



**BOARD OF DIRECTORS MEETING MINUTES
GOLDEN RAIN FOUNDATION
December 19, 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 6:00 p.m., on Tuesday, December 19, 2017, in Clubhouse Four.

PLEDGE OF ALLEGIANCE

Margaret Gillon, President of the Leisure World Historical Society, led the Pledge of Allegiance.

ROLL CALL

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

Eighteen Directors were present, with a quorum of ten.

PRESIDENTS COMMENTS

I want to wish everyone the happiest of holidays and thank you for attending tonight's meeting instead of Christmas shopping or enjoying a holiday party. You obviously have your priorities right!

When I look back at this year I am amazed at how quickly it has gone and how much we have accomplished...so much that I don't even want to start naming them, except for the Main Gate. Wow, isn't that beautiful at night! And wait until spring when the Forsythias bloom under the globe in a profusion of glorious yellow flowers.

Next year is going to be another big year of accomplishments beginning with the construction of the Multi-use court at CH 2, our first complete new construction since CH 6.

All of these accomplishments have been possible because of three main components: GRF and Mutual Directors: the thousands of hours that it takes to have the vision; the staff to implement the vision; and our special vendors that make the vision a reality. What a wonderful team we have here at Leisure World. It has made our community the best in Southern California. Again I wish you Merry Christmas, Happy Holidays and Happy New Year.

And now to business.

ANNOUNCEMENTS

The GRF Board of Directors met for an Executive Session meeting on December 1 and December 19, 2017.

SERVICE ANNIVERSARIES

The service awards were deferred until the next morning meeting, scheduled for January 23, 2018.

SEAL BEACH COUNCIL MEMBER'S REPORT

Seal Beach Council Member Sandra Massa Lavitt 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

Two 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 Physical Properties Committee Board Meeting of November 6, 2017
- Minutes of the Executive Committee Board Meeting of November 13, 2017
- Minutes of the Architectural Design & Review Committee Board Meeting of November 13, 2017
- Minutes of the Recreation Committee Board Meeting of November 15, 2017
- Minutes of the Finance Committee Board Meeting of November 20, 2017

APPROVAL OF BOARD MEETING MINUTES

The minutes of the November 28, 2017 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.

The Chair of the RV Lot Ad hoc Committee presented a report on the progress of the Ad hoc Committee.

The Chair of the Strategic Planning Ad hoc Committee presented a report on the progress of the Ad hoc Committee and advised that the Committee will adopt a quarterly meeting schedule beginning in January 2018.

NEW BUSINESS

Executive Committee

Approve GRF Election Documents

At its meeting on November 13, 2017, the Executive Committee reviewed drafts of the 2018 election documents and unanimously recommended the GRF Board of Directors approve the following election materials (attached in the agenda packet): 2018 GRF Election Schedule, 2018 Mutual Election Schedule (provided to show Mutual deadlines compared to GRF), 2018 GRF Board of Director Application for Candidacy, including reverse side, 2018 GRF Candidate Instructions/Timeline, including reverse side, GRF Board Eligibility Disclaimer, 2018 GRF Election Article, and 2018 GRF Sample Ballots.

NOTE: At its meeting on September 8, 2017, the GRF Board unanimously awarded a contract to Accurate Voting Services to perform the general election services for the GRF and Mutual corporations for years 2018, 2019, and 2020.

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

TO approve the 2018 election materials and the election process for

the 2018 GRF Board of Directors election.

Amend Policy 5041-30, Real Property Acreage – Trust Property

Golden Rain Foundation Board Meeting Minutes, December 19, 2017

At its meeting on December 8, 2017, the Executive Committee reviewed Policy 5041-30, Real Property Acreage. The Committee recommended the Golden Rain Foundation Board of Directors amend the policy, to clarify policy language, to include information pertaining to churches inside Leisure World and update all non-trust property to Trust property.

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

TO amend Policy 5041-30, Real Property Acreage, as presented.

Approve Renewal of Workers' Compensation Insurance

At its regularly scheduled meeting on December 8, 2017, the Executive Committee reviewed the December 31, 2017 to December 31, 2018 Workers' Compensation insurance proposal, as submitted by DLD Insurance Brokers, Inc. (Exhibit A in agenda packet).

The Committee unanimously approved to recommend to the Board acceptance of the policy, as submitted, noting:

- Improved loss history through active safety programs and procedures.
- Reduction in Experience Modification from 125 to 92.
- The 2018 budget for this expense is \$396,314.00. Proposal will be an estimated \$305,494.00 representing a possible* savings to budget of \$90,820.00.

*Premiums are based on actual payroll, stipulated amounts are subject to change after final audit of actual payroll numbers.

Ms. Hopewell MOVED, seconded by Mr. Lukoff and and carried unanimously by the Board members -

TO approve the renewal of Workers' Compensation Insurance, per the proposal submitted by DLD Insurance Brokers, as shown on Exhibit A, and authorize the President to sign all required documents.

Finance Committee

Accept November 2017 Finance Statements

At the regular meeting of the Finance Committee on November 20, 2017, the Committee duly moved to recommend to the Golden Rain Foundation Board of Directors acceptance of the November Financial Statements for audit.

Mr. Lukoff MOVED, seconded by Ms. Hopewell and carried unanimously by the Board members-

TO accept the November 2017 Financial Statements for audit.

Exclusive Use of Trust Property – Lease Agreements

At the regularly scheduled meeting of the Finance Committee on December 18, 2017, the Committee recommended the Golden Rain Foundation Board of Directors renew leases expiring on December 31, 2017, for a one-year term commencing on January 1, 2018 and expiring on December 31, 2018, at the annual rent of \$1.00 per year, as stipulated under the governing lease agreements noted.

Ms. Winkler MOVED, seconded by Mr. Dodero and carried unanimously by the Board members—

TO approve renewal of the following leases:

- Friends of the Leisure World Library
- Genealogy Club
- Golden Age Foundation
- Leisure World Historical Society
- Leisure World Radio Club
- Leisure World Theater Club
- Video Producers Club

for a one-year term commencing on January 1, 2018 and expiring on December 31, 2018, at the annual rent of \$1.00 per year, as stipulated under the governing lease agreements noted, and authorize the President to sign the lease agreements.

Amend Policy 5061-30, Fees **FINAL VOTE**

Policy 5061-31, Fees, relates to the type of fees charged to members of the Golden Rain Foundation and how that fee is calculated and where the money is applied.

At the regular Finance Committee meeting on October 16, 2017, the Finance Committee unanimously suggested Policy 5061-31, Fees, be amended. The proposed policy changes are attached (Exhibit A in the agenda packet), with a comparison of the changes (Exhibit B in the agenda packet) to the current policy version (Exhibit C in the agenda packet).

At its meeting of October 24, 2017, the Board of Directors voted to tentatively amend this policy, pending a 30-day notice period to Foundation members. The policy draft was published in the November 2nd edition on the *Golden Rain News*. Members were welcomed to submit their comments or questions to the Board Office on this matter. Printed copies were also available to shareholders/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.

One written item of correspondence, regarding amendment of Policy 5061-31, Fees, has been received during the 30-day notification to the membership period (attached in the agenda packet).

The new membership fee is implemented on January 1 of each year.

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

TO amend Policy 5061-31, Finance – Fees, to include changing
“Membership” fee to “Amenities” fee, updating “Shareholder” to
“Member” and increasing the Amenity fee.

Approve CDAR Purchase

At the regularly scheduled meeting of the Finance Committee on December 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. When reviewing liquid funds, the Committee took into consideration the additional liquidity gained from investment maturities in October 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 \$800,000 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. Snowden MOVED, seconded by Mrs. Reed –

TO continue the investment ladder by investing \$800,000 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.

One Director spoke on the motion.

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

Physical Property Committee

Cancellation of Clubhouse Three Abatement

Per the approved action of the Board on August 22, 2017, a contract dated September 14, 2017, for removal and abatement of the acoustical ceilings within Clubhouse Three (CH3) as part of the revitalization project #830.3-17, was executed with the contractor Pacific Environmental Abatement Solutions, at a cost of \$37,723. Work was scheduled to begin on January 1, 2018.

During committee project review, to finalize scope of work for CH3, it was determined additional 2017 meeting, duly moved and approved postponement of CH3 revitalization. Pacific Environmental Abatement Solutions agreed to cancel the contract, with no penalties, as no firm dates for the work could be established within a projectable time.

Mr. Stone MOVED, seconded by Mr. Gould and carried unanimously by the Board members -

TO cancel the contract, dated September 14, 2017, with Pacific Environmental Abatement Solutions, and authorize the Physical Property Department to notify the contractor of the cancellation.

One Director and the Executive Director spoke on the motion.

The motion was carried unanimously by the Board members.

Capital Funding - Battery Backup System at the Traffic Signal

Recent power outages around the traffic signal area indicate the need for a battery backup system, which would allow the traffic signal to automatically transfer to a red flashing light at the time electricity is lost, without involving the staff to deploy to control the traffic.

The Physical Property Department contacted Siemens Industry's, our current traffic light maintenance company, to obtain a cost for the system. Siemens provided a quote to install a battery backup system, with a standalone cabinet, for a cost of \$14,985.

At its regularly scheduled meeting on December 4, 2017, the Physical Property Committee unanimously resolved to forward a request to the Finance Committee for available Capital funding for this project, and forward a request to the GRF Board for approval pending the Finance Committee review.

At its regularly scheduled meeting on December 18, 2017, the Finance Committee determined Capital funding is available for the purchase.

Mr. Pratt MOVED, seconded by Ms. Snowden and carried unanimously by the Board members—

TO approve a contract with Siemens Industry's, to install a battery

backup system at the traffic light, in the amount of \$14,985, funded by Capital, and authorize the President to sign any applicable contracts.

Recreation Committee

Amend Policy 1406-50, Limitation on Use FINAL VOTE

At its meeting on October 4, 2017, the Recreation Committee reviewed Policy 1406-50, Limitations on Use. The Committee recommended the Golden Rain Foundation Board of Directors amend the policy, refining the policy language, and, adding to Clubhouse Rules, that GRF reserves the right to disallow the use of Trust Property to any Member, at any time. Further amendment adds a refundable fee, at the time of reservation from the reserving member, the fees varying in accordance with the number of people participating in an event in a Trust Facility.

At its meeting of October 24, 2017, the Board of Directors voted to tentatively amend this policy, pending a 30-day notice period to Foundation members. The policy draft was published in the November 2nd edition on the *Golden Rain News*. Members were welcomed to submit their comments or questions to the Board Office on this matter. Printed copies were also available to shareholders/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 correspondence was received, regarding amendment of Policy 1406-50, Limitation on Use, during the 30-day notification to the membership period.

Ms. Fekjar MOVED, seconded by Mr. Moore -

TO recommend the GRF BOD amend Policy 1406-50, Limitations on Use, as presented.

Two Directors and the Executive Director spoke on the motion.

Emergency Action, Pool Area Locker Room Repairs

During the annual deep cleaning and maintenance of the pool restroom showers, it was determined, the shower flooring is in dire need of re-grouting.

The required work consists of acid washing of both shower areas to etch and/or remove any remaining grout and re-grouting. To minimize the time the pool area is closed, proposals were solicited with only Hadi Construction Co. quoting, in the amount of \$8,600.

Note: It was originally planned to use Service Maintenance to complete this task, but due to the existing work load, Service Maintenance was not able to reasonably work this project in on time.

The scope of work provided by Hadi Construction corresponded with our time and material estimates, if repaired in-house.

In order to prevent any undo time delays in the reopening of the pool and to restore the shower floors to sanitary conditions, Executive Director authorized a non-budgeted expenditure from Cost Center 46 (Swimming Pool) to re-grout the floors, in an amount not to exceed \$8,600, per Hadi Construction quotation dated 12/04/17. Due notice was provided by the Executive Director at the Special Meeting of the Finance Committee and at the Recreation Committee meeting on December 6, 2017.

Mr. Gould MOVED, seconded by Ms. Rapp –

TO ratify the emergency actions taken by the Executive Director in the repairs and replacement of flooring grout within the Men's and Women's pool area showers, non-budgeted funding from Cost Center 46.

One Director and the Executive Director spoke on the motion.

The motion was carried unanimously by the Board Directors present.

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

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

The meeting was adjourned was at 7:07 p.m.


Joy Reed, Corporate Secretary
GRF Board of Directors
dfb