



**BOARD OF DIRECTORS MEETING MINUTES
GOLDEN RAIN FOUNDATION
November 27, 2018**

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, November 27, 2018, in Clubhouse Four.

PLEDGE OF ALLEGIANCE

Ms. White, of the Theater Club, led the Pledge of Allegiance.

ROLL CALL

Following the roll call, Corporate Secretary reported that Directors Perrotti, R. Stone, Snowden, Pratt, L. Stone, Gerber, Gould, Hopewell, Rapp, Fekjar, Doderio, Winkler, Heinrichs, Findlay, Lukoff, Friedman, and Moore were present. The Executive Director and the Director of Finance were also present.

Seventeen Directors were present, with a quorum of the voting majority.

PRESIDENTS COMMENTS

I hope everyone had a wonderful Thanksgiving - a special time to share with family and friends. And, next month, December, will bring us more great holidays beginning with Hanukkah on the 3rd, Christmas on the 25th and Kwanza on the 26th. On December 8th, there will be a Holiday Reception for the GRF and Mutual Directors as a thank you and recognition for all of the time and effort that they volunteer on behalf of the residents. Their energies save thousands of dollars for each shareholder in yearly fees. Truly something to be thankful for.

Today we are short one director: the Mutual 16 representative, Steve McGuigan, tendered his resignation on November 20th. He most recently was appointed to the Board in July of 2018 as there were no candidates for Mutual 16. Previously, Steve served on the GRF BOD for Mutual 8 from his election in June 2014 to June 2018 and chaired Security, Bus & Traffic committee three times, as well as chairing the RV Lot Ad hoc committee during his service. Steve never shied away from exploring all options, testing all assumptions, and establishing a rigorous decision-making process. Thank you, Steve, for your service.

Because of the merger of Mutuals 15 and 16, we will become a Board of Directors of seventeen in the future. This is a record making event and possibly the first of many. Kudos to Mutuals 15 and 16 for leading the way.

You've probably noticed the beautiful murals on the east wall. They are not quite complete as they will have signs that will identify them as to the date when the photo was taken and the addition of picture molding. I had hoped that the mural behind the dais would be complete but unfortunately it was delivered incorrectly. But, it is on order, and I am assured that it will be up by the first of the year.

I have heard many complaints about the Christmas Tree placement at Veteran's Plaza and not in front of the Medical Center. The placement was a Recreation Committee decision based on the growing attendance and the safety of the residents. The area in front of the Medical Center is on a slope and the Courtyard has very limited space. There will be a tree in the old location just not the main tree. Give it a fair chance and if you still feel like you would like to see it returned to its old place then let the Recreation Committee know of your thoughts and possible solutions. But do remember that you will be limiting the number of residents that can safely be accommodated.

The boulders and plants are in Median number 2. Please drive by and see how nice it looks and visualize all of the medians so planted. Now we are just waiting for the final approval from ADRC and then we will send out a RFP (Request for Proposal) to finish the rest of St. Andrews. Please be advised that we have had quite a few sightings of coyotes in our community. Be sure to keep your pet on a 6' leash at all times...do not let them run freely or on an extended leash. Carry noise makers and be sure to make yourself appear bigger if confronted. Use the approved hazing methods.

So, my wish to you is to enjoy the coming holidays safely and with good cheer and health. The year 2019 is fast approaching. Now on to the business at hand.

ANNOUNCEMENTS

The GRF Board of Directors met for Executive Session meeting on November 2 to discuss legal and contractual matters.

SERVICE ANNIVERSARIES

Four employees were recognized with a service award.

Vivian Samuel	Finance Department	5 years
Dora Otrambo	Transportation Department	5 years
Lynn Valenziano	Recreation Department	10 years
Eila Van Sauter	Transportation Department	30 years

SEAL BEACH COUNCIL MEMBER'S REPORT

Seal Beach Council Member Sandra Massa Lavitt provided a recap of the 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

Five 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 Recreation Committee Board Meeting of October 1, 2018
- Minutes of the Security, Bus & Traffic Committee Board Meeting of October 10, 2018
- Minutes of the Executive Committee Board Meeting of October 12, 2018
- Minutes of the Facilities and Amenities Review Ad Hoc Committee Board Meeting of October 26, 2018

APPROVAL OF BOARD MEETING MINUTES

The minutes of the October 23, 2018 meeting were approved, as presented.

REPORTS

The Health Care Center Advisory Board will meet on Wednesday, January 16, 2019 and a report will be given at the following GRF Board meeting.

The Strategic Planning Ad hoc Committee will meet on Tuesday, January 8, 2019; a report will be provided at the following GRF Board meeting.

The Chair of the Management Services Review Ad hoc Committee presented a report on the progress of the Ad hoc Committee and informed attendees that the December meeting will be cancelled.

The Chair of the Facilities and Amenities Review Ad Hoc Committee presented a report on the progress of the Ad hoc Committee.

NEW BUSINESS

General

Emergency Sewer Line Repairs, Clubhouse Three

On October 30, 2018, Clubhouse Three incurred a significant failure of the sewer line requiring the temporary closure of the building. Subsequent actions identified a failure of the main sewer line in at least two sections.

Ms. Rapp MOVED, seconded by Ms. Snowden-

TO acknowledge and ratify the emergency actions taken by the Executive Director requiring Non-budgeted expenses charged to Cost Center 53, Building Repair and Maintenance and approve Non-budgeted Operating funding, in an amount of \$6,900.

Three Directors spoke on the motion.

The motion was carried unanimously by the Board members present.

Facilities and Amenities Review Ad Hoc Committee

Adopt Policy 5175-Far, Facilities and Amenities Review (FAR) Ad Hoc Committee

At its regularly scheduled meeting on October 26, 2018, the Facilities and Amenities Review Ad hoc (FAR) Committee recommended the GRF Board adopt Policy 5175-FAR, Facilities and Amenities Review (FAR) Ad hoc Charter, which sets forth the purpose, duties, and limitations of the committee.

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

TO adopt Policy 5175-FAR, Facilities and Amenities Review (FAR)

Ad hoc Charter, as presented.

Finance Committee

Accept October Financial Statements

At the regularly scheduled meeting of the Finance Committee on November 19, 2018, the Committee duly moved to recommend to the Golden Rain Foundation Board of Directors acceptance of the October 2018 financial statements for audit.

Ms. Winkler MOVED, seconded by Ms. Rapp-

TO accept the October 2018 financial statements for audit.

One Director and the Executive Director spoke on the motion.

The motion was carried unanimously by the Board members present.

Funds Transfer Request - Liquid Reserve Funds

At the regularly scheduled meeting of the Finance Committee on November 19, 2018, 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 limit and therefore are not in compliance with Policy 5520-31 – Reserves.

The Committee passed a motion to recommend the GRF Board authorize the transfer of \$500,000 of reserve funds from First Foundation Bank to US Bank for the purposes of maximizing insured funds and to invest in higher yielding CDs with US Bancorp.

Mr. Lukoff MOVED, seconded by Mr. Friedman-

TO approve a transfer of \$500,000 in Reserve funds from the First Foundation Bank Business Maximizer account to the Money Market Reserve account at US Bank the purposes of maximizing insured funds and to invest in higher yielding CDs with US Bancorp.

Three Directors spoke on the motion.

Director K. Rapp left the meeting at 10:56 a.m.

The motion was carried with one abstention (Rapp).

CD Purchase Request – Investment Ladder

At the regularly scheduled meeting of the Finance Committee on November 19, 2018, the members discussed terms and interest rates on CDs offered through US Bancorp. Additionally the Committee discussed the current investment ladder and reserve funds available for investing to fill in the gaps in the investment ladder.

Following this discussion, the Committee passed a motion to recommend the GRF Board authorize the purchase of four (4) CDs, at approximately \$245,000 each, with maturity dates in December 2019, June and November 2020 and May 2021, at rates in line with those indicated on the discussed Laddered Portfolio Sheet, ranging from 2.65% to 3.1%, for a total of approximately \$980,000 of reserve funds.

Mr. Friedman MOVED, seconded by Ms. Gerber-

TO approve purchase of four (4) CDs, at approximately \$245,000 each, with maturity dates in December 2019, June and November 2020 and May 2021, at rates in line with those indicated on the discussed Laddered Portfolio Sheet, ranging from 2.65% to 3.1%, for a total of approximately \$980,000 of reserve funds.

Two Directors spoke on the motion.

Director K. Rapp returned to the meeting at 10:58 a.m.

The motion was carried unanimously by the Board members present.

Approve Lease Agreement, On-Site Sales Office, Second Amendment

At its regularly scheduled meeting on November 19, 2018, the Finance Committee recommended to the Board the approval of the Second Amendment to the agreement, between Charles Briskey Real Estate Inc. and GRF. This amendment extends the termination date of the existing agreement entered into in 2015, until December 31, 2019, under the existing terms and conditions.

Ms. Hopewell MOVED, seconded by Mr. Gould-

TO approve the Second 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, 2019, and authorize the President to sign the agreement.

Three Directors and the Executive Director spoke on the motion.

The motion was carried with two recusals (Fekjar, Gerber).

2018/2019 Master Insurance Policy Renewal

DLD Insurance Brokers, Inc. has partnered with the Golden Rain Foundation (GRF) for over 27 years to secure broad and competitive insurance options, in terms of both pricing and coverage conditions. The master insurance package includes coverage for Directors & Officers (D&O),

Errors & Omissions (E&O), Forefront Portfolio (Crime/Fiduciary/KRE/Workplace Violence) and Property/Causality.

The proposal for property coverage premium for this renewal period shows a slight increase of 3.575% while maintaining the same terms and conditions, including deductibles, as the expiring policy. An increase in assessed property values offset by the great strides made by GRF and the Mutuals to put loss control measures into place to mitigate future fire losses minimizes this increase. The management liability portion of the policy package shows a net 2.4% *decrease* over the expiring policy period, and the overall change for the 2018 / 2019 coverage period shows an increase of 2.33% over the expiring policy. Premiums for the renewing coverage period and comparisons to the expiring policies and to the 2019 budgets are shown in Exhibit A – 2018-2019 Insurance Premium Proposal Comparative.

The new master insurance policy proposal of \$1,938,352 plus one-third of the total pollution policy premium approved in 2017 of \$31,239, for a total premium expenditure of \$1,969,591 will be recognized in the combined GRF and Mutual 2019 budgets. Combined funds (Foundation and Mutuals), in the amount of \$2,096,500 were included in the respective 2019 operating budgets based upon estimates and assumptions made during the budget period.

At the regular meeting of the Finance Committee held on November 19, 2018, the Committee reviewed the proposal for the Foundation's and the Mutual's insurance for the policy period of December 1, 2018 to November 30, 2019, provided by DLD Insurance Brokers, Inc. and unanimously passed a motion to recommend the Board approve the contract for the placement of Property, Boiler and Machinery, Flood (excluding earthquake), General Liability and Automotive Liability Insurance with Philadelphia and the placement of Umbrella Liability, Forefront Portfolio (crime, fiduciary, kidnap, ransom, extortion and workplace violence), E&O, D&O/Employee Practices Liability and Cyber Liability Coverage with the recommended carriers through DLD Insurance Brokers, Inc. for the period of December 1, 2018 to November 30, 2019, for a total premium of \$1,938,352.

Ms. Winkler MOVED, seconded by Ms. Snowden -

TO approve the master insurance policy proposal dated November 2, 2018, as submitted, in the amount of \$1,938,352, for the policy period of December 1, 2018 to November 30, 2019 and authorize the President to sign the required renewal documents pursuant to the related proposal as prepared and submitted by DLD Insurance Brokers, Inc.

Two Directors spoke on the motion.

The motion was carried unanimously by the Board members present.

Approve Telecommunications Services Agreement, First Addendum

At the November 19, 2018 meeting of the Finance Committee, the Committee recommended to the Board approval of the First Addendum (attached), to the Telecommunications Services Agreement between the Golden Rain Foundation, Seal Beach and Superwire Telecom Inc., for continuation until the date of expiration on, June 30, 2022.

This action was based upon the unanimous agreement by all Mutual Boards to:

RESOLVED, the Board of Directors of Mutual _____ hereby authorizes the Board of Directors of GRF to renew the Agreement with Superwire Telecom Inc. to extend the term of the Agreement until June 30, 2022.

At the conclusion of the cycle of all Mutual Board meetings during October and November 2018, unanimous agreement was achieved by all Mutual Boards at duly posted meetings.

Mr. Friedman MOVED, seconded by Ms. Fekjar-

TO approve the First Addendum to the Telecommunications Services Agreement between the Golden Rain Foundation, Seal Beach and Superwire Telecom Inc., for continuation until the date of expiration on June 30, 2022, and authorize the President to sign the agreement.

Two Directors and the Executive Director spoke on the motion.

Mr. Stone MOVED, seconded by Mr. Pratt-

TO amend motion to include the terms and conditions of the existing lease.

Four Directors spoke on the motion.

The motion to amend failed with two yes votes (Pratt/ R. Stone).

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

TENTATIVE VOTE: Amend Policy 3324-31, Purchasing Fees

Policy 3324-31, Purchasing Fees, set forth a transaction fee for materials purchased through the Purchasing department and the Copy & Supply Center.

At the regular Finance Committee meeting on October 15, 2018, the Committee recommended Policy 3324-31, Purchasing Fees, be amended. Further amendment was recommended, by the Finance Committee, at the November 19, 2018 meeting. The proposed policy changes are noted in the attached document.

Mr. Dodero MOVED, seconded by Ms. Rapp-

TO tentatively amend Policy 3324-31, Purchasing Fees, to increase the transaction fee for all materials purchased through the Purchasing department and the Copy & Supply Center from 2% to 5% and to replace "shipping and handling" with "processing" fee, pending a 30-day notification to the membership and a final decision by the GRF BOD on January 29, 2019.

One Director and the Executive Director spoke on the motion.

The motion was carried unanimously by the Board members present.

Adopt Policy 5340-31, Capital Improvement Fund

At its regular meeting on November 19, 2018, the Finance Committee recommended Policy 5340-31, Capital Improvement Fund, be adopted by the GRF Board of Directors.

Ms. Rapp MOVED, seconded by Mr. Dodero -

TO adopt Policy 5340-31, Capital Improvement Fund, to establish a framework for the approval and control of all capital expenditure.

One Director and the Executive Director spoke on the motion.

The motion was carried unanimously by the Board members present.

Amend Policy 5520-31, Reserves

At its regular meeting on November 19, 2018, the Finance Committee recommended Policy 5520-31, Reserves, be amended by the GRF Board of Directors.

Mr. Lukoff MOVED, seconded by Mr. Stone -

TO amend Policy 5520-31, Reserves, refining the policy language,

clarifying the component/assets to be included in a reserve study as those GRF is required to maintain, replace or repair ("MRR"), notification procedures of the transfer of money from the reserve account to the operating account, exception criteria to the transferred funds being restored to the reserve account, and guidelines for the withdrawal/transfer from reserve funds.

Two Directors and the Executive Director spoke on the motion.

The motion was carried unanimously by the Board members present.

Information Technology Committee

Non-budgeted Operating Funding Request – Power DMS, Policy Management Software

At its regularly scheduled meeting on October 16, 2018, the Information Technology Committee (ITC) duly moved and approved to recommend to the GRF Board of Directors the purchase of Power DMS, a policy management software.

The software contains features requested by Mutual Administration Committee (MAC), to improve our policy workflow: track changes, review & approval process, check-in & out, audit trail, version history, standard format, searchability, and notification functions.

At its regularly scheduled meeting on November 19, 2018, the Finance Committee reviewed available Non-budgeted Operating funding for the purchase of Power DMS, and unanimously resolved funding is available.

Ms. Snowden MOVED, seconded by Ms. Hopewell-

TO approve the purchase for Power DMS, in an amount not to exceed \$6,300/year (includes \$200 in contingency funds if we need to add additional user licenses), Non-budgeted Operating funding to be charged to 6481000-34 (Computer Maintenance & Software) and authorize the GRF President to sign all applicable contracts.

One Director and the Executive Director spoke on the motion.

The motion was carried unanimously by the Board members present.

Capital Funding Request – Microsoft Dynamics GP, Enterprise Resource Planning Software

At its regularly scheduled meeting on November 20, 2018, the Information Technology Committee (ITC) duly moved and approved to recommend to the GRF Board of Directors the purchase of Microsoft Dynamics GP, an enterprise resource management software.

The software will be used to manage inventory, purchase orders, and service request orders (SROs). Consolidating these work processes into one software solution will increase GRF efficiency and productivity. Furthermore, our existing version of Dynamics is no longer supported and needs to be replaced.

Pricing for the first year is \$158,148 (\$72,548 software costs + \$65,600 implementation costs + \$20,000 in contingency funds); see attached spreadsheet and proposal in the agenda packet.

Annual *licensing costs:

2019 - \$12,523 (Funding was allocated in the approved 2019 operational budget)
2020 - \$11,242

**Annual licensing fee is based upon number of user licenses, as noted in the attached documents.*

At its regularly scheduled meeting on November 19, 2018, the Finance Committee reviewed available Capital funds for the purchase of Dynamics, and unanimously resolved Capital funding is available.

Note: Upon completion and institution of Dynamics (see attached timeline in the agenda packet), the Axserion contract will be terminated.

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

TO the software and implementation of Microsoft Dynamics, for a cost of \$158,148 (\$72,548 software costs + \$65,600 implementation costs + \$20,000 in contingency funds), Capital funding and authorize the GRF President to sign all applicable contracts.

Physical Property Committee

Capital Funding Request – Gates, Mission Park

The Physical Property Department was tasked to provide cost to install new gates at Mission Park (see locations in exhibit A, in the agenda packet). Cost was obtained from MJ Jurado, to install gates in the three areas as follows (see exhibit B, in the agenda packet):

- | | |
|--|---------|
| • Location A off El Dorado | \$4,070 |
| • Location B Main Parking Lot at ramp | \$1,250 |
| • Location C Parking Lot off Canoe Brook | \$2,200 |

At its regularly scheduled meeting on November 5, 2018, the Recreation Committee recommended the GRF Board approve the installation of three new gates at Mission Park in location A, B and C, as per exhibit A, in the agenda packet, in the amount of \$7,520, from MJ Jurado and to add \$1,000 for contingency, for a total cost not to exceed \$8,520, pending Board approval.

At its regularly scheduled meeting on November 19, 2018, the Finance Committee reviewed available Capital funding for the cost to install new gates at Mission Park, and unanimously resolved funding is available.

Ms. Gerber MOVED, seconded by Mrs. Perrotti-

TO approve the installation of new gates at Mission Park, per the proposals provided and to approve a contract with MJ Jurado to complete the work, in an amount not to exceed \$8,520, including contingency, Capital funding, and authorize the GRF President to sign all applicable contracts.

Three Directors and the Executive Director spoke on the motion.

The motion was carried unanimously by the Board members present.

Recreation Committee

Capital Funding Request – Patio Game Tables, Library

At its regularly scheduled meeting on November 5, 2018, the Recreation Committee (RC) duly moved and approved to recommend to the GRF Board of Directors the purchase of Library Game Tables, to be placed on the Library patio. Staff recommend the Dave Bang Associates. The RC Committee recommended the cost not exceed \$3,311, from Capital Funding.

At its regularly scheduled meeting on November 19, 2018, the Finance Committee reviewed available Capital funding for the cost to purchase Library Game Tables, and unanimously resolved funding is available.

NOTE: Quotation includes \$720 for shipping; GRF Staff is exploring alternative shipping, including pick up of table by GRF Staff.

Mrs. Perrotti MOVED, seconded by Mr. Moore-

TO approve the purchase of Library Game Tables, to be placed on the Library patio, at a cost not to exceed \$3,311, Capital Funding and authorize the GRF President to sign all applicable contracts.

Five Directors, the Executive Director and the Library Operations Supervisor spoke on the motion.

The motion was carried unanimously by the Board members present.

Service Maintenance Committee

Reserves Funding Request – Ice Machine Replacement

At its regularly scheduled meeting on October 25, 2018, the Service Maintenance Committee duly moved and approved to recommend to the GRF Board of Directors the purchase of the Scotsman Prodigy Plus Full Cube Ice Machine Head, along with the Scotsman 30" 420 lb Ice Bin, to replace the existing Ice Machine (Asset ID 904).

Quotes are as follows:

Amazon (Ice Machine and Bin – purchased separately)	\$ 3,533
Amazon (Ice Machine with Bin)	\$ 4,134
Reliable Ice Equipment Inc.	\$ 4,182

The ice machine at the Service Maintenance Yard has had several repairs over the course of ten years, with the machine now beginning to fail on a regular basis. Staff recommends a replacement for a Scotsman Prodigy Plus Full Cube Ice Machine Head, along with the Scotsman 30" 420 lb Ice Bin, at a cost not to exceed \$3,533, from Reserve Funding.

Ms. Hopewell MOVED, seconded by Mr. Dodero -

TO approve the purchase of the Scotsman Prodigy Plus Full Cube Ice Machine Head, along with the Scotsman 30" 420 lb Ice Bin, in an amount not to exceed \$3,533, Reserve funding, to replace the Service Maintenance Ice Machine (Asset ID 904), and authorize the GRF President to sign all applicable contracts.

Six Directors and the Executive Director spoke on the motion.

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

CONTROLLER'S REPORT

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

EXECUTIVE DIRECTOR'S REPORT

The Executive Director provided a written report for the Board.

BOARD MEMBER COMMENTS

Seventeen Board members spoke on the meeting proceedings.

ADJOURNMENT

The meeting was adjourned was at 12:13 p.m.



Suzanne Fekjar
GRF Corporate Secretary
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