



**BOARD OF DIRECTORS MEETING MINUTES
GOLDEN RAIN FOUNDATION
September 26, 2017**

CALL TO ORDER

President Linda Stone 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, September 26, 2017, in Clubhouse Four.

PLEDGE OF ALLEGIANCE

Phil Mandeville, President of the Presidents Council, led the Pledge of Allegiance.

ROLL CALL

Following the roll call, Corporate Secretary reported that Directors L. Perrotti, R. Stone, Snowden, L. Stone, Reed, Gould, Hopewell, Rapp, Doderio, Winkler, Heinrichs, Damoci, Lukoff, Crossley, Fekjar, and Moore were present. Directors McGuigan and Pratt were absent.

Sixteen Directors were present, with a quorum of nine.

PRESIDENTS COMMENTS

Today you are going to hopefully see the 2018 GRF Budget approved. You will hear that there is going to be an increase. And I think everyone's first response will be "that's because they are spending so much money on the Main Gate, the roads, Clubhouse Six and all those plants"!

Well, they would be wrong. The Main Gate, the roads, Clubhouse Six and the plants are coming out of reserves and capital. Where do the reserves and capital get their money? For the most part they are from Membership Fees. They are paid by new members as they move into the community. This is a onetime fee. I'm sure you remember what you paid. I paid \$1,600 and it is now \$2,605 with an increase coming in January 2018. So far, this year we have collected nearly 1.5 million dollars from 543 new residents. And we expect by the end of the year to reach 2 million dollars. In 2016, we collected over 1.8 million dollars.

The GRF Budget is not made lightly. Each committee has spent at least 3 meetings reviewing their individual budgets. For 8 standing committees that alone is 24 meetings. And that does not count the special finance committee meetings held for the Budget alone. There are a lot of good reasons why we are asking for an increase. There will be a Town Hall meeting on October 17 at 10:00 a.m. to discuss the Budget in detail. Be sure to come so that you can be properly informed. Don't be a member who passes along misinformation.

ANNOUNCEMENTS/ SERVICE AWARD PRESENTATIONS

The GRF Board of Directors met for Executive Session meetings on September 1 and September 18, 2017.

SERVICE ANNIVERSARIES

Two employees were recognized with service awards.

Marianne Duncan	Transportation Department	5 years
Conrad Giacomazzi	Service Maintenance Department	20 years

SEAL BEACH MAYOR'S REPORT

The Mayor of Seal Beach provided an update of the City of Seal Beach 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

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 Committee meetings:

- Minutes of the Strategic Planning Ad hoc Committee Board Meeting of July 28, 2017
- Minutes of the Community Access Ad hoc Committee Board Meeting of August 1, 2017
- Minutes of the Recreation Committee Board Meeting of August 2, 2017
- Minutes of the Physical Properties Committee Board Meeting of August 7, 2017
- Minutes of the Security, Bus & Traffic Committee Board Meeting of August 9, 2017
- Minutes of the Executive Committee Board Meeting of August 11, 2017

APPROVAL OF BOARD MEETING MINUTES

The minutes of the August 22, 2017 meeting were approved, by general consent of the Board, as corrected, and the minutes of the August 31, 2017 Special meeting were approved, by general consent of the Board, as presented.

REPORTS

The Chair of the Los Alamitos Medical Center Advisory Council presented a report on the Council's activities.

The Chair of the Management Services Review Ad hoc Committee presented a report on the progress of the Ad hoc Committee.

NEW BUSINESS

General

Mutual Administration Committee Member Appointment

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.

Ms. Stone MOVED, seconded by Ms. Hopewell and carried unanimously by the Board directors present-

TO approve the appointment of Perry Moore to the Mutual Administration Committee.

Architectural Design and Review Committee

Capital Funding – Topiary Area

At its regular scheduled meeting on September 11, 2017, the Architectural Review and Design Committee (ADRC) unanimously agreed to replace the landscaping adjacent to Clubhouse Three, including planting topiaries removed from the Main Gate area, replacing the irrigation, and installing the grass mixture, for a cost not to exceed \$8,000 (proposal from Johns Landscaping Service), and to forward a request to the GRF Board, following the review by the Finance Committee, for Capital funding.

At its regular scheduled meeting on September 18, 2017, the Finance Committee reviewed available funding for this project, and unanimously resolved to approve the Capital funding request.

Mrs. Reed MOVED, seconded by Ms. Rapp –

TO award a contract to Johns Landscaping Service to replace the landscaping adjacent to Clubhouse Three, including planting topiaries removed from the Main Gate area, replacing the

irrigation, and installing the grass mixture, for a cost not to exceed \$8,000, Capital funds, and authorize the President sign the contract.

Four Directors spoke on the motion.

The motion was carried unanimously by the Board directors present.

Trust Property – Naming

At the August 25, 2017 meeting of the Architectural Design and Review Committee, the Committee reviewed and approved to recommend to the Board the naming of Trust Property located at the junction of the Administration Building, Amphitheater and Medical Building, The Courtyard.

Mr. Gould MOVED, seconded by Ms. Winkler and carried unanimously by the Board directors present -

TO approve the naming of the Trust property located at the junction of the Administration Building, Amphitheater and Medical Building, the Courtyard.

Executive Committee

Approve Election Services Contract

The recent 2017 annual election season was the third year of a three-year contract with Accurate Voting Services, Inc. (AVS). The Golden Rain Foundation has contracted with AVS for its election services since 2007. Staff was instructed to request a proposal for the 2018, 2019 and 2020 elections from its incumbent provider. AVS's proposal sets forth the specifications of the election services. As usual, the proposal does NOT include variables such as staffing needs, postage, the weight of packets and number of returned ballots. Postage is paid under separate agreement. AVS's proposal is 2018 - \$36,363.80, 2019 - \$37,272.40, 2020 - \$36,363.80, **Total: \$110,000.**

Due to its history of providing satisfactory professional election services to this community, it is suggested that the Board award the 2018, 2019 and 2020 election services contract to Accurate Voting Services. Appropriate funds will be allocated for these elections. The election service bid history and the 2018, 2019 and 2020 Elections Proposal were attached in the agenda packet.

At its meeting on September 8, 2017, the Executive Committee unanimously recommended the Board award a contract to the incumbent provider of election services.

Mrs. Reed MOVED, seconded by Ms. Hopewell -

TO award a contract to Accurate Voting Services, Inc. to perform the general election services of the Golden Rain Foundation and the Mutual Corporations for the years 2018, 2019 and 2020, at a cost of \$110,000, plus photocopying, postage and staffing needs.

Three Directors and the Executive Director spoke on the motion.

The motion was carried unanimously by the Board directors present.

Approve Expedited Hiring of Full Time Staff in Security Department

At its meeting on September 8, 2017, the Executive Committee unanimously recommended the implementation of filling ten (10) full time positions in the Security Department, to take the place of approximately twenty (20) part time and per diem positions. These positions have been accounted for in the budget for the fiscal year beginning January 1, 2018.

Since the department has four (4) current open positions for part time staff, the Executive Committee recommends that hours for those open positions be filled with full time staff rather than part time staff to begin the implementation now instead of waiting until January.

The remainder of the implementation of this change will be made strictly through attrition as current employees leave. No employee will be terminated solely due to this change in department structure. All current Security staff will be made aware of all full time openings and will be given the opportunity to apply for them prior to hiring new employees for the positions.

The increase in costs to the Foundation for benefits for these positions will be partially offset by the reduction of costs in recruiting and training of new employees. For staff hired in October of 2017, the benefit costs will not increase until full time employees are eligible for benefits in December 2017.

Mrs. Perrotti MOVED, seconded by Mr. Dodero -

TO approve the implementation of the plan to convert approximately twenty (20) part time positions in the Security Department to ten (10) full time positions and to fill current openings with full time staff. This funding will impact at most one (1) month of potential employee benefits, and this minimal cost will be partially offset by reductions to recruiting and training of new employees; action is contingent upon the GRF Board's approval of the 2018 Operating Budget.

One Board director spoke on the motion.

The motion was carried unanimously by the Board directors present.

Amend Policy 1220-30, Resident Specialists

At its meeting on September 8, 2017, the Executive Committee reviewed 1220-33, Resident Specialists. The Committee recommended the Golden Rain Foundation Board of Directors amend the policy, as indicated in the attached draft policy.

Mrs. Damoci MOVED, seconded by Mr. Lukoff -

TO amend Policy 1220-33, Resident Specialists to change the term "Resident" to "Member" and amend the appointment process (change appointment by a committee chair, through the Executive Committee, to appointment by a standing committee chair) and to formalize that Member Specialists serve in an advisory capacity only and list the limitations

Two Directors spoke on the motion.

The motion was carried unanimously by the Board directors present.

Finance Committee

Accept August 2017 Finance Statements

At the regular meeting of the Finance Committee on August 14, 2017, the Committee duly moved to recommend to the Golden Rain Foundation Board of Directors acceptance of the August Financial Statements for audit.

Ms. Winkler MOVED, seconded by Ms. Snowden—

TO accept the August 2017 Financial Statements for audit.

One Board director spoke on the motion.

The motion carried unanimously by the Board directors present.

Approve CDAR Purchase

At the regular scheduled meeting of the Finance Committee on September 19, 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. When reviewing liquid funds, the committee took into consideration the additional liquidity gained from investment maturities in September as well.

Based on the amount of liquid reserve funds versus total reserve commitments, the committee passed a motion to recommend to the board to invest \$500,000 from the First Foundation Bank Money Market Reserve account and from proceeds of a maturing CDAR (Reserve funds) in a 52-week CDAR at an annual rate of .70% which will be fully insured by the FDIC. Remaining liquid reserve funds will be sufficient to fulfill current and future commitments.

Ms. Hopewell MOVED, seconded by Ms. Rapp and carried unanimously by the Board directors present –

TO continue the investment ladder by investing \$500,000 from the First Foundation Bank Money Market Reserve account and from proceeds of a maturing CDAR (Reserve funds) in a 52-week CDAR @ .70%, which will be fully insured by the FDIC.

Acceptance of the 2018 GRF Operating Budget

In July, first run draft budgets were presented to respective committees. In August, committees performed a second and final review of their respective cost center budgets and made revisions as necessary. In consideration of the aging infrastructure and the additional service demands from the Mutual Corporations, the proposed 2018 operating budget shows increases in full-time equivalents by 3.06, or \$395,700 in salaries, wages and benefits, as well as an increase in operating expenses of \$321,875, offset by an increase in revenues of \$93,000. Operating expenses include an additional \$50,000 in contributions to the replacement reserve fund. Net operating expenses result in an increase of \$8.01, per apartment, per month, for 2018.

At the special Finance Committee meeting held on September 19, the Committee performed a final review on the 2018 operating budget. After deliberation, the Committee made no further changes. In summary, extensive care was taken in developing the operating budget for 2018. The Finance Committee duly moved and approved to, recommend to the Board approval of the final draft budget (exhibits attached in the agenda packet).

Mr. Lukoff MOVED, seconded by Ms. Hopewell–

TO recommend the GRF Board approve the 2018 Golden Rain Foundation Operating Budget of \$12,108,155 or \$152.70 per apartment per month, an increase of \$8.01 per apartment, per month, over the 2017 operating budget.

One Director spoke on the motion.

The motion was carried unanimously by the Board directors present.

Approve NuVision Lease

At the September 19, 2017 meeting of the Finance Committee, the Committee moved to recommend to the Board approval of the Management and Lease Agreement (attached in the agenda packet) for the use of Trust Property. NuVision has stated that they were happy with the existing agreement terms; as the new agreement does not represent substantial changes, NuVision will agree with the terms and conditions.

Ms. Rapp MOVED, seconded by Mrs. Damoci–

TO approve the use of Trust Property, per terms and conditions of the proposed Management and Lease agreement, and authorize the President to sign the agreement.

Three Board directors spoke on the motion.

The motion was carried unanimously by the Board directors present.

Amend On Site Sales Lease

At the September 19, 2017 meeting of the Finance Committee, the Committee reviewed the December 31, 2014, lease agreement with Charles Briskey Real Estate, Inc (On-Site Sales), for a three (3) year term. The Committee duly moved and approved to recommend to the Board the extension of the agreement, until December 31, 2018, under the same terms and conditions (First Amendment to the Resales Lease Agreement attached in the agenda packet).

Ms. Snowden MOVED, seconded by Mrs. Reed –

TO approve First Amendment to the Resales Lease Agreement between the Golden Rain Foundation, Seal Beach and Charles Briskey Real Estate, Inc, for one (1) year, new expiration date of December 31, 2018, and authorize the President to sign the agreement.

The motion was carried with one recusal (Fekjar).

Approve NSBN Engagement Letter

At the regular Finance Committee meeting held on September 19, 2017, Johnny Minassian from NSBN LLP spoke to the members about the upcoming financial audit for 2017. He spoke about a change he proposes to implement to the engagement letter relating to the 2017 financial audit. The change would incorporate the signatures of each Mutual president in addition to the Golden Rain Foundation president. Each Mutual board will have a copy of the engagement letter prior to the commencement of the audit which has not been a practice in the past. The reasoning behind this change is to bring additional awareness of the responsibilities to those charged with governance. Signing the engagement letter will not increase responsibilities to Mutual board members with respect to the annual financial audit.

Following Mr. Minassian's presentation, the Committee discussed the change in procedures and passed a motion to recommend to the GRF Board to authorize the president to sign the 2017 annual financial audit engagement letter and to allow the Director of Finance to coordinate with each Mutual Corporation to present at their next board meeting the 2017 annual financial audit engagement letter providing authorization to their respective president to sign the engagement letter.

Mr. Stone MOVED, seconded by Ms. Snowden and carried unanimously by the Board directors present –

TO authorize the President to sign the 2017 annual financial audit engagement letter and to allow the Director of Finance to coordinate with each Mutual Corporation to present at their next board meeting the 2017 annual financial audit engagement letter, providing authorization to their respective President to sign the engagement letter.

Mutual Administration Committee

Capital Funding, Mutual Administration Recording Secretaries' Workstation Replacement

At the September 12, 2017 meeting of the Mutual Administration Committee, the Committee reviewed staffs request to replace the Mutual Administration Recording Secretaries Work Stations due to age and ergonomics. Suitable replacement work stations have been replaced in other Departments from Talimar Systems. Talimar has provided a design and associated costs (attached in agenda packet) to replace the work stations in the amount of \$3,786.34 (including tax, shipping and installation).

At the September 18, 2017 Finance Committee meeting, the Committee moved and approved Capital Funding, in the amount of \$3,800.

Ms. Hopewell MOVED, seconded by Mr. Dodero -

TO approve the replacement of the Trust assets identified as the Mutual Administration Recording Secretaries Work Stations, Capital funding, in the amount of \$3,786.34, and authorize the Executive Director to initiate the purchase.

Two Directors and the Executive Director spoke on the motion.

The motion was carried unanimously by the Board directors present.

FINAL VOTE: Amend Policy 1201-33,

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

Per Civil Code **§4360**, the amendment to Policy 1201-33, resulting from the Board Action of April 25, 2017, was not posted for 30 days in accordance with the code. Follow-up action is requested.

The policy draft was published in the August 3rd edition of the *LW Weekly*. Members were welcomed to submit their comments or questions to the Board Office on this matter. Printed copies were also available to shareholder/members in the News Office, the Library and the Reception desk, second floor of the Administration building. This process is recommended in accordance of the Davis-Stirling Act, Civil Code **§4360**. No items of correspondence were received.

Mr. Stone MOVED, seconded by Ms. Fekjar-

TO ratify Policy 1201-33, Photo ID Cards, to include proposed fee (fines) changes.

One Director spoke on the motion.

The motion was carried unanimously by the Board directors present.

Amend Policy 5165-MAC, Mutual Administration Committee

At the Mutual Administration Committee (MAC) meeting on September 12, 2017, the Committee proposed amendments to Policy 5165-MAC, Mutual Administration Committee.

The Committee recommended changing "Function" to "Charter" in the header section, to remove the section pertaining to the composition of the Committee and to add cost Center 44, Copy and Supply Center.

Mr. Moore MOVED, seconded by Ms. Hopewell-

TO amend Policy 5165-MAC, Mutual Administration Committee.

One Director and the Executive Director spoke on the motion.

The motion was carried unanimously by the Board directors present.

Rescind Policy 7720-30, Distribution Services

At its meeting on September 12, 2017, the Mutual Administration Committee reviewed Policy 7720, Distribution Services. The Committee recommended the Golden Rain Foundation Board of Directors to rescind the Policy, as it does not belong in the Mutual 7000 series.

Mrs. Damoci MOVED, Mr. Dodero seconded and carried unanimously by the Board directors present-

TO table the motion for further investigation of the Policy.

Rescind Policy 7740-Messenger Service

At its meeting on September 12, 2017, the Mutual Administration Committee reviewed Policy 7740, Messenger Services. The Committee recommended the Golden Rain Foundation Board of Directors to rescind the Policy, as it does not belong in the Mutual 7000 series.

Mrs. Damoci MOVED, Ms. Snowden seconded and carried unanimously by the Board directors present-

TO table the motion for further investigation of the Policy.

Recreation Committee

Amend Policy 1411-50, Recreational Facilities

At its meeting on September 6, 2017, the Recreation Committee reviewed Policy 1411-50, Recreational Facilities. The Committee recommended the Golden Rain Foundation Board of Directors to amend the Policy, refining the Policy language, amending the latest reservation from 10:30 p.m. to 10:00 p.m. and updated the Reservations by Outside Organizations section to list Government Agencies and Special Events.

Ms. Winkler MOVED, seconded by Mrs. Reed –

TO amend Policy 1411-50, Recreational Facilities, refining the Policy language, amending the latest reservation from 10:30 p.m. to 10:00 p.m. and updated the Reservations by Outside Organizations section

to list Government Agencies and Special Events.

Four Board directors spoke on the motion.

The motion was carried unanimously by the Board directors present.

Amend Policy 1431-50, Liability Insurance – Clubs

At its meeting on September 6, 2017, the Recreation Committee reviewed Policy 1431-50, Liability Insurance. The Committee recommended the Golden Rain Foundation Board of Directors to amend the Policy, refining Policy language and stating that any deficiencies of the facilities discovered prior to an event should be reported to the custodian.

Mrs. Reed MOVED, seconded by Mr. Dodero and carried unanimously by the Board directors present-

TO amend Policy 1431-50, Liability Insurance, refining Policy language and stating that any deficiencies of the facilities discovered prior to an event should be reported to the custodian.

Amend Policy 1710-50, Adult Education

At its meeting on September 6, 2017, the Recreation Committee reviewed Policy 1710-50, Adult Education. The Committee recommended the Golden Rain Foundation Board of Directors to amend the Policy, refining the Policy language, including "other educational organizations or institutions" to provide on site adult classes and "require" rather than "request" relocation of classes to outside of the community, if a majority of the students are from outside the community.

Mr. Crossley MOVED, seconded by Ms. Rapp -

TO amend Policy 1710-50, Adult Education, refining the Policy language, including "other educational organizations or institutions" to provide on site adult classes and "require" rather than "request" relocation of classes to outside of the community, if a majority of the students are from outside the community.

Amend Policy 5135-50, Recreation Committee

At its meeting on September 6, 2017, the Recreation Committee reviewed Policy 5135-50, Recreation Committee. The Committee moved to recommend the Golden Rain Foundation Board of Directors amend the Policy, changing the header to Committee "Charter" rather than "Functions and adding cost center 47, RV Lot.

Mrs. Perrotti MOVED, seconded by Mr. Gould and carried unanimously by the Board directors present -

TO amend Policy 5135-50, Recreation Committee, changing the header to Committee "Charter" rather than "Functions and adding cost center 47, RV Lot.

CONTROLLER'S REPORT

The Finance Manager provided a financial report earlier in the meeting.

EXECUTIVE DIRECTOR'S REPORT

The Executive Director spoke on various topics pertaining to the community.

BOARD MEMBER COMMENTS

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

The meeting was adjourned was at 11:52 a.m.



Joy Reed, Corporate Secretary
GRF Board of Directors
dfb