



**BOARD OF DIRECTORS MEETING MINUTES
GOLDEN RAIN FOUNDATION
May 28, 2019**

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, May 28, 2019, in Clubhouse Four.

PLEDGE OF ALLEGIANCE

Perry Moore, GRF Representative for Mutual Seventeen, led the Pledge of Allegiance.

ROLL CALL

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

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

PRESIDENTS COMMENTS

Tonight, is the last GRF Board of Directors meeting for the 2018-2019 term. This year has gone by so fast. But I'm sure everybody feels that way.

This evening I want to talk about elections. The election season is half over. Eight of the sixteen Mutuals have elected their Presidents and board members; the rest will be done in the next couple of weeks. The GRF election will take place on June 4 when the ballots are counted. But there won't be any surprises because all eight seats ran unopposed. Kind of a waste of money, but by law, GRF still needed to have an election at an approximate cost of \$10,000, even though the eight directors ran unopposed.

And that is what I want to talk about. Why did the eight directors run unopposed? There are certainly vocal members out there who continually complain that we aren't doing our job to their satisfaction. They complain, and, I might say, very loudly about all that is wrong with GRF and the Mutuals, often fueled by inaccuracies and misinformation. Rarely does a protestor hold a position of leadership in the Mutuals or the Foundation. If a shareholder/member is unhappy with our decisions, then join the leadership teams, take part in the decision making. Why aren't they

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going to meetings to become better educated to the problems and then offering suggestions and becoming a part of the solution? Understand the issues!

You, a GRF member, give your vote to a representative from your Mutual to sit on the Foundation Board of Directors. Like when you vote for a representative to the House of Representatives. Each Mutual (district) elects a representative to the GRF BOD (House of Representatives) for a two-year term.

There are 16 Mutuals (district); each mutual has one representative except for Mutuals One and Two, who have two representatives each, for a total of 18 members of the GRF BOD (House of Representatives). In the even numbered years, the even numbered Mutuals are up for reelection and on odd years, the odd numbered Mutuals.

Under Article V, Section 1, the governing body of the Golden Rain Foundation Corporation shall be the Board of Directors. Article V, Section 2 states that "All corporate powers shall be exercised by and through the Board of Directors.

What this means is that with 18 members, 10 directors constitute a quorum. Therefore, 10 members of this Board can make the decisions that affect the Foundation.

I have heard people say that if they get enough petitions that they can overrule the Boards' decisions. No, that is not true. Unless you can influence 10 directors, your voice will not be represented. But I will say that public outcry may and has affected a board members decision and/or vote. Another way is to submit correspondence to the applicable committee where it will be read and possibly acted upon at a future meeting.

If you seriously feel that the Board is broken, then step up! The best answer is to become a part of the leadership team. Bring your expertise to the table and help formulate winning solutions. The Foundation is a nearly 30-million-dollar corporation run by volunteers. This current Board of Directors has stepped up, they have spent countless hours attending committee meetings, board meetings, and special training to make sure they understand the issues presented to them and to verify the costs of the decisions to be made. They have taken the time to make a difference. They deserve your respect and your support.

And now to the business at hand.

ANNOUNCEMENTS

The GRF Board of Directors met in Executive Session on May 3, and May 10, 2019, to discuss legal and contractual matters.

SERVICE ANNIVERSARIES

The service awards were deferred until the June 2019 meeting.

SEAL BEACH COUNCIL MEMBER'S REPORT

Seal Beach Mayor, Thomas Moore, provided an update on 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

Nine 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 Special Recreation Committee Board Meeting of March 29, 2019
- Minutes of the Recreation Committee Board Meeting of April 1, 2019
- Minutes of the Physical Property Committee Board Meeting of April 3, 2019
- Minutes of the Executive Committee Board Meeting of April 12, 2019

APPROVAL OF BOARD MEETING MINUTES

The minutes of the April 23, 2019 meeting were approved, as presented.

REPORTS

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

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 Strategic Planning Ad hoc Committee presented a report on the progress of the Ad hoc Committee.

Ms. Brennan James, Chief Operating Officer of Monarch and Dr. Al Pita, OptumCare Medical Director, presented a report on the progress of the Health Care Center Advisory Board.

NEW BUSINESS

General

Adopt Policy 20-2841-2, Graphic Design Services (FINAL VOTE)

At its meeting on April 11, 2019, the Communications Committee recommended the adoption of 20-2841-2, Graphic Design Services. Increasingly, the LW Weekly staff are requested to provide graphic design services which are not part of the services provided.

At its meeting of April 23, 2019, 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 April 24, 2019. edition on 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 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 20-2841-2, Graphic Design Services, during the 30-day notification to the membership period.

Mr. Pratt MOVED, seconded by Ms. Rapp and carried unanimously-

TO adopt 20-2841-2 Graphic Design Services, as presented.

Approve May GRF Board Report

The monthly GRF Board report shall contain the GRF BOD meeting recap, GRF Committee and Ad hoc Committee monthly summaries of action and the Financial Recap page, as established by the Executive Committee on February 9, 2019.

Mr. Gould MOVED, seconded by Mr. Dodero-

TO approve the May GRF Board Report, as amended.

Three Directors spoke on the motion.

The motion was carried unanimously.

Amend Telecommunications Services Agreement

Per terms and conditions of the existing agreement between Superwire Telecom (Superwire) and the Golden Rain Foundation, Inc. (GRF), all telephony services (GRF Phone and wireless networking) fall under the agreement. Based upon staff's research, alternative phone and wireless networking services are available with substantial savings.

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As the existing provider under the current agreement cannot offer comparable services, an agreement was reached with Superwire to amend the agreement, removing telephony services from the scope of the agreement, thereby allowing GRF to seek and secure alternate services.

Mr. Stone MOVED, seconded by Mr. Friedman and carried unanimously-

TO approve the Addendum to the Telecommunications Services Agreement between the Golden Rain Foundation, Seal Beach and Superwire Telecom Inc., amending telephony services from the terms and conditions, and authorize the President to sign the agreement.

General – Ratification of Emergency Session of the GRF Board of Directors re: Off-Property Bus Service

An *emergency Executive Session of the Board was convened on Friday May10, 2019, in accordance with [Civil Code §4923](#) and [Civ Code §4930\(d\)\(1\)](#).

** An "emergency" is defined as "circumstances that could not have been reasonably foreseen which require immediate attention and possible action by the board, and which of necessity make it impracticable to provide notice" to the membership.*

Per the approved action of the Board at the May 3, 2019 Executive Session, a general request was made to DLD Insurance for a general auto insurance quotation to fully cover the scope of GRF off-property bus services.

The following information was supplied to the carrier to develop the quote:

- Scope of service – 3 days a week,
 - Mondays and Wednesdays, from 9:30 AM to 2:00 PM, from the Amphitheater Bus Hub every thirty (30) minutes and traveled to the Long Beach Marketplace (Trader Joe's) shopping center and the Marina Pacifica Mall. By request, also stops at Whole Foods, Denny's or Dal Je' hair/nail salon,
 - Fridays, from 9:20 AM to 3:10 PM, the Amphitheater Bus Hub approximately every fifty (50) minutes and traveled to the Seal Beach Main Street / Pier area and the 99 Cents Only store near Lampson at Valley View. By request, stops at the Vons' Pavilion market near PCH and Main Street in Seal Beach,
 - Additional trips which may total 10-15 per year.
- Use of existing registered buses,
- No more than 8 passengers are transported at any time,
- Drivers have CDL class C license,
- Total mileage is estimated at 8,000 to 9,000 annually,
- Total passengers transported annually are estimated at 4,000 to 5,000,
- The number of individual Shareholders using the service is estimated at 50-75.

The quotation supplied on May 10, 2019 was \$45,000 (+/- 15%), noting:

- The combination of record-setting natural disasters, an uptick in distracted-driving accidents and the increasing prevalence of increasing litigation costs,

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- A very high probability that this amount could be even greater in 2020 as insurers are likely to raise rates,
- Any incident would greatly impact future premiums as well as might place the master policy at risk,
- One of the main reasons insurers are likely to raise commercial auto insurance rates is to adjust for consistent increased losses. These are attributed to an increase in the frequency or cost of car insurance claims.

The above does not affect non-GRF bus operations, for example: the shuttle service from Leisure World to the Old Ranch Town Center (Ralphs / Target) and the Shops' at Rossmoor (Sprouts / Kohls / Seal Beach Senior Center) is provided by a contracted transportation company (Keolis) and is paid for by the City of Seal Beach with funds from OCTA Senior Wheels, State and Federal Senior transportation grants and the City of Seal Beach general fund.

Ms. Isom MOVED, seconded by Ms. Hopewell -

TO ratify the GRF Board's emergency action of May 10, 2019, of the cancelation of GRF Transportation Departments off-property bus services.

Ten Directors and the Executive Director spoke on the motion.

The motion was carried with three no votes (Gould, Rapp, R. Stone).

Ms. Stone MOVED, seconded by Mr. Dodero-

TO assign to the Security, Bus & Traffic Committee, at its July meeting, to seek alternative options to the off-property bus services and to direct staff to begin to the investigative process.

Two Directors spoke on the motion.

The motion was carried unanimously.

Architectural Design & Review Committee

Reserve Funding Request – Landscape Replacement, Health Care Center, Clubhouse Six and Administration Parking Lot

At its April 24, 2019 meeting, the Architectural Design Review Committee reviewed a proposal from Anguiano Lawn Care to replace plant material which has outlived its useful life at the five islands in the Health Care Center and Clubhouse Six parking lot, at a cost not to exceed \$8,383 (Exhibit A in the agenda packet).

The Committee unanimously agreed to recommend the GRF Board award a contract to Anguiano Lawn Care.

Funding was made available in the 2019 Reserve Study (Exhibit B in the agenda packet).

Ms. Heinrichs MOVED, seconded by Ms. Fekjar-

TO award a contract to Anguiano Lawn Care to replant the five islands in the Health Care Center and Clubhouse Six parking lot, at a cost not to exceed \$8,383, Reserve funding, and to authorize the President to sign the contract.

Two Directors spoke on the motion.

The motion was carried unanimously.

Facilities and Amenities Review Ad hoc Committee

Committee Recommendations for Policy Amendment

At the April 19, 2019 meeting of the Facilities and Amenities Ad Hoc Committee, the Ad Hoc Committee duly moved and approved to recommend to the Board:

1. General recommendation

- No fee structure be established for individual Shareholder/Members for the use of GRF amenities,
- Request the Recreation Department research card reader-based clubhouse/room access systems,
- Request the Recreation Committee investigate the possibility of limiting the number of Clubs participating in the same activity,
- Take the required action to uphold and enforce policy 1202-50, Club Membership that Non-Members not be allowed to join Clubs, Organizations, Service Organizations, or Religious Organizations that meet in Leisure World.

2. Amend, revise and/or set policy to:

- Establish reasonable restrictions in the use of Trust Property amenities by guest while accompanied by a Shareholder/Member,
- Establish reasonable policy for charging groups that profit from the use of GRF amenities,
- Establish a procedure where all LW Clubs, Organizations, Service Organizations or Religious Organizations are approved by the GRF Recreation Committee,
- Establish policy where the Recreation Committee may combine duplicate amenities, based on usage, as needed,
- Establish policy where any organization with their own building should not be allowed to use GRF facilities,
- Establish a fee for large room set-ups.
- Establish policy that includes penalties for Shareholder/Members, Non-Members, Clubs, Organizations, Service Organizations or Religious Organizations that abuse amenities, facilities or Policy,
- Establish policy to designated Trust Property use areas for specific activities,
- Adopt into policy, the Club category structure, as amended.

Mrs. Perrotti MOVED, seconded by Ms. Snowden and carried unanimously by the Board Directors present-

TO forward to applicable committees the formulation of actions and/or the drafting or amendment of policies on section 1 and 2, as noted above.

Four Directors spoke on the motion.

The motion was carried unanimously.

3. Board Direction seeks the level of interest in pursuing the subject of:

- Should there be hours and/or days designated for Shareholders/Members to invite non-Members to use amenities (i.e. Pool, Golf), as long as the Shareholder/Member is present with the non-Member?

Mrs. Perrotti MOVED, seconded by Mr. Moore-

TO forward the subject, as outlined in section 3 above, to the Recreation Committee for recommendation to the Board; such recommendation shall be based upon statistical usage of amenities and procedures/expense to enforce limited usage of amenities by non-Shareholder/Members.

Three Directors spoke on the motion.

The motion was carried unanimously.

Finance Committee

Accept April Financial Statements

At the regularly scheduled meeting of the Finance Committee on May 20, 2019, the Committee, in accordance with Policy 5515-31 and all applicable sections of the civil code 5500, duly moved to recommend to the Golden Rain Foundation Board of Directors acceptance of the April 2019 financial statements for audit.

Ms. Winkler MOVED, seconded by Ms. Snowden-

TO accept the April 2019 financial statements for audit.

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

The motion was carried unanimously.

The President called for a 10-minute break, at 7:50 p.m.

Approve Funds Transfer Request – Reserve Funds

At the regularly scheduled meeting of the Finance Committee on May 20, 2019, the members discussed the liquid funds held in various financial institutions and noted the total balances in one of the financial institutions will exceed the FDIC insurance limit upon maturity of a CDAR and, therefore, will not be in compliance with Policy 5520-31 – Reserves.

The Committee passed a motion to recommend to the GRF Board the transfer of \$800,000 of reserve funds, from First Foundation Bank to Morgan Stanley, for \$500,000 and to US Bank for \$300,000, following the maturity of an \$800,000 CDAR, on June 13, 2019, for the purposes of maximizing insured funds and to invest with Morgan Stanley.

Mr. Friedman MOVED, seconded by Mr. Lukoff-

TO transfer of \$800,000 of reserve funds, from First Foundation Bank to Morgan Stanley, for \$500,000 and to US Bank for \$300,000, following the maturity of an \$800,000 CDAR on June 13, 2019, for the purposes of maximizing insured funds and to invest with Morgan Stanley.

One Director and the Director of Finance spoke on the motion.

The motion was carried unanimously.

Approve CD Purchase – Reserve Funds

At the regularly scheduled meeting of the Finance Committee on May 20, 2019, the members discussed diversifying the reserve fund investment portfolio by purchasing investments with Morgan Stanley, in addition to 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 to the GRF Board the purchase of brokered CDs, from Morgan Stanley, totaling \$500,000 of reserve funds, with an 18-month term at the prevailing interest rates at the time of purchase.

Mr. Lukoff MOVED, seconded by Ms. Gerber-

TO approve the purchase of multiple insured brokered CDs from Morgan Stanley, totaling \$500,000 of reserve funds, with an 18-month term, at the prevailing interest rates at the time of purchase.

Four Directors and the Executive Director spoke on the motion.

The motion was carried unanimously.

Adopt Policy 40-3326-1, Purchasing Warehouse Guidelines for Inventory and Non-inventory Purchases

At its meeting on April 15, 2019, the Finance Committee recommended the adoption of 40-3326-1, Purchasing Warehouse Guidelines for Inventory and Non-Inventory Purchases, upon presentation to the Presidents' Council meeting in May.

At its meeting on May 2, 2019, the Executive Director presented the document to the Presidents' Council; no negative feedback was received regarding the proposed adoption of the guidelines.

Ms. Rapp MOVED, seconded by Ms. Hopewell and carried unanimously-

TO adopt 40-3326-1, Purchasing Warehouse Guidelines for Inventory and Non-inventory Purchases.

Approve Exclusive Use of Trust Property Leases

At the May 20, 2019 meeting of the Finance Committee, the Committee recommended the GRF Board approve the 2nd 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 (July 1, 2019 to December 31, 2019), per the terms and conditions of the existing agreements.

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

TO approve the 2nd Addendum for the lease agreements (July 1, 2019 to December 31, 2019), for the exclusive use of Trust property, for the Friends of the Library, Genealogy Club, Golden Age

Foundation, Historical Society, Radio Club, Theater Club, and Video

Producers Club and authorize the President to sign the agreements.

Physical Property Committee

Reserve Funding Request – HVAC replacements, Clubhouses Two and Four

Two heat pumps have exceeded their expected life and are considered beyond repair.

At its regular scheduled meeting on May 1, 2019, the Physical Property Committee (PPC) duly moved and approved to recommend the replacement of Heat Pumps (one each), cost provided by Greenwood Heating and Air, in Clubhouse Two, unit #4 and Clubhouse Four, unit #A-2, for a combined total cost of \$13,800 (see exhibit A). Reserve funding is available, per the 2019 Reserve Study.

Ms. Gerber MOVED, seconded by Ms. Fekjar-

TO award a contract to Greenwood Heating and Air, for a cost not to exceed \$13,800, to replace the heat pumps (one each) in Clubhouse Two, unit #4 and Clubhouse Four, unit #A-2, Reserves funding, and authorize the President to sign the contract.

Three Directors and the Executive Director spoke on the motion.

The motion was carried unanimously.

Recreation Committee

Contract Approval – Sound System and Lighting, Amphitheater

The Amphitheater sound and lighting contract expired on September 30, 2018. The Recreation Department sent out a request for proposal (RFP) to four contractors and held a bidder's conference on April 9, 2019, with no bidders in attendance. On April 29, 2019 the Recreation Committee reviewed the bids from four contractors, as follows:

Company	Year 1	Year 2	Year 3	Totals
MasterMind Productions Group				No bid submitted
Mr. Cat Productions	\$15,750.00	\$15,750.00	\$15,750.00	\$47,250.00
Terry Hill and Associates				No bid submitted

TM AV Consulting & Integration,
Inc.

\$29,940.00

\$32,035.80

\$34,277.80

\$96,253.60

The budget for the 2019 Amphitheater production expense is \$19,500.00. The Recreation Committee is recommending that the Board approve a three-year contract with Mr. Cat Productions, in the amount of \$47,250.00, Operating funding.

Mr. Dodero MOVED, seconded by Ms. Fekjar-

TO award a contract to Mr. Cat Productions, to provide Amphitheater production services, for a cost not to exceed \$47,250, for a three-year period, Operating funding, and to authorize the President to sign the contract.

Two Directors spoke on the motion.

The motion was carried unanimously.

Approve Distribution of Questionnaires (Restaurant/Bar, Fitness, Learning Center)

At its regularly scheduled meeting on May 6, 2019, the Recreation Committee duly moved and approved to recommend the GRF Board approve the distribution of the Fitness Center (Exhibit A in the agenda packet), Restaurant/Bar (Exhibit B in the agenda packet), and Adult Education Classes (Exhibit C in the agenda packet) questionnaires, as presented.

	Committee approval	BOD Approval Date	Publish Date	Return Deadline	Review Results
Restaurant/Bar Questionnaire	May 6, 2019	May 28, 2019	June 13, 2019	July 12, 2019	August
Fitness Center Questionnaire	May 16, 2019	May 28, 2019	June 20, 2019	July 19, 2019	September
Learning Center Questionnaire	May 6, 2019	May 28, 2019	June 27, 2019	July 26, 2019	September

Timeline subject to change

Following the distribution and collection of each questionnaire, as noted above, staff will compile the results to be presented to the Recreation Committee.

Mr. Moore MOVED, seconded by Ms. Gerber-

TO approve the distribution of the Restaurant/Bar, Fitness Center and Learning Center questionnaires, as presented, in LW Weekly and, following a thirty (30) day posting period, have staff compile results for Recreation Committee review.

Four Directors spoke on the motion.

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

Mr. Dodero left the meeting at 8:25 p.m.

Security, Bus & Traffic Committee

Approve Replacement of Visitor Access System

Mr. Pratt MOVED, seconded by Mr. Gould-

TO approve the Visitors' Access System and contract with Integrated Security and Communications for the replacement of the Visitors' Admission System in an amount not to exceed \$69,533.89 and authorize the President to sign the agreement, funding to be determined by the Treasurer, and, further, authorize the Chairperson of the Security, Bus & Traffic Committee to approve any use of contingency funds.

Eight Directors and the Executive Director spoke on the motion.

The motion was carried with one abstention (Dodero).

CONTROLLER'S REPORT

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

EXECUTIVE DIRECTOR'S REPORT

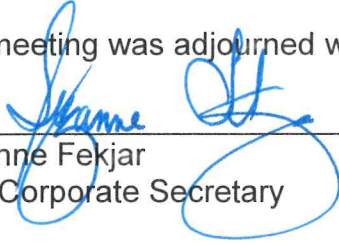
The Executive Director provided a written report for the Board.

BOARD MEMBER COMMENTS

Eighteen Board members spoke on the meeting proceedings.

ADJOURNMENT

The meeting was adjourned was at 9:02 p.m.



Suzanne Fekjar
GRF Corporate Secretary
dfb