried by the Board Members present-

TO approve the replacement of two (2) Heat Pumps at Clubhouse Six, Asset ID 0404, and authorize the President to sign a contract with Greenwood Heating and Air, in an amount not to exceed \$10,650. Funding to replace the asset, as noted, through Reserves.

Physical Property Conference and Break Room Flooring

The flooring in the Physical Property Conference and Break Room, reserve ID 0702, has required ongoing repairs over the last two years; more repair is needed and it has been determined that the flooring should be replaced. The Physical Property Committee reviewed two (2) proposals for the replacement of the floors and recommended to the Board Old Town Flooring, at a cost not to exceed \$7,325.96 with an added contingency for possible subfloor repair, for a total not to exceed \$8,100.

At its February 16, 2016 meeting, the Finance Committee determined funds are available to accelerate Reserve Funding for this project.

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

TO award a contract to Old Town Flooring, in the amount of \$7,325.96, to replace the Physical Property Conference and Break Room flooring, Asset ID 0702, with a total, including contingencies, not to exceed \$8,100, funding from Reserves, and authorize the President to sign the contract.

Purchasing Floor Replacement

During the cleanup day at the Service Maintenance yard, it was determined the flooring in the Purchasing Supervisor's office and back room require replacement. At its January 6, 2016 meeting, the Physical Property Committee reviewed two (2) quotes from three contractors. The Committee unanimously recommended to the Board Golden State Surfaces, per their proposal, dated November 8, 2015, at a cost no to exceed \$4,545.

At its February 16, 2016 meeting, the Finance Committee reviewed Operational funds and determined that GRF has sufficient funds to replace the Trust asset, as noted.

Mr. McGuigan MOVED, seconded by Ms. Rapp and carried by the Board Members present-

TO remove and replace the flooring in the Purchasing Supervisor's office and back room of the Purchasing Department using Operational Funds, non-budgeted expense, and authorize the President to sign a contract with Golden State Services, for an amount not to exceed \$4,545.

Red Curbs at Fire Hydrants

At its December 1, 2015 meeting, the Security, Bus and Traffic Committee duly moved and approved to recommend to the Physical Properties Committee a request to extend no parking zones at fire hydrant locations from 15', as centered on the fire hydrant, to 15' either side of the fire hydrant, to comply with California Vehicle Code Section 22514.

At its February 3, 2016 meeting, the Physical Property Committee (PPC) reviewed existing red curb no parking zones at fire hydrants upon Trust streets; a total of 70 possible locations were called out from the Master Plans, with an estimated cost of \$2,000 to extend the red curbing in front of fire hydrants from 15' to 30'. The PPC unanimously agreed to comply with California Vehicle Code Section 22514 and requested the Finance Committee review funding for this project.

At its February 16, 2016 meeting, the Finance Committee reviewed this request and unanimously agreed non-budgeted funds are available for this project.

Mr. Lukoff MOVED, seconded by Mrs. Greer and carried by the Board Members present-

TO approve the marking of red curbs at fire hydrant locations upon Trust streets for compliance with CVC 22514. The Executive Director and Facilities Director are authorized to initiate the required actions, in an amount not to exceed \$2,000; funding through Operations.

Recreation Department

Report: Conceptual Approval - Dog Park

In response to a petition for the addition of a dog park upon Trust Property, the Recreation Committee (RC) sought the conceptual approval of the Board to research this matter, which it received in March 2015. The RC appointed a sub-committee to thoroughly review the concept of the addition of a dog park upon Trust Property. The Sub-committee brought forth its findings, noting possible site locations, costs of improvements required to construct a dog park and possible annual operational expenditures. At the February 8, 2016 RC meeting, the Committee duly moved and approved that the concept in development, a dog park on Golden Rain Trust property, be discontinued due to the lack of an available appropriate area that would ensure the comfort, safety, size, health and well-being of those animals and people using the area, as well as those in the immediate vicinity of its location.

The action by the Committee shall be deemed closure of the proposed project, until such time directed by the Board to reconsider.

Pickle Ball Court Trial

At its February 8, 2016 meeting of the Recreation Committee, Mrs. Perrotti reviewed options with the Committee to provide Pickle Ball on a trial basis in Clubhouse Six on Sundays, during the hours of 8:00 a.m. until 4:00 p.m., due to the low table tennis attendance on that day and

time. The estimated setup time for Janitorial will be approximately two hours, with no additional costs.

The following equipment will need to be purchased to setup one pickle ball court:

- | | |
|----------------------------------|----------|
| • 1-Portable net | \$169.99 |
| • 6-rolls of Floor tape | \$ 65.94 |
| • 8-Wood pickle ball paddles | \$ 63.96 |
| • 2-Indoor balls sets (six pack) | \$ 19.98 |

Total: \$345.45

Some additional safety netting may be required and will need to be determined upon review of pickle ball play. The Recreation Committee requested funds not to exceed \$800.00 for the purchase and setup for the trial.

Mrs. Perrotti MOVED, seconded by Ms. Rapp -

TO approve the use of Clubhouse Six on Sundays between the hours of 8:00 a.m. to 4:00 p.m. from March 6, 2016 to December 25, 2016, for 6 month review and trial period for the activity of pickle ball and to approve the purchase of the equipment and safety netting not to exceed \$800.00 is requested.

Ms. Rapp MOVED, seconded by Mrs. Reed –

TO amend the motion by changing the end date to the end of August.

One Board member spoke on the amended motion.

Mrs. Damoci MOVED, seconded by Ms. Rapp –

TO amend the motion by changing the location to Clubhouse One.

Nine Board members spoke on the amended motion.

The motion to amend the amended motion was carried by the Board members present, with one abstention (McGuigan).

STAFF REPORTS

Director of Finance

The Director of Finance's report was presented during the Finance Committee agenda items.

Executive Director

A printed copy of the Executive Director's report was provided to the GRF BOD members. The Executive Director reminded the Board and shareholder/members that Long Beach Animal Control will arrive in the community today to enforce the dog licensing ordinance.

BOARD MEMBER COMMENTS

Thirteen Board members spoke on topics related to today's Board of Director's meeting.

The meeting was adjourned at 12:11p.m.



Joy Reed, Corporate Secretary
Board of Directors
dfb/02.23.16