



**BOARD OF DIRECTORS MEETING MINUTES  
GOLDEN RAIN FOUNDATION  
October 25, 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 6:00 p.m. on Tuesday, October 25, 2016, in Clubhouse Four.

**PLEDGE OF ALLEGIANCE**

Juan Robledo, Golden Rain Foundation staff member for 43.5 years, 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, Hood, McGuigan, Dodero, Scheuermann, Damoci, Lukoff, Tran, Fekjar and Moore were present. Director Greer was absent. Seventeen Directors were present, with a quorum of nine.

**PRESIDENTS COMMENTS**

The President addressed the receipt of anonymous correspondence directed to Golden Rain Foundation Board of Directors.

**ANNOUNCEMENTS/ SERVICE AWARD PRESENTATIONS**

The GRF Board of Directors met in Executive Session on October 7, 2016 to discuss legal and contractual matters.

A Mutual and GRF Board Training will take place on Thursday, October 27 in Clubhouse Four from 12:30 – 4:30 p.m.

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**

The service anniversary awards were deferred until the November meeting.

### **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 and comments are limited to four minutes.

Thirty eight shareholder/member offered comments.

The President called for a five minute recess at 7:33 p.m.

### **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 September 2016 Committee meetings:

- Minutes of the Security, Bus & Transportation Committee Board Meeting of September 7, 2016
- Minutes of the Physical Property Committee Board Meeting of September 12, 2016
- Minutes of the Architectural Design and Review Committee of September 13, 2016
- Minutes of the Mutual Administration Committee Board Meeting of September 13, 2016
- Minutes of the Recreation Committee Board Meeting of September 14, 2016
- Minutes of the Executive Committee Board Meeting of September 15, 2016
- Minutes of the Special Security, Bus & Transportation Committee Board Meeting of September 19, 2016
- Minutes of the Finance Committee Board Meeting of September 20, 2016
- Minutes of the Special Community Access Ad Hoc Committee Board Meeting of September 29, 2016

Ms. Rapp MOVED, seconded by Mr. Hood and carried unanimously by Board members present –

## **Golden Rain Foundation Board Meeting Minutes, October 25, 2016**

**TO** remove the Minutes of the Security, Bus & Transportation Committee Board Meeting of September 7, 2016 from the consent calendar.

### **APPROVAL OF BOARD MEETING MINUTES**

The minutes of the September 27, 2016 Golden Rain Foundation Board meetings were approved, by general consent of the Board, as distributed.

### **NEW BUSINESS**

#### **General**

#### **Trust Property Landscape Services**

Spectrum Care Landscape and Irrigation Management, the contractor maintaining Trust Property, has made the decision to discontinue business operations. Their last day of business was October 5, 2016.

Due to the time constraints and the immediate need to maintain the Trust Property landscape, Johns Landscape Maintenance (previous landscape service provider and current service provider for the maintenance of the Golf Course) has agreed to maintain Trust Property landscape for the remainder of the month for the same terms, conditions and amount contracted with Spectrum. They have also agreed to accept a short term agreement with the Golden Rain Foundation for a six (6) month period at the same cost (\$9,900) as the current contract with Spectrum. During this six (6) month period, the Physical Properties Committee will review landscape maintenance specifications and direct staff upon approval of the specifications to begin the process of request for proposals for committee review and ultimate recommendation to the Board.

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

**TO** approve a six (6) month contract with Johns Landscape Maintenance to provide landscape maintenance services for Trust Property, at a cost of \$9,900 per month, the same amount previously contracted with Spectrum, and to authorize the President to sign the contract.

## **Architectural Design and Review Committee**

### Main Gate Landscape Architect

At the regular scheduled meeting of the Architectural Design Review Committee (ADRC) on October 11, 2016, the Committee reviewed proposals from Mission Landscape Architecture, \$6,250 and Bright View Design Group, \$9,500 to develop design concepts for the landscape at the main entry to the community. The requests for proposal were based on the approved Reserve Study, where funding has been allocated in 2017 for the replacement of the landscape and hardscape. The ADRC unanimously agreed to recommend to the Board approval of Mission Landscape Architecture (Exhibit A in the agenda packet) to draft the conceptual plans, at cost not to exceed \$8,000.

At its regular scheduled meeting on October 18, 2016, the Finance Committee (FC) reviewed the availability of funding. As the possible pool area improvement project will not be moving forward at this time, it was suggested the \$25,000 be reallocated into this project (\$8,000) as well as the Clubhouse Two Multi-Use Project for design fees (\$13,750). The FC resolved to reallocate \$25,000 from the 2016 Capital Budget for pool design into this project as well as the Clubhouse Two Multi-Use Project, making Capital Funding available to move forward.

Ms. Hopewell MOVED, seconded by Mr. Moore—

**TO** award a contract to Mission Landscape Architecture, for \$6,250, to develop and design three (3) design options for landscape at the main entry to the community, as per proposal dated September 6, 2016, and to approve contingency funds of \$1,750, for a total not to exceed \$8,000; funding from reallocated Capital Funds, and authorize the President to sign the contract.

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

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

## **Finance Committee**

### Accept August 2016 Financials for Audit

At the regular meeting of the Finance Committee on October 18, 2016, the Committee duly moved to recommend to the Golden Rain Foundation Board of Directors acceptance of the September 2016 Financial Statements for audit.

Mr. Hood MOVED, seconded by Mr. McGuigan-

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

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

Non-renewal of Leisure World Trailer Club Lease/Golden Rain Foundation to Manage 5.5 Acre Storage Area

At the regular scheduled meeting of the Finance Committee on October 18, 2016, the Committee reviewed the lease agreement between the Leisure World Trailer Club and GRF. This action was in accordance with Policy 5115-31, the Finance Committee is charged with:

*“...Review and make recommendations to the BOD concerning all income producing leases and management agreements...”*

The Committee deliberated on the lease agreement between the Golden Rain Foundation of Seal Beach and the Leisure World Trailer Club that will be expiring on December 31, 2016. Upon due review, the Committee duly moved and approved to recommend to the Board the following:

1. It is the recommendation of the Finance Committee not to renew a lease with the Leisure World Trailer Club.
2. It is recommended that the GRF Recreation Department supervise the operation of the storage facility for the mutual benefit of all Shareholder/Members beginning January 1, 2017.
3. The Leisure World Trailer Club will be offered an annual lease, at \$1.00 per year, for the use of a 10' x 20' storage unit within the storage facility.
4. All Shareholder/Members' leases for use of the storage facility will be processed through the applicable department.
5. Policy shall be drafted for the use of the storage facility and presented to the Board at its November meeting.
6. It is further recommended:
  - Annual space use fee shall be set at \$5 per foot, as measured from bumper to bumper or from hitch to the furthest point of the Recreational Vehicle and/or vehicle used for recreation.
  - \$50 initial setup fee (Fee includes processing and gate clicker).
  - Shareholder/Members who have a current agreement with the Trailer Club will be given first priority in available spaces.
7. Any funds collected above operational costs to be used for site improvements.

Mr. Lukoff MOVED, seconded by Ms. Fekjar-

**TO** approve the agenda item Non-renewal of Leisure World Trailer Club Lease/Golden Rain Foundation to Manage 5.5 Acre Storage

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Area before the Golden Rain Foundation Board of Directors be laid on the table.

The motion was carried with three no votes (McGuigan, Pratt and Snowden) and two recusals (Scheuermann and R. Stone).

### Fund Recovery Transfer to Reserves

As of September 30, 2016, the Golden Rain Foundation's financial statements report a favorable budget variance of \$670,627. This surplus includes \$298,745 of prior years' income tax refunds received in 2016 of \$128,477 and \$167,771 of year-to-date cost savings of Workers' Compensation insurance premium expenses. Total annual savings in Workers' Compensation premium expenses by year-end is estimated to be \$170,268.

Both elements contributing to the current year surplus were unanticipated prior to the adoption of the 2016 budget. At year end, these two components will contribute an estimated \$298,745 to the total surplus. The remainder of the surplus is made up of typical budget variances.

Following the completion of the 2016 year-end financial audit and contingent upon those results reporting sufficient excess funds exist, the Finance Committee approved the transfer of \$298,745 from operating funds to the replacement reserve fund.

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

**TO** approve the transfer of \$298,745 (representing income tax refunds from prior years received in 2016 and estimated cost savings from a reduction in Workers' Compensation insurance premium expenses) from operational funds to the replacement reserve funds following the completion of the 2016 financial audit and contingent upon those results reporting sufficient excess funds exist.

### **Mutual Administration Committee**

#### Amend Policy 5536.1-33, Gate Passes – **TENTATIVE VOTE**

At meetings in August and September, the Mutual Administration and Finance Committees reviewed potential revenue increases in fee rates to offset expenses for services provided by the Stock Transfer Office.



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At its meeting on September 27, 2016, the Golden Rain Foundation (GRF) Board of Directors reviewed the suggested changes to Policy 5536.1-33, Gate Passes. After discussion, the Board voted to commit the Policy amendment back to the Mutual Administration Committee for further review.

At its meeting on October 11, 2016, the Mutual Administration Committee duly moved and seconded to approve Policy 5536.1-33, Gate Passes as amended.

Established Fees	Policy	Current Fee	Proposed Fee
Extra Guest Pass	5536.1-33, Gate Passes	\$5 each	\$10 each
Inheritor's Service Pass	5536.1-33, Gate Passes	\$5 each	No charge
New Fees	Applicable Policy	Current Fee	Proposed Fee
Replace Lost Caregiver Pass	5536.1-33, Gate Passes	-	\$20 each
Replace Realtor's Service Pass with Photo	5536.1-33, Gate Passes	-	\$25.00 each
Second Replacement of Realtor's Service Pass with Photo	5536.1-33, Gate Passes	-	\$50.00

The Mutual Administration Committee recommend the tentative amendment of Policy 5536.1-33, Gate Passes to the Golden Rain Foundation Board of Directors, with final adoption scheduled for December.

If amended, the policies and fee changes will go into effect January 1, 2017.

Ms. Rapp MOVED, seconded by Mr. Moore –

**TO** approve the **tentative** amendment of Policy 5536.1-33, Gate Passes, to reflect an increase in fees, amending an extra guest pass fee to \$10, the inherited service pass should be no charge, an increase in fees, amending replacement of Lost Caregiver Passes fee to \$20.00, Realtor pass should include photo, additional line item for realtor replacement pass fee of \$25.00, duplicating and/or photocopying of passes is prohibited and an additional line item if realtor passes are replaced a second time, there will be a \$50.00 replacement fee, pending a minimum 30-day notification to the

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membership, and a final decision in December.

Three Board members spoke on the motion.

The motion was carried unanimously by the Board members present.

### Clubhouse Four Scheduled Replacements and Improvements

At the regular scheduled meeting of the Physical Property Committee (PPC) on October 10, 2016, the Committee reviewed a list of all improvements required to be completed at Clubhouse Four, replacement components listed in the Reserve Study and make improvements to the Facility starting the second week in January 2017 (exhibits attached in the agenda packet). The Architectural Design Review Committee (ADRC) has reviewed and approved these items for type and color choices.

The PPC unanimously agreed with the list of items, contractors/Service Maintenance and cost of improvements, including a 10% contingency, and requested the Finance Committee (FC) review funding. At its regular scheduled meeting on October 18, 2016, the FC reviewed the availability of funding for the project and concurred that funding was available from Reserve, Capital and Operation accounts. The FC recommended approval of the GRF Board.

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

**TO** approve the replacements and repairs for Clubhouse Four, as identified on the above list, and authorize the President to sign the applicable contracts, in an amount not to exceed \$223,853, including 10% contingency allowance, funding from Reserve, Capital and Operation accounts, as indicated on the list above.

### Clubhouse Three Heat Pump Replacement

At the regular scheduled meeting of the Physical Property Committee (PPC) on October 10, 2016, the Committee reviewed quotes from three contractors to replace the Heat Pump at the Video Producers Room.

The PPC unanimously agreed to award a contract to Greenwood Heating and Air, for a cost not to exceed \$4,800, to replace the heat pump in the Video Producers Room, asset ID # 0403 and #0404, funding from Reserves and to recommend approval by the GRF Board.



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

**TO** award a contract to Greenwood Heating and Air, for a cost not to exceed \$4,800, to replace the heat pump in the Video Producers Room, asset ID # 0403 and 0404, funding from Reserves and authorize the President to sign the contract.

Addition of Sidewalk, at Medical Building, to Conference Room B

At its regular scheduled meeting on October 10, 2016, the Physical Property Committee (PPC) reviewed a request to install a sidewalk with railings adjacent to the Medical Building, next to the alley within the current planter area. It was the Committee's impression that a new walkway is needed due to the increase of foot traffic to Conference Room B, located in Building 5.

Upon discussion of the scope of work and cost provided by MJ Jurado, \$27,250 (Exhibit A in agenda packets), the PPC unanimously agreed to have MJ Jurado conduct this non-budgeted work, at a cost not to exceed \$30,000.

Mrs. Tran MOVED, seconded by Ms. Rapp-

**TO** award a contract to MJ Jurado, to construct a walk way the length of the Medical Building, adjacent to the alley, within the current planter area, for a cost not to exceed \$30,000, funding from Capital and authorize the President to sign the contract.

Two Board members spoke on the motion.

The motion was carried unanimously by the Board members present.

Outdoor Multi-Use Area at Clubhouse Two

At the regular scheduled meeting of the Physical Property Committee (PPC) on October 10, 2016, the Committee reviewed proposals from Mission Landscape Architecture, \$13,750, and Bright View Design Group, \$10,500, to develop design concepts for a new outdoor amenities (multi use court and picnic area, Exhibit A in the agenda packet) at the current lawn bowling court, shuffle board court and garden space behind Clubhouse Two.

Upon discussion of the scope of work and cost provided by both contractors, the PPC unanimously agreed to recommend Mission Landscape Architecture to the Board, for conceptual

plans, at cost not to exceed \$13,750.

At its regular scheduled meeting of the Finance Committee on October 18, 2016, the Committee reviewed the availability of funding, regarding \$25,000 that was approved as part of the 2016 Capital Budget for Design Services for possible pool area improvements. As the pool project will not be moving forward at this time, it was suggested the \$25,000 be reallocated into this project (\$13,750), as well as the Main Gate landscape architectural design fees (\$8,000). The FC resolved to reallocate \$25,000, from the 2016 Capital Budget for pool design, into this project, as well as the Main Gate landscape project.

Mr. Stone MOVED, seconded by Mr. Lukoff-

**TO** award a contract to Mission Landscape Architecture, not to exceed \$13,750, to draft design concepts for a new outdoor amenity at the current lawn bowling court, shuffle board court and garden space behind Clubhouse Two, per proposal dated September 6, 2016, funding from reallocated Capital Funds and authorize the President to sign the contract.

Four Board members spoke on the motion.

The motion was carried unanimously by the Board members present.

## **Recreation Committee**

### Clubhouse Two Griddle Replacement

The griddle in the kitchen of Clubhouse Two is not operating to standard, requiring calibration and minor repairs. After servicing the unit, it was reported that parts are not available and that the unit has outlasted its useful life and is in need of replacement.

Quotes were solicited from three companies to replace the existing griddle at Clubhouse Two with a new commercial griddle from Vulcan. At its October 12, 2016 meeting, the Recreation Committee (RC) approved recommending the purchase of a new griddle for Clubhouse Two's kitchen, in the amount of \$5,958.68, from Restaurant Equipment Club.

At its October 18, 2016 meeting, the Finance Committee approve funds to make the purchase, from the replacement reserves, asset ID #0808.

Mrs. Reed MOVED, seconded by Mrs. Dodero –

**TO** approve the purchase of a new Vulcan commercial griddle, from Restaurant Equipment Club, in the amount of \$5,958.68, funded from the Replacement Reserves and to authorize the Recreation Department to make the purchase.

Two Board members spoke on the motion.

The motion was carried unanimously by the Board members present.

Clubhouse Three, Room Eight, Conversion of Kitchen into Storage Area

The Recreation Committee has been reviewing options for additional storage space within Clubhouse Three to accommodate storage needs. One possible option presented itself to convert one of the kitchens in the smaller rooms (Room Eight) to a storage area (210 square feet) due to a hidden plumbing leak and subsequent mold remediation in room eight (about half of the cabinets, countertop, and drywall were removed for repairs and mold remediation). This unplanned work provides opportunity to convert this kitchen into a storage closet and construct a small service counter with a refrigerator within room eight.

The reconstruction of the kitchen was been placed on hold at this time, pending Committee review.

At its October 12, 2016 meeting, the Recreation Committee approved the Clubhouse Three, Room Eight kitchen conversion into a storage room, with a service counter in room eight, in an amount not to exceed \$10,000 (Exhibit A in agenda packet). Labor and materials will be provided by the Service Maintenance Department.

At its October 18, 2016 meeting, the Finance Committee provided non-budgeted operational funds from CC53, in an amount not to exceed \$10,000, for this project.

Mrs. Perrotti MOVED, seconded by Mr. McGuigan and carried unanimously by the Board members present-

**TO** approve the conversion of the kitchen in Clubhouse Three, Room Eight to a storage room with a service counter and refrigerator alcove in room eight, (per Exhibit A in the agenda packet), in an amount not to exceed \$15,000, from CC53.

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

Mrs. Reed MOVED, seconded by Ms. Rapp-

**TO** add a sink and increase the cost not to exceed to \$15,000.

The amended main motion was carried with one no vote (L. Stone) and one abstention (Pratt).

#### Prohibition of Radio- and Remotely-controlled Vehicles

At the regular scheduled meeting of the Recreation Committee (RC) on August 10, 2016, the RC recommended to prohibit use of radio-controlled and remotely-controlled vehicles upon/within/above Trust Property, unless approved by the Executive Director or the Golden Rain Foundation Board of Directors, in an emergency situation. These vehicles include, but are not limited to: cars, toys, drones, helicopters and airplanes.

Mr. Pratt MOVED, seconded by Ms. Hopewell –

**TO** approve Policy 1485-50, Prohibition of Radio- or Remotely-Controlled Vehicles  
– Trust Property.

Mr. Lukoff MOVED, seconded by Mrs. Tran

**TO** add “GRF President” to have the authority, in an emergency situation, to authorize the use of radio- and remotely-controlled vehicles.

Ten Board members spoke on the motion.

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

#### CONTROLLER'S REPORT

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

#### EXECUTIVE DIRECTOR'S REPORT

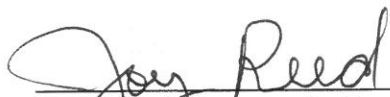
The Executive Director spoke on the emergency replacement of the flag pole.

#### BOARD MEMBER COMMENTS

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

**ADJOURNMENT**

The meeting was adjourned was at 9:04 p.m.

A handwritten signature in cursive script, appearing to read "Joy Reed", is written over a horizontal line.

Joy Reed, Corporate Secretary  
GRE Board of Directors  
/dfb 10.25.16