



**BOARD OF DIRECTORS MEETING MINUTES
GOLDEN RAIN FOUNDATION
APRIL 25, 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, April 25, 2017, in Clubhouse Four.

PLEDGE OF ALLEGIANCE

Blessilda Fernandez, Mutual Administration Manager, led the Pledge of Allegiance.

ROLL CALL

Following the roll call, Corporate Secretary reported that Directors Perrotti, R. Stone, Snowden, Pratt, L. Stone, Reed, Hood, Rapp, Hopewell, McGuigan, Doderio, Winkler, Greer (left at 12:30 p.m.), Damoci, Lukoff, Tran, Fekjar, and Moore were present.

Eighteen Directors were present, with a quorum of ten.

PRESIDENTS COMMENTS

The President offered no comments.

ANNOUNCEMENTS/ SERVICE AWARD PRESENTATIONS

The GRF Board of Directors met in Executive Session on April 7 and April 21, 2017 to discuss legal, contractual and personnel matters.

SERVICE ANNIVERSARIES

Three employees were recognized with service awards.

Nicholas Paoletto	Fleet Department	5 years
Lavell Lover	Security Department	10 years
Stephen Bannon	News Department	15 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

Seventeen shareholder/members 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 Committee meetings:

- Minutes of the Security, Bus & Transportation Committee Board Meeting of March 1, 2017
- Minutes of the Information Technology Services Committee Board Meeting of March 6, 2017
- Minutes of the Strategic Planning Ad Hoc Committee Board Meeting of March 7, 2017
- Minutes of the Recreation Committee Board Meeting of March 8, 2017
- Minutes of the Executive Committee Board Meeting of March 10, 2017
- Minutes of the Physical Properties Committee Board Meeting of March 13, 2017
- Minutes of the Mutual Administration Committee Board Meeting of March 14, 2017
- Minutes of the Finance Committee Board Meeting of March 21, 2017
- Minutes of the Community Access Ad Hoc Committee Board Meeting of March 23, 2017

APPROVAL OF BOARD MEETING MINUTES

The minutes of the March 28, 2017 were approved, by general consent of the Board, as distributed.

NEW BUSINESS

General

Approve Reserve and Capital Funding for Trust Street Compliance with California Manual on Uniformed Traffic Control Devices (CAMUTCD)

The Physical Property Committee (PPC) received recommendations from Urban Crossroads (traffic engineer for GRF) to bring the traffic control devices within Trust property into compliance with state requirements, as outlined in the California Manual on Uniformed Traffic Control Devices (CAMUTCD). In the Committee's review and deliberations, it was noted that the CAMUTCD is the standard by which a California Driver's license is issued, as well as the standard for which law enforcement agencies use for traffic enforcement. The PPC noted that upon certification of Trust Property traffic control devices compliant to the CAMUTCD, local law enforcement could issue citations within the community. The Committee resolved to recommend to the Board acceptance of this proposed project.

Mr. Lukoff MOVED, seconded by Ms. Rapp-

TO approve Reserve funding for the removal and replacement of signs and street marking and repainting of red curbs per reset plan, in the amount of \$213,000, to be in compliance with the CAMUTCD. Further, I move to approve Capital Funding to update traffic control devices, and certification of compliance with CAMUTCD, in the amount of \$35,000, with the contingencies of \$24,800. The total cost of the project is not to exceed \$272,800 and authorize the GRF President sign the contract and the Physical Property Chair approve any contingencies.

One Director and the Executive Director spoke on the motion.

The motion was carried unanimously by the Board members.

Trust Property Use Lease(s)

The President transferred the Chair to Vice President.

Two Board members and the Executive Director spoke on the agenda item.

#1 Proposed Lease Agreement with Leisure World Trailer Club, Inc.

The Golden Rain Foundation (GRF) Board of Directors (BOD) discussed the lease agreement between the Golden Rain Foundation (GRF) and the Leisure World Trailer Club. The BOD recommends acceptance of the agreement, as noted, to stipulate clear terms and conditions in the use of Trust Property.

Mr. Pratt MOVED, seconded by Ms. Snowden-

TO accept an annual lease agreement with Leisure World Trailer Club, a California Corporation for a five year term, commencing January 1, 2017 and expiring December 31, 2021, at an annual rent of \$18,885 per year for the first year, payable ten (10) days after the lease is executed and invoice sent; \$20, 774 for year two (2); \$22,851 for year three (3); \$25,136 for year four (4); and \$27,650 for year five (5) with each annual payment due and payable within ten (10) days of invoice. Payment is due per the terms of the agreement (Exhibit A in agenda packet).

Mr. Hood MOVED, seconded by Mr. McGuigan-

To call the question.

The motion to call the question failed to garner two thirds vote of the Directors; eleven yes votes (Fekjar, Tran, Lukoff, Greer, Doderro, Hood, McGuigan, Rapp, Hopewell, Pratt, R. , Perrotti), five no votes (Moore, Reed, Damoci, L. Stone, Snowden) and one recusal (R. Stone).

Thirteen Board Members spoke on the motion.

The motion failed to carry with fourteen no votes (Perrotti, Pratt, Snowden, Hopewell, Rapp, McGuigan, Hood, Damoci, Reed, Doderro, Greer, Lukoff, Tran, Fekjar), one yes vote (Moore), one recusal (R. Stone) and one abstention (Winkler).

Director Damoci made the following remarks, which Director Snowden requested be included, in their entirety, in the meeting minutes:

First, let me be clear, the GRF Board's goal from the very beginning was to negotiate a new lease with the RV Club that would work for both sides. The lease expired on Dec. 31th, 2016. The Board voted in November of last year to negotiate. But it seems we have been negotiating with ourselves.

As we reviewed the old agreement, we realized that many GRF policies had been updated in the last five years and, to meet our fiduciary duty, those needed to be included in any new document.

The Board also felt the old agreement was financially, by comparison to rates charged for car ports, very one-sided, in favor of the Club. Those concerns needed to be addressed as well.

Our initial offer to the RV Corp. had 26 changes that were made by us from the lease that had expired on Dec. 31, 2016. When the lease was returned to us, 25 of our changes were removed, with only one remaining, along with a counter offer to the Board of \$1.00, per year, for 15 years. The one that remained was raising the required amount of insurance from \$1,000,000 to \$3,000,000.

After extensive discussion, we sent the lease out a second time, with the same 26 changes, saying we didn't feel that the RV Corp. was negotiating in good faith.

This time, the Club's corporate officers returned the lease with the same one point we could agree on, but the 23 changes gone from the lease. Two of the changes were left in, but changed and included a statement from the RV Club President that it was signed under duress.

The consensus of the Board members and our attorney was, after two attempts, the Club was still not negotiating in good faith.

Yesterday afternoon the President of the RV club delivered another lease to our Executive Director. Again, all the Limits on Use were removed. They were very important to the GRF Board. You need only to look at the Lease in today's agenda and the one they gave us to see the changes made. Some of the things they removed were:

- All vehicles must be owned by a Member, in good standing, per the terms and conditions of the Trust Agreement, GRF Bylaws, Policies and Occupancy Agreement and may not be delinquent on any assessments or fines verified by the Stock Transfer office. Member must be the principle active user of the vehicle. That was removed.

- Security will provide decals (clearly posted on both ends of all vehicles). All RV owners must show proof of a valid driver's license, liability insurance and vehicle registration (in GRF Member's name) to park in the lot. That was removed.

- Unit owners are required to keep the area around their units clean and free of clutter at all times. That was removed.

- No hazardous materials are to be disposed of in the RV Storage Lot. That was removed.

- Unit owners are not permitted to conduct any commercial enterprise on the property. That was removed.

- Quarterly list of vehicles using the lot, vehicles on waiting list and changes to these lists (new vehicles admitted and those who have left the lot permanently) are to be given to the Recreation Department. That was removed.

- Maximum of two spaces can be assigned to any LWSB address. That was removed.

- All lot rules must not contradict this Lease and must be on file in the Recreation Department. That was removed.

-RVs and all stored units must be driven or towed out of the storage lot at least once a year. CLUB must furnish list of when each unit is moved. That was removed.

-No living or cooking in units at any time. That was removed.

-Only members of GRF can be club members per Recreation policy. That was removed.

-Only authorized units can be in the lot. No unlisted units can use tools, oil changing or dump station. That was removed.

-Vehicles will be kept in good running order with no flat tires. 30 days to repair, fix or remove vehicle from lot. That was removed.

-No unit is to be used for storage. That was removed.

-Change of ownership on any unit does not guarantee a space in the Lot. New owner must move to the end of the waiting list. That was removed.

-They also removed the requirement for Worker's Compensation Insurance for their employee and the right for the Security Department to enter at all times.

At last month's meeting, the President of the RV Corp. assured us that they were not going to file suit against the GRF. Since that time every email from him has had veiled, and in some cases, not so veiled threats of such a law suit.

The letter sent to us on 4/5/17 said we were taking the money because we said we were using the money to pay property taxes, that the GRF Board was taking the money under false pretenses and fraud. This Board has never said we were taking the money for taxes. Maybe they should take that up with the GRF Board that gave them the last lease? Maybe they could ask the two current members of their club who voted for that lease, when they were on the GRF Board.

If we want to talk about "under false pretenses and fraud" maybe we should talk about leasing spaces and taking money from new club members when you had no legal right to do so.

The common property of the GRF Foundation should benefit all members. Not less than 4%. The rest of us can only gain from the 4.67 acres through any financial payments we receive to reduce the burden on the rest of the population.

I'm a numbers person. So let's look at some numbers:

\$18,885 a year divided by the 282 spaces that are rented now is a little under \$67 a year, per space. Not a month, but a year. If you were to rent a carport space in LW you would pay between \$240 & \$300 a year. We were only asking for a little under \$67 per space per year.

If you were to rent a RV vehicle space outside of LW you would pay between \$2,400 & \$3,600 or more a year. Again, we were only asking for a little under \$67 per space per year.

In some Mutuals, you pay \$3 per sq. ft. a year for a 10X20 foot patio. That's \$600 a year. To repeat, for the same size space, we were only asking for a little under \$67 per year, per space.

250 members rent spaces in the lot now, 31 of them have two spaces each. One address in LW has three and one has four spaces.

There are 6,608 units in LW. The 250 club renters comprise less than 4% of the members.

I hear all the time that "the pool, exercise room and golf course are not used by me and yet I pay for them." I could say the same thing but the pool was used by 49,901 members last year, the exercise room 87,365 and the golf course had 48,405.

Again the RV lot is used by only 250 members. Less than 4% of the members in LW.

I also hear about the Friends of the Library and their \$1 a year lease. Let's compare the two.

Over the last 5 years they have given over \$106,000 to offset the Library's cost.

The RV Corp. over the same 5 years gave a little under \$75,000.

The Friends have a little over 400 sq. ft.

The RV lot has 4.67 acres.

Let's look at the clubs with \$1 a year leases.

The Radio Club has 164 sq. ft., LW Meals 214, LWHS 434, Genealogy 546, Theater club 910, and Video Producers Club 1,143 sq. ft.

The Golden Age Foundation had exclusive use of 790 sq. ft. What have they contributed to the community over the last five years, you might ask?

- A \$130,000 access bus
- \$125,000 in gym equipment
- \$30,000 site impaired, traffic light
- Ice makers in all the clubhouses
- Helped prepare the taxes for over 3,500 members
- Loans out about 500 wheelchairs and walkers a year
- Contributed about \$80,000 toward the flu clinics
- Donated \$7,000 to Hi-Cap (council on aging) and emergency meals
- Served coffee and snacks to over 40,000 shareholders a year in the hospitably area for a yearly cost of over \$10,000. All with no charge to the shareholders.

I don't think it's fair to all the members who do not have use of that 4.67 acres. They deserve something in the form of a fair rent from the Corporation for their land. I also feel the limits on use are important and must be included.

The Vice President transferred the Chair to the President.

Vice President called for a 10 minute break at 11:41 a.m.

The meet resumed at 11:57 a.m.

#2 Proposed Lease Agreement with GRF Member Lessees

Golden Rain Foundation (GRF) is the owner (In Trust) of the premises which consists generally of a 5.5.1-acre parcel of real property located at 13599 El Dorado Drive, Seal Beach, California, 90740; Tract No. 4401, MM/154/9-17, as recorded with the County of Orange, State of California (5.5 acres).

The primary use of the property identified has been for the storage of vehicles used for recreation, under Article VII, Section A, of the Trust, which states:

“...TRUSTEE shall have, in addition to all powers, rights and privileged provided by law for trustees, and all powers necessary to carry out the duties herein imposed on TRUSTEE, the further powers to grant, bargain, sell for cash or credit, convey exchange, lease for terms, either within or beyond the end of the trust, for any purpose...the Trust Estate or any part thereof in such a manner and such terms and conditions as the TRUSTEE deems advisable. In all such cases TRUSTEE shall have the sole discretion respecting such transactions...”

Per Article VII, Section A of the Trust, the GRF Board of Directors has the sole authority, over the use of Trust Property. Further, the GRF BOD must act in a manner which represents the mutual benefit of all members of GRF. As such, the BOD, in its authority, has deemed the best mutual use of the area identified as the 5.5 acres shall be for the general use of all GRF members, based upon available space, per the terms and conditions in the use of Trust Property, per the terms and conditions of the Lease Agreement attached (Exhibit A).

As the proposed lease agreement is considered an operational under Civ. Code §4340 and as provided for in Civil Code §4355(a), action by the BOD has been requested to adopt the proposed lease agreement and provide due notice per Civ. Code §4360(a).

The Board of Directors will make a final vote on this proposed operating rule change on May 30, 2017, after consideration of comments made by members. This process is recommended in accordance with the Davis-Stirling Act, Civil Code §4360.

Mrs. Perrotti MOVED, seconded by Mr. Moore –

TO approve the proposed lease agreement between the GRF and individual members of the GRF for the use of the property commonly identified as the 5.5 acres, and post the lease per provisions of Civil Code §4360(a).

Mrs. Damoci MOVED, seconded by Ms. Rapp -

TO amend the motion: remove section XI., Default, from the proposed lease agreement.

Ten Directors spoke on the motion.

The amended motion was carried with fourteen yes votes (Perrotti, Pratt, Snowden, Hopewell, Rapp, McGuigan, Hood, L. Stone, Reed, Doderio, Greer, Lukoff, Fekjar, Moore) two abstentions (Tran, Winkler) and one recusal (R. Stone).

#3 Proposed Lease Agreement with Club, Inc., Limited Space Use

Golden Rain Foundation (GRF) is the owner (In Trust) of the premises which consists generally of a 5.5.1-acre parcel of real property located at 13599 El Dorado Drive, Seal Beach, California, 90740; Tract No. 4401, MM/154/9-17 as recorded with the County of Orange, State of California (5.5 acres).

The primary use of the property identified has been for the storage of vehicles used for recreation, under Article VII, Section A, of the Trust, which states:

"...TRUSTEE shall have, in addition to all powers, rights and privileged provided by law for trustees, and all powers necessary to carry out the duties herein imposed on TRUSTEE, the further powers to grant, bargain, sell for cash or credit, convey exchange, lease for terms, either within or beyond the end of the trust, for any purpose...the Trust Estate or any part thereof in such a manner and such terms and conditions as the TRUSTEE deems advisable. In all such cases TRUSTEE shall have the sole discretion respecting such transactions..."

Per Article VII, Section A of the Trust, the GRF Board of Directors (BOD) has the sole authority, over the use Trust Property. Further the GRF BOD must act in a manner which represents the mutual benefit of all members of GRF. As such the BOD in its authority has deemed the best mutual use of the area identified as the 5.5 acres.

In as much as the 5.5 acres is used for the storage of vehicles used for recreation, the GRF BOD wishes to enter into a lease agreement between the Golden Rain Foundation and the Leisure World Trailer Club (CLUB) for use of space within the 5.5 acres of Trust property for the sole purpose of the Club's activities under terms and conditions of a lease agreement.

Terms of the proposed lease agreement between GRF and the Club shall include, but not be limited to: Trust Property allocated for use, tentatively, as identified in the agenda packet,; Annual Fee - \$1.00; general terms and use restrictions, to be determined.

The Board of Directors will make a final vote on this proposed operating rule change on May 30, 2017, after consideration of comments made by members. This process is recommended in accordance with the Davis-Stirling Act, Civil Code §4360.

Mr. McGuigan MOVED, seconded by Ms. Snowden –

TO conceptually approve a lease agreement between the Golden Rain Foundation and the RV Trailer Club, for the limited use of Trust Property to be identified within a section of the 5.5 acres of Trust Property, per terms and conditions to be determined in the amount of \$1.00 per year.

Nine Directors spoke on the motion.

The motion was carried with one abstention (Winkler) and one recusal (R. Stone).

Architectural Design and Review Committee

Engineering Services, Globe Lighting, Globe Reserve Fund Allocation

At its regularly scheduled meeting on April 11, 2017, the Committee discussed budget information for the installation of lighting for the Globe. Staff provided a cost estimate from the lighting architect, Fox and Fox Design as follows: Lighting design/plan - \$2,000. The Committee unanimously concurred to request the Finance Committee review and approve the excess funds of \$2,000, from the refurbishment of the Globe, to be used for this Lighting project.

At the regularly scheduled meeting on April 18, 2017, the Finance Committee reviewed available funding for this project and unanimously resolved to approve this allocation from the Globe Reserve Fund.

Ms. Hopewell MOVED, seconded by Mr. McGuigan-

TO approve the allocation from the Globe Reserve Fund, in the amount of \$2,000, to design lighting for the Globe.

Two Directors spoke on the motion.

The motion was carried unanimously by the Board members present.

Executive Committee

Approve Non-budgeted Funding for Parking Enforcement Hire

At the April 5, 2017 meeting of the Security Bus and Traffic Committee (SBTC), the Committee reviewed the limited actions taken by the Security Department in the enforcement of Policy 1927-37. It was noted that when the 2017 Budget was established, Policy 1927- 37, Traffic Rules and

Regulations was still in the review stages; as such, no funding allocations were made within the approved budget for the staffing required to fulfil enforcement of Policy 1927-37.

At the April 14, 2017 meeting of the Executive Committee (EC), the Committee reviewed the request of the SBTC for the clear and present need for non-budgeted additional staffing hours, within CC37, to perform required enforcement of Policy 1927-37. In support of this requested action, the SBTC, as well as the EC, noted that Mutuals are beginning to adopt similar policies, with a general expectation of GRF providing the required enforcement actions.

As GRF Board members, it is part of our duty to ensure that all Policies are followed by our fellow Shareholder/Members and the Board itself and enforcement applied to Trust property as well as Mutual property.

The EC deliberated on the SBTC request for an additional 80 hours per week and the retention of full time staff deactivated to parking policy enforcement. The Committee moved and approved to recommend to the Board approval of non-budgeted labor hours, within CC37, as follows:

- 2017 Budget - 35 weeks or a total of 2,800 hours
 - Estimated expense including labor burden
 - 2 dedicated, FTE's - \$63,000
- 2018 Budget - Annual addition of 4,160 hours
 - Estimated expense including labor burden
 - 2 dedicated, FTE's - \$93,600

Mr. Moore MOVED, seconded by Ms. Fekjar –

TO approve the addition of 2 Full Time staff members, within Cost Center 37, for the sole purpose of enforcement of Policy 1927-37 and similar Mutual parking policies.

Nine Directors spoke on the motion.

Ms. Winkler MOVED, seconded by Mr. Lukoff-

TO amend the motion by deleting “2 full time” and substituting “80 additional staff hours”.

Ten Directors, the Executive Director, the Interim Security Chief and the Deputy Security Chief spoke on the motion.

The amended motion was carried with thirteen yes votes (Perrotti, R. Stone, Pratt, Snowden, L. Stone, Reed, Dodero, Winkler, Greer, Lukoff, Tran, Fekjar, Moore) and four no votes (Hood, Hopewell, Rapp, McGuigan).

Rescind Policies under the Purview of the Executive Committee

At its meeting on April 14, 2017, the Executive Committee reviewed policies within their purview and moved to recommend that the Golden Rain Foundation (GRF) Board of Directors rescind the policies.

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

TO rescind Policies 2002-30, Administrative Organizations; 2135-30, Secretarial Services – Minutes; 5103-30, Committee Meetings – Board Members' Attendance; 5441-30 Emergency Plan –Staff, 5509-30, Renewal of Service and Maintenance Contracts; 5602-30, Voice Roll Call Vote, policies that are obsolete, redundant or a matter of law.

Finance Committee

Accept March 2017 Financials for Audit

At the regular meeting of the Finance Committee on April 18, 2017, the Committee duly moved to recommend to the Golden Rain Foundation Board of Directors acceptance of the March 2017 Financial Statements for audit.

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

TO accept the March 2017 Financial Statements for audit.

Approve Closure of BNY Mellon Accounts

At the regularly scheduled meeting of the Finance Committee on April 18, 2017, the members discussed the investment portfolio held at BNY Mellon. As of March 1, 2017, there are no municipal bonds contained in the portfolio. Remaining in the portfolio are two GNMA bonds maturing in six and ten years and a Money Market account. The annual income generated from the remaining investment portfolio is less than the annual amortization on the remaining GNMA bonds and service charge to maintain the portfolio. The Committee passed a motion to recommend to the Board the closure of the BNY Mellon investment account and to transfer the funds to US Bank where the funds are fully insured.

Ms. Snowden MOVED, seconded by Ms. Winkler and carried unanimously by the Board members-

TO authorize the Finance Department to instruct BNY Mellon to close the GRF investment account by selling the two GNMA bonds and transferring the proceeds, plus the balance of the money market account, to US Bank.

Approve CDAR Purchase

At the regularly scheduled meeting of the Finance Committee on April 18, 2017, the members discussed the liquid funds held in various financial institutions and noted the balances in some of the financial institutions exceed the FDIC insurance limits and therefore are not in compliance with Policy 5520-31 – Reserves.

Based on the amount of liquid reserve funds versus total reserve commitments, the Committee passed a motion to recommend to the Board to invest \$490,000 from the First Foundation Bank Money Market Reserve account, along with \$510,000 from the US Bank Money Market Reserve account, in two 52-week \$500,000 CDARs, which will be fully insured by the FDIC. Remaining liquid reserve funds will be sufficient to fulfill current and future commitments.

Ms. Stone MOVED, seconded by Ms. Rapp -

TO use \$490,000 from First Foundation Bank Money Market Reserves and \$510,000 from US Bank Money Market Reserves to purchase two \$500,000 52-week CDARs @ .45% to continue the investment ladder.

Six Directors, the Executive Director, and the Director of Finance spoke on the motion.

Mr. Lukoff MOVED, seconded by Ms. Rapp –

TO call the question.

The motion to call the question was carried with one no vote (Pratt).

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

Approve Revised SRO Rate

In order to appropriately recover expenses relating to services provided by the Service Maintenance department to the Mutual Corporations and to shareholders throughout the community, it has become necessary to increase the labor rate charged for these services.

At the regularly scheduled meeting of the Finance Committee on April 18, 2017, the members moved to recommend the GRF BOD approve the proposed billing labor rate increases:

Labor-Straight	Labor-OT	Labor Total	
1,468,970	73,287	1,542,256	SRO Recovery @ \$42/hr. (New Rate)
1,406,014	69,797	1,475,811	SRO Recovery @ \$40/hr. (Current Rate)
62,956	3,490	66,445	Additional Labor Recovery

Mr. Lukoff MOVED, seconded by Mr. Hood and carried unanimously by the Board members –

TO approve an increase to the labor recovery billing rate from \$40 per hour (\$0.67 per minute) to \$42 per hour (\$0.70 per minute) for straight time and from \$60.00 per hour (\$1.00 per minute) to \$63 per hour (\$1.05 per minute) for overtime, effective May 1, 2017.

Amend Policies, Finance Committee

At its meeting on April 18, 2017, the Finance Committee reviewed policies within their purview and moved to recommend that the Golden Rain Foundation (GRF) Board of Directors (BOD) amend the policies.

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

TO amend Policies 2230-31, Authorized Signatories; 3321.01-31, Basic Purchasing Procedure and Responsibility, 3323-31, Disposition of Surplus Equipment; 5523-31, Accounts Receivable Collections; 5516-31, Committee Non-budgeted Expenses; 5520-31, Reserves; and 5330-31, Capital Project Initiation.

ITS Committee

Axxieron Software Project, Supplemental Capital Funds

In July 2015, the Golden Rain Foundation (GRF) Board of Directors (BOD) approved the purchase of the Axxieron software to replace the work order module in Adapt and the inventory and purchase order modules in Great Plains. The Axxieron software came with baseline functionality and required modifications to meet the specific needs of GRF. The initial purchase included 68 hours of training and implementation.

Axxerion provides GRF with a cost estimate prior to beginning the work so that the budget can be closely monitored. Upon approval of the cost, Axxerion provides the software developments and bills in accordance with the agreed upon cost. The methodology taken for the Axxerion software development began with the piecemeal approach where the end user on the GRF side has been working directly with the software vendor's programmer. The selection of this approach was determined during the restructuring of the IT department where the responsibilities of this conversion project was transferred to the Finance department. Long after the project commenced, the IT Systems Analyst became involved. There have been no third-party consultants involved.

Although the piecemeal methodology is generally the lower cost approach, it has its challenges. The Axxerion software conversion project is approximately 75% complete.

Staff has found it is both cost and time efficient for the IT Systems Analyst to work as a liaison between GRF and Axxerion. The IT Systems Analyst is able to write comprehensive requirements documents by meeting regularly with the Director of Finance and Purchasing Manager to discussing each module's requirements. Other requests which cannot be developed in-house are submitted in requisition documents to Axxerion's team.

In order to complete this software conversion project, it is necessary to request additional approved funding. Much of the implementation can be performed in-house to avoid the \$150/hour fee Axxerion charges. The additional funding will be used for in-house training and for those requests that cannot be completed in-house.

At its regular meeting held on April 18, 2017, the Finance Committee passed a motion to approve an additional \$50,000 of capital funds to be used to complete the software conversion of work orders, purchase orders and inventory management from the Adapt and Great Plains applications to Axxerion and to recommend final approval from the GRF Board.

Ms. Snowden MOVED, seconded by Ms. Rapp -

TO approve an additional \$50,000 of capital funds to be used to complete the software conversion of work orders, purchase orders and inventory management from the Adapt and Great Plains systems to Axxerion.

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

Mutual Administration Committee

Amend Policy 1201-33, Photo ID Cards

At its meeting on April 11, 2017, the Mutual Administration Committee reviewed 1201-33, Photo ID Cards. The Committee recommended the Golden Rain Foundation Board of Directors amend the policy, as indicated in the draft policy (attached in the agenda packet).

Ms. Rapp MOVED, seconded by Mrs. Dodero and carried unanimously by the Board members –

TO amend Policy 1201-33, Photo ID Cards, to reflect the changes consensually agreed on by Mutual Administration Committee members.

Physical Property Committee

Approve Replacement of Golden Rain Traffic Light Pole, Reserves

At its regularly scheduled meeting on April 10, 2017, the Physical Property Committee (PPC) reviewed a request to replace the rusted south-west corner of the traffic light standard at the intersection of Golden Rain and St. Andrews. The Committee reviewed the cost and discussed the condition of the other poles and concurred to inquire if three additional poles are available to be replaced at the same time. The PPC resolved to request the Finance Committee to review the request for funding to replace the traffic light pole (presented in agenda packet), in the amount not to exceed \$8,795, and purchase an additional three poles, if available, in the total amount not to exceed \$36,000 for all four poles.

At the regularly scheduled meeting on April 18, 2017, the Finance Committee reviewed available funding for this project and unanimously resolved to approve this non-budget expense, from Reserve Funds, in an amount not to exceed \$36,000.

Mr. Stone MOVED, seconded by Mrs. Dodero -

TO award a contract to Siemens Industry INC. to replace the traffic light pole (presented in agenda packet), in the amount not to exceed \$8,795, and purchase an additional three poles, if available, in a total amount not to exceed \$36,000 for all four poles, from Reserve Funding and authorize the President to sign the contract.

Four Directors, the Executive Director and the Facilities Director spoke on the motion.

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

Approve Pest Control Contract

Fenn Termite and Pest Control has submitted a proposal for a new three-year contract. The new contract includes monthly pest control service to all Trust buildings, a yearly termite report, and

localized treatment for termite control for a three-year contract's cost of \$36,725 (see Exhibit A in agenda packet). In comparison to previous bidders, Fenn continues to be an extreme value with its closest competitor being almost 42% higher in cost.

Mr. Lukoff MOVED, seconded by Ms. Rapp -

TO award a three (3) year contract to Fenn Termite and Pest Control to provide monthly pest control service, a yearly termite report, and localized treatment for termite control to all Trust buildings, for a three-year term, in the amount not to exceed \$36,725, funding from the Operations budget, and authorize the President to sign the contract.

Two Directors spoke on the motion.

The motion was carried unanimously by the Board members.

Recreation Committee

Approve Replacement of Pool Area Furniture, Reserves

As part of the annual swimming pool maintenance program, damaged deck furniture is sent out for repairs and refinishing. Due to the age of the furniture and the constant repair and refinishing over the years, Seabreeze Patio Furniture Inc., our repair company, has informed us that the furniture can no longer be repaired or refinished. Seabreeze offered to replace all deck furniture with good, used, reconditioned deck furniture at a cost of \$7,747.00.

At its April 13, 2017 meeting, the Recreation Committee approved to purchase all reconditioned deck furniture from Seabreeze patio Furniture Inc., in an amount not to exceed \$8,000.00, and requested the Finance Committee review the Budget for funds from the replacement reserves to make this purchase. At its April 18, 2017 meeting, the Finance Committee approved funding from the replacement reserves, in an amount not to exceed \$8,000, for the purpose stated above.

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

TO approve the purchase of used, reconditioned deck furniture from Seabreeze Patio Inc., in an amount not to exceed \$8,000, from the replacement reserve portion of the budget, and to authorize the Recreation Manager to make the purchase.

TENTATIVE VOTE: Amend 1927-37, Traffic Rules and Regulations

At its meeting on April 5, 2017, the Security, Bus & Traffic (SBT) Committee reviewed Policy 1927-37, Traffic Rules and Regulations. The Committee recommended the Golden Rain Foundation Board of Directors amend the policy to provide updated information in order to foster clarity and compliance. The Board of Directors will make a final vote on this proposed operating rule change on June 27, 2017, after consideration of comments made by members. This process is recommended in accordance of the Davis-Stirling Act, Civil Code **§4360**.

Mrs. Perrotti MOVED, seconded by Mr. McGuigan -

TO amend Policy 1927-37, Traffic Rules and Regulation, to provide
updated information for clarity and compliance.

One Director spoke on the motion.

The motion was carried unanimously by the Board members.

CONTROLLER'S REPORT

The Controller's report is included at the end of the minutes as an attachment.

EXECUTIVE DIRECTOR'S REPORT

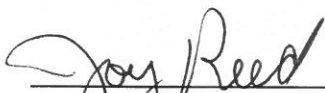
The Executive Director spoke on various topics.

BOARD MEMBER COMMENTS

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

ADJOURNMENT

The meeting was adjourned was at 1:54 p.m.



Joy Reed, Corporate Secretary
GRF Board of Directors
/dfb 04.25.17