

## ADMINISTRATION COMMITTEE

### Committee Meeting Agenda

Thursday, September 14, 2023, 10:00 a.m.

Conference Room A/Zoom

*This meeting may also be live streamed at [www.lwsb.com](http://www.lwsb.com).*

*The tab will be active 15 minutes prior to the start of the meeting*

*The live streaming uses YouTube live and terminates at the close of the meeting*

#### 1. Call to Order

#### 2. Roll Call/Notice of Quorum

Donna Gambol  
Marsha Gerber  
Carol Levine  
Nick Massetti

Teri Nugent  
Camille Thompson  
William Thompson – Chair

#### 3. Chair Announcements

##### a. Introduction of Guests and Staff

Jessica Sedgwick, Executive Director  
Mallorie Hall, Sr. Director of Member Services  
Emma Hurtado, Executive Assistant

##### b. Rules of Order

#### 4. Approval of Minutes (pp1-5)

##### a. Minutes of August 10, 2023, Administration Committee

#### 5. Member Correspondence/Comments (pp.7) *(Limited to 3 minutes per person if not more than 10 comments)*

#### 6. Supplementary Staff Report

#### 7. 2024 Budget Review

##### a. Budget Review (pp.9-16)

##### b. Adopt Strategic Spending Outline (pp.17-18)

Proposed Resolution: To accept the 2024 Strategic Spending Outline as a guide to the GRF's Capital Fund spending priorities in the 2024 fiscal year.

#### 8. Finance Review

##### a. Acceptance of Monthly Financial Statements and Accounts (pp.19-21)

##### i. July 2023

Proposed Resolution: To accept for audit and forward to the GRF Board the interim financial statements for period ending July 31, 2023, as presented by the Sr. Director of Member Services and as reviewed by the Administration Committee.

##### b. Reserve Funds Investment Purchase (pp.23)

Proposed Resolution: To recommend the GRF Board authorize the purchase of brokered CDs through US Bank Corp and Morgan Stanley for \$725,000 with terms ranging from three (3) to eighteen (18) months at the prevailing interest rates at the time of purchase and at the discretion of the financial advisors.

##### c. Revenue and Leases

#### 9. Governing Documents (pp.25-27)

- a. Amend 40-5520-1 – Reserves (pp.29-33)  
Proposed Resolution: to amend GRF Rule 40-5520-1, Reserves, and change its number to 14-5520-1.
- b. Rescind 40-5522-3 – Safe Deposit Boxes (pp.35-36)  
Proposed Resolution: To rescind GRF Rule 40-5522-3, Safe Deposit Boxes.
- c. Amend 40-5061-2 – Fees (pp.37-41)  
Proposed Resolution: To amend GRF Rule 40-5061-2, Fees, renaming it Membership and Residency Fees, and changing its number to 14-5061-2.

#### 10. Cost Recovery Items

- a. Amend 40-5506-3 – Request for Proposal Requirements (pp.43-50)  
Proposed Resolution: To amend 40-5506-3, Request for Proposal Requirements, modifying language throughout and establishing the Executive Director's spending authorization at 1/10th of 1% (.001) of the Foundation's annual budget. I further move to designate this rule as 14-5506-3.
- b. Amend 40-3182-2 – Member/Owners and Renter/Lessee Fines – Fees and Deposits (pp.51-54)  
Proposed Resolution: To amend GRF Rule 40-3182-2, Member/Owner and Renter/Lessee Fines, Fees and Deposits., renaming it Leasing Fees, and changing its number to 14-3182-2.
- c. Amend 10-2000-2 – Consolidated Fee Schedule (pp.55-59)  
Proposed Resolution: To tentatively amend section 1.3. of Rule 10-2000-2, Consolidated Fee Schedule, standardizing the per-square-foot parking rental charge among all sizes of recreational vehicles and accepting the additions of other established fees into the 10-2000-2 document. The changes made in section 1.3. will not be ratified until reconsidered by the Board at its October 24, 2023, meeting.
- d. Revise 60-5504-1 – Insurance Requirements (pp.61-64)  
Proposed Resolution: To amend 60-5506-1, Insurance Requirements – Contractors, to affirm that all independent contractors must pay a set annual fee to verify their adherence to the insurance and licensing requirements.

#### 11. Monthly Board Agenda Items

- a. Proposed Capital Expenditures (pp.65-68)
  - i. Speed Cushions Change Order
  - ii. Bocce Ball Court Remodel
- b. Proposed Reserve Expenditures (pp.69-75)
  - i. HVAC Reroute Administration Office
  - ii. Channel Fence Replacement Phase One
  - iii. Clubhouse One Renovations
  - iv. Kilns at Lapidary
- c. Proposed Operations Expenditures (pp.77-78)
  - i. Sewer Preventative Maintenance Three-Year Contract

#### 12. Strategic Initiatives

#### 13. Next Meeting Date

- Thursday, October 12, 2023, at 10:00 a.m. – Conference Room A

#### 14. Adjournment



Please be courteous and respectful to other members, Board of Directors and representatives from Management at all times. We ask that you do not raise hands or interrupt the Committee or anyone else who may be speaking. **A member not adhering to these protocols and/or who becomes unruly may be asked to leave the meeting. Failure to comply will result in a special hearing with the Board where disciplinary action may be taken.**

**A quorum of the Board may be present at this meeting, no Board business will be discussed. This meeting has been duly noticed. There is no agenda.**

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## **GRF ADMINISTRATION COMMITTEE MINUTES**

**August 10, 2023**

The meeting of the Administration Committee was held on Thursday, August 10, 2023, and was called to order at 10:00 a.m. by Chair Thompson in Conference Room A .

### **ROLL CALL**

Present: Donna Gambol  
Marsha Gerber  
Carol Levine

Absent: Teri Nugent

Nick Massetti  
Camille Thompson  
William Thompson – Chair

Staff: Jessica Sedgwick, Executive Director  
Mallorie Hall, Sr. Director of Member Services  
Emma Hurtado, Executive Assistant  
Three GRF Members

### **CHAIR'S ANNOUNCEMENTS**

Chair Thompson welcomed Committee members and guests and introduced Executive Director Jessica Sedgwick and Executive Assistant Emma Hurtado.

The Chair outlined the rules of order.

### **APPROVAL OF MINUTES**

The Administration Committee minutes dated July 13, 2023, were approved as presented.

### **MEMBER CORRESPONDENCE/COMMENTS**

Two Members spoke during the Members' Comment period.

### **SUPPLEMENTARY STAFF REPORTS**

#### **Annual Budget Process Preview**

The Sr. Director of Member Services presented the Annual Budget Process Preview.

**GENERAL**Appoint Vice Chair

Committee members consented to Chair Thompson's nomination of Carol Levine as the Administration Committee's Vice Chair.

**FINANCE REVIEW**Acceptance of Monthly Financial Statements of Accounts

## a. May 2023

Motion: To accept for audit and forward to the GRF Board the interim financial statements for the period ending May 31, 2023, as presented by the Sr. Director of Member Services and reviewed by the Administration Committee.

First: Camille Thompson

Second: Carol Levine

The motion was carried unanimously by the members present.

## b. June 2023

Motion: To accept for audit and forward to the GRF Board the interim financial statements for the period ending June 30, 2023, as presented by the Sr. Director of Member Services and reviewed by the Administration Committee.

First: Donna Gambol

Second: Camille Thompson

The motion was carried unanimously by the members present.

Investmentsa. Reserve Funds Investment Purchase

Motion: To recommend the GRF Board authorize the purchase of brokered CDs through US Bank Corp and Morgan Stanley for \$1,255,000 with terms ranging from three (3) to eighteen (18) months at the prevailing interest rates at the time of purchase and at the discretion of the financial advisors.

First: Camille Thompson

Second: Marsha Gerber

The motion was carried unanimously by the members present.

**GOVERNING DOCUMENTS****Amend 40-5506-3 – Request for Proposal Requirements**

Motion: To amend 40-5506-3, Request for Proposal Requirements, modifying language throughout and establishing the Executive Director's spending authorization at 1/10th of 1% (.001) of the Foundation's annual budget, and to designate this rule as 14-5506-1.

First: Nick Massetti  
Second: Carol Levine

The motion was carried unanimously by the members present.

**Amend 40-3326-1 – Purchasing**

Motion: To amend 40-3326-1, Purchasing Warehouse Guidelines for Mutual Inventory and Non-Inventory Purchases, modifying language throughout and consolidating within it rule 40-3325-1, Purchase of Non-Standard Items, and to further move to change 40-3326-1's title to Purchasing Warehouse Guidelines and designate it as 14-3326-1.

First: Donna Gambol  
Second: Nick Massetti

The motion was carried unanimously by the members present.

**Rescind 40-3325-1 – Purchasing of Non-Standard Items**

Motion: To rescind 40-3325-1, Purchase of Non-Standard Items.

First: Nick Massetti  
Second: Donna Gambol.

The motion was carried unanimously by the members present.

**Amend 30-1001-5 – Glossary of Terms**

Motion: To amend 30-1001-5, Glossary of Terms, to incorporate the new term "Permanent Guest," and renumber the glossary rule as 13-1001-5.

First: Camille Thompson  
Second: Donna Gambol

The motion was carried with five (5) yes votes and one (1) no vote (Massetti).

**Amend 30-5604-3 – Publication of Board Minutes**

Motion: To amend GRF Rule 30-5604-3, Publication of Board Minutes, making minor changes in language, and assigning it the number 13-5604-3.

First: Nick Massetti  
Second: Donna Gambol

The motion was carried unanimously by the members present.

### **COST RECOVERY ITEMS**

#### **Rescind 40-3324-2 – Purchasing Fees**

Motion: To rescind 40-3324-2, Purchasing Fees.

First: Donna Gambol

Second: Carol Levine

The motion was carried unanimously by the members present.

### **COMMITTEE PROJECTS**

#### **Governing Documents**

The Governing Documents progress report was reviewed by the Committee.

#### **Capital Funding**

The Capital Funding progress report was reviewed by the Committee.

#### **Reserve Funding**

The Reserve Funding progress report was reviewed by the Committee.

### **MONTHLY BOARD AGENDA ITEMS**

#### **Proposed Capital Expenditures – N/A**

#### **Proposed Reserve Expenditures**

- i. **Rubberized Walking Path to the Golf Course Bridge**  
Facilities Chair Massetti confirmed the Board Action Request for the Rubberized Walking Path to the Golf Course Bridge is correct.
- ii. **Elevator Cab Remodel**  
Facilities Chair Massetti confirmed the Board Action Request for the Elevator Cab Remodel is correct.

#### **Amend 20-5585-1 – Advertising Policy**

Operations Chair Gambol confirmed the Board Action Request for amending 20-5585-1 is correct.

### **STRATEGIC INITIATIVES**

The Committee consented to a meeting to formalize a community strategic plan and develop an accompanying financial schedule to present to the Board of Directors.



**FUTURE AGENDA ITEMS:**

- a. 40-5520-1 Reserves
- b. 14-5061-2 Facilities and Amenities Fees (Awaiting Annual Budget resolution)
- c. 13-1021-1 Posting of Signs on Trust Property

**NEXT MEETING**

Thursday, September 14, 2023, at 10 am in Administration Conference Room A.

**ADJOURNMENT**

The meeting was adjourned at 11:18 am by Chair Thompson.

\_\_\_\_\_  
Approved Date

\_\_\_\_\_  
Approval Signature

\_\_\_\_\_  
Printed Name

DRAFT



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## BOARD ACTION REQUEST

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**DATE:** SEPTEMBER 26, 2023  
**TO:** GRF BOARD OF DIRECTORS  
**FROM:** ADMINISTRATION COMMITTEE  
**BOARD ACTION:** ADOPT 2024 STRATEGIC SPENDING OUTLINE

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### **Committee Approval:**

At its September 14, 2023, meeting, the Administration Committee recommended the Board of Directors adopt the preliminary strategic spending outline as a resolution.

### **Background:**

The new committee structure places the former Strategic Planning and Finance committees under the auspices of the Administration Committee. For the first time in recent memory, this coordinates the organization's long-term strategy with the financial oversight to facilitate the strategic plan's execution. At the request of the Administration Committee chair, the executive director and senior director of member services agreed to coordinate a training session to begin the process of developing a comprehensive strategic plan.

On September 1, 2023, members of the Administration Committee met with the GRF Executive Director, three Senior Directors and the Human Resources Director for a strategic planning training workshop. Using the tools and procedures discussed, the group formulated and prioritized a list of projects to help guide the Board's 2024 expenditures of its limited capital funds.

The proposed strategic spending outline represents the Administration Committee's preliminary appraisal of the Foundation's 2024 discretionary spending priorities and estimates the proportion of the Foundation's anticipated 2024 capital fund contributions needed to complete the suggested projects.

### **Fiscal Impact:**

There is no fiscal impact associated with this action. The proposed outline only designates spending priorities and estimates the cost for each. The Board's judgment to authority to authorize a project remains the Board's exclusive prerogative.

### **Recommendation:**

I move to accept the 2024 Strategic Spending Outline as a guide to the GRF's Capital Fund spending priorities in the 2024 fiscal year.

1	2024						
2	Annual Contribution	\$500,000.00					
3							
4	PAPM	\$6.87					
5				Annual Contribution	Months to Fund	Years to Fund	Funds Needed
6	Community Garden	\$0.69	10%	\$50,000.00	308.12	0.84	\$42,208.74
7	EV Charging	\$1.37	20%	\$100,000.00	1439.11	3.94	\$394,276.34
8	Building Access	\$1.37	20%	\$100,000.00	399.24	1.09	\$109,379.72
9	Traffic Flow (MG)	\$0.69	10%	\$50,000.00	357.45	0.98	\$48,966.20
10	Café	\$0.69	10%	\$50,000.00	1638.73	4.49	\$224,483.10
11	Conference Room	\$1.03	15%	\$75,000.00	205.42	0.56	\$42,208.74
12	Bocce Ball	\$1.03	15%	\$75,000.00	168.82	0.46	\$34,689.86
13							
14			100%				



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## COMMITTEE ACTION REQUEST

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TO: ADMINISTRATION COMMITTEE  
FROM: DIRECTOR OF FINANCE  
SUBJECT: ACCEPTANCE OF THE JULY 2023 FINANCIAL STATEMENTS  
DATE: SEPTEMBER 11, 2023  
CC: FILE

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Following a review of the financial statements, in accordance with Policy 40-5115-3 and all applicable sections of the civil code 5500,

**Committee Action Recommended:**

To accept for audit and forward to the GRF Board the interim financial statements for period ending July 31, 2023, as presented by the Sr. Director of Member Services and as reviewed by the Administration Committee.



July Budget Highlights	
Income	\$12,787,444.56
Expense	\$12,730,016.53
Net	\$57,428.03

Account Balances	
Reserve	\$10,308,031.00
Capital	\$1,510,338.00
Unbudgeted Operating	\$48,076.89

**VARIANCES**

Department	GL	Mon. Variance	YTD Variance	Notes
Revenue	Cert Prep - Escrow	\$0	-\$45,300	Escrow YTD less than budget
Revenue	Escrow Recovery	\$14,082	\$14,513	HomeWise Docs
Revenue	Parking Spot	-\$149	-\$20,845	AR -RV rental Leases
Revenue	Other Income	\$331	\$23,574	Recreation Sales
Revenue	Rental Income	\$29,725	-\$4,101	Onsite sales less than budgeted. July numbers helped YTD deficit.
Revenue	Display Advertising	\$2,548	\$39,817	Inserts moving to Newspaper ads
Revenue	SRO Labor Recovery	\$31,628	-\$40,655	Less billable hours. July numbers helped YTD deficit.
HR	Wages & Benefits	\$40,710	\$478,074	Less permanent staff than budgeted
HR	Continuing Education	-\$2,704	\$9,976	Less education expense than budgeted
HR	Temp Agency	-\$68,582	-\$460,302	Unanticipated temps - ODO in Security
Administration	Office Supplies	-\$490	-\$13,218	Home Depot, So Cal Auto/Truck, Alpha Water Systems
Administration	Legal	\$2,348	\$27,073	\$20k in litigation
Member Services	Legal-Trust	-\$4,906	-\$13,663	No fee for review past initial contact
Member Services	Legal-Fair Housing	\$2,000	\$13,852	Little expense in 2023
Facilities	Utilities	-\$21,716	-\$91,120	Q1 gas expenses, electricity

## VARIANCES

Department	GL	Mon. Variance	YTD Variance	Notes
Facilities	Building Repair	-\$17,177	-\$31,166	July - Lighting maintenance yard, AC service - multiple locations
Facilities	Janitorial	\$4,508	\$46,055	Contract lower than budget
Facilities	Other Service Contracts	\$310	\$13,952	Reduced water filtration contract & new printer leases
IT	Computer Supplies	\$22	-\$11,971	Phys prop iPad cases & wall mount for switch
IT	Other Professional	-\$11,310	-\$26,786	Billable hours - FTS (server room rebuild) Boyer (Dynamics) ELC (website)
Recreation	Community Entertainment	\$7,461	\$30,924	Negotiated costs are under budget
Newspaper Printing	Newspaper Printing	\$2,877	\$20,565	Over budgeted due to inflation and unpredictability

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**COMMITTEE ACTION REQUEST**

TO: ADMINISTRATION COMMITTEE  
 FROM: DIRECTOR OF FINANCE  
 SUBJECT: RESERVE FUNDS INVESTMENT PURCHASE  
 DATE: SEPTEMBER 11, 2023  
 CC: FILE

**Investment Activity – July 2023**

<b>Investment Portfolio - All Funds</b>						
7/31/2023						
<b>Financial Institution &amp; Type</b>	<b>Contingency Operating Fund</b>	<b>Reserve Fund</b>	<b>Capital Improvement Fund</b>	<b>General Operating Fund</b>	<b>Total Funds</b>	<b>Uninsured Funds</b>
Morgan Stanley - Cash	-	15,829	-	-	15,829	-
Morgan Stanley - Deposits	-	490,000	-	-	490,000	-
Morgan Stanley - CDs	-	4,645,000	-	-	4,645,000	-
US Bancorp CDs	-	4,370,268	1,180,000	-	5,550,268	-
US Bank - Money Market	780,561	2,092,776	1,136,938	169,389	4,179,664	-
<b>Total Funds</b>	<b>780,561</b>	<b>11,613,872</b>	<b>2,316,938</b>	<b>169,389</b>	<b>14,864,932</b>	<b>-</b>
Total Liquid Funds		2,108,604	1,136,938			
Maturing Investments, Aug		1,380,000	150,000			
Pending Authorized Purchases		(455,000)	-			
Commitments as of 8/31/2023		(1,557,278)	(806,600)			
Cushion <sup>1</sup>		(750,000)	(1,000,000)			
<b>Available for Investing</b>		<b>726,326</b>	<b>-</b>			

<sup>1</sup>On 7/19/2021, the Finance Committee established a lower liquid threshold of \$1M to be maintained in the capital fund.

**Committee Action Recommended:**

I move to recommend the GRF Board authorize the purchase of brokered CDs through US Bank Corp and Morgan Stanley for \$725,000 with terms ranging from three (3) to eighteen (18) months at the prevailing interest rates at the time of purchase and at the discretion of the financial advisors.



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## COMMITTEE PROJECT REPORT - POLICIES

PROJECT NAME	On Comm. Agenda	Gov Doc. Draft	Comm. Approval	On ADMIN Agenda	Action Request Complete	ADMIN Vets Action Request	On BoD Agenda	Supporting Materials in Packet	Board Action	Final BoD Approval	Rule in Gov. Docs	Rule in Website	Internal Procedures Developed	Implemented
10-2000-2 (section 2.4) - Consolidated Fees	X	X	X	X	X	X	X	X	28-Day Notice	X				
10-2000-2 (section 1.1 and 1.2) - Consolidated Fees	X	X	X	X	X	X	X	X	28-Day Notice	X				
40-3323-3 - Disposition of Surplus Equipment	X	X	X	X	X	X	X	X	Board Preliminary Approval	X				
40-2230-3 - Authorized Signatories	X	X	X	X	X	X	X	X	Board Preliminary Approval	X				
70-1406-2 Limitations on Use of Trust Property	X	X												
70-1411-1 Facility Reservations	X	X												
30-1021-1 - Posting Signs on Trust Property	X	X	X	X	X	X	X	X	28-Day Notice	X				

## COMMITTEE PROJECT REPORT - POLICIES

PROJECT NAME	On Comm. Agenda	Gov Doc. Draft	Comm. Approval	On ADMIN Agenda	Action Request Complete	ADMIN Vets Action Request	On BoD Agenda	Supporting Materials in Packet	Board Action	Final BoD Approval	Rule in Gov. Docs	Rule in Website	Internal Procedures Developed	Implemented
40-5506-3 – Request for Proposal Requirements	X	X	X	X	X	X	X	X	Return to Committee					
40-3326-1 – Purchasing	X	X	X	X	X	X	X	X	Board Preliminary Approval	X				
Rescind 40-3325-1 – Purchasing of Non-Standard Items	X	X	X	X	X	X	X	X	Board Preliminary Approval	X				
30-1001-5 – Glossary of Terms	X	X	X	X	X	X	X	X	Board Preliminary Approval	X				
30-5604-3 – Publication of Board Minutes	X	X	X	X	X	X	X	X	Board Preliminary Approval	X				
Rescind 40-5523-2 – Returned Check Fees														
Rescind 40-3324-2 – Purchasing Fees	X	X	X	X	X	X	X	X	Board Preliminary Approval	X				

## COMMITTEE PROJECT REPORT - POLICIES

PROJECT NAME	On Comm. Agenda	Gov Doc. Draft	Comm. Approval	On ADMIN Agenda	Action Request Complete	ADMIN Vets Action Request	On BoD Agenda	Supporting Materials in Packet	Board Action	Final BoD Approval	Rule in Gov. Docs	Rule in Website	Internal Procedures Developed	Implemented
20-5585-1 - Advertising Policy	X	X	X	X	X	X	X	X	Board Preliminary Approval	X				
Amend 40-5520-1 - Reserves	X	X		X	X									
Rescind 40-5522-3 - Safe Deposit Boxes	X	X		X	X									
Amend 40-5061-2 - Fees	X	X		X	X									
Amend 40-3182-2 - leasing Fees	X	X		X	X									
Amend 40-3182-2 - Member/Owners and Renter/Lessee Fines - Fees and Deposits	X	X		X	X									
Amend 10-2000-2 - Consolidated Fee Schedule	X	X		X	X									
Revise 60-5504-1 - Insurance Requirements	X	X		X	X									

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## BOARD ACTION REQUEST

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**DATE:** SEPTEMBER 26, 2023  
**TO:** BOARD OF DIRECTORS  
**FROM:** ADMINISTRATION COMMITTEE  
**BOARD ACTION:** AMEND 40-5520-1, RESERVES

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**Committee Approval:**

At its \_\_\_\_\_, 2023, meeting, the Administration Committee recommended the Board of Directors amend 40-5520-1, Reserves.

**Background:**

The Board of Directors, at its July 22, 2023, meeting, approved 14-5506-3, Request for Proposal (RFP) Requirements. The present Reserves rule, 40-5520-1, duplicates and contradicts provisions within the new RFP rule's more detailed guidelines. The RFP rule's new procedures update the executive director's spending authorization, and bid and approval requirements, including those for reserve expenditures.

Staff has determined that 40-5520-1's contradictory procedures can be excised by eliminating the rule's section 8 and section 9, all topics being duplicated in 14-5506-3, the RFP rule.

**Fiscal Impact:** There is no expected changes to revenues or expenses from amending this rule. .

**Suggested Motion:** I move to amend GRF Rule 40-5520-1, Reserves, and change its number to 14-5520-1.



## FINANCE

### Reserves

#### 1. RESERVE FUNDS

Reserve funds are monies that the Golden Rain Foundation (“GRF”) has collected to defray future maintenance, replacement or repair (“MRR”) of major component/ assets that GRF is required to maintain in accordance with applicable law.

#### 2. USE OF RESERVE FUNDS

Reserve funds may not be used for expenses that are not included in the list of component/assets contained within a reserve study. If a major component/asset meets the description as noted in Section 4, and is in need of MRR, it may be included into the reserve study with an adjustment to the funding plan by a majority vote of the Board of Directors (BOD) at a duly noticed meeting, open to all GRF members.

#### 3. ASSETS

For the purpose of preparation and maintaining the GRF reserve study, a Trust asset shall be defined as: an item or items that have a value, or an aggregate value, of \$2,500 and a minimum life expectancy of three (3) years.

#### 4. COMPONENT

For the purpose of preparation and maintaining the GRF reserve study, a component shall be defined as: an item or items with an estimated remaining service life of thirty (30) or more years. Such identified components shall be included in the reserve study as a Trust capital asset and disregarded in the reserve calculations.

#### 5. RESERVE STUDY

- 5.1. The GRF is required to prepare a reserve study at least once every three (3) years based upon a diligent visual inspection of the accessible areas of the component/assets that GRF is required to MRR.
- 5.2. The BOD is required to review the reserve study as part of the annual budgeting process and determine whether intervening events over the past year warrant adjustment of the reserve funding.
- 5.3. Reserve funds set aside for a particular line item in the study need not be restricted to expenditures on that line item alone, but rather the aggregate of all reserve funds may be used for the aggregate of all reserve expenses at a particular time.



## FINANCE

### Reserves

- 45           **5.4.** Reserve funds should not be used for expenses not included in the list of  
 46 component/assets in the reserve study. If a major (over \$5,000) component/asset  
 47 is in need of MRR, and is a major component/asset that GRF is otherwise required  
 48 to MRR, a majority vote of the BOD at a duly noticed meeting, may include the  
 49 component/asset into the study with an adjustment to the funding plan.  
 50
- 51           **5.5.** Reserve funds may be transferred to the operating account to meet short- term cash  
 52 flow requirements or to cover other expenses by a majority vote of the BOD. The  
 53 BOD must fulfill the following procedural requirements before transferring any funds:  
 54
- 55               **5.5.1.** The BOD must provide no less than four (4) days written notice to the  
 56 members of an open board meeting that the BOD intends to consider a  
 57 transfer of money from the reserve account to the operating account.  
 58
- 59               **5.5.2.** The BOD must explain, in an open board meeting, the reasons for the  
 60 transfer, and when and how the money will be repaid; and  
 61
- 62               **5.5.3.** Upon approval, the minutes of the meeting must reflect the amount,  
 63 reason for the transfer, describes when and how the funds will be repaid  
 64 to the reserve account, and issues a written finding to the members.  
 65
- 66           **5.6.** Repayment of transferred funds contingent upon Section 5.4:  
 67
- 68               **5.6.1.** Funds transferred from the reserve account must be restored to the  
 69 reserve account within one (1) year of the date of the initial transfer unless  
 70 the BOD, after fulfilling 5.5.1 through 5.5.3 above, decides that a  
 71 temporary delay is in the GRF's best interests.  
 72
- 73               **5.6.2.** Reserve funds may be transferred for litigation purposes provided that  
 74 such transfer is in full compliance with Civil Code 5515.  
 75

## **6. BANKING AND INVESTMENTS OF RESERVE FUNDS**

76  
 77  
 78 Reserve funds shall not be co-mingled with any other funds held by the GRF. All investment  
 79 of GRF Reserve Funds must be in full compliance with all applicable law.  
 80

- 81           **6.1.** The BOD shall exercise prudent fiscal management in maintaining the integrity of the  
 82 reserve account.  
 83
- 84           **6.2.** The BOD's primary goal in investment of the GRF reserve funds shall be the  
 85 preservation of the funds and the purchasing power thereof.  
 86
- 87               **6.2.1.** Liquidity of the reserve fund shall be preserved to ensure that funds are  
 88 available for:





**FINANCE**

**Reserves**

- 89                   **6.2.1.1.** Scheduled MRR;
- 90                   **6.2.1.2.** Emergency MRR;
- 91                   **6.2.1.3.** MRR of components and assets that have reached the end of
- 92   their useful life earlier than expected;
- 93                   **6.2.1.4.** Short term operational needs, provided that terms as set forth
- 94   in Section five 5.4 are in compliance; and
- 95                   **6.2.1.5.** Litigation as allowed by Civil Code 5515.

**7. WITHDRAWAL/TRANSFERS FROM RESERVE FUNDS**

The signatures of at least two (2) Officers of the GRF Board shall be required for the withdrawal of moneys from GRF’s reserve accounts, pursuant to Civil Code Section 5510(a).

**8. RESERVE FUND EXPENDITURES**

- ~~**8.1.** — Scheduled MRR:~~
  - ~~**8.1.1.** — All GRF policies referencing standards of purchasing shall be applicable unless the MRR is an emergency (see definition of emergency in Section 9; and~~
  - ~~**8.1.2.** — Scheduled MRR over \$10,000 or 5% of GRF’s total combined reserve and operating account deposits (whichever is lower) requires prior written approval by a majority vote of the BOD.~~
- ~~**8.2.** — Non-Scheduled Replacements/Repairs:~~
  - ~~All GRF policies referencing standards of purchasing shall be applicable unless the MRR is an emergency (see definition of emergency in Section 9. It must be approved at a duly posted BOD meeting and approved by a majority vote of the BOD.~~
- ~~**8.3.** — If the MRR constitutes an emergency, the Executive Director and no less than two (2) members of the BOD may take appropriate actions to protect the Trust component/assets to a limit of \$10,000 or 5% of GRF’s total combined reserve and operating account deposits (whichever is lower) with immediate notification to the BOD clearly noting the need and emergency. Such emergency action shall be ratified at the next regularly scheduled meeting of the BOD.~~
- ~~**8.4.8.1.** See 14-5506-3Emergency actions that result in an expenditure that exceeds the parameters set forth in Section 8.3, above, requires an emergency meeting of the BOD, and the prior written approval by a majority vote of the BOD, with the minutes of the meeting clearly stating the emergency and the actions taken.~~

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**FINANCE**

**Reserves**

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**9. EMERGENCIES**

~~Emergency reserve fund expenditures for the MRR of component/assets shall be defined as:~~

~~9.1. The need to MRR a component/asset involving imminent danger to the life or safety of the member, or immediately necessary for the preservation and safety of the property;~~

~~9.2. Required to avoid the suspension of any necessary service;~~

~~9.3. The BOD and/or Executive Director are to use prudent determination of an emergency and take steps as required as in Section 6.1;~~

~~9.4. The Executive Director shall within a reasonable time of the emergency but no more than six (6) hours, notify the BOD of the event and actions taken to protect and secure the GRF component/assets; and~~

~~9.5. At the next regularly scheduled meeting of the BOD, a full account of the emergency shall be presented including but not limited to:~~

~~9.5.1. Nature/cause of the emergency;~~

~~9.5.2. Actions taken; and~~

~~9.5.3. Full accounting of all expenses must be ratified by the BOD.~~

**Document History**

Adopted:	22 Apr 14	Amended:	24 Mar 15	Amended:	26 May 15
Amended:	25 Apr 17	Reviewed:	17 May 18	Amended:	27 Nov 18
Amended:	23 Jul 19	GDC	26 Feb 20	Reviewed:	19 Oct 20

**Keywords:** Finance      Reserve      Investment      Study      Asset  
                  Component

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## BOARD ACTION REQUEST

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**DATE:** SEPTEMBER 26, 2023  
**TO:** BOARD OF DIRECTORS  
**FROM:** ADMINISTRATION COMMITTEE  
**BOARD ACTION:** RESCIND 40-5522-3, SAFE DEPOSIT BOXES

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**Committee Approval:**

On \_\_\_\_\_, 2023, the Administration Committee recommended the Board of Directors rescind 40-5522-3, Safe Deposit Boxes

**Background:**

This rule, originally formulated in 1972, was repeatedly amended as the Foundation employed computer technology in its operations. Information Technology staff were authorized access to the safe deposit box for off-site storage of the Foundation's daily computer operations located on external storage devices. Cloud storage and continuous backup have rendered external hard-drive storage unnecessary.

Research performed by the President found no current employee permitted access to a safe deposit box under this rule's provision has knowledge that the Foundation continues to possess a safe deposit box.

**Fiscal Impact:** There is no anticipated change in revenue or expenses as a result of adopting this rule.

**Suggested Motion:** I move to rescind GRF Rule 40-5522-3, Safe Deposit Boxes.



## **FINANCE**

### **Safe Deposit Boxes**

The Golden Rain Foundation (GRF) maintains a Safe Deposit box located at Wells Fargo Bank for the sole purpose of secure storage of the Foundation's property as the Board deems appropriate.

1. Any one of the following people is authorized to access the GRF's Safe Deposit box:
  - 1.1. Director of Finance
  - 1.2. IT Supervisor
  - 1.3. IT Technician

#### **Document History**

Adopted:	19 Sep 72	Revised:	20 Jan 76	Revised:	16 May 95
Amended:	22 Apr 14	Amended:	27 Mar 18	Amended:	23 Jul 19
Amended:	23 Mar 21				

**Keywords:** Finance      Safe Deposit



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## BOARD ACTION REQUEST

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**DATE:** SEPTEMBER 26, 2023  
**TO:** BOARD OF DIRECTORS  
**FROM:** ADMINISTRATION COMMITTEE  
**BOARD ACTION:** AMEND 40-5061-2, FEES

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**Committee Approval:**

At its \_\_\_\_\_, 2023, meeting, the Administration Committee recommended the Board of Directors amend 40-5061-2, Fees.

**Background:**

The Board of Directors, at its September 29, 2023, meeting, voted to transfer \$500,000 from the Foundation's capital funds account to its reserve account in order to reduce the anticipated 2023 monthly assessment by \$6.31. The approved motion anticipated that excess 2022 income would be used to replace the monies transferred from the capital fund. That excess 2022 funding was not realized.

At its February 28, 2023, meeting, the Board amended 40-5061-2, Fees, changing the designation of amenities fees from an equal division between reserve and capital funds. The board designated 100% of all amenities fees to be assigned to the Reserve Fund to recover a shortfall in Reserve Fund contributions. The motion required the Finance Committee (since superceded by the Administration Committee) to review the distribution of the Amenities Fee as part of the annual budget process.

Anticipating the need for continued investments in the Reserve Fund, staff has proposed that the rule's distribution of funds between the Reserve Fund and the Capital Fund should be dictated by a contemporaneous determination of each year's budget priorities, and suggested language establishing that.

The amended rule also changes the nomenclature of the community entry fee from "Amenities" to "Membership" and adds a description recognizing that the entry fee is the Member-applicant's contribution to 60 years of infrastructure funded by previous community residents. Finally, the proposed 40-5061-2 removes fees directed only toward leased units, and consolidates those conditions in 40-3182-2, Member/Owner and Renter/Lessee Fines, Fees and Deposits.

**Fiscal Impact:** The new rule authorizes cost-recovery for subsequent trust reviews when the initial submission contained insufficient information to facilitate the Trust attorney's validation. These costs were previously assumed by GRF. Staff does not anticipate annual revenues from this fee will surpass more than a few thousand dollars.

**Suggested Motion:** I move to amend GRF Rule 40-5061-2, Fees, renaming it Membership and Residency Fees, and changing its number to 14-5061-2.



**Membership and Residency Fees**

The Golden Rain Foundation (GRF) has set the following schedule for fees that establish an Authorized Resident’s residency and membership status.

**1. MEMBERSHIP FEE:**

- 1.1. All Authorized Residents (A/R) are required to pay, or enter a financing plan to pay, a non-refundable Membership fee **when they initiate their residency in the community.**
- 1.2. The Membership fee **establishes the A/R’s investment in maintaining and improving community infrastructure funded by past Members, and funding those facilities that will enhance the experiences of present and future Members.** It provides access to and use of the Trust facilities and amenities, and participation in GRF activities **for those Members in good standing.**
- 1.3. Non-resident co-owners do not pay a Membership fee and have no right to use any GRF facilities or amenities except as a Member’s guest where allowed.
- 1.4. The Membership fee is calculated as twenty-five (25) times the monthly GRF assessment and rounded up to the nearest dollar. The Membership fee is reviewed annually and any change of rates is implemented on January 1st of each year.
- 1.5. An A/R in good standing may transfer from one unit to another without having to pay the Membership fee again if the transfer is completed within 30 days.
  - 1.5.1. If an AR relinquishes their GRF membership for more than thirty (30) days, a new Membership fee must be paid **at the rate current when their new unit is acquired.**
- 1.6. The Membership fee is allocated to the GRF Reserve Fund and GRF Capital Improvement Fund. **The distribution to each is determined in accordance with the annual budget’s approved requirements.**

**2. PAYMENT OF MEMBERSHIP FEE:**

- 2.1. Each A/R is encouraged to pay the Membership fee in full at the close of the purchase escrow. By California statute, GRF has established a finance plan that permits A/Rs to pay the Membership fee over a seven-year period.
- 2.2. Members who opt to finance the payment of their Membership fee must complete a Promissory Installment Note and agree to the Note’s terms.
  - 2.2.1. If an A/R opts to finance the Membership fee, the A/R shall at the close of Escrow pay an upfront payment of twenty-five percent (25%) of the total Membership fee and make seven (7) equal annual installment payments of the remaining balance. Each annual payment will be due and payable on the anniversary of the unit’s purchase date until the



**Membership and Residency Fees**

principal amount, including the finance charge, is paid in full.

**2.2.2.** The annual finance charge on matured, unpaid amounts shall be one percent (1%) per month (APR of 12%) paid annually on the outstanding balance.

**2.2.3.** In the event a unit changes ownership before the Membership fee is paid in full, the balance due must be paid before the transfer can be completed.

**2.3.** All co-occupant non-owners and qualified permanent residents must pay the Membership fee in advance without an option to finance.

**3. MEMBERSHIP AND MUTUAL STOCK CERTIFICATES PROCESSING FEE:**

**3.1.** GRF shall issue one GRF membership certificate per unit.

**3.2.** GRF shall issue one Mutual stock certificate per unit in Mutuals 1-12 and 14-16. These certificates may contain one or more names.

**3.3.** To cover the cost of preparing, recording and/or replacing either or both certificates, a certificate processing fee of three hundred dollars (\$300) will be charged in advance each time either of the certificates are changed or altered.

**3.4.** The certificate processing fee will be waived when a Member elects to remove a deceased co-owner from the title and have new certificates issued within one (1) year of the owner’s death. Fees will not be waived for other transfer requests such as replacing lost certificates, or adding or removing Member owners or non-resident co-owner(s).

**4. TRANSFER FEE – IN ESCROW:**

The seller of a Mutual share of stock shall pay a transfer fee of six hundred dollars (\$600) to cover the cost of transferring ownership(s).

**5. PROCESSING FEE**

A Co-Occupant and Qualified Permanent Resident shall be charged a processing fee of one hundred and twenty dollars (\$120) to recover the setup and processing costs.

**6. MUTUAL CORPORATION FEES**

Each Mutual represents a fully independent corporation and as such may establish fees applicable to the Mutual. GRF operates as the management company for the Mutuals and will, as part of its duties, apply and collect Mutual Fees in accordance with established Mutual policies/rules.

**7. LEGAL REVIEW FEES**

**7.1.** Reviews of Trusts

(Feb 23)





**Membership and Residency Fees**

Upon a Trust’s requested transfer of stock ownership, either by the unit’s sale or an in-house ownership transfer, Probate Code §18100.5 delegates to GRF the right to require the current acting trustee or successor trustee to provide the Stock Transfer Office either a Certification of Trust, or a copy of the Trust document for the GRF attorney to review.

**7.1.1.** The Stock Transfer Office shall not proceed with any sale or transfer of ownership via a trust document prior to the GRF attorney reviewing the trust and providing in writing a letter of release allowing the Stock Transfer Office to proceed.

**7.1.2.** At the time of the trust review the trustee or successor trustee shall be assessed a fee of one hundred fifty dollars (\$150) representing the attorney’s fee and GRF’s pro-rated staff time.

**7.1.3.** If trust documents initially submitted fail to include information necessary to validate the trust, the trustee or successor trustee will be assessed an additional fee of seventy-five dollars (\$75) for the second review, and again for any subsequent attorney reviews. The reexamination of a trust will not begin until the additional fee is paid.

**7.2.** Reviews of Power of Attorney and Court Orders  
Ninety dollars (\$90) per document, per review.

**8.** All Fees are subject to annual review and are subject to change.

**Document History**

Adopted:	21 Apr 70	Amended:	31 Aug 73	Amended:	20 Nov 73
Amended:	19 Aug 75	Amended:	31 Aug 77	Amended:	16 Jun 81
Rescinded:	20 Oct 81 (Amendments passed 16 Jun 81)				
Amended:	16 Dec 86 (Effective 01 Jan 87)				
Amended:	21 Jul 87 (Effective 01 Aug 87)				
Amended:	20 Sep 88 (Effective 01 Jan 89)				
Amended:	21 Nov 89				
Amended:	16 Nov 93 (Effective 01 Dec 93)				
Amended:	18 Nov 03 (Effective 01 Jan 04)				
Amended:	15 May 07 (Effective 01 Jul 07)				
Amended:	17 July 12 (Effective 01 Sept 12)				
Amended:	22 Apr 14 (subheading correction only)				
Amended:	28 Oct 14 (Effective 01 Jan 2015)				
Amended:	27 Oct 15 (Effective 01 Jan 2016)				
Amended:	27 Dec 16 (Effective 01 Jan 2017)				
Amended:	23 May 17 (Effective 01 each year)				
Amended:	19 Dec 17	Amended:	17 Dec 18	Amended:	23 Apr 19
Amended:	23 Jul 19	Amended:	22 Oct 19	GDC	26 Feb 20
Amended:	24 May 22	Amended:	22 Nov 22	Amended:	28 Feb 23

**ADMINISTRATION**

40-5061-2



**Membership and Residency Fees**

**Keywords:** Finance      Fee      Stock Transfer      Amenities      Lessee

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**Committee Approval:**

On August 10, 2023, the Administration Committee recommended the Board of Directors amend 40-5506-3, Request for Proposal Requirements. At its August 22, 2023, meeting, the Board of Directors voted to return the rule to the Administration Committee to address directors' questions concerning the Executive Director's authorization for Reserve expenditures; and clarifying that the number of required bids were for solicited bids.

The September 14, 2023, Administration Committee meeting considered the Directors' comments, integrating minor language changes addressing the above problems, as well as more explicitly defining emergency spending levels for senior directors. The committee determined to retain more stringent bid and authorization requirements for unbudgeted expenditures than budgeted expenditures. Budgeted expenditures have been examined by the Board; hence unbudgeted spending needs greater oversight.

**Background:**

The present 40-5506-3 establishes the procedures for the Foundation's proposal requests, establishing budget-level authorizations and bid requirements assigned to the Executive Director and senior staff directors, and those dollar amounts and funding classifications reserved for approval by the Board of Directors.

The amendments suggested add more, and more precisely defined, budget level categories, and format them so staff members and Board Directors can more easily access information on spending approval procedures.

The other significant modification is a proposed change in the Executive Director's spending authority over budgeted items approved by the Board of Directors in the annual budget. The Executive Director's spending authorization for such expenditures has not been increased since at least December 2007, when the Board established it at \$10,000. Inflation over the past 16 years has significantly diminished the spending authority that the 2007 Board found justifiable.

To adjust this spending authority to future budgets, this rule is amended to approximately equal the spending authority granted by the 2007 Board. It sets the Executive Director's spending authority for expenditures adopted in the annual budget at one-tenth-of-one-percent (.001) of the Foundation's total annual budget. In the 2007 budget, 1/10<sup>th</sup> of 1% would have totaled \$9,141. For the 2023 budget, the proposed amendment would establish the Executive Director's authorized spending authority at \$20,386.

**Fiscal Impact:**

There are no changes in this document increasing Foundation expenses or lowering revenues.

**Recommendation:**

I move to amend 40-5506-3, Request for Proposal Requirements, modifying language throughout and establishing the Executive Director's spending authorization at 1/10<sup>th</sup> of 1% (.001) of the Foundation's annual budget. I further move to designate this rule as 14-5506-3.



## FINANCE

### Request for Proposal (RFP) Requirements

#### 1. PURPOSE

The purpose of this section is to establish procedures governing formulation of contracts and/or purchases in connection with construction, repair, maintenance, alteration and operation of Golden Rain Foundation (GRF) Trust Property.

#### 2. GENERAL PROVISIONS

##### 2.1. **Competition**

All contracts and purchases made on behalf of the Golden Rain Foundation (GRF) for labor and/or materials shall be let by competitive bidding except as otherwise provided herein.

Excepted from the competitive requirements of this policy are contracts which, by their very nature, are impossible to award by competitive bidding, such as:

- 2.1.1. Replacement of equipment parts.
- 2.1.2. Public utilities, including water, light, and natural gas .
- 2.1.3. Professional or other personal services requiring special skills in which the personal qualifications of the individual are the determining factor.
- 2.1.4. Repair and maintenance work that cannot be described specifically as to character and/or extent prior to the start of the job. The intent of this exception is to clarify the Board's authority in all cases to expedite performance of essential work.
- 2.1.5. In circumstances in which no alternate proposals are available, the Committee may waive additional bid requirements.

##### 2.2. **Conflict of Interest**

No Board member and/or employee of GRF shall have any interest, direct or indirect, in any contract or proposed contract for materials or services to be furnished or used in connection with any GRF operation. (See applicable policies.)

#### 3. REQUIREMENTS RELATING TO REQUESTS FOR PROPOSALS (RFP)

To carry out the competitive intent of this policy, adequate publicity shall be given to potential bidders by the person responsible for the undertaking.

##### 3.1. **Specifications**

The proposals-RFP shall describe the type of commodity or service sought in sufficient detail to assure that all bidders shall know exactly what their obligation will be, the exact nature of the work, the time and manner in which it is to be executed, and the nature, quality and grade of materials, together with any special



## FINANCE

### Request for Proposal (RFP) Requirements

46 requirements. All contract specifications shall be established to facilitate and  
47 encourage maximum competition.

#### 49 3.2. Review of RFP

50 When directed by the BOD and/or committee, RFP shall be submitted to the Board  
51 and/or committee initiating the request to determine the appropriateness of the bid  
52 documents.

#### 53 3.3. Qualified Proposals

54 3.3.1. GRF shall qualify potential contractors, service providers, and/or material  
55 suppliers in connection with construction, alteration, and repair undertakings.

56 3.3.2. The qualifying process shall be designed to secure the best combination of  
57 service and value from the group of qualified bidders. GRF is under no obligation to select  
58 the lowest bid.

### 62 4. AUTHORIZATION AND BID REQUIREMENTS

63 To ensure the most effective use of our resources the following outlines the requirements  
64 and authority for purchasing and contracting.

#### 65 4.1. Budgeted Expenses

66 Budgeted expenses are those expenditures the Board of Directors have approved  
67 during the annual budgeting period that have been designated to pay for individual  
68 items or defined categories of expenses.

69 4.1.1. Proposals with annual value under \$1,000

70 4.1.1.1. Authorization: Senior Department Director or above.

71 4.1.1.2. One Bid required.

72 4.1.2. Proposals with annual value from \$1,001 to \$10,000

73 4.1.2.1. Authorization: Executive Director or majority vote of the Board of  
74 Directors.

75 4.1.2.2. One bid required.

76 4.1.3. Proposals with annual value from \$10,001 to one-tenth of one percent  
77 (.001) of the GRF Annual Budget

78 4.1.3.1. Authorization: ~~Executive Director or~~ Majority vote of the Board of  
79 Directors.

80 4.1.3.2. Required: Two solicited bids.

81 4.1.4. Proposals with annual value from one-tenth of one percent (.001) of the  
82 GRF Annual Budget to \$100,000

83 4.1.4.1. Authorization: Majority vote of the Board of Directors.

84 4.1.4.2. Required: Three solicited bids.

85 4.1.5. Proposals with annual value greater than \$100,000

86 4.1.5.1. Authorization: Majority vote of the Board of Directors.

87 4.1.5.2. Required: Three solicited sealed bids.

88

89 (Oct 20)



## FINANCE

### Request for Proposal (RFP) Requirements

#### 4.2. Unbudgeted Expenses

Unbudgeted expenses are those expenditures the Board of Directors did not designate during the annual budgeting period for individual items or defined categories of expenses.

##### 4.2.1. Proposals with annual value under \$1,000

4.2.1.1. Authorization: Senior Department Director or above.

4.2.1.2. No bid required.

##### 4.2.2. Proposals with annual value from \$1,001 to \$25,000

4.2.2.1. Authorization: Majority vote of the Board of Directors.

4.2.2.2. One bid required.

##### 4.2.3. Proposals with annual value over \$25,000

4.2.3.1. Authorization: Majority vote of the Board of Directors.

4.2.3.2. Required: Three **solicited** bids.

##### 4.2.4. Proposals with annual value greater than \$100,000

4.2.4.1. Authorization: Majority vote of the Board of Directors.

4.2.4.2. Required: Three **solicited** sealed bids, which shall include the cost for performance and completion bonds.

#### 4.3. Reserve Expenditures

Reserve Expenditures are those allocations made for the scheduled Maintenance, Replacement or Repair (MRR) of major components assets as designated within the Reserve Study.

##### 4.3.1. Proposals with annual value up to \$25,000

4.3.1.1. ~~Executive Director or~~ Majority vote of the Board of Directors

4.3.1.2. One bid required.

4.3.1.3. Signed by two Board directors.

##### 4.3.2. Proposals with annual value over \$25,000

4.3.2.1. Authorization: Majority vote of the Board of Directors.

4.3.2.2. Three **solicited** bids required.

4.3.2.3. Signed by two Board directors.

##### 4.3.3. Proposals with annual value greater than \$100,000

4.3.3.1. Authorization: Majority vote of the Board of Directors.

4.3.3.2. Three **solicited** sealed bids required, which shall include the cost for performance and completion bonds.

4.3.3.3. Signed by two Board directors.

#### 4.4. Capital Expenditures

All expenditures from the Capital Fund must be approved by a majority vote of the Board of Directors.

## 5. EXCEPTIONS TO RFP REQUIREMENTS

### 5.1. Negotiated Awards

RFPs for the period of one year will be requested for a contractor in the areas of landscape, streets, electric and painting. Proposals will include prices for labor and

**FINANCE****Request for Proposal (RFP) Requirements**

materials most commonly used for each type of work to be included in the annual contract.

**5.2. Emergencies**

**5.2.1.** In case of emergencies affecting public health, welfare, safety, or convenience, it shall be GRF policy to let contracts without a formal call for proposals, only to the extent necessary to meet the emergency.

In case of emergencies as defined herein, the Executive Director is hereby authorized to negotiate and award contracts on a lump-sum or cost-plus-fixed-fee basis without due notification to the Board of Directors in amounts that do not exceed ~~\$25,000~~ **one tenth of one percent (.001) of the GRF Annual Budget..**

**5.2.2.** If a Scheduled Maintenance, Replace or Repair (MRR) of major components/assets is required as a result of an emergency and the GRF Executive Director is not available, a Senior Director may authorize the expenditure **of no more than \$10,000** from Reserves. All emergency authorizations must be verified in writing within five (5) business days after the purchase is made.

**5.2.3. Emergency Expenditures Authorizations for MRRs Above \$25,000**

**5.2.3.1.** \$25,001-\$50,000: Approval of at least two Board Directors, and ratification at the Board's next General Session.

**5.2.3.2.** \$50,001-\$75,000: Approval of at least four Board Directors, and ratification at the Board's next General Session.

**5.2.3.3.** More than \$75,000: Majority Board approval at an emergency meeting of the Board of Directors.

**5.3. Contracts for Supplies and Materials.**

The Executive Director is hereby authorized to initiate the purchase of supplies and materials on a negotiated basis under the following circumstances:

**5.3.1.** In case of emergencies as previously defined.

**5.3.2.** When the call for proposals-RFP fails to produce a reasonable proposal that complies with the specifications at an amount within the lowest limits within which GRF finds it appropriate to make an award, provided that said award shall not be made on terms less favorable than the best proposal received in response to previous calls for proposals.

**5.3.3.** When proposals are rejected because of conflict of interest.

**5.3.4.** When market conditions force distress sales and GRF is thereby enabled to realize a better price than competitive bidding would normally produce.

**5.3.5.** When purchasing non-competitive commodities.

**5.4. Sustained Service Contracts**

Any maintenance or management service with an annual value over \$50,000,





## FINANCE

### Request for Proposal (RFP) Requirements

including those with attorneys or certified public accountants, must undergo a full bidding process at least every five years unless the Board specifically approves otherwise.

#### 5.5. Master Service Agreement

The Master Service Agreement (MSA), the GRF's standard form of contract approved by Legal Counsel, is required for all projects over \$10,000. The MSA should be reviewed and updated by the Foundation's attorney at least once every three-to-four years.

#### 5.6. Blanket Purchase Orders for Proprietary, Operating Emergency and Special Use Items.

The Executive Director is hereby authorized to award contracts on a negotiated basis for services, supplies and materials on a negotiated basis on blanket purchase orders where the total purchases chargeable to any one of such orders does not exceed **one-tenth of one percent of the annual GRF budget (.001) \$10,000** or an amount included within a defined budget.

## 6. RECEIPT AND OPENING OF PROPOSALS

### 6.1. Receiving and Opening Sealed Proposals

All calls for proposals shall include instructions that inform the bidders as to how, when, and where the proposal is to be submitted.

### 6.2. Rejection of Proposals

GRF shall reserve the right to reject any or all proposals for any reason.

## 7. CONTRACT AWARDS

### 7.1. Award of Contract

The contract shall be awarded in the interest of ultimate economy or expeditious administration.

### 7.2. Budget Authorization

Contracts shall not be awarded in amounts that may cause GRF to incur expenditures exceeding its most recently approved budget, except in the case of an emergency, as provided herein.

### 7.3. Delegation to Award Contracts

No agent or employee of GRF shall have the power or authority to bind GRF by any contract unless specific or general authorization is granted by the GRF Board of Directors. Pursuant to the intent of these provisions, general authorization to award contracts is hereby granted as follows:

#### 7.3.1. Executive Director Award Authorization

The Executive Director is authorized to award contracts not exceeding **one-tenth of one percent (.001) of the GRF annual budget \$10,000** provided that



## FINANCE

### Request for Proposal (RFP) Requirements

226 such contracts and/or amounts have been included within the approved  
 227 budget.  
 228 **7.3.2.** The Purchasing Manager or such persons designated by the Executive  
 229 Director are authorized to award, per budget, contracts necessary to maintain  
 230 inventories of supplies, materials and equipment.  
 231

#### **7.4. Surety and Guaranties**

232  
 233 **7.4.1.** The Executive Director and other persons authorized to award contracts  
 234 may require such surety bonds or guaranties, including proposal, payment,  
 235 performance or other type of bonds and in such amounts as will adequately  
 236 protect the interests of GRF in the event of default.  
 237 **7.4.2.** GRF new vendor forms must be completed for all purchases from a new  
 238 vendor and the appropriate insurance documentation/certificates and W9  
 239 received prior to the processing of the first payment.  
 240 **7.4.3.** Performance and completion bonds are required for all construction projects  
 241 where the cost for construction is estimated to be \$100,000 or more.  
 242

#### **7.5. Notification to Unsuccessful Bidders**

243 The department responsible for contract shall notify all bidders of the date of the  
 244 award.  
 245  
 246

### **8. CONTRACT PREPARATION**

#### **8.1. Standard Form**

247  
 248 To facilitate and expedite the preparation and execution of contracts, a standardized  
 249 GRF contract (MSA) shall be used.  
 250

#### **8.2. Preparation of Contract**

251  
 252 When the MSA is not appropriate, the staff member responsible for the undertaking  
 253 shall submit to the appropriate committee a memorandum to applicable committee  
 254 requesting the preparation of a contract.  
 255

#### **8.3. Contract Execution**

256 **8.3.1.** The Executive Director is authorized to execute contracts in amounts that  
 257 do not exceed **one-tenth of one percent (.001) of the GRF annual budget**  
 258 **\$10,000** provided that such contracts and/or amounts have been included  
 259 within the approved budget.  
 260 **8.3.2.** All other contracts will be executed by the Board Officer or Officers, or staff  
 261 member authorized to execute the contract in the award resolution.  
 262

### **9. CONTRACT PERFORMANCE AND TERMINATION**

#### **9.1. Proceed Order**

263  
 264 Except in emergency situations, contractors shall not be given authorization to  
 265 proceed unless and until the contract is executed by both parties  
 266

#### **9.2. Compliance with Terms of Contract**

267  
 268 The Executive Director or a designated representative shall be responsible for  
 269 determining that each contractor complies fully with the terms of the contract.  
 270

#### **9.3. Inspection**

(Oct 20)

GOLDEN RAIN FOUNDATION Seal Beach, California

**FINANCE**



**Request for Proposal (RFP) Requirements**

The Executive Director or such person designated shall provide adequate inspection to assure that contract performance complies with plans and specifications.

**9.4. Contract Changes**

**9.4.1.** In the case of a contract awarded, the designated representative may authorize a change in the scope of the work or other terms of the contract, provided that the cost of the change does not exceed the approved contingency amount and that the committee is notified at its next meeting.

**9.4.2.** In the case of a contract awarded in which, the cost of any change is more than the approved contingency amount, the change must be submitted to the awarding authority for action.

**9.5. Termination**

When a contractor has discharged their obligation or when GRF otherwise determines to cancel any outstanding contracts, the authorized representative shall execute such documents as may be necessary to terminate the contractual relationship and consummate final settlement.

**9.6. Warranties**

The responsible parties for the contract or purchase undertaking shall record guaranties and warranties and shall be responsible for seeing that the terms of any warranty or guaranty are performed by the contractor, service provider and/or material supplier and enforced by GRF.

**10. PROCUREMENT SERVICES AVAILABLE TO MUTUAL BOARDS**

Designated persons shall be permitted to provide procurement services to any Mutual Board requesting service in accordance with this policy. The Mutual Board request for service should specify, in writing, any variations from the policy in the request, at possible additional cost.

**11. RFP RETENTION**

All submitted bid packages will be retained per retention procedures per 42-5046-3.

**Document History**

Adopted: 16 Nov 71	Amended: 16 Oct 73	Amended: 21 Oct 75
Amended: 17 Jan 78	Amended: 15 Sep 81	Amended: 16 Jul 85
Amended: 18 Nov 97	Amended: 20 Jan 98	Amended: 18 Dec 07
Amended: 05 Sep 18	Amended: 23 Oct 18	Amended: 23 Jul 19
Reviewed: 19 Oct 20		

**Keywords:** RFP                      Proposal                      Bid                      Finance                      Contract



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## BOARD ACTION REQUEST

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**DATE:** SEPTEMBER 26, 2023  
**TO:** BOARD OF DIRECTORS  
**FROM:** ADMINISTRATION COMMITTEE  
**BOARD ACTION:** AMEND 40-3182-2, MEMBER/OWNER AND RENTER/LESSEE FINES, FEES AND DEPOSITS

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**Committee Approval:**

At its \_\_\_\_\_, 2023, meeting, the Administration Committee recommended the Board of Directors amend 40-3182-2, Member/Owner and Renter/Lessee Fines, Fees and Deposits.

**Background:**

The implementation of the California Assembly Bill 3182 on January 1, 2021, significantly loosened restrictions on leased housing in planned developments like Leisure World, whose establishing documents had limited shareholders in renting their units.

Prior to 2021, GRF had only sanctioned rentals in the Mutual 17 condominiums. To govern the rental privileges granted in the new legislation, the GRF Board formulated 40-3182-2, Member/Owner and Renter/Lessee Fines, Fees and Deposits. Provisions governing the Mutual 17 rentals remained in 40-5106, Fees.

The proposed amendments to 40-3182-2 consolidates rental provisions for all the Mutuals into a single rule, and standardizes requirements for Members and Lessees wishing to rent a Leisure World Unit.

The amended rule adds a description recognizing that the lessee's Trust Property Use Fee (TPUF) is the Lessee-applicant's contribution to 60 years of infrastructure funded by previous community residents. It changes the rule's name to Leasing Fees.

**Fiscal Impact:** The new rule's standardization of TPUF refunds to the provisions that governed Mutual 17 pre-2021 leases may result in several thousand dollars of savings over the next decade.

**Suggested Motion:** I move to amend GRF Rule 40-3182-2, Member/Owner and Renter/Lessee Fines, Fees and Deposits., renaming it Leasing Fees, and changing its number to 14-3182-2.



**Leasing Fees**~~Member/Owner (M/O) and Renter/Lessee (RL)-  
Fines, Fees and Deposits~~

The Golden Rain Foundation (GRF) has established the following schedule of Member and Lessee fees, fines and deposits associated with leasing a unit in the community. All Fees are subject to annual review and are subject to change. ~~Any unpaid fines, fees or charges incurred by a lessee are the ultimate responsibility of the Lessor/ Member~~

**1. RENTAL PROCESSING FEES AND DEPOSITS**

1.1. All Members wishing to lease their units must pay a five hundred (\$500) Stock Transfer Office (STO) Rental Processing fee.

1.2. Refundable Lessee Deposits

1.2.1. Lessee ID Card:.....\$500

1.2.2. Lessee GRF Vehicle Decal:.....\$100

1.3. Non-Refundable Lessee Pet Registration.... \$100 per animal (pet approval subject to Mutual restrictions)

1.4. Fees as established by the individual Mutual Corporations

**1.2. R/L FEES:GRF TRUST PROPERTY USE FEE (TPUF):**

2.1. ~~All Lessees are required to pay, or enter a financing plan to pay, the a non-refundable Trust Property Use TPUF Fee when they initiate their residency in the community. The required annual Lessee Membership fee payment is due and payable in full on the date of the lease agreement. No monthly payments can be made.~~

2.1.1. A Lessee who entered into a lease agreement before January 1, 2021, and has continuously maintained the agreement, may have chosen to pay the TPUF in four equal installments. The required annual Lessee Amenities fee payment is due and payable in full on the date of the lease agreement. No monthly payments can be made.

2.1.2. A Lessee who entered into a lease agreement after December 31, 2020, must pay the TPUF fee in full on the date of the lease agreement.

~~1.1.~~

1.2.2.2. The TPUF is calculated as twenty-five (25) times the monthly GRF assessment and rounded up to the nearest dollar. The TPUF is reviewed annually and any change of rates is implemented on January 1st of each year.



**Leasing Fees**~~Member/Owner (M/O) and Renter/Lessee (RL)~~  
**Fines, Fees and Deposits**

~~1.3.2.3.~~ The ~~TPUF Membership fee~~ — establishes the Authorized Resident's A/R's investment in maintaining and improving community infrastructure funded by past ~~residents Members~~, and funding those facilities that will enhance the experiences of present and future ~~Members residents~~. It provides access to and use of the Trust facilities and amenities, and participation in GRF activities for those ~~Lessees Members~~ in good standing.

~~1.4.2.4.~~ The ~~Membership fee~~ TPUF is allocated to the GRF Reserve Fund and GRF Capital Improvement Fund. The distribution to each is determined in accordance with the annual budget's approved requirements.

**3. DELIQUENCY FEES AND COLLECTION CHARGES**

**3.1. Late Payments**

~~1.4.1.3.1.1.~~ A twenty-five dollar (\$25) late fee, and  
~~1.4.2.3.1.2.~~ Interest at one percent (1%) per month (APR of 12%) from the original date due until the date the full payment is received.

**3.2.** Returned Check: \$25, and all bank charges assessed against GRF.

~~1.5.~~

**3.3.** If a Lessee becomes more than ninety (90) days delinquent, the Lessee will receive a 30-day notice of GRF's intent to suspend the Lessee's right to use GRF amenities and Trust facilities. GRF may also refer the Lessee account to an attorney or collection agency for appropriate action. All fees incurred by an attorney or collection agency to recover the delinquent amounts will be assessed to the Lessee.

**1.6.**

~~1.7.3.4.~~ GRF reserves the right to collect any unpaid fines, fees, fines, or charges from the Unit's Lessor.

**4. LESSEE WITHDRAWAL**

**4.1.** A Lessee in good standing may transfer from one unit to another without having to pay the TPUF again if the transfer is completed within 30 days.

**4.1.1.** If a Lessee does not complete a transfer to a different LWSB unit within thirty (30) days, a new TPUF must be paid at the rate current when the new unit is acquired.

**4.2.** TPUF Refund



**Leasing Fees** ~~Member/Owner (M/O) and Renter/Lessee (RL)~~  
~~Fines, Fees and Deposits~~

~~1.7.1.4.2.1.~~ Mutual 17 leases commencing prior to January 1, 2021.  
No refunds

~~1.7.2.4.2.2.~~ All leases commencing after December 31, 2020, but before January 1, 2024.

~~Any TPUF refund will be prorated over a five-year period based on the lease date. -No partial years will be refunded.~~ Any refund due will be paid ~~refunded~~ within sixty (60) days after the Lessee moves from ~~out of~~ the community.

~~1.7.3.4.2.3.~~ All leases commencing after December 31, 2023.  
No refunds.

**4.3. Failure-to-Surrender Fees**

~~1.7.4.4.3.1.~~ ID Card.....\$500

~~1.7.5.4.3.2.~~ Vehicle Decal.....;\$100

~~1.7.6.4.3.3.~~ Caregiver Pass.....\$100

1.7.6.1.GRF Entry Pass.....\$100

**Document History**

Adopted: 23 Dec 20 Amended: 29 Jan 21

**Keywords:** Fine Fee Deposit Rental





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## BOARD ACTION REQUEST

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**DATE:** SEPTEMBER 26, 2023  
**TO:** GRF BOARD OF DIRECTORS  
**FROM:** ADMINISTRATION COMMITTEE  
**BOARD ACTION:** **TENTATIVE VOTE:** AMEND SECTION 1.3., RV LOT FEES, WITHIN 10-2000-2, CONSOLIDATED FEE SCHEDULE

---

**Committee Approval:**

On September 14, 2023, the Administration Committee recommended the Board of Directors amend Section 1.3 of 10-2000-2, Consolidated Fee Schedule, standardizing the per-square-foot rental fees for Members leasing parking spaces in the Recreational Vehicle Lot. The Administration Committee also reviewed and recommended the Board accept the transfer of existing fees adopted by previous committees into 10-2000-2, Consolidated Fee Schedule.

**Background:**

The rental fees charged for the 5.5. Recreational Vehicle parking lot are very unevenly priced. Larger RVs pay an annual fee of \$1.04 or \$1.05 per square foot for their parking spaces. Members renting parking spaces under 21 feet pay 31% more per square foot to store their RVs.

The proposed fee schedule will not raise the annual rental costs for smaller RVs. For larger RVs, the new schedule will standardize the per-square-foot fee at \$1.31, the rate at which smaller RVs are currently charged. The fees are as follows:

Slot size	2023 Annual Fee	2023 sq.ft.charge	2024 Proposed Fee
10'x20'	\$276.35	\$1.38	\$276.35
10'x30'	\$312.35	\$1.04	\$414.00
10'x40'	\$420.35	\$1.05	\$532.00

Aside from Section 1.1., the additions to 10-2000-2 shown in blue ink are transcriptions of existing fees that were contained in a number of rules from different committees.

**Fiscal Impact:**

Standardizing the fees for all RVs will generate approximately \$20,000 annually to be applied to maintaining and staffing the RV Lot.

**Recommendation:**

I move to tentatively amend section 1.3. of Rule 10-2000-2, Consolidated Fee Schedule, standardizing the per-square-foot parking rental charge among all sizes of recreational vehicles



and accepting the additions of other established fees into the 10-2000-2 document. The changes made to section 1.3. will not be ratified until reconsidered by the Board at its October 24, 2023, meeting.

2 Fees

3 The following schedule of MEMBER fees is established by the GOLDEN RAIN FOUNDATION (GRF).

4 1. RECREATIONAL VEHICLES (RV) AND VEHICLES USED FOR RECREATION (VUFR)

5 1.1. NON-MEMBER RV TEMPORARY PARKING FEE (See Rule 48-1937-1, §5.4.):

6 1.1.1. Day One: \$50 non-refundable..... \$50 (includes registration fee)

7 1.1.2. Subsequent days..... \$30 per day

8 1.1.3. Weekly rate: \$200 per week..... \$200 per week

9

10 1.2. MEMBER RV TEMPORARY PARKING FEE AT CLUBHOUSE 4 (See Rule 48-1937-1, §5.4.1.):

11 1.2.1. Day One (includes registration fee)..... \$25

12 1.2.2. Subsequent days (up to 21 days)..... \$3 per day

13

14 1.3. MEMBER RV STORAGE ANNUAL LEASE FEE (See 37-1487-1):

15 1.3.1. 10-foot to 20-foot space:..... \$276.35

16 1.3.2. 20-foot+ to 30-foot space: ..... \$414.00 \$312.35

17 1.3.3. 30-foot+ to 40-foot space:..... \$552.00 \$420.35

18 2. GRF IDENTIFICATION

19 2.1. IDENTIFICATION CARD (See 14-1201-1 and 14-3182-1)

20 2.1.1. Initial Issue (See 14-3182.1)

21 2.1.1.1. Member/Owner.....No charge

22 2.1.1.2. Renter/Lessee.....\$500 Refundable Deposit

23

24 2.1.2. Lost Identification Card (See 15-1201-1, 14-1201-2)

25 2.2.1. First occurrence..... \$20

26 2.2.2. Subsequent occurrences..... \$50

27 2.2.3. Not surrendered on vacating..... \$500

28

29 2.2. VEHICLE DECALS (See 14-1382-1)

30 2.2.1. Initial Issue

31 2.2.1.1. Member’s First Vehicle.....No charge

32 2.2.1.2. Renter/Lessee.....\$100 refundable

33 2.2.1.3. Golf cart (with disability waiver).....No charge

34 2.2.2. Subsequent Vehicles

35 2.2.2.1. Member’s Second Vehicle.....\$25

36 2.2.2.2. Member’s Third Vehicle.....\$75

37 2.2.2.3. Member’s Subsequent Vehicles.....\$250

38 2.2.2.4. Renter/Lessee.....\$100 refundable per vehicle

39 2.2.3. Not surrendered on vacating

40 2.2.3.1. Member .....\$100 per vehicle

41 2.2.3.2. Renter/Lessee..... Forfeit decal deposit

42	
43	2.3. ANNUAL GATE ENTRY PASSES (See 48-5180-1, 48-5180-3)
44	2.3.1. Initial Issue
45	2.3.1.1. Member .....No charge
46	2.3.1.2. Renter/Lessee.....No passes issued
47	
48	2.3.2. Not surrendered on vacating (see 14-3182-1)
49	2.3.2.1. Member .....\$100 per pass
50	
51	2.4. RADIO FREQUENCY IDENTIFICATION (RFID) TRANSMITTER (see 14-5580-2)
52	2.4.1. (Issued tags cannot exceed the Member's number of registered vehicle or
53	permitted under their Mutual Occupancy Agreement.)
54	2.4.1.1. Initial issue.....No charge
55	2.4.1.2. Golf cart (with disability waiver).....No charge
56	2.4.1.3. Second motor vehicle transmitter.....\$25
57	2.4.1.4. Third transmitter.....\$75
58	2.4.1.5. Fourth transmitter.....\$200
59	2.4.1.6. Fifth & subsequent transmitters.....\$500
60	2.4.2. Vendors and Employees
61	2.4.2.1. Vendor.....No charge for 1 or 2
62	2.4.2.2. Commercial Lessee.....No charge for 1
63	2.4.2.3. Contracted worker.....No charge for 1
64	2.4.2.4. Real estate worker.....No charge for 1
65	2.4.2.5. More than 10 RFIDs.....\$15 each
66	2.4.3. Lost RFID
67	2.4.3.1. 1 <sup>st</sup> Occurrence .....\$25
68	2.4.3.2. 2 <sup>nd</sup> Occurrence.....\$50
69	2.4.3.3. Subsequent replacements.....\$75
70	
71	2.5. CAREGIVER IDENTIFICATION (see 48-5180-1 and 14-3182-1)
72	2.5.1. Initial Issue
73	2.5.1.1. Member..... No charge
74	2.5.1.2. Renter/Lessee..... \$100 refundable per pass
75	2.5.2. Lost Identification.....\$20 per occurrence
76	2.5.3. Not surrendered on vacating
77	2.5.3.1. Member..... \$100 per caregiver pass
78	2.5.3.2. Renter/Lessee.....Forfeit caregiver deposit
79	
80	2.6. REAL ESTATE PERSONNEL (see 48-5180-1)
81	2.6.1. Initial Issue.....No charge
82	2.6.2. Lost Identification
83	2.6.2.1. Initial occurrence.....\$50
84	2.6.2.2. Subsequent occurrences.....\$75
85	
86	3. PET REGISTRATION (See 15-1023-1 and 14-3182-1)
87	3.1. Members.....No charge
88	3.2. Renter/Lessees.....\$100 non-refundable
89	

90	4.	STOCK AND REAL ESTATE TRANSFER, FINANCE	
91	4.1.	Membership Certificate Change Fee.....	\$300
92	4.3.	Seller Stock Transfer Fee.....	\$600
93	4.3.	Trustee Attorney Review (see 14-5061-2)	
94	4.3.1.	Initial Review.....;	\$150
95	4.3.2.	Subsequent Reviews of Same Trust.....	TBD
96	4.4.	Leasing Fees (see 14-3182-2)	
97	4.4.1.	Lessor Rental Processing Fee.....	\$500
98	4.4.2.	Lessee Refundable Deposits	
99	4.4.2.1.	GRF Renter ID Card.....	\$500
100	4.4.2.2.	GRF Renter Vehicle Decal.....	\$100
101	4.4.3.	Lessee Non-Refundable Pet Registration.....	\$100
102	4.5.	Insufficient Funds Check Return.....	\$25 per item
103			
104	5.	MEMBERSHIP FEES (see 14-5061-2 & 14-3182-2)	
105	5.1.	One-Time Membership Fee.....	25 times GRF monthly assessment
106	5.2.	One-Time Lessee Trust Property Usage Fee.....	25 times GRF monthly assessment
107			
108	6.	MERCHANDISE AND SERVICES	
109	6.1.	Warehouse (see 14-3326-1)	
110	6.1.1.	Items ordered by Purchasing .....	5% of transaction + tax
111	6.1.2.	Special purchases	
112	6.1.2.1.	Storage after 5 business days.....	\$100 per week
113	6.1.2.2.	Returns restocking fee.....	20% of item cost
114	6.2.	Copy Center Printing Services.....	Price list at 14-2115-2
115	6.3.	Graphic Design Services (See 42-2841-2).....	\$40 per hour labor
116	6.4.	Service Maintenance Labor.....	\$50 per hour
117			
118	7.	FACILITY RENTAL (See 37-1406-2)	
119	7.1.	Under 100 People.....	\$200
120	7.2.	100 to 199 People.....	\$400
121	7.3.	200 to 299 People.....	\$500
122	7.4.	300 to 399 People.....	\$600
123	7.5.	400 to 499 People.....	\$800
124	7.6.	Over 499 People.....	\$1,000
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## COMMITTEE ACTION REQUEST

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**DATE:** SEPTEMBER 14, 2023  
**TO:** ADMINISTRATION COMMITTEE  
**FROM:** EXECUTIVE DIRECTOR  
**BOARD ACTION:** REVISE 60-5504-1, INSURANCE REQUIREMENTS - CONTRACTORS

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**Background:**

In January 2023, the Board of Directors approved a revision to 60-5504-1, Insurance Requirements – Contractors. The rule requires contractors to pay an annual fee of \$150 before they can provide for-profit services within the community. The fee is intended to recover the costs for vetting the vendor’s capabilities and insurance to provide quality services safely to community members.

The Glossary of Terms defines a contractor as: *“Any company, organization, or person, including a CAREGIVER, who enters into an agreement with GRF, its MEMBERS, the MUTUALS or AUTHORIZED RESIDENTS to do business or provide services IN LEISURE WORLD SEAL BEACH.”*

The Recreation Department supplies a similar vetting service (see below) for independent contractors, such as dance instructors, who enter the community and offer services using rent-free community-supplied infrastructure. Currently, GRF supplies this vetting service for free to such independent contractors.

- Liability insurance with a certificate of insurance adding GRF and Seal Beach Mutuals 1 through 17 as additional insured
- Seal Beach business license
- Certification to teach their particular discipline (if applicable)
- A signed waiver of liability

Recently, clubs whose meetings utilize an independent contractor have been notified the contractors providing services to them will be required to pay the same fee as all other contractors who seek permission to profit from their association with the community.

Following the GRF Board Meeting on August 21, 2023, several Board members expressed concerns about charging a fee to these instructors, and whether these contractors meet the definition of a contractor pursuant to this policy.

This is a fee charged to non-Members, so it does not require Board approval. However, the Administration Committee has been asked to review the policy and advise the Executive Director whether a justifiable exclusion exists for charging different types of contractors different fees for the same GRF services. The committee will also consider whether contractors now performing for-pay services in free GRF facilities should be charged the facility rental fee for

commercial use, which is defined in 70-1403-1 as “the operation of commercial endeavors or the practicing of professionals...” Building contractors subject to the \$150 vetting fee do not utilize GRF facilities to generate their income as do the independent contractors introduced by the clubs. Such commercial use is defined in 70-1403-1 as “the operation of commercial endeavors or the practicing of professionals...,” which appears to apply to the situation herein discussed.

**Fiscal Impact:**

GRF’s introduction of the contractor vetting fee was intended to serve as a cost-recovery measure for individual contractors who undertake revenue-generating activities within the community. If independent contractors utilized by clubs continue to receive a cost-free vetting, the Foundation will need to justify why it subsidizes some contractors, but not others. Conversely, by accepting the use of venue space for “the practicing of professionals,” the Foundation could collect thousands of dollars of additional income that could be used to lower Members’ monthly assessments.

**Recommendation:**

I move to amend 60-5506-1, Insurance Requirements – Contractors, to affirm that all independent contractors must pay a set annual fee to verify their adherence to the insurance and licensing requirements.



## PHYSICAL PROPERTY

### Insurance Requirements – Contractors

An independent contractor is a natural person, business or corporation that provides goods or services to the Golden Rain Foundation (GRF) and/or Mutual Corporations 1-12 and 14-17 under the terms specified in a contract or within a verbal or written agreement. ~~Some examples of independent contractors are general contractors, contractors, sub-contractors, masons, lawn care workers, or tradesmen.~~

The GRF and Mutual 1-12 and 14-17 Corporations have established requirements relating to insurance in order for independent contractors (IC) to work in the community.

#### **1. GENERAL LIABILITY (G/L) INSURANCE**

**1.1** Independent contractors earning up to \$4,999 per project in the community shall obtain a G/L insurance policy with a minimum limit of \$300,000 from an insurance company that is rated by AM Best as “A” or “better than A.”

**1.2** Independent contractors earning \$5,000 or more per project in the community shall obtain a G/L insurance policy with a minimum limit of \$1,000,000 from an insurance company that is rated by AM Best as “A” or “better than A.”

**1.3** All independent contractors working in the community shall provide a Certificate of Insurance with a 30-day Notice of Cancellation. GL insurance shall include premises/operations, owners and contractors protective, products and completed operations, personal injury, and contractual.

**1.4** All independent contractors working in the community shall provide a separate endorsement naming both the GRF and Mutual Corporations 1-12 and 14-17 as an Additional Insured. Additional Insured status shall extend to both “ongoing work” and “completed operations.”

#### **2. WORKERS’ COMPENSATION INSURANCE**

**2.1** Independent contractors earning up to \$4,999 per project in the community are required to carry Workers’ Compensation Insurance Statutory (Employer’s Liability) with a minimum limit of \$300,000.

**2.2** Independent contractors earning \$5,000 or more per project in the community shall carry Workers’ Compensation Insurance Statutory (Employer’s Liability) with a minimum limit of \$1,000,000.

**2.3** All independent contractors working in the community shall provide a Workers’ Compensation Waiver of Subrogation Endorsement naming GRF and Mutuals 1-12 and 14-17.





**PHYSICAL PROPERTY**

**Insurance Requirements – Contractors**

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**3. VEHICLE LIABILITY INSURANCE**

**3.1** Independent contractors earning up to \$4,999 per project in the community must obtain a policy with a minimum limit of \$300,000 combined single limits with Bodily Injury & Property Damage, inclusive of scheduled and/or non-owned/hired automobiles.

**3.2** Independent contractors earning \$5,000 or more per project in the community must obtain a policy with a minimum limit of \$1,000,000 combined single limits with Bodily Injury & Property Damage, inclusive of scheduled and/or non-owned/hired automobiles.

**4. INSURANCE VERIFICATION FEE**

**4.1** An annual fee of \$150 is required from each contractor to verify adherence to these insurance requirements

**Document History**

Adopted:	15 Oct 91	Amended:	11 Feb 92	Amended:	21 Sep 10
Amended:	23 May 17	Amended:	23 Jul 19	Amended:	24 Jan 23

**Keywords:** Insurance Liability Contractor

58

## COMMITTEE PROJECT REPORT - CAPITAL FUNDING

PROJECT NAME	Comm. Approval	On ADMIN Agenda	Action Request Complete	ADMIN Vets Action Request	On BoD Agenda	Supporting Materials in Packet	BoD Approval	Implemented
Radar Speed Signs	X	X	X	X	X	X	X	Ordered
Engineering Inquiry for EV Stations	X	X	X	X	X	X	X	Work in process
Real Estate Sales Sign	X	X	X	X	X	X	X	On hold
Speed Cushions Change Order	X	X	X					
Bocce Ball Court Remodel	X	X	X					



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## BOARD ACTION REQUEST

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**DATE:** SEPTEMBER 26, 2023  
**TO:** BOARD OF DIRECTORS  
**FROM:** FACILITIES COMMITTEE  
**ACTION:** SPEED CUSHION CHANGE ORDER

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### **Background:**

At its September 5, 2023 meeting, the Facilities Committee recommended the Board of Directors to approve the change order for \$12,573 from JB Bostick to complete the speed cushion project and authorize the President to sign the change order to the current contract.

GRF Board of Directors approved the Capital expense for speed cushions in five areas designated by the Security Department for the community at their September 2022 meeting for \$13,500. JB Bostick was awarded the contract.

OCFA permitting has been completed by JB Bostick. The contractor made an error in the material order. The contractor is now requesting a change order for a material charge for the correct speed cushions. Listed below are the cost comparisons of the original bids:

- JB Bostick - \$13,500
- MJ Jurado - \$21,785 (reached our current price of \$30,785)

### **Fiscal Impact:**

This change order will be an additional capital expense and there are no contingency monies for this project. The additional funding for the change order material is \$12,573. The new complete total for this project now will be \$26,073.

### **Recommendation:**

I move to approve the change order for \$12,573 from JB Bostick to complete the speed cushion project and authorize the President to sign the change order to the current contract.

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## BOARD ACTION REQUEST

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**DATE:** SEPTEMBER 26, 2023  
**TO:** BOARD OF DIRECTORS  
**FROM:** FACILITIES COMMITTEE  
**ACTION:** BOCCE BALL COURT REMODEL

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**Background:**

At its September 5, 2023 meeting, the Facilities Committee recommended the Board of Directors award contracts to MJ Jurado for \$63,889 and Always Green for a contract amount of \$23,229 and a work order for J & J Landscape in the amount of \$2,600 to move the valves and sprinklers. For a total cost not to exceed \$98,689 which includes a 10% contingency and authorizes the President to sign the contracts.

At the July 3<sup>rd</sup> meeting, the Facilities Committee requested costs for modifications to the Bocce court area.



The modifications are: changing the playing surface to artificial grass, re-establishing the drains, adding a second court, modification of the fence, and moving the pergola to accommodate the second court. Cost estimates are as follows:

**HARDSCAPE/PERGOLA/DRAINAGE/COURT**

- MJ Jurado - \$
- Hadi Construction - \$

**SUB BASE/SYNTHETIC GRASS**

- J and J Landscaping - \$15,500 x2 = \$31,000
- Always Green - \$11,614.50 x2 = \$23,229

**Sprinkler valves/ sprinklers**

- J and J Landscaping - \$600

**Fiscal Impact:**

Construction funding would be from Capital Funding. The additions will have a minor impact on operations maintenance.

**Recommendation:**

I move award contracts to MJ Jurado for \$63,889 and Always Green for a contract amount of \$23,229 and a work order for J & J Landscape in the amount of \$2,600 to move the valves and sprinklers. For a total cost not to exceed \$98,689 which includes a 10% contingency and authorizes the President to sign the contracts.

If the above motion fails, 2<sup>nd</sup> motion is to be placed.

I move to accept the Always Green proposal to replace the existing playing surface with artificial turf at a cost not to exceed \$11,614 and authorize the President to sign the contract.

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## COMMITTEE PROJECT REPORT - RESERVE FUNDING

PROJECT NAME	Comm. Approval	On ADMIN Agenda	Action Request Complete	ADMIN Vets Action Request	On BoD Agenda	Supporting Materials in Packet	BoD Approval	Implemented
Clubhouse 4 Piano	X	X	X	X	X	X	X	X
HVAC Unit in News Office	X	X	X	X	X	X	X	Work in process
Elevator Cab Remodel	X	X	X	X	X	X	X	Contract executed
Rubberized Walking Path to the Bridge at the Golf Course	X	X	X	X	X	X	X	Contract executed
HVAC Reroute Administration Office	X	X	X					
Channel Fence Replacement Phase One	X	X	X					
Clubhouse One Renovations	X	X	X					
Kilns at Lapidary	X	X	X					



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## BOARD ACTION REQUEST

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**DATE:** SEPTEMBER 26, 2023  
**TO:** BOARD OF DIRECTORS  
**FROM:** FACILITIES COMMITTEE  
**ACTION:** HVAC REROUTE IN THE ADMINISTRATION OFFICE

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### **Background:**

At its September 5, 2023 meeting, the Facilities Committee recommended the Board of Directors award a contract to Greenwood Heating and Air in the amount of \$14,500 and add a 10% contingency for a total cost not to exceed \$15,950 for the rerouting of ductwork and installation of thermostats in the three office areas of concern in the Administration Building upstairs.

Several offices at the Administration Building upstairs have competing heating and cooling issues. The Physical Properties Department was tasked with obtaining a quote to modify portions of the HVAC system in three offices to prevent this problem, listed below are the general specifications and pricing from our contractor of record, Greenwood Heating and Air:

- Zone 5 office spaces and convert into 3 zones with 3 separate thermostats
- Greenwood Heating and Air - \$14,500

### **Fiscal Impact:**

Funding to come from Reserve HVAC Systems

### **Recommendation:**

I move award a contract to Greenwood Heating and Air in the amount of \$14,500 and add a 10% contingency for a total cost not to exceed \$15,950 for the rerouting of ductwork and installation of thermostats in the three office areas of concern in the Administration Building upstairs.



## BOARD ACTION REQUEST

**DATE:** SEPTEMBER 26, 2023  
**TO:** BOARD OF DIRECTORS  
**FROM:** FACILITIES COMMITTEE  
**ACTION:** CHANNEL FENCE REPLACEMENT PHASE ONE

### Background:

At its September 5, 2023 meeting, the Facilities Committee recommended the Board of Directors award a contract to Quality Fence for \$99,000 to remove and replace approximately 2,000 lineal feet of chain link fence at the channel and add a 20% contingency (city and county permits and plant removal) for a total cost not to exceed \$118,800.

The 2023 Reserve Study calls for \$100,000 of replacement chain link fence (1" black mesh) at the channel. The Physical Property Department was tasked with obtaining the cost for approximately 2,000 lineal feet as described below.



Bids are as follows:

Certified Roofing Applicators-	\$118,636
Saddleback Fence-	\$96,670



Quality Fence- \$

**Fiscal Impact:**

Funding to come from Reserve \$100,000 scheduled for this year

**Recommendation:**

I move to award a contract to Quality Fence for \$99,000 to remove and replace approximately 2,000 lineal feet of chain link fence at the channel and add a 20% contingency (city and county permits and plant removal) for a total cost not to exceed \$118,800.



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## BOARD ACTION REQUEST

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**DATE:** SEPTEMBER 26, 2023  
**TO:** BOARD OF DIRECTORS  
**FROM:** FACILITIES COMMITTEE  
**ACTION:** CLUBHOUSE ONE RENOVATIONS

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**Background:**

At its September 5, 2023 meeting, the Facilities Committee recommended the Board of Directors award contracts for work in Clubhouse One; to Hutton Painting for \$52,400 to repaint the interior and exterior including the shuffleboard court (reserve funding), to Pacific 3 Electric for \$71,990 for replacement of the lobby and main room lighting fixtures (reserve funding), and to Custom Glass for \$74,060 for the replacement of the windows on the north and south sides of the lobby and main room (capital funding), for a total cost not to exceed \$218,295 including a 10% contingency and authorize the President to sign the contracts.

The Facilities Committee tasked the Physical Property Dept. to seek costs for Clubhouse One, specifications and costs as follows:

**Scope of Work:**

- Repaint the interior and exterior of Clubhouse One and Shuffle Board Building.
- Install New light fixtures for the main room and lobby of Clubhouse One.
- Replacement of north and south side windows of Clubhouse One, main room, and lobby.

**Costs:**

**Clubhouse One/Shuffle Board Court: Painting**

- First Street Painting interior/exterior paint – \$62,230
- Hutton Painting interior/exterior paint - \$52,400

**Clubhouse One: Light fixtures in main room and lobby:**

- MWG Electric - \$90,894
- Pacific 3 Electric - \$71,990
- Hadi Construction - \$

**Clubhouse One: Window replacement main room and lobby:**

- Custom Glass - \$74,060.00
- Bodies Glass - \$

**Fiscal Impact:**

Funding in the Reserve Study is as follows:

- Clubhouse one interior light fixture: \$75,000
- Clubhouse One interior/exterior paint: \$54,000
- Capitol Funding for the window replacement \$74,060

**Recommendation:**

I move to award contracts for work in Clubhouse One; to Hutton Painting for \$52,400 to repaint the interior and exterior including the shuffleboard court (reserve funding), to Pacific 3 Electric for \$71,990 for replacement of the lobby and main room lighting fixtures (reserve funding), and to Custom Glass for \$74,060 for the replacement of the windows on the north and south sides of the lobby and main room (capital funding), for a total cost not to exceed \$218,295 including a 10% contingency and authorize the President to sign the contracts.

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## BOARD ACTION REQUEST

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**DATE:** SEPTEMBER 26, 2023  
**TO:** BOARD OF DIRECTORS  
**FROM:** MEMBER SERVICES COMMITTEE  
**BOARD ACTION:** RESERVE FUNDING REQUEST: KILNS AT LAPIDARY

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### **Committee Approval:**

At its September 12, 2023 meeting, the Member Services Committee approved to recommend to the Board approve replacing two Kilns at Clubhouse 4 at a cost not to exceed \$4,687.01 with a contingency of 10% with funds from Reserves.

### **Background:**

Two kilns in the Lapidary studio at Clubhouse Four that are used for glass and metal work were critically damaged by power disruptions. According to documentation, a specialized service technician determined power upgrades to Clubhouse Four were necessary for safe operation of replacement kilns. Estimates for this upgrade were found to be cost prohibitive. Currently, Physical Properties and Recreation has worked together to resolve the power issues and have made preparations for the safe operation of replacement kilns.

### **Fiscal Impact:**

Funding to come from Reserves.

### **Recommendation:**

I move to approve replacing two Kilns at Clubhouse 4 at a cost not to exceed \$4,687.01 with a contingency of 10% with funds from Reserves.

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## COMMITTEE PROJECT REPORT - OPERATIONS FUNDING

PROJECT NAME	Comm. Approval	On ADMIN Agenda	Action Request Complete	ADMIN Vets Action Request	On BoD Agenda	Supporting Materials in Packet	BoD Approval	Implemented
Sewer Preventative Maintenance Three-Year Contract	X	X	X					



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## BOARD ACTION REQUEST

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**DATE:** SEPTEMBER 26, 2023  
**TO:** BOARD OF DIRECTORS  
**FROM:** FACILITIES COMMITTEE  
**ACTION:** SEWER PREVENTATIVE MAINTENANCE THREE-YEAR CONTRACT

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### **Background:**

At its September 5, 2023 meeting, the Facilities Committee recommended the Board of Directors to recommend the GRF Board award a three-year contract (2023-2025) to Empire Pipe Cleaning and Equipment in the amount of \$127,150 and authorize the President to sign the contract

The Physical Property Department sent out a Request for Proposal (RFP) for a 3-year preventative maintenance sewer cleaning contract. The current contract has been terminated and work is required in December.

Listed below are the companies that were sent an RFP which included a prebid mandatory meeting.

- Empire Pipe Cleaning and Equipment – present at the meeting – sealed RFP received
- A-1 Total Service Plumbing - no show at the meeting – sealed RFP received
- Performance Pipeline Technologies - no show – no bid received
- Pro Pipe Professional Pipe Service - no show – no bid received
- Sewer Pros - no show – no bid received

### **Fiscal Impact:**

Three-year preventative sewer maintenance contract, funding coming from Operations. Last year's cost was \$39,000.

### **Recommendation:**

I move to recommend the GRF Board award a three-year contract (2023-2025) to Empire Pipe Cleaning and Equipment in the amount of \$127,150 and authorize the President to sign the contract.