



**BOARD OF DIRECTORS MEETING
GOLDEN RAIN FOUNDATION
August 23, 2016**

CALL TO ORDER

President 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, August 23, 2016, in Clubhouse Four.

PLEDGE OF ALLEGIANCE

Diane Gebel, Administrator of the Health Care Center, led the Pledge of Allegiance.

ROLL CALL

Following the roll call, Corporate Secretary Reed reported that Directors Perrotti, R. Stone, Pratt, Snowden, L. Stone, Reed, Hopewell, Rapp, McGuigan, Doderio, Scheuermann, Greer, Damoci, and Tran were present. Directors Hood, Lukoff and Moore were absent. Fourteen Directors were present, with a quorum of eight.

PRESIDENTS COMMENTS

There appears to be some general misunderstanding on the activities of the GRF Board and it's Committees. I would like to address a few of the concerns I'm hearing.

Lack of Transparency – The GRF Board operates under a strong committee system. Actions before the Board have been thoroughly reviewed at posted committee meetings. Shareholders have numerous opportunities to state their concerns. Correspondence is read at all meetings, verbal comments are made during the two posted comment periods, and in most cases the Committee accepts comments during agenda item deliberations. All committee actions are then forwarded to the Board, where again all actionable items are duly posted. Shareholders may provide comments to the Board before deliberation and action.

Regarding raising the guest pass fee from \$5.00 to \$10.00 for each pass over the 4 issued – GRF provides reasonable access control and over the past year numerous concerns have been reviewed by the MAC committee on Guest Passes and the possible abuse of the Guest Pass system. Here again, all actions in reference to this matter have been openly reviewed and

Golden Rain Foundation Board Meeting Minutes, August 23, 2016

discussed at posted committee meetings.

"Re-branding" Leisure World? – Our community has been plagued over the years by derogatory terms, such as "Seizure World". Committees are involved in discussion on marketing actions to show the world outside of our walls an active adult community. There has been no discussion on a re-naming of the community.

Stop printing the GRF Board minutes in the paper? - The Board has passed this action, however strong community concern is being brought forth. I will ask that the action by the Board in this matter be brought again to the Board for possible reconsideration, based upon the voice of the community.

I'll close with my favorite rumor this month: that we had the Leisure World sign turned off because we were going replace it. The truth of the matter is that the sign turned itself off. So we replaced a transformer and it's working again.

ANNOUNCEMENTS/ SERVICE AWARD PRESENTATIONS

The GRF Board of Directors met in Executive Session on August 1, 2016 to discuss legal and personnel matters.

Several Committee meeting dates have moved around the calendar schedule and some locations have changed to Conference Room B. Please keep an eye on the *Golden Rain News* for the meeting schedule. As a reminder, committee meetings are open to all shareholders.

SERVICE ANNIVERSARIES

Six employees were recognized with service awards.

James Kanagusuku	Security Department	5 years
Romulo De Guzman	Security Department	10 years
Wendi Noble	Administration Department	10 years
Jodi Hopkins	Mutual Administration Department	10 years
Jim Breen	Golden Rain News	15 years
Kenneth Brown	Transportation Department	20 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

Golden Rain Foundation Board Meeting Minutes, August 23, 2016

to make comments before the business of the Board begins. Requests must be registered in advance of the meeting and comments are limited to four minutes.

One shareholder/member offered comments.

CONSENT CALENDAR – APPROVAL OF BOARD COMMITTEE MEETING MINUTES

In accordance with Civil Code 4090, the Foundation will make available a summary of the meetings where a quorum of the Board was present. A quorum of the Board was present at the following nine July 2016 Committee meetings:

- Minutes of the Strategic Planning Ad Hoc Committee Board Meeting of July 5, 2016
- Minutes of the Executive Committee Board Meeting of July 8, 2016
- Minutes of the Physical Property Committee Board Meeting of July 11, 2016
- Minutes of the Architectural Design and Review Committee of July 12, 2016
- Minutes of the Mutual Administration Committee Board Meeting of July 12, 2016
- Minutes of the Publications Committee Board Meeting of July 13, 2016
- Minutes of the Recreation Committee Board Meeting of July 13, 2016
- Minutes of the Security, Bus & Transportation Committee Board Meeting of July 18, 2016
- Minutes of the Finance Committee Board Meeting of July 19, 2016

APPROVAL OF BOARD MEETING MINUTES

The minutes of the July 26, 2016 Golden Rain Foundation Board meetings were approved, by general consent of the Board, as amended.

BUSINESS

General

Appointment of the Community Access Ad Hoc Committee

In accordance with Article 7, Section 1, Article 8 of the Bylaws and Foundation Policy 5100-30, Committee Functions of the Golden Rain Foundation of Seal Beach, the President shall appoint all committees and their members subject to the approval of the GRF Board.

Mrs. Damoci MOVED, seconded by Ms. Stone -

TO approve and thereby establish the Community Access Ad Hoc Committee and grants to the Community Access Ad Hoc Committee limited authority specifically stated within the GRF governing

Golden Rain Foundation Board Meeting Minutes, August 23, 2016

documents, and policies or other authority as granted by the BOD or as stated within this policy.

Four Board Members spoke on the motion.

The motion was carried with two no votes (McGuigan and R. Stone).

Community Access Ad Hoc Committee Appointments

Mrs. Damoci MOVED, seconded by Ms. Rapp, the motion was carried unanimously by the Board members present –

TO approve appointment Kathy Rapp – Chair, Member Barry Lukoff, Member Steve McGuigan, Member Leah Perrotti, Member Paul Pratt, Member Joy Reed, Member Linda Stone, Advisory Member Mutual One President Sandra Luther-Stark, Advisory Member Mutual Fourteen President Lee Melody, Staff Member Security Chief Jaime Guerrero (as needed), Staff Member Mutual Administration Manager Marisa McAuley (as needed), Ex- officio Member GRF President Carole Damoci.

Executive Committee

Rescind Policy 4121-20, Position Descriptions

It was the recommendation of the Executive Committee that Policy 4121-20, Position Descriptions be rescinded as it is part of Policy 5110-30, Executive Committee.

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

TO rescind Policy 4121-20, Position Descriptions.

Rescind Policy 4156-30, Hiring Practice

At the August 12, 2016 meeting, the Executive Committee recommended that Policy 4156-30, Hiring Practice be rescinded as it is part of Policy 5110-30, Executive Committee.

Ms. Tran MOVED, seconded by Ms. Hopewell and carried unanimously by the Board members

Golden Rain Foundation Board Meeting Minutes, August 23, 2016

present-

TO rescind Policy 4156-30, Hiring Practice.

Rescind Policy 4190-20, Anti-Fraud Policy

At the August 12, 2016 meeting, the Executive Committee recommended that Policy 4190-20, Anti-Fraud Policy, be rescinded as it is contained in the Employee Handbook.

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

TO rescind Policy 4190-20, Anti-Fraud Policy.

Employee Benefits – Modification of 401(k) Contribution

In staff review of the employee benefit package, it was noted that GRF could obtain savings by decreasing the Maximum Employer Match for the 401(k) plan from the current level of 4% to a 3% Maximum Employer Match; estimated annual savings are \$16,140.00. At the regular scheduled meeting of the Executive Committee on August 13, 2016, the Committee approved forwarding a resolution to the GRF BOD to make this change effective January 1, 2017.

Mr. Stone MOVED, seconded by Mrs. Perrotti-

TO change the Maximum Employer Match from 4% to 3% on the
Golden Rain Foundation 401(k) Plan to be effective January 1, 2017.

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

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

TO refer the change of the Maximum Employer Match back to the
Executive Committee for review.

Finance Committee

Accept July 2016 Financials for Audit

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

TO accept the July 2016 Financial Statements for audit.

Rescind Policy 2291-31, Service Repair Order (SRO) Labor Rates

At the regular scheduled meeting of the Finance Committee on July 19, 2016, the Committee duly moved to recommend to the Board to rescind Policy 2291-31, Service Repair Order (SRO) Labor Rates. It was noted that the Policy, as drafted, does not accurately reflect the multitude of components necessitated to draft a reasonable fee. The Committee concurred that the SRO labor rate should be reviewed no less than annually by the Finance Committee. The Committee shall consider all aspects required in setting a reasonable SRO fee.

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

TO rescind Policy 2291-31, Service Repair Order (SRO) Labor Rates
and direct the Finance Committee to review, for reasonableness, the
SRO labor rate, no less than annually.

Permit Fees, Physical Property Department

At the regular scheduled meeting of the Finance Committee on August 16, 2016, the Committee reviewed the current fee charged for the processing of a permit by the Physical Property Department (\$25 or 1% fee charged only on permits requiring a City of Seal Beach permit).

Staff has recommended the permit fee be charged on all permit applications from the Physical Properties Department, as required by the Mutuels. This proposal would directly help offset wages incurred by the growing number of permits; the proposed fee has the potential to generate an estimated \$30,000 in revenue, based on 1,225 permits for a twelve month period during 2015/2016.

Both the Physical Property and the Finance Committees have reviewed this request at their most recent regularly scheduled Committee meetings in August and unanimously approved to forward this request to the Board of Directors for approval.

In accordance with section 4360 of the Civil Code, the text of the proposed fee will be posted for thirty (30) days for Shareholder/Members review and comment. Upon the Board's review of comments, final action will be taken at the September 27, 2016 meeting of the Board and if ratified by the Board, will go into effect on January 1, 2017.

Mr. Stone MOVED, seconded by Ms. Rapp -

TO tentatively approve Physical Properties permit fee of a minimum
of \$25 or 1% of the project cost, whichever is greater, on all permits

Golden Rain Foundation Board Meeting Minutes, August 23, 2016

required by the Mutuals to be effected January 1, 2017, pending the minimum thirty (30) day posting and comment period. Final actions on the proposed permit fee will be brought to the September 27, 2017 meeting of the Board for final review and action.

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

The motion was carried with three no votes (Greer, McGuigan and Scheuermann) and one abstention (Pratt).

Approve Non-renewal of Volunteer Participant Accident Insurance

At the regular scheduled meeting of the Finance Committee on August 16, 2016, the Committee reviewed AIG Insurance proposal dated August 12, 2016 for Blanket Special Risk Insurance (exhibit included in agenda packet), otherwise identified as Volunteer Participant Accident Insurance. The insurance is intended to provide coverage of the GRF Board members while participating in Policy Holder sponsored, scheduled and supervised volunteer activities (i.e. GRF Board business). The policy covers Accidental Death, Accidental Dismemberment, and Accidental Expenses and Dental. The total annual insurance premium cost to cover eighteen (18) members of the GRF Board of Directors is \$4,151.

The Committee noted that an occurrence happened wherein a Board member was injured during the 2015/16 Board term; the policy provided little to no coverage based on the incident and injuries. Therefore, the Committee duly moved and unanimously approved to recommend the Board not renew the policy.

Ms. Hopewell MOVED, seconded by Ms. Snowden –

TO approve the non-renewal of the Blanket Special Risk Insurance,
otherwise identified as Volunteer Participant Accident Insurance.

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

The motion was carried unanimously by the Board members present.

Amend Policy 5536.1-31, Guest Passes

At its meeting on August 9, 2016, the Mutual Administration Committee unanimously recommended the amendment of Policy 5536.1-33, Guest Passes, to the Golden Rain Foundation Board of Directors, increasing the cost of guest passes from \$5 to \$10, per pass. Four (4) passes are made available per unit annually at no cost; up to four (4) additional passes are available for

Golden Rain Foundation Board Meeting Minutes, August 23, 2016

sale in the Stock Transfer Office.

In accordance with Section §4360 of the Davis-Stirling Common Interest Development Act, the text of the proposed fee change will be posted for consideration by Foundation members, after which the Board will make a final decision on September 27, 2016. If Policy 5536.1-33, Guest Passes, is amended, the implementation of the fee increase will go into effect on the first of the month following the Board's action to ensure sufficient time to notify the community and update internal forms.

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

TO recommend the Board tentatively approve the amendment of policy 5536.1-33, Guest Passes, pending a minimum 30-day notification to the membership and a final decision on September 27, 2016, to increase, from \$5 to \$10, the cost of additional and/or replacement guest passes, exceeding the four annual guests passes available per unit at no cost.

Adopt Policy 3325-31, Purchase Requisitions of Non-standard Items

At the regularly scheduled meeting of the Finance Committee (FC) on August 16, 2016, the FC recommended amendment to Policy 3352-31, Purchase Requisitions of Non-Standard Items. The Purchasing Department does not research or purchase non-standard items for individual shareholder/members nor for organizations.

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

TO adopt Policy 3325-31, Purchase Requisitions of Non-Standard Items.

Mutual Administration Committee

Rescind Policy 2132-33, Homestead Declarations

At the regularly scheduled meeting of the Mutual Administration Committee on August 9, 2016, the Committee recommended rescission of Policy 2132-33, Homestead Declarations as it not relevant to the Golden Rain Foundation (the Foundation does not own property).

Golden Rain Foundation Board Meeting Minutes, August 23, 2016

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

TO rescind Policy 2132-33, Homestead Declarations.

Physical Property Committee

Approve Flooring Replacement in Clubhouse Four

The flooring at Clubhouse Four, in the lobby and Main Meeting area, has outlived its useful life. At the regularly scheduled meeting of the Physical Property Committee (PPC) on August 8, 2016 bids were opened for the replacement of flooring in the Lobby and Main Rooms Sections A, B, and C of Clubhouse Four. The design was approved by the ADRC; the bids are as follows:

Bixby Plaza Carpets	\$79,422	15 days to complete
Golden State Surfaces	\$129,000	90 days to complete
Old Town Flooring	no bid	
Karys Carpets	no bid	
G.L. Gunderson	no bid	
Bob Flaherty Flooring	no bid	

After review and discussion of the bids, the PPC unanimously recommended the GRF Board award a contract to Bixby Plaza Carpets for the replacement of flooring in Clubhouse Four, excluding the 3 workshops, bathrooms, storage area and kitchen, at a cost of \$79,422, per their bid dated August 4, 2016 (provided in the agenda packet). It is also staff's recommendation to add a 10% contingency to this project, for any potential modifications, of \$7,942 or a total \$87,364. Funding for this project will be from Reserves, Asset ID # 0702.

Ms. Stone MOVED, seconded by Ms. Rapp –

TO award a contract to Bixby Plaza Carpets to replace the flooring
in Clubhouse Four, per bid specifications dated June 27, 2016, not
to exceed \$87,364, including a 10% contingency, with funding from
Reserves and authorize the President to sign the contract.

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

The motion was carried unanimously by the Board members present.

Recreation Committee

Adopt Policy 1409-50, Amphitheater Dancing

At the regularly scheduled meeting of the Recreation Committee on August 10, 2016, the Committee reviewed new policy 1409-50, Amphitheater Dancing. The motion was unanimously carried by the Committee to recommend the Board of Directors adopt the new Policy 1409-50.

Ms. Rapp MOVED, seconded by Ms. Hopewell –

TO adopt Policy 1409-50 Amphitheater Dancing.

Two Board members spoke on the motion.

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

Security, Bus & Traffic Committee

At the regularly scheduled meeting of the Security, Bus & Traffic Committee on August 3, 2016, the Committee reviewed concerns pertaining to the Visitors' Admission System (VAS). Significant advances have been made since the installation of the current VAS software. The Committee requested to review current VAS companies, seeking proposals for the upgrading and enhancement of VAS.

The Committee sought to obtain the Board's conceptual approval of the proposal, which could result in a cost up to \$100,000. Should the Board grant conceptual approval, the Security, Bus and Traffic Committee will seek a replacement of the current VAS.

Ms. Perrotti MOVED, seconded by Mr. McGuigan and carried unanimously by the Board members present –

TO conceptually approve the replacement of the Visitors' Admission System, at a cost not to exceed \$100,000, and direct the Security, Bus and Traffic Committee to draft all applicable documents to secure qualified proposals for Committee review and recommendation to the Board.

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

The motion carried with two no votes (L. Stone, Tran).

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 had no further report than comments offered during the meeting.

BOARD MEMBER COMMENTS

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

ADJOURNMENT

The meeting was adjourned was at 12:06 p.m.



Joy Reed, Corporate Secretary
GRF Board of Directors
/dfb 08.23.16