



**BOARD OF DIRECTORS MEETING MINUTES
GOLDEN RAIN FOUNDATION
December 18, 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, December 18, 2018, in Clubhouse Four.

PLEDGE OF ALLEGIANCE

Victor Rocha, Security Services Director, 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, and Moore were present. The Executive Director and the Director of Finance were also present. Director Friedman was absent.

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

PRESIDENTS COMMENTS

On June 27th of this year, the GRF Board of Directors attended an all-day planning session to establish a Mission Statement and Three-Year Goals.

A mission statement is a short statement of an organization's purpose, what its overall goal is, identifying the goal of its operations: what kind of product or service it provides, its primary customers or market, and its geographical region of operation.

Mission Statement

The Golden Rain Foundation provides an enhanced quality of life to our active adult community of Seal Beach Leisure World (this was ratified at the July 24, 2018 Board of Directors meeting).

Three-Year Goals:

1. Attract and retain quality employees
2. Increase organizational effectiveness and efficiency
3. Improve community access control
4. Protect, preserve, and improve our assets

5. Improve and enhance hardware, software, and use of technology (these were ratified at the July 24, 2018 Board of Directors meeting).

Last week, on December 12th, the Board attended a six-month follow-up session. The object was to revisit these goals to see if the Board wanted to make any modifications and to check the progress of the twelve strategies that had been developed to achieve the goals.

The Directors and key management staff evaluated the twelve strategies and found them to be timely and viable. For example:

To attract and retain quality employees, one of the strategies was to propose and budget for a formal Employee Referral Program. I'm happy to report that this has been accomplished.

To increase organizational effectiveness and efficiency, a strategy was to purchase policy management software, including governing policy and costs. The software has been purchased and staff is currently being trained.

To improve community access control, we are rapidly approaching a solution. At the October Board meeting, the Board conceptually approved \$450,000 to \$500,000 for a new Access Control and Visitors Management System. Our new Director of Security Services has been tasked to bring to the Board a proposal and related costs for such a system, within 60 days.

To protect, preserve, and improve our assets, an investment policy is being developed as we speak, and the Finance Committee has already begun the process of improving our interest income, (Mission Park and Veteran's Plaza are improvements to our assets), and we are preserving our assets by attacking deferred maintenance head on.

The last goal was **to improve and enhance hardware, software, and use of technology**. Last month, the Board approved \$158,148 for software that 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. The timeline for completion of this project is October 2019.

I've listed just five of the twelve strategies developed. Of the seven remaining, some have already been approved and implemented or are in process and soon to be presented to the Board for approval.

For this past GRF year we identified:

1. Fifty-three strengths and accomplishments, such as Mission Park, new Health Care Lease, and reduction of insurance rates;
2. Forty-five current internal weaknesses and challenges, such as deferred maintenance, access control and outdated management agreements and governing documents;
3. Twenty-six external factors and trends that might have a positive impact in the next three years, such as location, increased property values and new technology;
4. and Thirty-Four external factors and trends that might have a negative impact in the next three years, such as the high cost of living in Orange County, increase in the minimum wage and being landlocked.

This Board has worked very hard this last year to achieve our goals and to further the mission

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statement "The Golden Rain Foundation provides an enhanced quality of life for our active adult community of Seal Beach Leisure World."

Please give this Board a round of applause.

My wish to you is to enjoy the coming holidays safely and with good cheer and health. The year 2019 is fast approaching.

And now on to the business at hand.

ANNOUNCEMENTS

The GRF Board of Directors will meet, in Executive Session, on December 20, to discuss legal and contractual matters.

SERVICE ANNIVERSARIES

No employees were available to be recognized with a service award.

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

Two members 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 Mutual Administration Committee Board Meeting of October 8, 2018
- Minutes of the Recreation Committee Board Meeting of November 5, 2018

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- Minutes of the Physical Property Committee Board Meeting of November 7, 2018
- Minutes of the Executive Committee Board Meeting of November 9, 2018
- Minutes of the Security, Bus & Traffic Committee Board Meeting of November 14, 2018

APPROVAL OF BOARD MEETING MINUTES

The minutes of the November 27, 2018 meeting were approved, as presented.

REPORTS

The Health Care Center Advisory Board will meet on Wednesday, January 16, 2019, at noon, 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, at 1 p.m.; a report will be provided at the following GRF Board meeting.

The Chair of the Facilities and Amenities Review (FAR) Ad hoc Committee presented a report on the progress of the Ad hoc Committee; policies are being written and will be presented at the January FAR meeting.

The Chair of the Management Services Review Ad hoc Committee presented a report on the progress of the Ad hoc Committee. At the next meeting, the Committee will begin reviewing services presented by the Finance Department.

NEW BUSINESS

General

Committee 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 -

TO approve the appointment of Ronde Winkler to the Facilities and Amenities Review Ad hoc Committee.

One Director spoke on the motion.

The motion was carried unanimously by the Board members present.

Architectural Design & Review Committee

Capital Funding Request – Landscape Improvements, Medical Building

The Physical Property Department was tasked with obtaining costs to replace landscaping

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around the Medical Building. A proposal, Exhibit A, was obtained by our current landscaper, Anguiano Lawn Care, for a cost not to exceed \$10,429, based on recommendations by the Architectural Design and Review (ADR) Committee.

At its November 28, 2018 meeting, the ADR Committee requested Finance Committee review and consideration to determine if sufficient funds, not to exceed \$10,429, are available for this project.

At its regular meeting on December 17, 2018, the Finance Committee reviewed available funding for this Capital project, and unanimously resolved Capital funding is available.

Ms. Heinrichs MOVED, seconded by Ms. Rapp –

TO approve replacement of landscaping around the Medical Building, for a total cost not to exceed \$10,429, per revised proposal, Exhibit A in the agenda packet, from Anguiano Lawn Care dated 11-19-18, Capital funding, and authorize the President sign the contract.

One Director and the Executive Director spoke on the motion.

The motion was carried unanimously by the Board members present.

Executive Committee

Approve Workers' Compensation Policy Renewal

At its regularly scheduled meeting on December 14, 2018, the Executive Committee reviewed the proposals for the renewal of the Workers Compensation Policy for GRF.

Our insurance broker, DLD Insurance, has reviewed our coverage and obtained bids from five (5) carriers including our current carrier, Berkshire Hathaway Homestate Companies (BHHC).

The bids ranged from \$269,973 to \$418,000 with the lowest bid coming from BHHC, our current carrier. The 2019 budget for this expense is \$309,119:

| | |
|--|-----------------------|
| Incumbent: (Cypress Insurance Company) Berkshire Hathaway Homestate Companies | Quoted: \$269,973 |
| Preferred Employers Insurance | Quoted: \$271,951 |
| Everest National Insurance Company | Indication: \$302,000 |
| Insurance Company of the West | Indication: \$324,000 |
| Berkley Net | Indication: \$418,000 |

Note: All quotes are based on an estimated payroll. The total premium will be based on actual audited payroll totals at the end of the year.

Mr. Lukoff MOVED, seconded by Ms. Fekjar–

TO approve renewal of Workers' Compensation coverage with Berkshire Hathaway Homestate Companies (BHHC), for the 2019 policy year, in the amount of \$269,973, and authorize the GRF President to sign the renewal.

Two Directors and the Executive Director spoke on the motion.

The motion was carried unanimously by the Board members present.

Approve Uniform Contract

The uniform contract is due to expire on January 1, 2019. In preparation for the expiration of this contract, staff has reached out to several uniform companies, including Cintas, our current uniform vendor. Two bids were received:

| Vendor | Weekly Cost | Annual Cost | Complete Proposal | Comments |
|---------------------------|-------------|-------------|-------------------|------------------------------|
| UniFirst | 367.61 | 19,115.72 | Y | Embroidery cost not included |
| Prudential Overall Supply | 339.04 | 17,630.08 | N | Embroidery cost not included |

Staff recommends the selection of UniFirst, based on its detailed proposal and unit rates per the attached bid. Based on the total number of uniforms currently needed, the annual estimated cost would be \$19,115.72. The total amount budgeted for uniform expenses, for 2019, is \$42,861.

At its December meeting, the Executive Committee recommended the Board award a contract to UniFirst based on its detailed proposal and unit rates (Exhibit A in the agenda packet).

Mrs. Perrotti, MOVED, seconded by Ms. Snowden–

TO award a contract with UniFirst based on bid proposal dated November 13, 2018, marked Exhibit A (in agenda packet), for a five-year term, funding from Operations, and authorize the President to sign the contract.

Four Directors, the Executive Director and the Director of Finance spoke on the motion.

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

Finance Committee

Accept November Financial Statements

At the regularly scheduled meeting of the Finance Committee on December 17, 2018, the Committee duly moved to recommend to the Golden Rain Foundation Board of Directors acceptance of the November 2018 financial statements for audit.

Ms. Winkler MOVED, seconded by Mr. Lukoff and carried unanimously by the Board members present–

TO accept the November 2018 financial statements for audit.

Approve Liquid Reserve Funds Transfer Request

At the regularly scheduled meeting of the Finance Committee on December 17, 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 \$1,300,000 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. Dodero –

TO approve a transfer of \$1,300,000, in Reserve funds, from the First Foundation Bank Business Maximizer account, to the Money Market Reserve account at US Bank, for the purposes of maximizing insured funds and to invest in higher yielding CDs with US Bancorp.

Two Directors and the Director of Finance spoke on the motion.

The motion was carried unanimously by the Board members present.

Investment Ladder - CD Purchase Request

At the regularly scheduled meeting of the Finance Committee on December 17, 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 of January and July 2020, and January and July 2021, at the prevailing interest rates at the time of purchase, for a total of approximately \$980,000 of reserve funds.

Mr. Lukoff, MOVED, seconded by Ms. Rapp-

TO approve the purchase of four (4) CDs, at approximately \$245,000 each, with maturity dates of January and July 2020, and January and July 2021, at the prevailing interest rates at the time of purchase, for a total of approximately \$980,000 of reserve funds.

Three Directors and the Director of Finance spoke on the motion.

The motion was carried unanimously by the Board members present.

Approve Exclusive Use of Trust Property Lease Amendment

At the December 17, 2018 meeting of the Finance Committee, the Committee recommended the GRF Board approve the 1st Amendment (attached) to the leases for the exclusive use of trust property identified as Friends of the Library, Genealogy Club, Golden Age Foundation, Historical Society, Radio Club, Theater Club, and Video Producers Club.

The addendum extends the lease agreements for six months (January 1, 2019 to June 30, 2019), per the terms and conditions of the existing agreements.

Ms. Hopewell MOVED, seconded by Ms. Perrotti-

TO approve the 1st Addendum for the lease agreements, for the exclusive use of Trust property, for a six-month term, from January 1, 2019 to June 30, 2019, for the Friends of the Library, Genealogy Club,

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Golden Age Foundation, Historical Society, Radio Club, Theater Club, and Video Producers Club, and authorize the President to sign the agreements.

Four Directors and the Executive Director spoke on the motion.

The motion was carried unanimously by the Board members present.

FINAL VOTE: Amend Policy 5061-31, Fees

At the regular Finance Committee meeting on October 15, 2018, the Finance Committee recommended Policy 5061-31, Fees, be amended. The proposed policy changes are noted in the attached document.

At its meeting of October 23, 2018, 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 5061-31, Fees, during the 30-day notification to the membership period.

Ms. Rapp MOVED, seconded by Mr. Dodero

TO amend Policy 5061-31, Fees, to increase the facilities and amenities fee from twenty (20) to twenty four (24) times the monthly GRF assessment fee and change the \$25 fee from "late payment" to "returned check" fee.

Six Directors, the Executive Director, the Director of Finance and the Recording Secretary spoke on the motion.

The motion was carried unanimously by the Board members present.

Mutual Administration Committee

FINAL VOTE: Amend Policy 1201-33, GRF Identification Cards

At its meeting on October 8, 2018, the Mutual Administration Committee recommended the Golden Rain Foundation (GRF) Board of Directors (BOD) amend Policy 1201-33, Photo

Identification Cards.

At its meeting of October 23, 2018, 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 *Leisure World 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 1201-33, Photo Identification Cards, during the 30-day notification to the membership period.

Ms. Hopewell MOVED, seconded by Ms. Heinrichs -

TO amend Policy 1201-33, Photo Identification Cards, changing the title of the policy to "GRF Identification Cards", increasing the fee for second and subsequent losses of ID cards to \$50, removing the reference to Policy 1801-33, amending the term "renter" to "renter/tenant", and stating that the non-surrender fee "may" be waived, rather than "will" be waived in the case of a deceased member.

Five Directors spoke on the motion.

The motion failed unanimously with sixteen no votes.

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

TO refer Policy 1201-33, GRF Identification Cards, back to the Mutual Administration Committee, for further review.

Physical Property Committee

Capital Funding Request – Building Improvements (Medical Building) and Concrete Replacement (Medical Building and Building Five)

The Physical Property department was tasked with obtaining costs to replace concrete, as needed, and install roofing in the open awning areas around the Medical building. Proposals are attached, Exhibit A, based on recommendations by the ADRC at their October 24, 2018 meeting.

Medical Center

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After a brief discussion, Ms. Hopewell MOTIONED, seconded by Ms. Fekjar and carried unanimously by the Committee members -

TO approve and recommend the Physical Property Committee seek costs for:

- Concrete additions/replacement to existing sidewalk
- Fill in roof openings around building

Bids were received from MJ Jurado (concrete removal/replacement) - \$15,356 and Jordan Roof Company (roof additions) - \$ 5,400.

It was recommended by the Physical Property Committee, at its November 7, 2018 meeting, to add a \$2,000 contingency, and forward this request to the GRF Board after review by the Finance Committee.

At its regular meeting on December 17, 2018, the Finance Committee reviewed available funding for this Capital project, and unanimously resolved funding is available.

Ms. Gerber MOVED, seconded by Ms. Fekjar -

TO approve improvements around the Medical Center Building including concrete replacement, and roof installation (cover open awnings), based on recommendations of the ADRC, adding a contingency of \$2,000, for a total cost not to exceed \$22,756, Capital funds, and authorize the President to sign the contracts.

Two Directors and the Executive Director spoke on the motion.

The motion was carried unanimously by the Board members present.

CONTROLLER'S REPORT

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

EXECUTIVE DIRECTOR'S REPORT

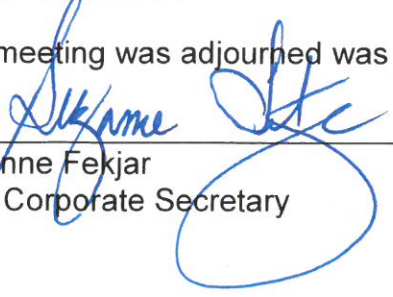
The Executive Director provided a written report for the Board.

BOARD MEMBER COMMENTS

Sixteen Board members spoke on the meeting proceedings.

ADJOURNMENT

The meeting was adjourned was at 11:34 a.m.



Suzanne Fekjar
GRF Corporate Secretary
dfb