



## **BOARD OF DIRECTORS MEMBERS MEETING MINUTES- GOLDEN RAIN FOUNDATION March 22, 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, March 22, 2016, in Clubhouse Four.

### **PLEDGE OF ALLEGIANCE**

We were honored to have Darse Crandall, President of the Presidents' Council, to lead us in the Pledge of Allegiance.

### **ROLL CALL**

The Corporate Secretary reported that Board members Perrotti, Snowden, Pratt, Hood, Wood, Rapp, L. Stone, Damoci, Winkler, Reed, McGuigan, Doderer, Greer, Lukoff, Friedman and Moore were present. Board Members R. Stone and Bolton were absent. Executive Director Ankeny and Controller Miller were also present. Sixteen Board members were present, nine constituted a majority.

### **PRESIDENT'S COMMENTS**

Rumor control once again is an important part of our announcements. Recently, a shareholder/member spoke at a Finance Committee meeting believing we are scheduled to spend over four million dollars in reserve funds this year. This assumption came about as the Foundation still has not spent the two million dollars left over from the 2015 budget and is scheduled to spend another two million this year. The majority of the 2015 reserve budget is the replacement of the Westminster wall and included possible options in pedestrian and automobile exit gates, along with pushing the wall out approximately twenty five feet plus. The BOD revised its plans and will now replace the wall, in place, without any exit gates, although the wall will be built so a consideration can be made to possibly add them in the future. This cut the estimated cost of the Westminster wall replacement in half. The Physical Property Committee, along with our Facilities staff, is moving this project along to the beginning of construction. In 2016, over one million dollars is on the Reserve Budget for the continuation of the wall projects along the backside of the Rehab Center and along the east side perimeter along Coyote Creek. Whether they get done in 2016 is a question as the BOD first has to vote on building the walls and then the process goes into high gear with RFPs (Request for a Proposal) out to contractors, bids and approvals. It sometimes feels like it takes forever. It is a process.

When the Finance Committee and, later, the BOD, works on the Foundation budgets, keep in mind there are three budgets. Our day to day Operating budget, a Reserve budget for fixing and replacing our aging infrastructure and a Capital budget for purchasing of a new item or even a new building. The Capital budget comes from membership fees, which are split 50% between capital and reserves. Also, we can move capital monies into reserves; however, we cannot use reserve funds on capital projects.

Our budgets are formulated way in advance of the actual calendar year and some of the projects are recognized as needed to be done but may not be a priority, so an item may be on the Reserve budget for two or more years. Be patient, we are upgrading and improving our facilities slowly but surely and the Board of Directors works hard at spending these funds wisely.

Rumor Number 2! Work has stopped on the globe. Work is continuing on our globe and we still expect to hold a dedication ceremony sometime in the spring. This is an important project for us as the globe is a landmark and an icon for Leisure World and the City of Seal Beach. Our Facilities Director, Mark Weaver, keeps our Executive Director up-to-date on a daily basis. Before you know it, the plastic cloud will come down and I am looking forward to the unveiling.

In reading the daily security reports, it has come to my attention that frequently, with all the new unit customizations and buildout with their custom doors, in many cases some units do not have a lock box with the appropriate key for access. If you have a unit with closed shades or shutters and/or non-standard doors, if you need help and are unable to open your door, a window or a door will have to be broken to get assistance to you. Please consider using a lock box! You can purchase one in our Purchasing Department and install it on top of the door and it would not be that easy to breach; however, our patrol officers could gain access to your unit without the expensive replacement of a new door.

As President, I have received a number of communications asking for assistance with an issue which pertains to a Mutual and the shareholder's angst with a decision or lack of decision by their Mutual. Those letters are forwarded to our Mutual Administration Director, Carol Weller, who, with her great ability at diplomacy, works to calm a situation down and reach a conclusion which is satisfactory to all. However, the Foundation cannot interfere with the business of the Mutual. If, for instance, there is a controversy regarding a repair or construction or improvement request, it is Mutual business. If the dispute or problem involves our Security, Service Maintenance or Physical Property departments, then we can step in and adjudicate a solution.

Letters sent to myself or the Foundation Directors are forwarded by e-mail. We do not read any correspondence we receive at our monthly GRF Board meetings. Letters are forwarded to the appropriated committee.

Which brings up another topic: recently, a resident wanted to know to whom to complain regarding what she perceived as unethical behavior of a Foundation employee. The number one person to share this kind of information is our Executive Director, Randy Ankeny. A Golden Rain Foundation Director cannot and should not ever interfere with our employees and any concerns regarding their behavior. We also have a fraud hot line which you can call anonymously. If you believe, for any reason, an employee might be guilty of theft or fraud, you can call 844-240-0005. Your complaint will be investigated; however, the result of the investigation cannot be shared with you. Personally, I am very proud of our employees; they work hard, they truly care for our residents, their health and safety and wellbeing.

## **ANNOUNCEMENTS/SERVICE AWARD PRESENTATION**

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

There were no service awards this month.

The GRF President stated that the GRF BOD met in Executive Session on March 4 and March 18, 2016 to discuss litigation matters, the formulation of contracts and personnel issues.

There will be an evening GRF BOD meeting on Tuesday, April 26, 2016, at 6:00 p.m. The President also announced that the first farmer's market of the year and an emergency expo will take place this Saturday, March 26, 2016.

A request was made to remove agenda item 9.b.i. from the agenda; no objections were made and the item was removed.

### **Shareholder/Member Comments**

Seven 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 six Committee meetings in February. The Committee minutes for these meetings were approved earlier this month by their respective Committees:

- Minutes of the Physical Property Committee Board Meeting of February 3, 2016
- Minutes of the Special Executive Committee Board Meeting of February 4, 2016
- Minutes of the Recreation Committee Board Meeting of February 8, 2016
- Minutes of the Mutual Administration Committee Board Meeting of February 9, 2016
- Minutes of the Security, Bus & Transportation Committee Board Meeting of February 10, 2016
- Minutes of the Executive Committee Board Meeting of February 12, 2016

The method with which these minutes were 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 February 23, 2016 Golden Rain Foundation Board meeting were approved, as distributed, by general consent of the Board.

The minutes of the March 7, 2016 Golden Rain Foundation Study Session meeting were approved, as distributed, by general consent of the Board.

## **NEW BUSINESS**

### **Golden Rain Board of Directors**

#### **2016/2017 Appointment of New Standing Committees**

To better serve growing and diverse community needs and to provide ample opportunity for GRF member interaction through the committee process, effective July 1, 2016, the following standing committees shall be appointed, pending final Board approval of policies governing the committee's duties and revision to current standing committee policies: Transportation/Fleet and Service Maintenance.

Mrs. Winkler MOVED, seconded by Mrs. Damoci -

**TO** appoint the following standing committees on or before July 1, 2016:

-Transportation/Fleet

-Service Maintenance

Such appointments are conditioned upon 1) Board's approval of the Standing Committee Policy and 2) Board's approval of revisions to current standing committee policies where conflict may exist by the establishment of the Transportation/Fleet Committee and the Service Maintenance Committee.

Thirteen Board Members spoke on the motion.

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

**TO** call the question.

The motion was defeated with five yes votes (Damoci, Perrotti, Rapp, Snowden, L. Stone).

## **Finance Committee**

### Accept February 2016 Financials for Audit

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

**TO** accept the February 2016 Financial Statements for audit.

### Accept 2015 Financials

At the regular meeting of the Finance Committee on March 15, 2016, the Committee reviewed and duly moved to recommend to the Golden Rain Foundation Board of Directors approval of the final draft 2015 Audited Financial Statements (provided in the agenda packet) as of December 2015, for the year then ended, and the proposed Independent Auditors' Report, as submitted by NSBN LLP.

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

**TO** approve the final draft 2015 Golden Rain Foundation Financial Statements, as of December 31, 2015, for the year then ended, and the proposed Independent Auditors' Report, as submitted by NSBN LLP, and hereby accepts the above mentioned Financial Statements and reports therein (provided in the agenda packet) reflecting excess income of \$364,007 to be allocated in its entirety to the Replacement Reserve Fund, pursuant to Policy 5528-31 – Refund of Excess Income.

### Reserves, Inflationary Rate

At the regular meeting of the Finance Committee on March 15, 2016, the Committee discussed applicable actions in the drafting of a Reserve Funding Plan, in accordance with Civil Code § 5550 (b). In the development of a Reserve Funding Plan, the Committee noted a need to set an inflationary rate to support future expenses to replace the assets and components listed in the Reserve Study. It was the unanimous ruling of the Committee to recommend to the Board four percent (4%) as the inflationary rate for use in the Reserve Study. Such rate is to have periodic review and amendment, as required, to reflect economic reality.

Ms. Stone MOVED, seconded by Ms. Snowden -

**TO** direct the Finance Committee the development of a Reserve

Study Funding plan, set the inflationary rate at four percent (4%), and that such rate be reviewed on at least a three (3) year basis for possible adjustment.

Mr. McGuigan MOVED, seconded by Mr. Lukoff –

**TO** amend the rate of review to annual, rather than every 3 years.

Two Board members spoke on the amendment to the motion.

The motion to amend the main motion carried with five no votes (Damoci, Friedman, Moore, Perrotti, and Snowden).

One Board Member spoke on the amended main motion.

The amended main motion was carried unanimously by the Board Members present.

#### Percent Funding for Reserve Study

At the regular meeting of the Finance Committee on March 15, 2016, the Committee discussed applicable actions in the drafting of a Reserve Funding Plan, in accordance with Civil Code § 5550 (b). In the development of a Reserve Funding Plan, the Committee noted a need to establish a percentage funded strategy. It was the Committee's deliberations that a threshold funded model was chosen to eventually reach a fully funded study. It was of the unanimous ruling of the Committee to recommend to the Board a percent funded of 70-85% and to attain this goal within five (5) to seven (7) years.

Ms. Snowden MOVED, seconded by Ms. Rapp-

**TO** direct the Finance Committee with the development of a Reserve Study Funding plan, achieving a seventy to eighty five percent (70-85 %) funded, within five (5) to seven (7) years.

Mr. Pratt MOVED to refer the Percent Funding for Reserve Study to the Finance Committee. The motion failed with no second.

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

The motion was carried with one no vote (Pratt).

#### Approve Reserve Study Institute Contract

An on-site reserve study for the Golden Rain Foundation was initiated in 2014 and completed in 2015. The study, prepared by Reserve Study Institute (RSI), was for the 2015 fiscal year and no update without site visit was performed for the 2016 fiscal year. Therefore, in preparation for the

2017 budget planning, it will be necessary to complete an update, without site visit, for the 2017 fiscal year. A proposal from RSI, for an update, without site visit, for \$5,490, was included in the agenda packet.

At the regular meeting of the Finance Committee held on March 15, 2016, the Committee duly moved to recommend to the GRF BOD to accept the proposal from RSI, for an updated reserve study, without site visit, for the 2017 fiscal year.

Ms. Snowden MOVED, seconded by Mr. Hood and carried unanimously by the Board Members present –

**TO** accept the proposal from Reserve Study Institute, for an updated reserve study, without site visit, for the 2017 fiscal year, for a total of \$5,490, to be charged against operating funds, and to authorize the President to sign the contract.

#### Approve Lease – Video Producers Club

At its March 15, 2016 meeting, the Finance Committee recommended the Golden Rain Foundation BOD accept the Video Producers Club lease, for a one year term (lease provided in agenda packet).

Ms. Dodero MOVED, seconded by Mrs. Reed -

**TO** approve the Video Producers Club lease, for the period of one year, and authorize the President to sign the lease.

Mrs. Damoci MOVED, seconded by Mrs. Reed -

**TO** amend the main motion to add at the end of the motion “after the lease is signed by the Video Producers Club”.

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

The amended main motion was carried unanimously by the Board Members present.

#### Approve Lease – Golden Age Foundation

At its March 15, 2016 meeting, the Finance Committee recommended the Golden Rain Foundation BOD accept the Golden Age Foundation lease, for a one year term (lease provided in agenda packet).

Mr. Hood MOVED, seconded by Mr. Friedman -

**TO** approve the Golden Age Foundation lease, for the period of one year, and authorize the President to sign the lease.

Mrs. Damoci MOVED, seconded by Ms. Snowden -

**TO** amend the main motion to add at the end of the motion "after the lease is signed by the Golden Age Foundation".

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

The Chair called for a 10 minute break. The meeting resumed at 11:43 a.m.

### **ITS Committee**

#### Approve Contract for Technical Support

At the regular meeting of the Information Technology Committee, on March 8, 2016, the Committee discussed Technijian's performance providing network security remediation for the Golden Rain Foundation. The remediation has been completed and it is deemed important to continue with ongoing support. Technijian has provided a monthly service agreement for a total of \$9,076.95, per month.

The service agreement includes comprehensive services such as health/hardware monitoring, patch management, proactive maintenance, virus protection, and file backup for all Foundation machines.

Although these monthly fees are non-budgeted expenses, the Foundation may re-allocate funds from accounts 6100000 (Salaries & Wages) and 6478000 (Service Contracts). The ITS department has a positive budget variance due to the elimination of the ITS manager position and ending the contract with Mazztech (the Foundation's previous IT consultant).

At the regular meeting of the Finance Committee, on March 15, 2016, the Committee approved Technijian's monthly service agreement of \$9,076.95, per month.

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

**TO** approve to re-allocate funds and accept Technijian's monthly service agreement for \$9,076.95 per month, to be charged against the operating budget. A new GL account will be created to record IT outsourcing services.

Mrs. Damoci MOVED, seconded by Mrs. Reed -

**TO** amend the motion to include “and authorize the President to sign the contract”.

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

The amended motion was carried unanimously by the Board Members present.

### **Physical Property Committee**

#### Approve Contract to replace Clubhouse Six Flooring

The flooring in Clubhouse Six has required ongoing repair due to lifting tiles. The Physical Property Department sent out requests for proposal (RFP) to replace the upstairs flooring, Asset ID 0701, approximately 5,000 sq. ft. excluding the Exercise area, and to use the flooring approved by the ADRC, Johnson Navia LVT flooring, color Jet. Three bids were received.

At its March 2, 2016 meeting, the Physical Property Committee unanimously recommended that the Board award a contract to Bixby Plaza Carpets & Flooring, for a cost of \$35,400 plus \$1,500 contingency for this task, at a cost not to exceed \$36,900, after the Finance Committee (FC) reviewed funding for the project. At its March 15, 2016 meeting, the FC determined funds are available from the reserve account.

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

**TO** award a contract to Bixby Plaza Carpets & Flooring to replace the upstairs flooring at Clubhouse 6, Asset ID 0701, approx. 5,000 sq. ft. excluding the Exercise area, and to use the flooring approved by the ADRC, Johnson Navia LVT flooring, color Jet, for a cost not to exceed \$36,900, including a \$1,500 contingency, funds coming from the Reserves and authorize the President to sign the contract.

#### Approve Community-Wide Movement Study

At the March 2, 2016 meeting, the Physical Property Committee continued to review the draft of the Movement Study and unanimously agreed to recommend the Board award a contract to Urban Crossroads to develop a CAMUTCD (California Manual on Uniform Traffic Control Devices) Implementation Strategy for Leisure World Seal Beach.

This plan will also expand the Community-Wide Movement Study and outline Policy Implementations; Signage, Pavement Markings; and Design Modifications needed to bring

Leisure World into compliance with the CAMUTCD. The total fees for these services are \$7,040 and required review by the Finance Committee (FC).

At its meeting on March 15, 2016, the FC reviewed this request from the PPC and determined funds are available in the Capital Account.

Mr. Lukoff MOVED, seconded by Mr. Moore and carried unanimously by the Board Members present-

**TO** award a contract to Urban Crossroads to develop a CAMUTCD (California Manual on Uniform Traffic Control Devices) Implementation Strategy for Leisure World Seal Beach and outline Policy Implementations; Signage, Pavement Markings; and Design Modifications needed to bring Leisure World into compliance, at a cost not to exceed \$7,040, funding through the Capital Account, and authorize the President to sign the contract.

#### 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.

## **Publications Committee**

### Amend Policy 2811-36, News Coverage of Candidates Running for Public Office

At the regular scheduled meeting of the Publications Committee on March 10, 2016, the Committee unanimously recommended the GRF Board of Directors amend Policy 2811-36, Golden Rain News Coverage of Candidates Running for the GRF Board or Public Office. The amendment specifically references running for the GRF Board or Public Office.

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

**TO** recommend the GRF Board of Directors amend Policy 2811-36,  
Golden Rain News Coverage of Candidates Running for the GRF  
Board or Public Office.

## **Recreation Committee**

### Cancellation of Janitorial Contract

Per terms and conditions of the agreement executed, on January 11, 2016, between the Golden Rain Foundation of Seal Beach and Pegasus Building Services, it has been determined to move in another direction for Janitorial and Cleaning Services and invoke stated and agreed upon terms and conditions of the terms of the contract, to provide the required notice to cancel the contract.

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

**TO** approve the cancellation of the contract with Pegasus building  
services and authorize corporate counsel for the Golden Rain  
Foundation of Seal Beach to act as the Board's agent in this matter  
and implement all applicable actions.

### Janitorial and Custodial Services

The current contract for Janitorial and Custodial services has been canceled, requiring due action to secure a Janitorial and Custodial Service provider.

Per previous review of Janitorial and Custodial Service providers, on October 14, 2015, thirteen (13) invitations to bid for Janitorial and Custodial Services were sent out and five (5) companies responded. Interviews were held and finalists selected.

With early cancelation of the existing agreement, the other two (2) finalists of the Janitorial and Custodial Service interviews were contacted and requested to resubmit proposals based upon

the October 15, 2015 Janitorial and Custodial Services specifications.

Ms. Rapp MOVED, seconded by Mr. Friedman -

**TO** approve the contract with Innovative Cleaning Services to provide Janitorial and Custodial services, for three (3) years, in the following amounts: Year 1- \$1,098,181 Annual, Year 2 - \$1,120,145 Annual, Year 3 - \$1,142,547 Annual, for a Three (3) year total of \$3,360,873 and to authorize the President to sign the contract.

The motion was carried with one recusal (Pratt).

### **Security, Bus & Traffic Committee**

The Seal Beach Police Department (SBPD) is currently working with the Drug Enforcement Agency (DEA) to invite them to bring their prescription drug take back program to Seal Beach. The SBPD seeks to determine the level of interest in hosting a prescription drug take back collection center in the community.

Many of these prescription drugs end up polluting our local waters. Approximately nine years ago, Leisure World had a very successful prescription drug take back collection center near Clubhouse Four; shareholder/members have inquired if a collection will happen in the future. An inquiry was recently made at the Emergency Preparedness sub-committee meeting as well.

The two requirements from the DEA/SBPD are that:

1. The collection point be open to all Seal Beach residents. The main gate, dedicating an office or break room for the day, has been suggested. Non-residents could park at the bus terminal outside and enter the front terminal door and shareholder/members could enter the rear door.
2. GRF provide two (2) security officers to secure the area.

Mr. McGuigan MOVED, seconded by Mrs. Wood -

**TO** recommend the GRF Board of Directors approve and allow the collection of prescription drugs by the DEA and provide two (2) security officers at the collection site (Main Gate, either the break room or an office).

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

The motion was carried with two no votes (Lukoff and Snowden).

### **STAFF REPORTS**

#### **Director of Finance**

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

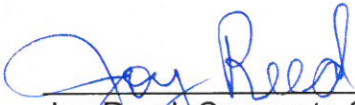
#### **Executive Director**

A printed copy of the Executive Director's report was provided to the GRF BOD members.

### **BOARD MEMBER COMMENTS**

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

The meeting was adjourned at 12:16 p.m.



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Joy Reed, Corporate Secretary  
Board of Directors  
dfb/03.22.16