



## ADMINISTRATION COMMITTEE

### Committee Meeting Agenda

Thursday, April 11, 2024, 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

Dave Potter, Executive Manager of Mutual Services

Emma Hurtado, Executive Assistant

##### b. Rules of Order

#### 4. Approval of Minutes

##### a. Minutes of March 13, 2024, Administration Committee (pp.1-5)

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

#### 6. Supplementary Staff Report

#### 7. Finance Review

##### a. Acceptance of Monthly Financial Statements and Accounts

##### i. February 2024 (pp.7-10)

Proposed Resolution: To accept for audit and forward to the Golden Rain Foundation Board the interim financials as presented by the Executive Manager and reviewed by the Administration Committee for the month ending February 29, 2024, showing a monthly income of (\$28,829.11) and a year to date income of \$325,712.14. The reserves are funded through February 29, 2024. As of February 29, 2024, the operating fund has a balance of \$1,236,579.86, which represents .62 months of budgeted operating expenses. The capital fund has a balance of \$1,575,294.21, and the reserve fund has a balance of \$14,762,046.75.

##### b. Investments

##### i. Capital Funds Investment Purchase (pp.11)

##### ii. Reserve Funds Investment Purchase (pp.13)

Proposed Resolution: To recommend the GRF Board authorize the purchase of brokered CDs through US Bank Corp for \$2,711,387 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

## 8. General

## 9. Governing Documents

- a. Amend 14-5506-3, Request for Proposal (pp.15-38)  
Proposed Resolution: To amend 14-5506-3, Request for Proposal Requirements, reformatting information throughout.
- b. Amend 13-5028-3, GRF Director's Handbook (pp.39-101)  
Proposed Resolution: To amend 13-5028-3, GRF Director's Handbook.
- c. Amend 13-5092-3, GRF Directors Censure Process (pp.103-108)  
Proposed Resolution: To amend policy 13-5092-3, GRF Directors Censure Process.
- d. Adopt 10-1010-1, Director's Social Media Policy (pp.109-113)  
Proposed Resolution: To adopt 10-1010-1, Director Use of Social Media.

## 10. Monthly Board Agenda Items

- a. Proposed Capital Expenditures
  - i. Additional Speed Cushions (pp.115)
  - ii. CH2 Flex Space (pp.117)
  - iii. Bistro Tables (pp.119)
  - iv. Honorary Plaque (pp.121)
- b. Proposed Reserve Expenditures
- c. Proposed Operations Expenditures

## 11. Strategic Initiatives

## 12. Next Meeting Date

- Thursday, May 16, 2024, at 10:00 a.m. – Conference Room A

## 13. Adjournment

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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.**



## **GRF ADMINISTRATION COMMITTEE MINUTES**

**March 13, 2024**

The meeting of the Administration Committee was held on Wednesday, March 13, 2024, 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  
Teri Nugent

Nick Massetti  
Camille Thompson  
William Thompson – Chair

Absent:

Staff: Jessica Sedgwick, Executive Director  
Dave Potter, Executive Manager of Mutual Services  
Emma Hurtado, Executive Assistant  
Two GRF Members

### **CHAIR'S ANNOUNCEMENTS**

Chair Thompson welcomed Committee members and guests and introduced Executive Director Jessica Sedgwick, Executive Manager of Mutual Services Dave Potter, and Executive Assistant Emma Hurtado.

The Chair outlined the rules of order.

### **APPROVAL OF MINUTES**

The Administration Committee minutes dated February 15, 2024, were approved as presented.

### **MEMBER CORRESPONDENCE/COMMENTS**

No Members spoke during the Members' Comment period. No correspondence was reviewed.

### **SUPPLEMENTARY STAFF REPORTS – N/A**

### **FINANCE REVIEW**

#### **Acceptance of Monthly Financial Statements of Accounts**

a. January 2024

Motion: To accept for audit and forward to the Golden Rain Foundation Board the interim financials as presented by the Executive Manager and reviewed by the Administration Committee for the month ending January 31, 2024. These show a monthly income of \$354,541.25 and a year-to-date income of \$354,541.25. The reserves are funded through January 31, 2024. As of January 31, 2024, the operating fund has a balance of \$597,667.00 (which represents 29% of monthly budgeted operating expenses). The capital fund has a balance of \$1,786,051.82, and the reserve fund has a balance of \$11,813,083.47.

First: Camille Thompson  
Second: Carol Levine

The motion was carried unanimously.

### Investments

a. Capital Funds Investment Purchase

The Committee members reviewed the Capital Funds Investment Purchase as presented in the meeting packet and took no action.

b. Reserve Funds Investment Purchase

Motion: To recommend the GRF Board authorize the purchase of brokered CDs through US Bank Corp for \$2,262,184 with terms ranging from three (3) to thirty-six (36) months at the prevailing interest rates at the time of purchase and at the discretion of the financial advisor.

First: Donna Gambol  
Second: Camille Thompson

The motion was carried unanimously.

### GENERAL – N/A

### GOVERNING DOCUMENTS

#### Amend 13-5093-1, Authorized Resident Rules of Conduct

Motion: To tentatively amend 13-5093-1, Authorized Resident Rules of Conduct, Rules, and return the rule to the Board's April 23, 2024, meeting to be considered for final ratification after the Members' 28-day comment period.

First: Nick Massetti  
Second: Teri Nugent

The motion was carried unanimously.

Amend 13-5093-3, Code of Conduct Enforcement Procedure

Motion: To tentatively amend 13-5093-3, Code of Conduct Enforcement Procedure, changing language in Section 1, and return the rule to the Board's April 23, 2024, meeting to be considered for final ratification after the Members' 28-day comment period.

First: Carol Levine

Second: Nick Massetti

The motion was carried unanimously.

Amend 13-5092-1, Code of Ethics

Motion: To amend 13-5092-1, Code of Ethics, modifying language throughout.

First: Nick Massetti

Second: Camille Thompson

The motion failed with four (4) no votes (Gambol, Gerber, Massetti, & C. Thompson) and three (3) yes votes (Levine, Nugent, & W. Thompson)

Motion: To amend 13-5092-1, Code of Ethics, modifying language throughout and adding two changes to the red-line document presented: changes in line three (3) (changing "our" to "their") and line thirty-eight (38) (adding "persistently" to the beginning of the sentence).

First: Teri Nugent

Second: Marsha Gerber

The motion was carried unanimously.

Emergency Item: Amend 10-2000-2, Consolidated Fee Schedule

Motion: To add Amending 10-2000-2, Consolidated Fee Schedule to the present agenda.

First: Carol Levine

Second: Camille Thompson

The motion was carried unanimously.

Motion: To tentatively amend 10-2000-2, adding fees for leasing garden plots, and return the motion to the Board's April 23 meeting for ratification after a 28-day comment period.

First: Camille Thompson

Second: Teri Nugent

The motion was carried unanimously.

Adopt 10-1001-5, Rule Numbering Protocol

Motion: To adopt 10-1001-5, Rule Numbering Protocol.

First: Nick Massetti

Second: Donna Gambol

The motion was carried unanimously.

Review 10-1000-3, Administration Committee Charter

There was a general consensus to review 10-1000-3, Administration Committee Charter, during a work study.

**MONTHLY BOARD AGENDA ITEMS**

Proposed Capital Expenditures – N/A

Proposed Reserve Expenditures

- a. Radar Speed Signs  
Operations Committee Chair Massetti confirmed the Board Action Request for Radar Speed Signs is correct.
- b. Site Survey to Design and Replace Security Camera System  
Operations Committee Chair Gambol confirmed the Board Action Request for Site Survey to Design and Replace Security Camera System is correct.
- c. Network Switch Replacements  
Operations Committee Chair Gambol confirmed the Board Action Request for Network Switch Replacements is correct.

Proposed Operations Expenditure

- a. Edge Communications Proposal  
Operations Committee Chair Gambol confirmed the Board Action Request for Edge Communications Proposal is correct.

**STRATEGIC INITIATIVES – N/A**

**FUTURE AGENDA ITEMS:**

- a. Review 10-1000-3, Administration Committee Charter
- b. 13-5028-3, GRF Director’s Handbook
- c. Social Media Policy

**NEXT MEETING**

Thursday, April 11, 2024, at 10 a.m. in Administration Conference Room A.

**ADJOURNMENT**

The meeting was adjourned at 11:28 am by Chair Thompson.

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Approved Date

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Approval Signature

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Printed Name







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## COMMITTEE ACTION REQUEST

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TO: ADMINISTRATION COMMITTEE  
FROM: EXECUTIVE MANAGER  
SUBJECT: ACCEPTANCE OF THE NOVEMBER 2023 FINANCIAL STATEMENTS  
DATE: APRIL 4, 2024  
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:**

The Committee accept for audit and forward to the Golden Rain Foundation Board the interim financials as presented by the Executive Manager and reviewed by the Administration Committee for the month ending February 29, 2024, showing a monthly income of (\$28,829.11) and a year to date income of \$325,712.14. The reserves are funded through February 29, 2024. As of February 29, 2024, the operating fund has a balance of \$1,236,579.86, which represents .62 months of budgeted operating expenses. The capital fund has a balance of \$1,575,294.21, and the reserve fund has a balance of \$14,762,046.75.





**FINANCIAL DASHBOARD (PAGE 1 OF 2) – FEBRUARY 29, 2024**

**Comparative Fund Balances - Cash**

FUND	CURRENT MONTH	PREVIOUS MONTH	PERCENTAGE CHANGE
Operating	\$1,236,579.86	\$597,667.00	106.90%
Capital	\$1,575,294.21	\$1,786,051.82	-11.80%
Reserve	\$11,950,172.68	\$11,813,083.47	1.16%
TOTAL	\$14,762,046.75	\$14,196,802.29	3.98%

**Income and Expense**

	MONTH TO DATE	BUDGET (MONTH)	VARIANCE	YEAR TO DATE	BUDGET (YEAR)	VARIANCE
<b>Income</b>	\$2,111,015.68	\$2,002,630.84	\$108,384.84	\$4,238,478.81	\$4,005,261.68	\$233,217.13
<b>Expense</b>	\$2,139,844.79	\$2,002,630.84	(\$137,213.95)	\$3,912,766.67	\$4,005,261.68	\$92,495.01
<b>Variance - Dollars</b>			(\$28,829.11)			\$325,712.14
<b>Variance - Percentage</b>			-1.44%			8.13%



**FINANCIAL DASHBOARD (PAGE 2 OF 2) – FEBRUARY 29, 2024**

**Variations of Note - Income**

<u>GL</u>	<u>DESCRIPTION</u>	<u>VARIANCE (CURRENT MONTH)</u>	<u>PERCENTAGE</u>	<u>VARIANCE (YEAR TO DATE)</u>	<u>PERCENTAGE</u>	<u>NOTES</u>
5380701-000	Parking Spot Rental Income	(\$7,768.32)	-82.50%	\$99,345.13	527.50%	Most income in this category is an annual fee from vendors paid in January. Income for January exceeds total budget for the year.
5395000-000	Rental Income	\$7,886.15	6.32%	(\$47,920.51)	-19.19%	Negative Variance due to splitting out of On Site Sales Rental Income
5395100-000	On Site Sales Rental Income	\$0.00	N/A	\$22,669.20	N/A	Unbudgeted for 2024, but combined with prior GL still shows lower sales than forecasted. No income received for February
5891000-000	SRO Labor Recovery	(\$10,485.60)	-9.33%	(\$20,272.03)	-9.01%	Recovery of costs lower than forecasted
5999000-000	TPUF Fees	(\$12,996.00)	-6.09%	(\$3,414.00)	-0.80%	Slower fee rate than previous month

**Variations of Note – Expense**

<u>GL</u>	<u>DESCRIPTION</u>	<u>VARIANCE (CURRENT MONTH)</u>	<u>PERCENTAGE</u>	<u>VARIANCE (YEAR TO DATE)</u>	<u>PERCENTAGE</u>	<u>NOTES</u>
6100000-000	Salaries and Wages	\$292,716.86	31.73%	\$292,716.86	31.73%	2 pay periods in the month; positive variance partially offset with expenses in ODO and IC Fees GL
6213100-000	ODO Contracted Hours	\$27,437.22	48.78%	\$27,437.22	48.78%	Increased staffing due to gate system upgrade in January; tracking split between this and Agency/Independent Contractor Fees
6213200-000	Agency/Independent Contractor Fees	(\$20,249.59)	N/A	(\$20,249.59)	N/A	This item combined with above item nets out to be a smaller positive variance overall against budget
6731000-000	Property & Liability Insurance	(\$98,778.20)	-126.95%	(\$98,778.20)	-126.95%	Insurance Package over budget for the year
6420100-000	Electricity	\$6,683.50	17.16%	\$6,683.50	17.16%	Seasonal Usage lower than anticipated
6424100-000	Trash	(\$1,975.84)	-16.02%	(\$1,975.84)	-16.02%	Charges above the forecasted budget
6425100-000	Natural Gas	(\$1,257.55)	-21.56%	(\$1,257.55)	-21.56%	Seasonal Usage higher than anticipated



**COMMITTEE ACTION REQUEST**

TO: ADMINISTRATION COMMITTEE  
 FROM: EXECUTIVE MANAGER  
 SUBJECT: CAPITAL FUNDS INVESTMENT PURCHASE  
 DATE: APRIL 8, 2024  
 CC: FILE

**Investment Activity – February 29, 2024**

<b>Investment Portfolio - All Funds</b>						
2/29/2024						
<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	-	1,898	-	-	1,898	-
Morgan Stanley - Deposits	-	3,224,450	-	-	3,224,450	-
Morgan Stanley - CDs	-	2,005,000	-	-	2,005,000	-
US Bancorp CDs	-	3,511,907	190,000	-	3,701,907	-
US Bank - Money Market	-	3,218,711	1,385,294	533,825	5,137,830	-
<b>Total Funds</b>	<b>-</b>	<b>11,961,966</b>	<b>1,575,294</b>	<b>533,825</b>	<b>14,069,187</b>	<b>-</b>
Total Liquid Funds		3,220,609	1,385,294			
Maturing Investments Mar 24		1,255,000	-			
Pending Authorized Purchases		-	-			
Commitments as of 2/29/24		(1,014,222)	(467,729)			
Cushion <sup>1</sup>		(750,000)	(1,000,000)			
<b>Available for Investing</b>		<b>2,711,387</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:**

No action recommended at this time.





**COMMITTEE ACTION REQUEST**

TO: ADMINISTRATION COMMITTEE  
 FROM: EXECUTIVE MANAGER  
 SUBJECT: RESERVE FUNDS INVESTMENT PURCHASE  
 DATE: APRIL 8, 2024  
 CC: FILE

**Investment Activity – February 29, 2024**

<b>Investment Portfolio - All Funds</b>						
2/29/2024						
<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	-	1,898	-	-	1,898	-
Morgan Stanley - Deposits	-	3,224,450	-	-	3,224,450	-
Morgan Stanley - CDs	-	2,005,000	-	-	2,005,000	-
US Bancorp CDs	-	3,511,907	190,000	-	3,701,907	-
US Bank - Money Market	-	3,218,711	1,385,294	533,825	5,137,830	-
<b>Total Funds</b>	<b>-</b>	<b>11,961,966</b>	<b>1,575,294</b>	<b>533,825</b>	<b>14,069,187</b>	<b>-</b>
Total Liquid Funds		3,220,609	1,385,294			
Maturing Investments Mar 24		1,255,000	-			
Pending Authorized Purchases		-	-			
Commitments as of 2/29/24		(1,014,222)	(467,729)			
Cushion <sup>1</sup>		(750,000)	(1,000,000)			
<b>Available for Investing</b>		<b>2,711,387</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 for \$2,711,387 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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## BOARD ACTION REQUEST

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**DATE:** APRIL 23, 2024  
**TO:** BOARD OF DIRECTORS  
**FROM:** ADMINISTRATION COMMITTEE  
**BOARD ACTION:** AMEND 14-5506-3, REQUEST FOR PROPOSAL (RFP) REQUIREMENTS

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### **Committee Approval:**

On August 11, 2023, the Administration Committee reviewed 14-5506-3, Request for Proposal Requirements, which had not been amended by the Board of Directors since July 2019. At its August 2023 meeting, the Administration Committee recommended the Board of Directors amend the rule, increasing the Executive Director's budgeted operating fund spending authority, which had not been raised for at least 17 years.

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 Board Directors' comments. The committee made minor language changes addressing the above issues, 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. The Committee passed the modified document, but the revised 14-5506-3 was not submitted to the Board of Directors.

At its April 11, 2024, meeting, the Administration Committee amended the version of 14-5506-3 it had passed on September 14, 2023. The version here presented to the Board maintains the changes requested by the Board in August 2023. On the Executive Director's request, it withdraws the proposed hike in her position's level of spending authority for budgeted operating expenses. It remains at the same \$10,000 that was in place in December 2007.

### **Background:**

A version of this rule dates to 1971, and establishes the procedures for the Foundation's proposal requests, including the 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 in this proposal add more, and more precisely defined, budget level categories, and format them so staff members and Board Directors can more easily access procedures governing spending approvals. It makes no changes in the budgeting authorization levels established in previous versions of this rule approved by the Board of Directors.

**Fiscal Impact:**

There are no changes in this document that will increase expenses or lower revenues to the Foundation.

**Recommendation:**

I move to amend 14-5506-3, Request for Proposal Requirements, reformatting information throughout.



## **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 requirements. All contract specifications shall be so established as to facilitate and encourage maximum competition.



## **FINANCE**

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

#### **3.2. Review of RFP**

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

#### **3.3. Qualified Proposals**

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

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

### **4. AUTHORIZATION AND BID REQUIREMENTS**

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

#### **4.1. Budgeted Expenses**

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

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

**4.1.1.1.** Authorization: Senior Department Director or above.

**4.1.1.2.** One Bid required.

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

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

**4.1.2.2.** One bid required.

**4.1.3.** Proposals with annual value from \$10,001 to \$25,000

**4.1.3.1.** Authorization: majority vote of the Board of Directors.

**4.1.3.2.** Required: Two solicited bids.

**4.1.4.** Proposals with annual value from \$25,000 to \$100,000.

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

**4.1.4.2.** Required: Three solicited bids.

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

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

**4.1.5.2.** Required: Three solicited sealed bids.

#### **4.2. Unbudgeted and Reserve 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.



## FINANCE

### Request for Proposal (RFP) Requirements

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

#### 4.3. 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

- 5.1.1. RFPs for the period of one year will be requested for a contractor of record in the areas of landscape, streets, electric and painting. Proposals will include prices for labor and materials most commonly used for each type of work to be included in the annual contract.

#### 5.2. Emergencies

- 5.2.1. If a Scheduled Maintenance, Replace or Repair (MRR) of major components/assets is required as a result of an emergency 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 such emergencies, the Executive Director, or in the Executive Director's absence, their designee, 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. All emergency authorizations must be verified to the Board of Directors in writing within five (5) business days after the purchase is made.

- 5.2.2. Emergency Expenditures Authorizations for MRRs Above \$25,000

- 5.2.2.1. \$25,001-\$50,000: Approval of at least two Board Directors, and ratification at the Board's next General Session.
- 5.2.2.2. \$50,001-\$75,000: Approval of at least four Board Directors, and ratification at the Board's next General Session.
- 5.2.2.3. More than \$75,000: Majority Board approval at an emergency meeting of the Board of Directors.



## **FINANCE**

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

#### **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:

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

**5.3.1.2.** 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.

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

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

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

#### **5.4. Sustained Service Contracts**

Any maintenance or management service with an annual value over \$50,000, 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 \$10,000 or an amount included within a defined budget.

## **6. RECEIPT AND OPENING OF PROPOSALS**

### **6.1. Receiving and Opening Sealed Proposals**

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



## **FINANCE**

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

#### **6.2. Rejection of Proposals**

6.2.1. 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. The Executive Director, or in the Executive Director's absence, their designee, is authorized to award contracts not exceeding \$10,000 provided that such contracts and/or amounts have been included within the approved budget.

7.3.2. The Purchasing Manager or such persons designated by the Executive Director are authorized to award, per budget, contracts necessary to maintain inventories of supplies, materials and equipment.

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

The Executive Director and other persons authorized to award contracts may require such surety bonds or guaranties, including proposal, payment, performance or other type of bonds and in such amounts as will adequately protect the interests of GRF in the event of default.

7.4.1. GRF new vendor forms must be completed for all purchases from a new vendor and the appropriate insurance documentation/certificates and W9 received prior to the processing of the first payment.

7.4.2. Performance and completion bonds are required for all construction projects where the cost for construction is estimated to be \$100,000 or more.

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

The department responsible for contract shall notify all bidders of the date of the award.





## FINANCE

### Request for Proposal (RFP) Requirements

#### **8. CONTRACT PREPARATION**

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

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

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

When the MSA is not appropriate, the staff member responsible for the undertaking shall submit to the appropriate committee a memorandum requesting the preparation of a contract.

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

8.3.1. The Executive Director is authorized to execute contracts in amounts that do not exceed \$10,000.

8.3.2. All other contracts will be executed by the Board Officer or Officers, or staff member authorized to execute the contract in the award resolution.

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

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

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

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

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

##### **9.3. Inspection**

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 authorizing 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.





**FINANCE**

**Request for Proposal (RFP) Requirements**

**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**

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**Keywords:** RFP                      Proposal              Bid                      Finance              Contract



## **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 requirements. All contract specifications shall be so established as to facilitate and encourage maximum competition.



## **FINANCE**

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

#### **3.2. Review of RFP**

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

#### **3.3. Qualified Proposals**

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

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

### **4. AUTHORIZATION AND BID REQUIREMENTS**

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

#### **4.1. Budgeted Expenses**

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

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

**4.1.1.1.** Authorization: Senior Department Director or above.

**4.1.1.2.** One Bid required.

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

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

**4.1.2.2.** One bid required.

**4.1.3.** Proposals with annual value from \$10,001 to \$25,000

**4.1.3.1.** Authorization: majority vote of the Board of Directors.

**4.1.3.2.** Required: Two solicited bids.

**4.1.4.** Proposals with annual value from \$25,000 to \$100,000.

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

**4.1.4.2.** Required: Three solicited bids.

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

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

**4.1.5.2.** Required: Three solicited sealed bids.

#### **4.2. Unbudgeted and Reserve 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.



## FINANCE

### Request for Proposal (RFP) Requirements

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

#### 4.3. 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

- 5.1.1. RFPs for the period of one year will be requested for a contractor of record in the areas of landscape, streets, electric and painting. Proposals will include prices for labor and materials most commonly used for each type of work to be included in the annual contract.

#### 5.2. Emergencies

- 5.2.1. If a Scheduled Maintenance, Replace or Repair (MRR) of major components/assets is required as a result of an emergency 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 such emergencies, the Executive Director, or in the Executive Director's absence, their designee, 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. All emergency authorizations must be verified to the Board of Directors in writing within five (5) business days after the purchase is made.

#### 5.2.2. Emergency Expenditures Authorizations for MRRs Above \$25,000

- 5.2.2.1. \$25,001-\$50,000: Approval of at least two Board Directors, and ratification at the Board's next General Session.
- 5.2.2.2. \$50,001-\$75,000: Approval of at least four Board Directors, and ratification at the Board's next General Session.
- 5.2.2.3. More than \$75,000: Majority Board approval at an emergency meeting of the Board of Directors.



## **FINANCE**

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

#### **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:

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

**5.3.1.2.** 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.

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

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

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

#### **5.4. Sustained Service Contracts**

Any maintenance or management service with an annual value over \$50,000, 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 \$10,000 or an amount included within a defined budget.

## **6. RECEIPT AND OPENING OF PROPOSALS**

### **6.1. Receiving and Opening Sealed Proposals**

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



## **FINANCE**

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

#### **6.2. Rejection of Proposals**

6.2.1. 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. The Executive Director, or in the Executive Director's absence, their designee, is authorized to award contracts not exceeding \$10,000 provided that such contracts and/or amounts have been included within the approved budget.

7.3.2. The Purchasing Manager or such persons designated by the Executive Director are authorized to award, per budget, contracts necessary to maintain inventories of supplies, materials and equipment.

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

The Executive Director and other persons authorized to award contracts may require such surety bonds or guaranties, including proposal, payment, performance or other type of bonds and in such amounts as will adequately protect the interests of GRF in the event of default.

7.4.1. GRF new vendor forms must be completed for all purchases from a new vendor and the appropriate insurance documentation/certificates and W9 received prior to the processing of the first payment.

7.4.2. Performance and completion bonds are required for all construction projects where the cost for construction is estimated to be \$100,000 or more.

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

The department responsible for contract shall notify all bidders of the date of the award.



## FINANCE

### Request for Proposal (RFP) Requirements

#### **8. CONTRACT PREPARATION**

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

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

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

When the MSA is not appropriate, the staff member responsible for the undertaking shall submit to the appropriate committee a memorandum requesting the preparation of a contract.

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

8.3.1. The Executive Director is authorized to execute contracts in amounts that do not exceed \$10,000.

8.3.2. All other contracts will be executed by the Board Officer or Officers, or staff member authorized to execute the contract in the award resolution.

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

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

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

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

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

##### **9.3. Inspection**

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 authorizing 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.



**FINANCE**



**Request for Proposal (RFP) Requirements**

**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
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**Keywords:** RFP                      Proposal              Bid                      Finance              Contract





## 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. Completion 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 heat, and telephone.

2.1.3. Professional or other personal services requiring special skills in which where the personal qualifications of the individual are the determining factor.

2.1.4. Repair and maintenance work that which 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 make clear the Board's authority of the Board in all cases to arrange for the expeditious performance of essential work in all cases.

2.1.5. In Circumstances in which where 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. Proposals under \$25,000~~

~~Contract undertakings involving an estimated expenditure of less than \$25,000 shall not be subject to specific requirements relating to competitive bidding or publicity; however, it shall be the expressed intent of this policy that proposals, either verbal or written, shall be obtained to the fullest extent consistent with expeditious~~



## FINANCE

### Request for Proposal (RFP) Requirements

~~administration and the protection of the best interest of the GRF and a record of said proposals shall be maintained.~~

#### ~~3.2. Proposals from \$25,000 to \$100,000~~

~~Proposals to award contracts where the estimated expenditure is greater than \$25,000 and less than \$100,000 shall call for written competitive proposals, either sealed or open.~~

#### ~~3.3. Proposals in Excess of \$100,000~~

~~Except as otherwise provided in this policy, all proposals to award contracts in excess of \$100,000 shall call for sealed proposals unless authorized by committee and/or board.~~

~~All proposals for contracts where the estimated expenditure for construction work is in excess of \$100,000 shall include the cost for performance and completion bonds.~~

#### ~~3.4.3.1. 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 requirements. All contract specifications shall be so established as to facilitate and encourage maximum competition.

#### ~~3.5.3.2. Review of RFP~~

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

#### ~~3.6.3.3. Qualified Proposals~~

~~3.6.1.3.3.1. GRF shall qualify potential contractors, service providers, and/or material suppliers in connection with construction, alteration, and repair undertakings.~~

~~3.3.2. The qualifying process shall be designed to secure the best combination of service and value from the group of qualified bidders. GRF is under no obligation to select the lowest bid product at the lowest long-term cost.~~

## 4. AUTHORIZATION AND BID REQUIREMENTS

To ensure the most effective use of our resources the following below outlines the requirements and authority for purchasing and contracting. For a reserve item expenditure that is planned on the Reserve Study within 18 months, that item will be considered "budgeted" whether on the specific year's approved reserve budget or not.



## FINANCE

### Request for Proposal (RFP) Requirements

#### 4.1. Budgeted Expenses

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

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

4.1.1.1. Authorization: Senior Department Director or above.

4.1.1.2. One Bid required.

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

4.1.2.1. Authorization: Executive Director or mMajority vote of the Board of Directors.

4.1.2.2. One bid required.

4.1.3. Proposals with annual value from \$10,001 to \$25,000

4.1.3.1. Authorization: mMajority vote of the Board of Directors.

4.1.3.2. Required: Two solicited bids ~~required~~.

4.1.4. Proposals with annual value from \$25,000 to \$100,000.

4.1.4.1. Authorization: MExecutive Director of Majority vote of the Board of Directors.

4.1.4.2. Required: Three solicited bids ~~required~~.

~~Proposals with annual value greater than \$50,000~~

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

~~Three bids required.~~

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

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

4.1.5.2. Required: Three solicited sealed bids ~~required~~.

#### 4.2. Unbudgeted and Reserve 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~~10,000~~

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

4.2.2.2. One bid required.

~~Proposals with annual value from \$10,001 to \$25,000~~

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

~~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 ~~required~~.

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

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

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

#### 4.3. Capital Expenditures

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



## FINANCE

### Request for Proposal (RFP) Requirements

#### Board of Directors.

~~3.6.2.~~

#### ~~4.5.~~ Exceptions to RFP Requirements (Negotiated Awards)

##### ~~4.1.5.1.~~ Negotiated Awards

~~4.1.1.5.1.1.~~ Annual RFP's for the period of one year will be requested for a contractor of record ~~for the period of one (1) year~~ in the areas of landscape, streets, electric and painting. Proposals will include prices for labor and materials most commonly used for each type of work to be included in the annual contract.

##### ~~4.1.2.5.2.~~ Emergencies Contracts for Labor and Materials.

~~4.1.3.5.2.1.~~ If a Scheduled Maintenance, Replace or Repair (MRR) of major components/assets is required as a result of an emergency affecting public health, welfare, safety, or convenience, it shall be ~~GRF~~ GRF the policy of ~~GRF~~ to let contracts without a formal call for proposals ~~only~~ to the extent necessary to meet the emergency.

In such emergencies, the Executive Director, or in the Executive Director's absence, their designee, is ~~hereby~~ authorized to negotiate and award contracts on a lump-sum or cost-plus-a ~~fixed~~ fee basis without due notification to the Board of Directors ~~, as the conditions may require,~~ in amounts that which do not exceed ~~\$25,000— \$10,000 without due notification to the Board of Directors.~~ All emergency authorizations must be verified to the Board of Directors in writing within five (5) business days after the purchase is made.

##### ~~5.2.2.~~ Emergency Expenditures Authorizations for MRRs Above \$25,000

~~5.2.2.1.~~ \$25,001-\$50,000: Approval of at least two Board Directors, and ratification at the Board's next General Session.

~~5.2.2.2.~~ \$50,001-\$75,000: Approval of at least four Board Directors, and ratification at the Board's next General Session.

~~4.1.3.1.5.2.2.3.~~ More than \$75,000: Majority Board approval at an emergency meeting of the Board of Directors.

##### ~~4.1.4.5.3.~~ 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:

~~4.1.4.1.5.3.1.1.~~ In case of emergencies as previously defined.

~~4.1.4.2.5.3.1.2.~~ 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



## FINANCE

### Request for Proposal (RFP) Requirements

not be made on terms less favorable than the best proposal received in response to previous calls for proposals.

~~4.1.4.3.~~5.3.1.3. When proposals are rejected because of conflict of interest.

~~4.1.4.4.~~5.3.1.4. When market conditions force distress sales and GRF is thereby enabled to realize a better price than competitive bidding would normally produce.

~~4.1.5.~~5.3.2. When purchasing non-competitive commodities.

#### 5.4. Sustained Service Contracts

Any maintenance or management service with an annual value over \$50,000, including those with attorneys or certified public accountants CPAs, must undergo a full bidding process at least every five years unless the Board specifically approves otherwise.

#### 5.5. Master Service Agreement

To facilitate and expedite the preparation and execution of contracts, standardized GRF contract should be used. 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.

~~4.1.6.~~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 \$10,000 or an amount included within a defined budget.

### 5.6. RECEIPT AND OPENING OF PROPOSALS

#### 5.1.6.1. Receiving and Opening Sealed Proposals

~~5.1.1.~~6.1.1. All calls for proposals shall include instructions ~~which~~that inform the bidders as to how, when, and where the proposal is to be submitted.

#### 5.2.6.2. Rejection of Proposals

~~5.2.1.~~6.2.1. GRF shall reserve the right to reject any or all proposals for any reason.

### 6.7. CONTRACT AWARDS

#### 6.1.7.1. Award of Contract

(Oct 20)

GOLDEN RAIN FOUNDATION Seal Beach, California



## FINANCE

### Request for Proposal (RFP) Requirements

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

#### **6.2.7.2. Budget Authorization**

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

#### **6.3.7.3. 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:

**6.3.1.7.3.1.** The Executive Director, ~~or in the Executive Director's absence, their designee~~, is authorized to award contracts not exceeding \$10,000 provided that such contracts and/or amounts have been included within the approved budget.

**6.3.2.7.3.2.** The Purchasing Manager or such persons designated by the Executive Director are authorized to award, per budget, contracts necessary to maintain inventories of supplies, materials and equipment.

#### **6.4.7.4. Surety and Guaranties**

The Executive Director and other persons authorized to award contracts may require such surety bonds or guaranties, including proposal, payment, performance or other type of bonds and in such amounts as will adequately protect the interests of GRF in the event of default.

**7.4.1.** ~~GRF new vendor forms must be completed for all purchases from a new vendor and the appropriate insurance documentation/certificates and W9 received prior to the processing of the first payment.~~

**6.4.1.7.4.2.** Performance and completion bonds are required for all construction projects where the cost for construction is estimated to be \$100,000 or more.

#### **6.5.7.5. Notification to Unsuccessful Bidders**

The department responsible for contract shall notify all bidders of the date of the award.

### **7.8. CONTRACT PREPARATION**

#### **7.1.8.1. Standard Form**

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

#### **7.2.8.2. Preparation of Contract**





## FINANCE

### Request for Proposal (RFP) Requirements

When ~~re~~ the ~~standard form of contract~~ MSA, ~~approved by Legal Counsel~~, is not appropriate, the staff member responsible for the undertaking shall submit to the appropriate committee a memorandum requesting the preparation of a contract.

#### ~~7.3.~~8.3. **Contract Execution**

8.3.1. The Executive Director is authorized to execute contracts in amounts that ~~which~~ do not exceed \$10,000.

~~7.3.1.~~ 8.3.2. All other contracts will be executed by the Board Officer or Officers, or staff member authorized to execute the contract in the award resolution.

### 8.9. CONTRACT PERFORMANCE AND TERMINATION

#### ~~8.1.~~9.1. **Proceed Order**

Except in emergency situations, ~~C~~contractors shall not be given authorization to proceed unless and until the contract is executed by both parties, ~~except in the case of emergency.~~

#### ~~8.2.~~9.2. **Compliance with Terms of Contract**

The Executive Director or a designated representative shall be responsible for determining ~~seeing~~ that each contractor complies fully with the terms of the contract.

#### ~~8.3.~~9.3. **Inspection**

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

#### ~~8.4.~~9.4. **Contract Changes**

~~8.4.1.~~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 ~~notify~~ the authorizing committee is notified at its next meeting.

~~8.4.2.~~9.4.2. In the case of a contract awarded in which, ~~any change where~~ the cost of any ~~the~~ change is more than the approved contingency amount, the change must be submitted to the awarding authority for action.

#### ~~8.5.~~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.



**FINANCE**

**Request for Proposal (RFP) Requirements**

**8.6-9.6. 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.

**9.10. 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.

**10.11. RFP RETENTION**

All submitted bid packages will be retained per retention procedures per [2042-5046-3](#).

**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:** APRIL 23, 2024  
**TO:** GRF BOARD OF DIRECTORS  
**FROM:** ADMINISTRATION COMMITTEE  
**ACTION:** AMEND 13-5028-3, GRF DIRECTOR'S HANDBOOK

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### **Committee Approval:**

At its April 11, 2024, meeting, the Administration Committee recommended GRF Board of Directors amend policy 13-5028-3, GRF Director's Handbook.

### **Background:**

The GRF Director's Handbook, policy 13-5028-3, was last amended by the GRF Board in May 2023. Board Directors have expressed the need for better backgrounding on the responsibilities, necessary knowledge, and procedures important for Board Directors. The updated version adds a "Quick Start Guide" to quickly acquaint newly elected directors concerning their first few weeks of service. It also presents enhanced instruction on the Foundation's financial practices, ethics expectations, governance protocols, and research resources.

### **Fiscal Impact:**

No predicted fiscal impact.

### **Recommendation:**

I move that the GRF Board of Directors amend policy 13-5028-3, GRF Director's Handbook.



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# GRF Director's Handbook





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## What To Expect

### A. What Does a GRF Board Director Do?

1. You fulfill a legally required role in the management of the community, largely conducted under the provisions of the California legislature’s Davis-Stirling Act.
2. You will serve with 17 other Directors to establish policies governing the GRF Executive Director’s administration of the community’s shared Trust Property and facilities, as well as the non-profit master association that serves as the management company for the 16 Mutual Corporations that own Leisure World Seal Beach’s housing stock.
3. Each month, you will be reading hundreds of pages of documents and supplementary materials, performing additional research on upcoming Board issues, and attending hours of meetings of the Board and its committees before voting to determine official Board actions.

### B. What are the Expectations of GRF Directors?

You are expected to:

1. Conduct your duties observing the California Civil Code statutes, and the rules and codes of behavior established by the GRF Board of Directors.
2. Serve as a volunteer in an unpaid position, representing not your own interests or the interests of your Mutual’s residents, but the interests and welfare of the entire community.
3. Devote the time and be willing to learn about a wide variety of familiar and unfamiliar topics.
4. Possess the ability and desire to work as a team.
5. Recognize a duty to research/study and vote on all items that come to the Board for action or response.
6. Attend an overwhelming proportion of GRF Board Meetings, and Committee meetings and related meetings to which you are assigned.
7. Fulfill all rules governing GRF Members, and additionally comply with rules defining and limiting the Directors of the GRF Board. You understand you will be subject to censure or other discipline for violations.
8. Comply with the Board’s rules on confidentiality, and display loyalty in supporting the Board’s official decisions.



## GRF Director's Quick-Start Guide

### Your First Day: Second Tuesday of June

You'll learn that you've won a position on the GRF Board at a vote-counting meeting in early June. Approximately a week later, on the second Tuesday, the Golden Rain Foundation has its Annual Meeting. That's when you'll be formally seated on the Board and when you take your first vote, to elect all the Board's officers for the coming term.

### Your First Week

1. Schedule your attendance at the Annual Meeting and Organizational Meeting:  
On being elected, you'll be informed immediately concerning the dates of the Board's Annual and Organizational Meetings, as well as the date for new member training. At the Annual Meeting you'll be formally installed on the Board and take your first vote, for the Board's officers.
2. Attend a Board training session for new Board members.
3. Make appointments with:
  - 3.1. Executive Coordinator (Assistant to the GRF President).
    - 3.1.1. Receive keys for your assigned mailbox in the GRF mailroom located in the 1st Floor Administration building reception area. This is where your agendas and other mail to the Board of Directors (BOD) will be found.
    - 3.1.2. Order business cards.
  - 3.2. ITS Systems Analyst
    - 3.2.1. Receive your GRF Board iPad or laptop and your Board email address.
    - 3.2.2. Have links installed for GRF calendar and email. Learn how to install these links on your home computer if you choose.
  - 3.3. LW Weekly staff, who will take your official GRF Board photograph. It will be used on the web site and in publications.

### Your First Month

1. You will participate in training attended by the full Board of Directors.
2. The President will assign an incumbent Board member to mentor you as you accustom yourself to Board service;

## GRF Director's Handbook



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- 3 3. Directories of your fellow GRF Directors and a list of all committee chairs and
- 4 members will be posted on the website, [www.lwsb.com](http://www.lwsb.com);
- 5 4. You will receive a confidential directory of fellow directors' personal contact
- 6 information.
- 7 5. You will receive a perpetual calendar listing committee and Board meeting dates
- 8 and times.

### 9 **Your First Committee Meetings**

- 10 1. Each term's initial committee meetings are scheduled during the first two weeks
- 11 of July. They are held in Conference Room A on the Administration Building's
- 12 second floor. Each meeting starts at 10 a.m.
- 13 2. Several days prior to your assigned committees' meeting dates, you'll be emailed
- 14 a copy of the committee's agenda and supporting materials. You may request the
- 15 Executive Coordinator to issue you a printed version.
- 16 3. You must be prepared to vote on issues relevant to your committee's work at this
- 17 first meeting. A committee agenda packet may contain scores of pages, so
- 18 schedule time for review and any additional research before your meeting.

### 19 **Your First Regular Board Meeting**

- 20 1. Your first regular board meeting is the fourth Tuesday of July in Clubhouse 4 at
- 21 10 a.m.
- 22 2. This meeting will require you to review and vote upon issues that have been
- 23 included on the agendas emerging from the four standing committees.
- 24 3. Approximately four days prior to the meeting, you'll be emailed the board
- 25 meeting's agenda and supporting materials. They typically stretch to over 100
- 26 pages and can top out at 300 pages or more, but demand your review and study
- 27 prior to your vote.

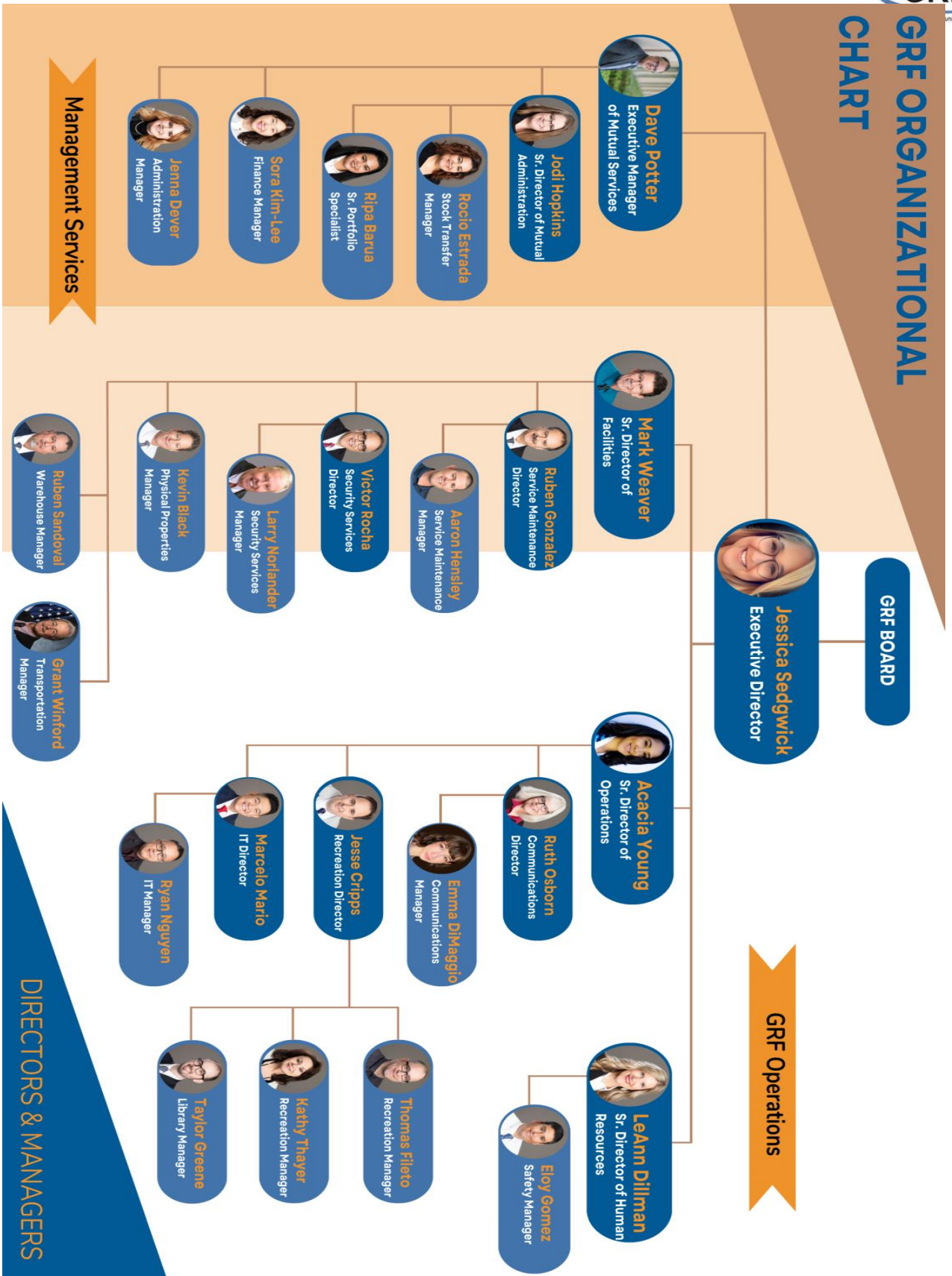
### 29 **Your First Executive Meeting**

- 30 1. The first executive meeting of the entire board usually takes place on the fourth
- 31 Thursday of July.
- 32 2. This meeting is closed to the public. Directors consider issues that state law
- 33 allows to be discussed in private. You will be able to review the agenda packet
- 34 in Conference Room A about 30-60 minutes prior to the meeting, and only in
- 35 person. Zoom connections are rarely allowed during an executive session.
- 36 3. All information shared in the meeting must not be revealed to any other person.
- 37 This obligation extends through your term and even after. If you cannot attend,
- 38 only the President, at his or her discretion, can brief you.

39



# GRF ORGANIZATIONAL CHART



Management Services

GRF Operations

DIRECTORS & MANAGERS

## GRF Director's Handbook



1

2 **Leisure World Seal Beach's Structure**

- 3 1. Leisure World Seal Beach is a non-profit, common-interest housing development  
4 established in 1962 that was an important model for later senior communities. At its  
5 opening as the first gated senior community, it was the world's largest housing  
6 development for seniors, and the United States' largest cooperative housing  
7 development.
- 8 2. In its founding documents, the Golden Rain Foundation (GRF) and independent  
9 Mutual corporations were granted responsibility for designated portions of the  
10 community.
- 11 3. The Mutual corporations and their boards of directors were given total authority over  
12 their respective residential units, roadways, and grounds.
- 13 4. The Golden Rain Foundation holds in trust and is given authority over property and  
14 facilities such as the gates, clubhouses, amenities, named streets and structures  
15 necessary for the service of all residents.

16 **GRF is an HOA and a Management Company**

- 17 1. The Mutual corporations, through a management agreement, grant the GRF's  
18 management service arm the responsibility to hire employees and provide  
19 administrative, maintenance and financial services to the Mutual corporations.
- 20 2. The Mutual corporations' residents pay assessments to their respective Mutuals to  
21 maintain the Mutual's buildings and grounds, and reimburse GRF for non-labor costs  
22 such as prorated water fees and insurance premiums, and services not included in  
23 the management agreement.
- 24 3. All Leisure World residents' monthly GRF assessment fund the administration and  
25 maintenance of Trust property. It also funds community activities, and pays the  
26 salaries of all GRF workers.
- 27 4. The GRF Board of Directors hires and oversees an executive director, who in turn  
28 hires and supervises the management company's employees providing services to  
29 the Mutual corporations.
- 30 5. The salaries of GRF employees performing services for the Mutuals are  
31 predominantly funded by the GRF portion of the monthly assessment. The  
32 management agreement dictates that most of these services are given free of charge  
33 to the Mutual boards.
- 34 6. The executive director also executes the Board of Directors' directives concerning  
35 the administration of the Trust properties and manages the employees fulfilling those  
36 responsibilities.

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## GRF Director's Handbook



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## GRF and the Mutuals

1. There are 17 separate corporations responsible for running the community: the 16 mutual corporations and the Golden Rain Foundation, a non-profit common interest corporation.
2. All Leisure World's corporations are primarily funded by the assessments paid by their respective residents. The Mutuals' share of a resident's monthly assessment is about 57% of the total. GRF's share is about 43%.
3. Most Mutuals gather small percentages of their budgets from other sources, including investment income, laundry room profit sharing and fines.
4. GRF has developed additional sources of revenue. These total over \$6 million annually and include building lease income from outside vendors, construction permits, private rentals of clubhouse facilities, parking fees, publication advertising and document preparation. Every \$80,000 in GRF income lowers the resident's monthly amenity fee by \$1.
5. Over 40% of GRF's annual budget is devoted to paying the salaries of personnel directly serving the Mutuals, such as building inspectors and service maintenance workers, as well as personnel in Stock Transfer, and Mutual Administration and Finance Departments who help assure the Mutuals meet legal compliance standards.

### Separate means separate.

While the 17 corporate boards that collectively manage Leisure World often cooperate with other boards, none of the distinct corporations can compel another corporate board to take an action. An action taken by an individual mutual board has no effect on any neighboring mutual. For instance, a resident of one mutual who violates a rule in a different mutual can only be disciplined by the Mutual in which they reside.

Similarly, GRF cannot order the Mutual corporations to adhere to a recommendation or discipline a Member for a violation that occurs on a Mutual's property. Only if the violation occurs on Trust property or involves a GRF worker can GRF enforce its rules.

In turn, the Mutual corporations acting through their boards are clients of GRF, and have no jurisdiction in the administration of Trust property, or in GRF's decisions regarding the delivery of GRF services promised through the management agreement.

GRF Director’s Handbook



1 **Director’s Code of Ethics**

2  
3 GRF Directors are held to a higher standard than community members. Directors  
4 are the only individuals who can be cited and penalized by the Community Rules Violation  
5 Panel, and formally censured by the full Board of Directors.

6 Of course, Directors must be committed to following all the community’s rules.  
7 However, they are also bound by the rules established in this Director’s Handbook, and  
8 pledge to follow the most important of our rules, 13-5092-1, the Code of Ethics.

9  
10 7. Directors pledge:

- 11 7.1. To perform reasonable inquiry and investigation in service of their  
12 fiduciary duty to fairly represent the entire community’s interests.
- 13 7.2. To safeguard confidential information from any disclosure until that  
14 information has been officially released by the Board’s designees.
- 15 7.3. To comply with the law, and GRF’s governing documents, policies, and  
16 procedures.
- 17 7.4. To avoid any intentional act or omission that creates a threat to any  
18 individual, the Foundation, or the community.
- 19 7.5. To avoid creating a hostile or disruptive work environment for employees  
20 or other Directors through their words, behaviors or actions.
- 21 7.6. To disclose any personal conflicts of interest related to the business of  
22 the GRF, and recuse themselves from discussion and voting on any such  
23 issue.
- 24 7.7. To act in a civil and respectful manner in all their public interactions as a  
25 member of the Board.
- 26 7.8. To support in their public statements any official decision made by a  
27 majority of the Board.
- 28
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## GRF Director's Handbook



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2 **Board Members' Communication with Other GRF Directors**

- 3 a. Any form of personal, electronic or written communication, or even social  
4 interaction that distributes information to Directors representing a Board quorum is  
5 contrary to California's open-meetings provisions.
- 6 b. Directors collectively representing a Board quorum cannot "discuss or deliberate  
7 upon any item of business...within the authority of the Board" outside a properly  
8 noticed meeting. Thus, even informal discussions of Board issues at a social  
9 gathering or email thread addressed to more than 8 Directors should be avoided.
- 10 c. Information transmitted electronically by an individual Board Member to all other  
11 Board Members is permitted. However, further comments or conclusions by  
12 individual board members to a quorum of Board Members may constitute an  
13 unauthorized board meeting. In consequence, do not "reply all" to any document  
14 directed to a group of more than eight other board members.
- 15 d. If you are communicating about GRF issues, you are urged to use your GRF-  
16 supplied email address for all messages to other GRF Directors, staff, GRF  
17 Members and all other parties.

18 **Board Members' Communication with Community Members**

- 19 a. The GRF President is the Foundation's official spokesperson. If you wish to write  
20 an article for the newspaper or are invited to present a speech within the  
21 community, first consult with the GRF President.
- 22 b. GRF Directors should refrain from interaction with GRF Members on social  
23 media platforms.
- 24 c. Your duty of loyalty prohibits you from publicly criticizing a decision voted upon by  
25 a majority of the Directors.

26 **Board Members' Communication with GRF Employees**

- 27 a. Communication from GRF Board Directors concerning organizational concerns  
28 should be directed to the Executive Director or the GRF President. Make an  
29 appointment if you wish to talk to the President or Executive Director in person.
- 30 a. Research or information requests from GRF Directors to staff must be relayed  
31 through the Chair of the committee overseeing the area. If the chair needs  
32 assistance responding to the request, they will submit the request to a staff  
33 director.
- 34 b. GRF Director interaction with staff endangers employee privacy and can lead to  
35 litigation. Board Directors should not solicit or share opinions from staff members  
36 outside a Board Member's explicit responsibilities, except through information  
37 transmitted via formal reporting channels.

## GRF Director's Handbook



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- 2 c. Any observation concerning a GRF employee that a GRF Board Director believes
- 3 should be acted upon may only be shared, individually and in confidence, with the
- 4 Director of Human Resources or the Executive Director.
- 5 d. Negative comments at any meeting must not include the names of fellow
- 6 Directors, staff members or audience members.
- 7 e. A GRF Board Director cannot engage in interactions with any GRF employee that
- 8 could be construed as violating provisions concerning employee rights to a non-
- 9 hostile, respectful workplace.
- 10 f. The GRF Board will support an investigation by appropriate staff of alleged
- 11 violations of rules 13-5092-1, 13-5093-1 and other rules within GRF's governing
- 12 documents that impact the right of every GRF employee to a non-hostile
- 13 workplace. Further, the GRF Board will use procedures outlined in 13-5092-3,
- 14 13-5093-3 or 13-1937-3 to enforce compliance with those provisions by GRF
- 15 Members, and Directors of the GRF Board and the various Mutual boards.
- 16

**Executive Director's Defined Areas of Authority**

- 17
- 18 g. The Executive Director's "duty and responsibility" is to "provide day-to-day
- 19 leadership and management of all departments in the Foundation."
- 20 h. The Executive Director has the authority to establish, maintain and enforce
- 21 administrative procedures and employee supervision to fulfill the Rules and
- 22 instructions duly approved by the Board of Directors acting within its role.
- 23 i. The Board has granted the Executive Director with authority to enter into
- 24 contracts and execute work orders for amounts of \$10,000 and under, with the
- 25 provision that any such authorization cannot exceed the amount designated for
- 26 such purposes in the annual operating budget.
- 27 j. The Executive Director has the authority to hire, dismiss, promote, demote or
- 28 discipline any GRF employee within the stipulations of federal, state or local law,
- 29 and with the consultation of the Foundation's human resources director and/or
- 30 employment attorney.
- 31 k. Statements or actions contravening the above responsibilities and limitations, or
- 32 of any codified GRF rule, may subject a Board Director to sanctions under
- 33 procedures outlined in Rule 13-1937-3, Community Rules Violation Panel; Rule
- 34 13-5093-3, Code of Conduct Violations Enforcement; or Rule 13-5092-3, GRF
- 35 Censure Procedure.
- 36



## GRF Director's Handbook



1

2 **How a Motion Makes It to the Board's Agenda**3 **Committee Action**

4 Most motions are initiated by one of the committee chairs or a committee member  
5 requesting action. Staff research the issue, and present their assessment to the committee  
6 chair, who then decides how the committee will undertake the issue.

7 A spending motion may be written by a senior staff member, and submitted along  
8 with specifications to a committee's future meeting. A motion proposing a new or amended  
9 governing document motion is more complex. The chair may assign the initial write-up to a  
10 single committee member or members of the committee may review the document in a  
11 work study session outside the committee's formal meeting.

12 The preliminary document is then formally submitted to the full committee, who  
13 review and further amend the language in an open meeting before voting whether to  
14 recommend the motion to the full Board. If the committee approves the recommendation  
15 motion, it is then prepared to be sent to the full Board.

16

17 **The Action Request**

18 Each motion emerging from a committee is accompanied by an Action Request, usually  
19 written by the committee's senior staff member or chair. The Action Request is a one- or  
20 two-page summary explaining the reason for the motion, the expense or income resulting  
21 from the action, the source of any funds necessary to undertake the project, and the  
22 formal wording of the motion. The Action Request should not promote the motion's  
23 passage, merely present the history leading to its creation and predicted consequences  
24 from its adoption.

25 The Action Request and all supporting materials are submitted to the President's  
26 executive coordinator. If an Action Request has not been included in those materials, the  
27 President's office will prepare one. The President's office will standardize all Action  
28 Requests so they are complete and fairly reflect the motion's purpose.

29

30 **Board Action**

31 All motions are placed into the monthly board agenda packet, typically in one of four  
32 categories: 1) Reserve Funding; 2) Capital Funding; 3) Operational Funding or 4)  
33 Governing Documents. Approximately four days before the monthly meeting, the agenda  
34 packet is emailed to Directors and the agenda posted on line for the resident's information.

35 The full board discusses and can amend the motion before bringing it to a vote. A  
36 majority vote of the Directors present at the meeting is necessary to accept the motion\*. If  
37 passed, GRF staff are responsible for acting to implement the Board's instructions.

38

39 \*See Corporate Code 7211(a)(8)

40

41



## Committee Protocol

### Can You Engage in Debate on Other Committees' Agendas?

If you're not a member of a committee, you may attend the meeting. However, court interpretations of Davis-Stirling rules state that directors who are not members of a committee are not allowed to speak during the meeting's member-comment section nor during the committee's deliberation on its agenda items. If the committee takes a recess, you should not converse with the committee's members during the break.

### Want to Add an Agenda Item?

The committee chair determines the meeting's agenda, and must notify GRF Members of all items to be discussed a minimum of four days prior to the meeting. If you want the committee to discuss a topic within that committee's oversight, contact the chair at least one week prior to the scheduled meeting. The chair will evaluate your request.

### Need More Info on an Agenda Item?

Only the chair can request research from the committee's senior staff member assigned to attend that committee's meetings. If you believe the committee needs a particular report to conduct its oversight role, direct your requests to the committee chair, who will balance the committee's needs with the staff time expended to fulfill the request.





## GRF Director's Handbook

### 1 Monthly Open Board Meetings

#### 1. Agendas

- a. You will be emailed each month's agenda about four days prior to the meeting. Bring your tablet computer to each meeting so you can follow the agenda.
- b. Agendas generally contain 70-150 pages but can extend to more than 200 pages. Set aside time before the meeting to study the agenda. You have the legal duty to read and be familiar with all supporting documents before you vote.
- c. If after reading the motion's action request and the supporting materials, you have questions about the issues, you should seek answers from the Executive Director, President or relevant chair BEFORE the meeting.

#### 2. Attendance

- a. Avoid establishing personal appointments on the meeting day. Occasionally, the meetings continue until well into the afternoon.
- b. Arrive on time to each Board Meeting to avoid disrupting the proceedings.

#### 3. The Dais

- a. Directors sit in alphabetical order on the Clubhouse 4 stage. Your spot is identified by a name plate facing the audience. Officers sit in the middle of the semi-circle.
- b. See the photos on page 15 to familiarize yourself with the dais voting station.

#### 5. Speaking at the Board Meeting

- a. The President's rules or order may limit your speaking time and/or the number of times you may speak on a motion.
- b. A director who has not spoken will be given priority over Directors who have already commented on a motion. **You are not allowed to sidestep this by announcing "I have three questions" or pose follow-up questions to extend your speaking time.**
- c. Your comments should be clear and concise and must inform the Board's decision regarding the motion. If your comments are not germane, the chair may ask you to speak to the topic or end your remarks.
- d. Negative comments must never include the names of fellow Directors, staff members or audience members.

#### 5. Voting

- a. After discussion on the motion ends, the chair will call for a vote.
- b. Recusal indicates you perceive a conflict of interest that does not allow you to vote on the issue. Abstention means you have chosen not to vote.
- c. Consistently abstaining or recusing is considered a failure to represent one's constituents. Both can function as a "no" because fewer votes are cast while the majority needed to pass the motion remains the same.\*

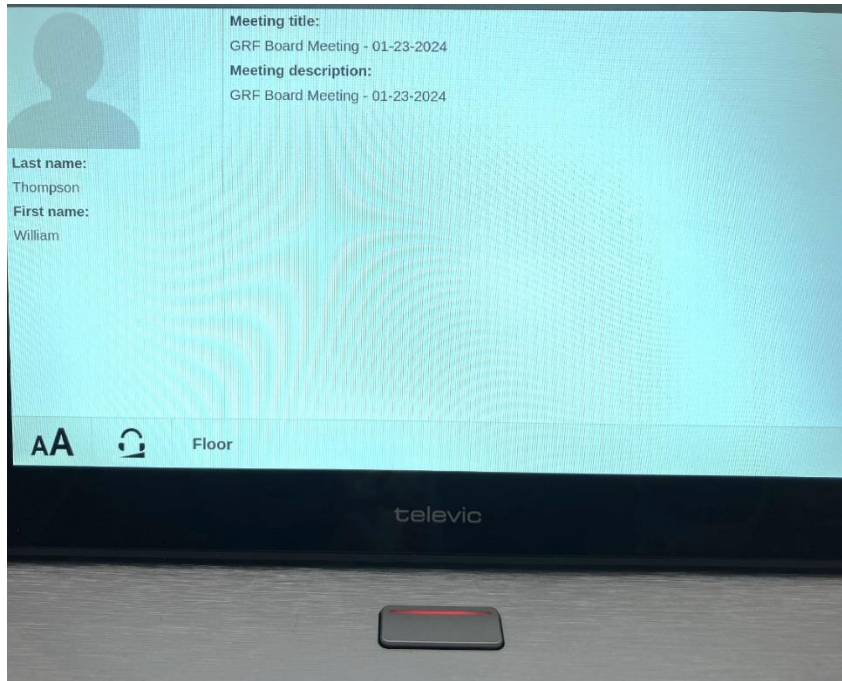
\*see Robert's Rules (12<sup>th</sup> ed.) 44:1



## GRF Director’s Handbook

### 1 Monthly Board Meeting in Clubhouse 4: The Dais Voting System

2 Here’s the home screen. You push the bottom button if you wish to speak during deliberations.



3

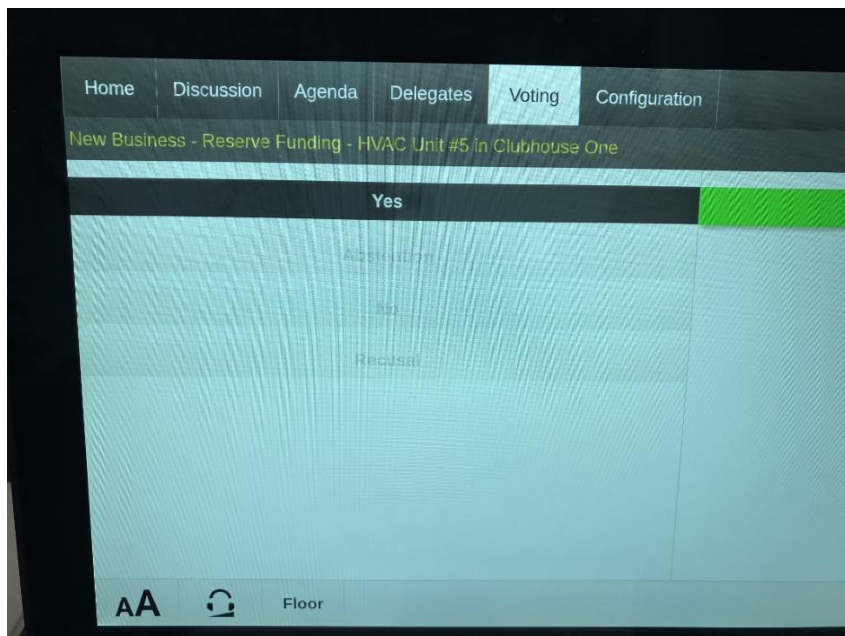
4 When the vote is called, push the “Voting” line in the top menu. Your options are “Yes,” “Abstention,” “No,”

5 or “Recusal.” The presumption is that you’ll voice your Mutual’s interests by voting “Yes” or “No.” An

6 abstention vote indicates you perceive you don’t have enough information to vote intelligently. A recusal

7 vote signals you have a conflict of interest that prevents you from voting, or even taking part in the board’s

8 deliberations. Your decision will be shared with all Members attending the meeting.



9

## GRF Director's Handbook



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2 **Executive Session of the Full Board**

3 Issues such as member discipline, personnel, litigation, and contract formation are  
4 considered in the executive session. Supporting confidential documents are distributed to  
5 Directors before the session begins. Read the documents prior to the start of the meeting.

6 Removing any of these documents without permission may result in disciplinary  
7 action. Your duty to maintain confidentiality continues even after you are no longer a  
8 director. Confidentiality remains in effect until the President or Executive Director publicly  
9 communicates the information to the community.

10 **Committees**

11 The President appoints the chairs of all standing committees and assigns you to  
12 one or more. The full Board ratifies the list of Directors for each committee.

13 The Administration Committee holds an Executive Session after its scheduled  
14 meeting to study issues requiring privacy before their recommendations are sent to the  
15 Board for final action. Unless invited by the Administration chair, only Administration  
16 Committee members may attend these sessions.

17

18 **Work Studies**

19 A work study is a less formal meeting comprising some part of a committee's  
20 members to discuss or research relevant topics that may be too time-consuming to cover  
21 in the scheduled meetings. It is closed to Directors who are not members of the committee.  
22 No action may be taken, but consensus may be reached in these sessions.

23

24 **Community Rules Violation Panel (CRV)**

25 The CRV is a panel of five GRF Directors who review Members' cited violations of  
26 GRF rules and Member's appeals of parking and vehicle citations and minor rule violations.  
27 If a Member contests the panel's ruling, final appeals are reviewed by the full GRF Board

28

29 **Ad Hoc Committees**

30 Created by the President with the consent of the full Board to address a defined  
31 charge. It must meet that charge and is not authorized to change or extend its  
32 responsibilities without the Board's approval.

33 Unless otherwise stated in its authorizing motion, the ad hoc is required to present to  
34 the Board a formal report as outlined in Robert's Rules of Order (11<sup>th</sup> ed.) pp. 511-529).

35

36 **Mutual Report**

37 You can choose to accept an invitation letter from your Mutual to present a short oral  
38 report during its meetings. A GRF Director is not required to attend the meeting, nor stay  
39 through the entire meeting. State law prohibits any Board discussing topics not on their  
40 agenda. Hence, any interaction with Mutual board members beyond your report should  
41 pertain to services provided to the Mutuals through the Management Agreement.

42

## GRF Director's Handbook



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2 **Becoming an ex-GRF Board Director**

3 If you are leaving the Board before your term is scheduled to end, your signed  
4 resignation letter must include the following: date written and effective date of your  
5 resignation. This written resignation is non-revocable upon submission.

6 You must return your mailbox key to the Administrative Coordinator. Your iPad or laptop  
7 must be returned to the IT office.

8

9 **How GRF Attempts to Make Board Service Easier**

- 10 1. You'll generally not have meetings on Mondays, Wednesdays and Fridays.
- 11 2. You will likely be assigned to only one or two committees.
- 12 3. During your first months of service, you'll be assigned a mentor by the GRF  
13 President to advise you.
- 14 4. Training will be provided throughout your term on the Board.
- 15 5. You'll receive periodic updates and guidance from the Foundation's attorneys and  
16 its professional staff.
- 17 6. GRF will provide you with an iPad or laptop.
- 18 7. The Administrative Coordinator can issue paper and toner for your printer.
- 19 8. For specific questions not answered in an agenda's supporting materials, you can  
20 contact the Executive Director, President or relevant committee chair before a  
21 meeting.

22 **Resources**

- 23 1. Davis-Stirling Act: <https://www.davis-stirling.com/HOME/Statutes/Davis-Stirling-Act>
- 24 2. GRF Bylaws: <https://www.lwsb.com/wp-content/uploads/2015/08/GRF-By-Laws.pdf>
- 25 3. GRF Governing Documents: <https://www.lwsb.com/grf/previous-departments/>
- 26 4. Budget: <https://www.lwsb.com/wp-content/uploads/2023/12/2024-GRF-Budget.pdf>
- 27 5. GRF Glossary: <https://www.lwsb.com/wp-content/uploads/2023/10/13-1001-5.pdf>
- 28 6. Management Agreement: [https://drive.google.com/file/d/1luCTQpfe6029XHDzQOv](https://drive.google.com/file/d/1luCTQpfe6029XHDzQOvV9RkZmZAeUTCA/view?usp=sharing)  
29 [V9RkZmZAeUTCA/view?usp=sharing](https://drive.google.com/file/d/1luCTQpfe6029XHDzQOvV9RkZmZAeUTCA/view?usp=sharing)
- 30 7. Historical Society: <https://sealbeachleisureworldhistory.org/>
- 31 8. Wikipedia: [https://en.wikipedia.org/wiki/Leisure\\_World,\\_Seal\\_Beach,\\_California](https://en.wikipedia.org/wiki/Leisure_World,_Seal_Beach,_California)

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**Ready or Not, You’re Now a Fiduciary.**

You’ll hear a lot of talk about your fiduciary responsibility. But what is it?

When you have a fiduciary responsibility, you pledge to set your self-interest aside in the service of someone else. For example, if you’re an executor of an estate, you agree you’ll explicitly follow the instructions of the deceased, not serve your own bank account.

It’s a bit different when you’re a corporate board member. As an administrator of an estate, your fiduciary duty is to one client. As a GRF Board Director, your fiduciary duty is to the corporation’s 6,608 shareholders. All have one thing in common: they are rewarded by the community’s continued capacity to exist and benefit its residents.

Explicitly, your fiduciary duty does not commit you to guarantee the lowest monthly assessment for the neediest shareholder, nor to provide the most luxurious lifestyle to the most fortunate. Instead, it is to assure the continuation of the residents’ expectations that those benefits will be available to the majority of shareholders into the future.



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## The Financials

Frankly, you'll be learning new intricacies of the Foundation's \$24-million plus budget nearly every day during your term. Here are some basics: The Foundation's spending comes from three major areas:

**The Operating Budget** comprises the Foundation's anticipated budget for expected expenses: for example, office expenses, payroll, custodial services and utilities. The Committees and then the Board develop, review and finally approve the annual budget during the summer and fall.

**The Reserve Account** contains money GRF sets aside every year that is used to replace or repair assets that have an extended lifespan. Think roofs, roads, carpets, equipment and vehicles, and even software operating systems or paint. However, any expenditure made from the reserve account must have previously been included within the reserve study. New items or new construction cannot be financed using the Reserves. The primary funding for Reserves comes from the Trust Property Use Fee (TPUF), the fee new buyers must pay before closing escrow. Current Member assessments refresh the GRF Reserve Funds, but assessments represent only a minor percentage of reserve funding.

**The Capital Account** typically pays for any expenditures not anticipated in the operating budget or those expenditures that have not had funds set aside in the Reserve Account. For instance, new buildings or new types of equipment must be paid using the Capital Account. However, Capital funds must also be used to pay for failures of so-called "lifetime assets." These are generally physical property assets, which when originally constructed were perceived as never needing to be replaced. So, while Clubhouse 2 has Reserve funding to pay for periodic repainting and lighting system replacement, there are no reserves put aside to replace the clubhouse or perform extensive repairs on it. At this time, the Capital Account is replenished by the TPUF. However, the Board has dictated that Capital only receives funding after the full obligation to the Reserve Fund is met.

## Budget Controls

**Generally Accepted Accounting Principles:** GRF observes GAAP and the Foundation's books undergo an annual audit by a Certified Public Accountanting firm.

**Board of Directors:** The Board must vote to approve all expenditures from the Reserve Fund or the Capital Fund. Any expenditure from the Operating Account above \$10,000 must also be approved by a Board vote. All payments issued to vendors require authorization from at least two staff and Board members.

**Executive Director:** The executive director can authorize an expenditure of up to \$10,000 from the operating budget. However, any such expenditure must have been previously included in the annual budget passed by the Board of Directors.





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<b>June</b>																		
<b>Week</b>	<b>Tuesday</b>	<b>Wednesday</b>	<b>Thursday</b>															
<b>1st</b>	GRF Vote Count		New Director Training															
<b>2nd</b>	GRF Annual Meeting																	
<b>3rd</b>	Cmte Assignments		Chair Training															
<b>4th</b>		Full Board Training																
<b>July- May</b>																		
<b>Week</b>	<b>Tuesday</b>	<b>Wednesday</b>	<b>Thursday</b>															
<b>1st</b>	Facilities Committee		Operations Cmte															
<b>2nd</b>	Member Service Cmte		Administration Cmte															
<b>3rd</b>	CRV Panel		Board Exec Session															
<b>4th</b>	BOD Monthly Meeting																	
AND...Work Studies...& Added Executive Sessions...& Mutual Reports...& Community Events																		

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# GRF Director's Handbook



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In the First Week



GRF Director's Handbook

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~~Resigning as a Director from the GRF Board~~

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**GRF Director's Handbook**



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## What To Expect

### A. What Does a GRF Board Director Do?

1. You fulfill a legally required role in the management of the community, largely conducted under the provisions of the California legislature's Davis-Stirling Act.
2. You will serve with 17 other Directors to establish policies governing the GRF Executive Director's administration of the community's shared Trust Property and facilities, as well as the non-profit master association that serves as the management company for the 16 Mutual Corporations that own Leisure World Seal Beach's housing stock.
3. Each month, you will be reading hundreds of pages of documents and supplementary materials, performing additional research on upcoming Board issues, and attending hours of meetings of the Board and its committees before voting to determine official Board actions.

### B. What are the Expectations of GRF Directors?

You are expected to:

1. Conduct your duties observing the California Civil Code statutes, and the rules and codes of behavior established by the GRF Board of Directors.
2. Serve as a volunteer in an unpaid position, representing not your own interests or the interests of your Mutual's residents, but the interests and welfare of the entire community.
3. Devote the time and be willing to learn about a wide variety of familiar and unfamiliar topics.
4. Possess the ability and desire to work as a team.
5. Recognize a duty to research/study and vote on all items that come to the Board for action or response.
6. Attend an overwhelming proportion of GRF Board Meetings, and Committee meetings and related meetings to which you are assigned.
7. Fulfill all rules governing GRF Members, and additionally comply with rules defining and limiting the Directors of the GRF Board. You understand you will be subject to censure or other discipline for violations.
8. Comply with the Board's rules on confidentiality, and display loyalty in supporting the Board's official decisions.

**Why Serve on The GRF Board?**

**"MAKING A DIFFERENCE" BY JIM GREER**

## GRF Director's Handbook



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2 ~~*It has been said that “without a sense of caring, there can be no sense of*~~  
3 ~~*community.” This means that your care for this community must overcome the*~~  
4 ~~*negativity that may be thrust upon you. Instead, my challenge to each of you is*~~  
5 ~~*to set aside your intentions to “prove them wrong” and as a member of the GRF*~~  
6 ~~*Board follow five simple suggestions:*~~

7 ~~*If you have a personal agenda, write it down. Give everyone a copy and see if it’s*~~  
8 ~~*worth following.*~~

9 ~~*If you always have an axe to grind, despite all your complaining, you’ll never be the*~~  
10 ~~*sharpest tool in the shed.*~~

11 ~~*If you have a pet peeve, decide either to give it a home, or let it go.*~~

12  
13 ~~*If you have a score to settle, stop keeping score, and settle.*~~

14  
15 ~~*And, if you have a hunger for power, go on a fast, swallow your pride, and hunger*~~  
16 ~~*no more.*~~

17 ~~*There are so many wonderful examples of people with a caring heart that made a*~~  
18 ~~*difference in the world by serving. Martin Luther King, Jr., Nelson Mandela,*~~  
19 ~~*Mahatma Gandhi and Mother Teresa. Each of these leaders made a global*~~  
20 ~~*impact not by seeking fame, but by serving others on a personal level. Another*~~  
21 ~~*of these great servants was theologian, organist, philosopher, and physician,*~~  
22 ~~*Dr. Albert Schweitzer, who said—*~~

23 ~~*“I don’t know what your destiny will be, but one thing I do know: the only ones*~~  
24 ~~*among you who will be really happy are those who have sought and found how*~~  
25 ~~*to serve.”*~~

26 ~~*Yes, it is possible to be really happy! Not because you are on the Board. But*~~  
27 ~~*because you have decided to serve the people of this wonderful community.*~~  
28 ~~*Thank you for volunteering to serve on the GRF Board!*~~



## GRF Director's Quick-Start Guide

### Your First Day: Second Tuesday of June

You'll learn that you've won a position on the GRF Board at a vote-counting meeting in early June. Approximately a week later, on the second Tuesday, the Golden Rain Foundation has its Annual Meeting. That's when you'll be formally seated on the Board and when you take your first vote, to elect all the Board's officers for the coming term.

### Your In the First Week

1. Schedule your attendance at the Annual Meeting and Organizational Meeting: On being elected, you'll be informed immediately concerning the dates of the Board's Annual and Organizational Meetings, as well as the date for new member training. At the Annual Meeting you'll be formally installed on the Board and take your first vote, for the Board's officers.

2. Attend a Board training session for new Board members.

3. ~~Make appointments with: meet with Executive Coordinator (Assistant to the GRF President). This will take less than one (1) hour.~~

3.1. Executive Coordinator (Assistant to the GRF President).

~~2.1.1.~~ 3.1.1. Receive Pick up keys for your assigned mailbox in the GRF mailroom, which is located in the 1st Floor Administration building reception area. This is where your agendas and other mail to the Board of Directors (BOD) will be found. This box needs to be checked frequently during the week. You will be asked if you want your agendas sent to you by email only.

3.1.2. ~~Order business cards.~~

~~Order Board Name Badge.~~

~~Make an appointment with~~ 3.2. ~~h an~~ ITS Systems Analyst: (Appointment will take less than 1 hour).

3.2.1. Receive your GRF Board iPad or laptop and your Board email address.

3.2.2.

Have links installed for GRF ~~calendar and email.~~ (these should be checked ~~d~~ Learn how to ~~aily~~)

## GRF Director's Handbook



Get information on installing these links on your home computer if you choose.

Receive your new board email address; and

Request a list of your Mutual shareholders, if desired.

3.3. Make an appointment with the LW Weekly staff, who will to take get your official GRF Board photograph taken. It will be used on the web site and when needed, used in publications. by the newspaper.

## Your First Month

1. You will participate in training attended by the full Board of Directors.  
2. The President will assign an incumbent Board member to mentor you as you accustom yourself to Board service; The following information will be provided within the first few weeks of the new Board term.

3. Directories of your fellow GRF Directors and a list of all committee chairs and members will be posted on the website. These items may also be available on the Website, www.lwsb.com.;

4. You will receive a confidential directory of fellow directors' personal contact information.

4. A list of all GRF Directors.  
A list of committee chairs and members, and

5. You will receive a perpetual calendar listing committee and Board meeting dates and times.

## Your First Committee Meetings

1. Each term's initial committee meetings are scheduled during the first two weeks of July. They are held in Conference Room A on the Administration Building's second floor. Each meeting starts at 10 a.m.

2. Several days prior to your assigned committees' meeting dates, you'll be emailed a copy of the committee's agenda and supporting materials. You may request the Executive Coordinator to issue you a printed version.

3. You must be prepared to vote on issues relevant to your committee's work at this first meeting. A committee agenda packet may contain scores of pages, so schedule time for review and any additional research before your meeting.

## Your First Regular Board Meeting

1. Your first regular board meeting is the fourth Tuesday of July in Clubhouse 4 at 10 a.m.



GRF Director’s Handbook



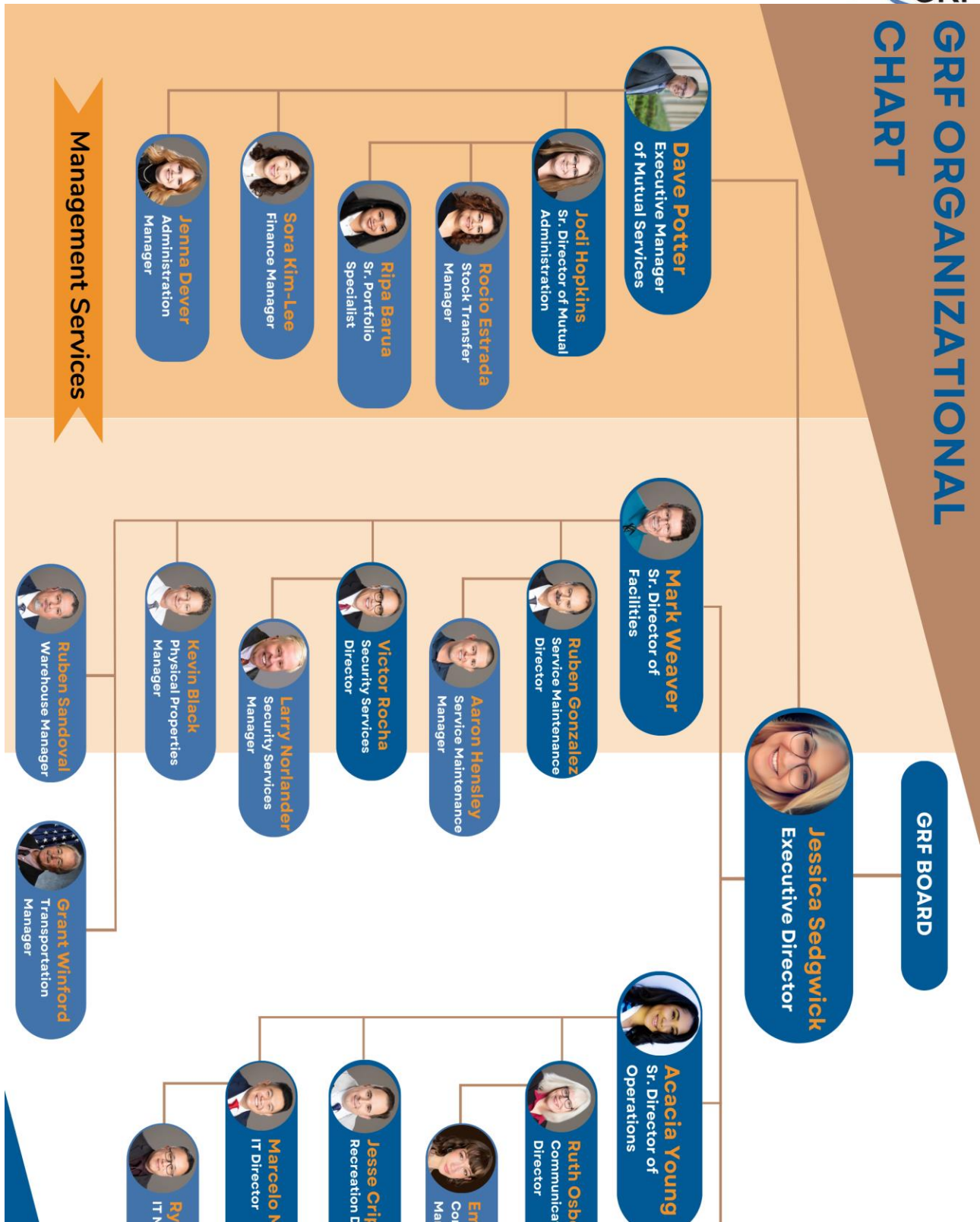
- 1           2. This meeting will require you to review and vote upon issues that have been
- 2           included on the agendas emerging from the four standing committees.
- 3           3. Approximately four days prior to the meeting, you’ll be emailed the board
- 4           meeting’s agenda and supporting materials. They typically stretch to over 100
- 5           pages and can top out at 300 pages or more, but demand your review and study
- 6           prior to your vote.

**Your First Executive Meeting**

- 8
- 9           1. The first executive meeting of the entire board usually takes place on the fourth
- 10           Thursday of July.
- 11           2. This meeting is closed to the public. Directors consider issues that state law
- 12           allows to be discussed in private. You will be able to review the agenda packet
- 13           in Conference Room A about 30-60 minutes prior to the meeting, and only in
- 14           person. Zoom connections are rarely allowed during an executive session.
- 15           3. All information shared in the meeting must not be revealed to any other person.
- 16           This obligation extends through your term and even after. If you cannot attend,
- 17           only the President, at his or her discretion, can brief you.

18

# GRF ORGANIZATIONAL CHART



Management Services

GRF BOARD

Jessica Sedgwick  
Executive Director

Dave Potter  
Executive Manager of Mutual Services

Jodi Hopkins  
Sr. Director of Mutual Administration

Rocio Estrada  
Stock Transfer Manager

Ripa Barua  
Sr. Portfolio Specialist

Sora Kim-Lee  
Finance Manager

Jenna Dever  
Administration Manager

Mark Weaver  
Sr. Director of Facilities

Ruben Gonzalez  
Service Maintenance Director

Aaron Hensley  
Service Maintenance Manager

Victor Rocha  
Security Services Director

Larry Norlander  
Security Services Manager

Kevin Black  
Physical Properties Manager

Ruben Sandoval  
Warehouse Manager

Grant Winford  
Transportation Manager

Acacia Young  
Sr. Director of Operations

Ruth Osborn  
Communications Director

Erin  
Communications Manager

Jesse Critchfield  
Recreation Director

Marcello N. Marcello  
IT Director

Ryan  
IT Manager



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# ~~What You Should Know Before Running for GRF Board~~



## Leisure World Seal Beach's Structure

1. Leisure World Seal Beach is a non-profit, common-interest housing development established in 1962 that was an important model for later senior communities. At its opening as the first gated senior community, it was the world's largest housing development for seniors, and the United States' largest cooperative housing development.
2. In its founding documents, the Golden Rain Foundation (GRF) and independent Mutual corporations were granted responsibility for designated portions of the community.
3. The Mutual corporations and their boards of directors were given total authority over their respective residential units, roadways, and grounds.
4. The Golden Rain Foundation holds in trust and is given authority over property and facilities such as the gates, clubhouses, amenities, named streets and structures necessary for the service of all residents.

## GRF is an HOA and a Management Company

1. The Mutual corporations, through a management agreement, grant the GRF's management service arm the responsibility to hire employees and provide administrative, maintenance and financial services to the Mutual corporations.
2. The Mutual corporations' residents pay assessments to their respective Mutuels to maintain the Mutual's buildings and grounds, and reimburse GRF for non-labor costs such as prorated water fees and insurance premiums, and services not included in the management agreement.
3. All Leisure World residents' monthly GRF assessment fund the administration and maintenance of Trust property. It also funds community activities, and pays the salaries of all GRF workers.
4. The GRF Board of Directors hires and oversees an executive director, who in turn hires and supervises the management company's employees providing services to the Mutual corporations.
5. The salaries of GRF employees performing services for the Mutuels are predominantly funded by the GRF portion of the monthly assessment. The management agreement dictates that most of these services are given free of charge to the Mutual boards.
6. The executive director also executes the Board of Directors' directives concerning the administration of the Trust properties and manages the employees fulfilling those responsibilities.



## GRF and the Mutuals

1. There are 17 separate corporations responsible for running the community: the 16 mutual corporations and the Golden Rain Foundation, a non-profit common interest corporation.
2. All Leisure World's corporations are primarily funded by the assessments paid by their respective residents. The Mutuals' share of a resident's monthly assessment is about 57% of the total. GRF's share is about 43%.
3. Most Mutuals gather small percentages of their budgets from other sources, including investment income, laundry room profit sharing and fines.
4. GRF has developed additional sources of revenue. These total over \$6 million annually and include building lease income from outside vendors, construction permits, private rentals of clubhouse facilities, parking fees, publication advertising and document preparation. Every \$80,000 in GRF income lowers the resident's monthly amenity fee by \$1.
5. Over 40% of GRF's annual budget is devoted to paying the salaries of personnel directly serving the Mutuals, such as building inspectors and service maintenance workers, as well as personnel in Stock Transfer, and Mutual Administration and Finance Departments who help assure the Mutuals meet legal compliance standards.

### Separate means separate.

While the 17 corporate boards that collectively manage Leisure World often cooperate with other boards, none of the distinct corporations can compel another corporate board to take an action. An action taken by an individual mutual board has no effect on any neighboring mutual. For instance, a resident of one mutual who violates a rule in a different mutual can only be disciplined by the Mutual in which they reside.

Similarly, GRF cannot order the Mutual corporations to adhere to a recommendation or discipline a Member for a violation that occurs on a Mutual's property. Only if the violation occurs on Trust property or involves a GRF worker can GRF enforce its rules.

In turn, the Mutual corporations acting through their boards are clients of GRF, and have no jurisdiction in the administration of Trust property, or in GRF's decisions regarding the delivery of GRF services promised through the management agreement.

## GRF Director's Handbook

Director's Code of Ethics

GRF Directors are held to a higher standard than community members. Directors are the only individuals who can be cited and penalized by the Community Rules Violation Panel, and formally censured by the full Board of Directors.

Of course, Directors must be committed to following all the community's rules. However, they are also bound by the rules established in this Director's Handbook, and pledge to follow the most important of our rules, 13-5092-1, the Code of Ethics.

7. Directors pledge:

7.1. To perform reasonable inquiry and investigation in service of their fiduciary duty to fairly represent the entire community's interests.

7.2. To safeguard confidential information from any disclosure until that information has been officially released by the Board's designees.

7.3. To comply with the law, and GRF's governing documents, policies, and procedures.

7.4. To avoid any intentional act or omission that creates a threat to any individual, the Foundation, or the community.

7.5. To avoid creating a hostile or disruptive work environment for employees or other Directors through their words, behaviors or actions.

7.6. To disclose any personal conflicts of interest related to the business of the GRF, and recuse themselves from discussion and voting on any such issue.

7.7. To act in a civil and respectful manner in all their public interactions as a member of the Board.

7.8. To support in their public statements any official decision made by a majority of the Board.

~~A. Responsibilities and Limitations of a GRF Board Director~~

~~1. You are a volunteer in an unpaid position.~~

~~2. You will represent all of Leisure World and not just the Shareholders of your Mutual.~~

~~3. Supervision over GRF Employees~~

~~a. A GRF Board Member has "no control (authority) over... GRF Employees." All such authority rests exclusively with the Executive Director and his/her delegation of those duties through the organization's management hierarchy.~~

~~b. The GRF Board and individual Board Members have no role in assigning tasks or directing the activities of individual GRF employees.~~

## GRF Director's Handbook



1 ~~c. Aside from the GRF Board of Directors' oversight regarding the Executive~~  
2 ~~Director, neither the GRF Board and GRF Board Members can formally or~~  
3 ~~informally assess employee work performance. Any such judgment by a Board~~  
4 ~~Director that an employee action imperils the Foundation's adherence to lawful~~  
5 ~~practice or efficient operations must be shared, individually and in confidence,~~  
6 ~~with the GRF Director of Human Resources.~~

7 ~~d. Only GRF Committee Chairs, or anyone commissioned with authority by the GRF~~  
8 ~~Board of Directors, can direct questions concerning a subject relevant to their~~  
9 ~~responsibilities or tasks at hand to the proper department supervisor, who will then~~  
10 ~~manage the department's response. Committee Chairs desiring more extensive~~  
11 ~~commitment of staff time must request that the Executive Director authorize such~~  
12 ~~an engagement.~~

13 ~~4. Board Members' Interaction with GRF Employees~~

14 ~~a. Direct communication between GRF Board Directors and employees endangers~~  
15 ~~employee privacy and can lead to litigation. Board Directors should not solicit or~~  
16 ~~share opinions from staff members outside a Board Member's explicit~~  
17 ~~responsibilities, except via information transmitted through formal reporting~~  
18 ~~channels.~~

19 ~~b. Any observation concerning a GRF employee that a GRF Board Member believes~~  
20 ~~should be acted upon may only be shared, individually and in confidence, with the~~  
21 ~~GRF Director of Human Resources or the Executive Director.~~

22 ~~c. Negative comments at any meeting must not include the names of fellow Directors,~~  
23 ~~staff members or audience members.~~

24 ~~—~~

26 ~~—~~

28 ~~d. A GRF Board Member cannot engage in interactions with any GRF Employee that~~  
29 ~~could be construed as violating provisions concerning employee rights to a non-~~  
30 ~~hostile, respectful workplace.~~

31 ~~e. The GRF Board will support an investigation by appropriate staff of alleged~~  
32 ~~violations of Rule 13-5093-1 and other formally adopted rules within GRF's~~  
33 ~~governing documents that impact the right of every GRF employee to a non-hostile~~  
34 ~~workplace. Further, the GRF Board will use procedures outlined in 13-5093-3 to~~  
35 ~~enforce compliance with those policies of GRF Members, and Directors of the GRF~~  
36 ~~Board and the various Mutual boards.~~

37





## 5. Board Members' Communication with Other GRF Directors Board Members

- a. ~~California open meetings provisions require limitations on communication among Members of the Board of Directors, particularly when a social event, conversation or~~ Any form of personal, electronic or written communication, or even social interaction ~~that~~ distributes information to Directors representing a Board quorum of the Board is contrary to California's open-meetings provisions.
- b. ~~Directors~~ Board Members collectively representing a Board quorum ~~of the Board~~ cannot "discuss or deliberate upon any item of business...~~that is~~ within the authority of the Board" outside ~~of~~ a properly noticed meeting. ~~Thus, even informal discussions of Board issues at a social gathering~~ or email thread addressed ~~tended to more than 8~~ by other ~~Directors~~ Board Members should be avoided.
- c. Information transmitted electronically by an individual Board Member to all other Board Members is permitted. However, further comments or conclusions by individual board members to a quorum of Board Members may constitute an unauthorized board meeting. In consequence, do not "reply all" to any document directed to a group of more than eight other board members.
- d. If you are communicating about GRF issues, you are urged to use your GRF-supplied email address for all messages to other GRF Directors, staff, GRF Members and all other parties.

## d. Board Members' Communication with Community Members

- a. The GRF President is the Foundation's official spokesperson. If you wish to write an article for the newspaper or are invited to present a speech within the community, first consult with the GRF President. ~~Board Members' Duty of Loyalty~~
- a.
- b. GRF Directors should refrain from interaction with GRF Members on social media platforms. ~~Your fiduciary duties as a GRF Board Member also includes the duty of loyalty, delineated in the GRF Board Code of Ethics, 13-5093-1.~~
- b.
- e. Your duty of loyalty prohibits you from publicly criticizing a decision voted upon by a majority of the Directors. After a decision is approved by a majority of the Board, no Board Member may openly express disagreement with the Board's decision and may not act against the implementation of the Board's action.
- f. ~~All information presented to Board Members during an executive session is confidential, and may not be revealed to any person, either during the Board Member's term or at any time after the Board Member's term ends.~~
- g. ~~All GRF Board Members must comport themselves during meetings and communication with fellow Board Members, staff and GRF Members in a courteous, respectful manner.~~



## GRF Director's Handbook



1 —  
2 c.

### 3 Board Members' Communication with GRF Employees

4 a. Communication from GRF Board Directors concerning organizational concerns  
5 should be directed to the Executive Director or the GRF President. Make an  
6 appointment if you wish to talk to the President or Executive Director in person.

7 a. Research or information requests from GRF Directors to staff must be relayed  
8 through the Chair of the committee overseeing the area. If the chair needs  
9 assistance responding to the request, they will submit the request to a staff  
10 director.

11 b. GRF Director interaction with staff endangers employee privacy and can lead to  
12 litigation. Board Directors should not solicit or share opinions from staff members  
13 outside a Board Member's explicit responsibilities, except through information  
14 transmitted via formal reporting channels.

15  
16 c. Any observation concerning a GRF employee that a GRF Board Director believes  
17 should be acted upon may only be shared, individually and in confidence, with the  
18 Director of Human Resources or the Executive Director.

19 d. Negative comments at any meeting must not include the names of fellow  
20 Directors, staff members or audience members.

21 e. A GRF Board Director cannot engage in interactions with any GRF employee that  
22 could be construed as violating provisions concerning employee rights to a non-  
23 hostile, respectful workplace.

24 f. The GRF Board will support an investigation by appropriate staff of alleged  
25 violations of rules 13-5092-1, 13-5093-1 and other rules within GRF's governing  
26 documents that impact the right of every GRF employee to a non-hostile  
27 workplace. Further, the GRF Board will use procedures outlined in 13-5092-3,  
28 13-5093-3 or 13-1937-3 to enforce compliance with those provisions by GRF  
29 Members, and Directors of the GRF Board and the various Mutual boards.

### 31 ~~6.~~ **Executive Director's Defined Areas of Authority**

32 a.g. The Executive Director's "duty and responsibility" is to "provide day-to-day  
33 leadership and management of all departments in the Foundation."

34 b.h. The Executive Director has the authority to establish, maintain and enforce  
35 administrative procedures and employee supervision to fulfill the Rules and  
36 instructions duly ~~passed~~ approved by the Board of Directors acting within its role.

GRF Director’s Handbook



- 1            ~~g.i.~~ The Board has granted the Executive Director with authority to enter into  
2            contracts and execute work orders for amounts of \$10,000 and under, with the  
3            provision that any such authorization cannot exceed the amount designated for  
4            such purposes in the annual operating budget.
- 5            ~~h.i.~~ The Executive Director has the authority to hire, dismiss, promote, demote or  
6            discipline any GRF employee within the stipulations of federal, state or local law,  
7            and with the consultation of the Foundation’s human resources director and/or  
8            employment attorney.
- 9            ~~k.~~ Statements or actions that ~~contravene~~ inge the above responsibilities and  
10           limitations, or of any codified GRF rule, may subject a Board Director to sanctions  
11           under procedures outlined in Rule 13-1937-3, Community Rules Violation Panel;  
12           Rule 13-~~5093-5022~~-3, Community Rules Violation Code of Conduct Violations  
13           Enforcement Panel; or Rule 13-5092-3, GRF Censure Procedure.

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## How a Motion Makes It to the Board's Agenda

### Committee Action

Most motions are initiated by one of the committee chairs or a committee member requesting action. Staff research the issue, and present their assessment to the committee chair, who then decides how the committee will undertake the issue.

A spending motion may be written by a senior staff member, and submitted along with specifications to a committee's future meeting. A motion proposing a new or amended governing document motion is more complex. The chair may assign the initial write-up to a single committee member or members of the committee may review the document in a work study session outside the committee's formal meeting.

The preliminary document is then formally submitted to the full committee, who review and further amend the language in an open meeting before voting whether to recommend the motion to the full Board. If the committee approves the recommendation motion, it is then prepared to be sent to the full Board.

### The Action Request

Each motion emerging from a committee is accompanied by an Action Request, usually written by the committee's senior staff member or chair. The Action Request is a one- or two-page summary explaining the reason for the motion, the expense or income resulting from the action, the source of any funds necessary to undertake the project, and the formal wording of the motion. The Action Request should not promote the motion's passage, merely present the history leading to its creation and predicted consequences from its adoption.

The Action Request and all supporting materials are submitted to the President's executive coordinator. If an Action Request has not been included in those materials, the President's office will prepare one. The President's office will standardize all Action Requests so they are complete and fairly reflect the motion's purpose.

### Board Action

All motions are placed into the monthly board agenda packet, typically in one of four categories: 1) Reserve Funding; 2) Capital Funding; 3) Operational Funding or 4) Governing Documents. Approximately four days before the monthly meeting, the agenda packet is emailed to Directors and the agenda posted on line for the resident's information.

The full board discusses and can amend the motion before bringing it to a vote. A majority vote of the Directors present at the meeting is necessary to accept the motion\*. If passed, GRF staff are responsible for acting to implement the Board's instructions.

e- \*See Corporate Code 7211(a)(8)

## GRF Director's Handbook

**B. Golden Rain Foundation (GRF)**

1. Is a non-profit master association that serves as a management company for the 16 Mutual Corporations.
2. Administers the shared Trust property and the facilities owned by these independent Mutual Corporations.
3. Has a Board of Directors (BOD) and a full-time Executive Director who oversee the departments serving the community: Administration, Communications, Community Facilities, Finance, Human Resources, Information Technology Services, Internal Operations, Mutual Administration, Recreation, and Community Services.

**C. The GRF Board**

1. The GRF Board operates through committees that report to the full BOD monthly, or as directed.
2. These are the standing committees:
  - a. The Administration Committee comprises the Board's officers and the Chairs of the Facilities, Member Services and Operations committees (See 10-1000-3)
  - b. Facilities Committee (See 20-1000-3)
  - c. Member Services Committee (See 30-1000-3)
  - d. Operations Committee (See 40-0000-3)
3. Ad Hoc Committees are formed for special projects (See 13-5024-1)

**D. How To Become a GRF Director**

1. Are You Eligible?
  - a. You are a GRF Member in good standing in the Mutual you wish to represent on the GRF Board of Directors.
  - b. You have been a GRF Member for at least one year.
  - c. You have not been convicted of a crime that would prevent GRF from purchasing fidelity bond coverage or would terminate GRF's existing coverage.
2. You are elected by GRF Members from within your Mutual.

**E. Application Process**

1. All potential Board Members must complete the application packet.
2. Application package includes the following and is available at the Stock Transfer Office:
  - a. Code of Ethics and Conduct.
  - b. GRF Board of Directors Application for Candidacy.



## GRF Director's Handbook

- ~~c. Board Eligibility Disclaimer.~~
- ~~d. GRF Candidate Instructions/Timeline.~~
- ~~e. GRF Election Schedule.~~
- ~~f. GRF and Mutual Election Calendar.~~
- ~~g. Policy 13-5025-3 GRF Election Procedures.~~
- ~~h. GRF Director's Handbook.~~
- ~~i. Sample Ballots.~~
- ~~3. Submitted application package must include the following:~~
  - ~~a. Complete application.~~
  - ~~b. A statement of qualifications and experience, including your platform, totaling no more than 300 words.~~
  - ~~c. Copy of GRF Member ID card.~~
  - ~~d. A signed acknowledgement of the documents received by the applicant.~~
- ~~4. The complete package must be submitted to the Stock Transfer Office prior to close of the application period to ensure any questions of eligibility can be resolved.~~

### ~~F. Campaign Restrictions~~

- ~~1. Candidates are entitled to purchase labels for the addresses in their Mutual at a FLAT RATE OF \$10 PER REQUEST, PLUS \$0.25 PER SHEET. This is to be paid at the time the labels are ordered. Labels can be ordered by completing an "Access to Documents" form in the Accounting Department. This list will not contain all addresses as some Shareholders have opted out of receiving campaign correspondence.~~
- ~~2. You MAY NOT use a Mutual e-mail contact list to send campaign-related correspondence. If you violate this Campaign Rule, you will be liable for reimbursing GRF for the cost of the election and you may be removed as a candidate.~~

### ~~G. GRF Will Provide These Resources to Help You Succeed~~

- ~~1. Training will be provided throughout your term on the Board.~~
- ~~2. A mentor will be assigned by the GRF Board President to guide you through the first few months of service.~~
- ~~3. GRF will provide each director with an iPad or laptop. GRF business operations rely on email communication and the ability to attend meetings virtually.~~

### ~~H. Expectations of GRF Board Members~~

GRF Director’s Handbook



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- ~~1. Time off and vacations are expected but extended absences from our community should not occur: e.g., three-month vacation.~~
- ~~2. Have a willingness to learn and ability to work as a team.~~
- ~~3. Your duty is to research/study and vote on all items that come to the Board for action or response.~~
- ~~4. Attend all GRF Board Meetings, and all Committee meetings and related meetings to which you are assigned.~~

## ~~Welcome to the Golden Rain Foundation~~

### ~~B. Confidentiality~~

- ~~1. Your Obligation of confidentiality continues after you are no longer a director.~~

### ~~C. Other Important Information~~

- ~~1. If you want to talk to the GRF President or Executive Director, please call the Executive Coordinator and make an appointment. Anything you discuss with the Executive Director will be shared with the President.~~
- ~~2. You are encouraged to attend community-sponsored events.~~

GRF Director's Handbook



1 ~~3. You may get paper and ink cartridges for your printer, if needed, while doing GRF~~  
2 ~~work. See the Executive Coordinator.~~

3

4 ~~In the First Week~~





## Committee Protocol

### Can You Engage in Debate on Other Committees' Agendas?

If you're not a member of a committee, you may attend the meeting. However, court interpretations of Davis-Stirling rules state that directors who are not members of a committee are not allowed to speak during the meeting's member-comment section nor during the committee's deliberation on its agenda items. If the committee takes a recess, you should not converse with the committee's members during the break.

### Want to Add an Agenda Item?

The committee chair determines the meeting's agenda, and must notify GRF Members of all items to be discussed a minimum of four days prior to the meeting. If you want the committee to discuss a topic within that committee's oversight, contact the chair at least one week prior to the scheduled meeting. The chair will evaluate your request.

### Need More Info on an Agenda Item?

Only the chair can request research from the committee's senior staff member assigned to attend that committee's meetings. If you believe the committee needs a particular report to conduct its oversight role, direct your requests to the committee chair, who will balance the committee's needs with the staff time expended to fulfill the request.

## ~~D. —~~

~~1. — Meet with Executive Coordinator (Assistant to the GRF President). This will take less than one (1) hour.~~

~~a. — Pick up keys for your assigned mailbox in the GRF mailroom, which is located in the 1st Floor Administration building reception area. This is where your agendas and other mail~~



## GRF Director's Handbook



- 1 ~~to the Board of Directors (BOD) will be found. This box needs to be checked frequently~~  
2 ~~during the week. You will be asked if you want your agendas sent to you by email only.~~  
3 ~~b.a. Order business cards.~~  
4 ~~c.a. Order Board Name Badge.~~  
5 ~~2.1. Make an appointment with an ITS Systems Analyst: (Appointment will take less than~~  
6 ~~1 hour).~~  
7 ~~a. Receive your GRF Board iPad or laptop,~~  
8 ~~b.a. Have links installed for GRF calendar and email (these should be checked daily)~~  
9 ~~c.a. Get information on installing these links on your home computer if you choose.~~  
10 ~~d.a. Receive your new board email address; and~~  
11 ~~e.a. Request a list of your Mutual shareholders, if desired.~~  
12 ~~3.1. Make an appointment with the LW Weekly staff to get your GRF Board photograph~~  
13 ~~taken. It will be on the web site and when needed, used by the newspaper.~~  
14 ~~4.1. The following information will be provided within the first few weeks of the new Board~~  
15 ~~term. These items may also be available on the Website, www.lwcb.com:~~  
16 ~~a. A list of all GRF Directors,~~  
17 ~~b.a. A list of committee chairs and members, and~~  
18 ~~a.~~   
19 ~~c.a. A perpetual calendar listing committee and Board meeting dates and times.~~

20

## GRF Director's Handbook



## ~~E.~~ Monthly OpenPublic Board Meetings

~~1. GRF monthly Board meeting is the 4th Tuesday of each month~~

~~a. Time will at 10:00 a.m. although from time to time an evening meeting is scheduled.~~

~~b. Location: Clubhouse 4.~~

~~c. Periodically a Special Board meeting will be scheduled.~~

### ~~2.~~ 1. Agendas

a. You will be emailed each month's agenda about four days prior to the meeting.

Bring your tablet computer to each meeting so you can follow the agenda.

b. Agendas generally contain 70-150 pages but can extend to more than 200 pages.

Set aside time before the meeting to study the agenda. You have the legal duty to read and be familiar with all supporting documents before you vote.

c. If after reading the motion's action request and the supporting materials, you have questions about the issues, you should seek answers from the Executive Director, President or relevant chair BEFORE the meeting. Bring your iPad or laptop to each Board Meeting so you can access the agenda.

~~a.~~

~~b. Your duty, legally, is to read and be familiar with all supporting documents before you vote.~~

~~c. Check your agenda to see if you will be reading a motion.~~

~~d. If you do not wish to read the motion, please call ahead to the GRF President, and request not to read it. This gives time for another Director to be appointed to read the motion.~~

~~e. Be alert to the discussion and proceedings.~~

### ~~3.~~ 2. Attendance

a. Avoid establishing personal appointments on the meeting day. Occasionally, the meetings continue until well into the afternoon.

b. ~~A~~ Please attend and be on rive on time to each Board Meeting to avoid disrupting the proceedings. When you arrive after the roll call, the meeting must stop. The Corporate Secretary must inform the President and record that you have arrived. If you must leave the meeting early, please notify the President, Corporate Secretary, Executive Coordinator or Executive Director before the meeting.

\_\_\_\_\_ If an emergency arises at the Board meeting requiring you to leave, please send a note to the Corporate Secretary.

\_\_\_\_\_ If you will be absent, please call or send an email to the Board Officers or staff members above informing them.

~~a.~~

~~b. A quorum is the minimum number of Directors who must be present to allow the Board to make decisions. It is ½ of the full Board plus one. Normally this is 10 (18 ÷ 2 + 1).~~

## GRF Director's Handbook



~~If the members comprising the quorum has changed, the President must be informed so it can be included in the record.~~

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~~3. The Dais If you must leave the meeting early, please notify the President, Corporate Secretary, Executive Coordinator or Executive Director before the meeting.~~

~~a. Directors sit in alphabetical order on the Clubhouse 4 stage. Your spot is identified by a name plate facing the audience. Officers sit in the middle of the semi-circle.~~

~~b. See the photos on page 15 to familiarize yourself with the dais voting station.~~

~~c. 1.~~

~~d. If an emergency arises at the Board meeting requiring you to leave, please send a note to the Corporate Secretary.~~

~~e. If you will be absent, please call or send an email to the Board Officers or staff members above informing them.~~

#### Speaking at the Board Meetings

### 5. Speaking at the Board Meeting

a. The President's rules or order may limit your speaking time and/or the number of times you may speak on a motion.

b. A director who has not spoken will be given priority over Directors who have already commented on a motion. You are not allowed to sidestep this by ~~Do not~~ announcing "I have three questions" or pose follow-up questions to extend your speaking time.

c. Your comments should be clear and concise and must inform the Board's decision regarding the motion. If your comments are not germane, the chair may ask you to speak to the topic or end your remarks. ~~The yellow button turns on the microphone (labeled "mic").~~

~~f. Turn off your lights after speaking or after the voting result is announced.~~

d. Negative comments must ~~never~~ include the names of fellow Directors, staff members or audience members.

~~5.1.~~

~~g. Your speaking time may be limited at the GRF Board meetings. This is at the discretion of GRF President. It will be announced.~~

#### 4. Board Meeting Motions

~~a. You may comment on a motion at the GRF Board Meeting by turning on the yellow "mic" button. Wait to speak until the President calls your name.~~

~~b. Discussion must be solely concerned with whether the immediately pending motion should be approved.~~

~~c. Speak clearly and concisely.~~

~~d. If you would like to speak again, turn on your light and wait. Those who have not yet spoken, speak first. After everyone speaking for the first~~

GRF Director’s Handbook



~~time has finished, the second round of speakers will begin. You are only to add new information that has not already been shared with the directors.~~

~~5. Voting~~

5. Voting

~~a.~~ a. After discussion on the motion ends, the chair will call for a vote. Green light is a “yes” vote.

~~1.1. Red light is a “no” vote.~~

~~White light is an Abstention.~~

b. Recusal indicates you perceive a conflict of interest that does not allow you to vote on the issue. Abstention means you have chosen not to vote.

c. Consistently abstaining or recusing is considered a failure to represent one’s constituents. Both can function as a “no” because fewer votes are cast while the majority needed to pass the motion remains the same.\*

\*see Robert’s Rules (12<sup>th</sup> ed.) 44:1



GRF Director’s Handbook

1 Monthly Board Meeting in Clubhouse 4: The Dais Voting System

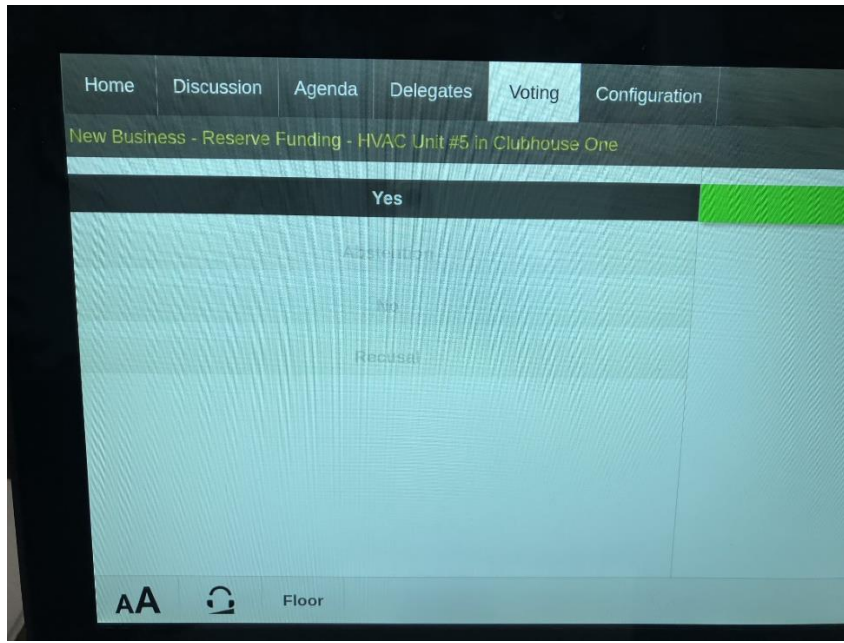
2 Here’s the home screen. You push the bottom button if you wish to speak during deliberations.



3

4 When the vote is called, push the “Voting” line in the top menu. Your options are “Yes,” “Abstention,” “No,”  
5 or “Recusal.” The presumption is that you’ll voice your Mutual’s interests by voting “Yes” or “No.” An  
6 abstention vote indicates you perceive you don’t have enough information to vote intelligently. A recusal  
7 vote signals you have a conflict of interest that prevents you from voting, or even taking part in the board’s  
8 deliberations. Your decision will be shared with all Members attending the meeting.

## GRF Director's Handbook



1

b. 2

3 c. Do not vote "yes" or "no" if you are unprepared.

4 d. If in doubt about what you are voting on, check your agenda or ask for clarification, if needed.

5 e. If something comes to a vote that affects your Mutual only, you may/will have to recuse yourself  
6 from the vote. (Recusal is for a conflict of interest). If you need to recuse yourself from a vote, please inform  
7 the Chair before the vote is taken.

8 f. If you plan to recuse yourself, you should not participate in the board's deliberations for that topic.

9

10 **F. Executive Session of the Full Board**11 1. Issues such as member discipline, personnel, litigation, and contract formation  
12 are considered in the executive session. These sessions are confidential and disclosure of  
13 any of this information is grounds for Director censure. (See 13-5092-1, Section 2.1.).14 2. Every Director is expected to attend each Executive Session of the full BOD.15 3. The supporting confidential documents are distributed to Directors before  
16 the session begins. Read the documents prior to the start of the meeting.17 4. All paperwork is collected and destroyed after the meeting. Removal of any  
18 of these documents without permission may result in disciplinary action.19 5. Removing any of these documents without permission may result in  
20 disciplinary action. Your duty to maintain confidentiality continues even after you are no  
21 longer a director. Confidentiality remains in effect until the President or Executive Director  
22 publicly communicates the information to the community. ~~even after you are no longer a~~  
23 ~~director.~~

## GRF Director's Handbook



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## **G. Committees**

~~1. — The GRF operates through committees.~~

~~2. — There are four (4) standing committees. Each committee has a Chair who is responsible for conducting the meeting.~~

~~3. — Each committee has a Charter and policies related to its activities that can be provided to you. It is also on the Website ([www.lwsb.com](http://www.lwsb.com)).~~

The President appoints the chairs of all standing committees and assigns will assign you to one or more of the standing committees. The full Board ratifies the list of Directors for each committee. ~~all committees, the appointed Chairs and committee members are ratified by the full Board. Each standing committee dissolves at the end of the Board term.~~

The Administration Committee holds an Executive Session after its scheduled meeting to study issues requiring privacy before their recommendations are sent to the Board for final action. Unless invited by the Administration chair, only Administration Committee members may attend these sessions.

~~4. — All recommendations made by the committee are forwarded to the full Board for consideration.~~

~~5. — If you are going to miss the meeting of any committee to which you are assigned, please inform the Chair.~~

~~6. — Each standing committee dissolves at the end of the Board term.~~

~~7. — The Administration Committee holds an Executive Session after the scheduled meeting to review personnel issues. Non-committee members may not attend these Executive sessions unless invited by the Committee Chair.~~

~~8. — Subcommittees.~~

~~a. — The Chair of any standing committee may create subcommittees comprising selected members of the committee to address specific issues.~~

~~i. Members/Owner Specialists may be appointed by the committee chair (See 13-5024-1).~~

~~ii. No action may be taken, but consensus may be reached in these sessions.~~

### **9. Work Studies**

a. — A work study is a Less formal meetings comprising some part of a committee's members to discuss or research relevant topics that may be too time-consuming to cover in the scheduled meetings. It is closed to Directors who are not members of the committee.

No action may be taken, but consensus may be reached in these sessions.

## **Community Rules Violation Panel (CRV)**



## GRF Director's Handbook



1 The CRV is a panel of five GRF Directors who review Members' cited violations of  
 2 GRF rules and Member's appeals of parking and vehicle citations and minor rule violations.  
 3 If a Member contests the panel's ruling, final appeals are reviewed by the full GRF Board

4 ~~b. \_\_\_\_\_~~  
 5 ~~10. \_\_\_\_\_~~ **Health Care Center Advisory Board (HCC)**

6 ~~11. Comprised of the GRF President, Treasurer, and one appointed GRF Director,~~  
 7 ~~it oversees all matters related to GRF's lease of the Health Care Center Ad Hoc~~  
 8 **Committees**

9 ~~a. \_\_\_\_\_~~ Created by the President with the consent of the full Board to address specific  
 10 issues (See 13-5024-1).

11 \_\_\_\_\_ a defined charge. It must meet that charge and is not authorized to change  
 12 or extend its responsibilities without the Board's approval. ~~Monthly reports are made~~  
 13 ~~directly to the Board.~~

14 ~~b. \_\_\_\_\_~~ Exist until the task assigned is finished or the full Board decides the Ad hoc is  
 15 no longer necessary.

16 ~~Monthly reports are made directly to the Board.~~ Unless otherwise stated in its authorizing  
 17 motion, the ad hoc is required to present to the Board a formal report as outlined in  
 18 Robert's Rules of Order (11<sup>th</sup> ed.) pp. 511-529).

19  
 20  
 21 **Mutual Report**

22 You can choose to accept an invitation letter from your Mutual to present a short oral  
 23 report during its meetings. A GRF Director is not required to attend the meeting, nor stay  
 24 through the entire meeting. State law prohibits any Board discussing topics not on their  
 25 agenda. Hence, any interaction with Mutual board members beyond your report should  
 26 pertain to services provided to the Mutuals through the Management Agreement.  
 27

28  
 29  
 30  
 31 ~~12. \_\_\_\_\_~~ **Plan Investment Committee**

32 ~~a. \_\_\_\_\_~~ Comprised of the GRF President, Vice President, and Treasurer, it consults with the GRF Executive  
 33 ~~Director, Director of Finance, and Human Resources concerning investment options for the GRF's employee~~  
 34 ~~retirement plans.~~

35  
 36 **H. \_\_\_\_\_ Mutual Report**

37 ~~1. \_\_\_\_\_~~ A GRF Director may be asked to present a short oral report during the monthly or  
 38 ~~annual board meetings of the Mutual they represent. After presenting the GRF report, GRF~~



GRF Director’s Handbook



1 ~~Directors may be excused from the meeting by the Mutual President or may leave the~~  
2 ~~meeting at their own volition.~~

3  
4 **~~I. How Motions Work~~**

- 5 ~~1. Most motions begin in a committee.~~
- 6 ~~2. If the motion requires the action of another committee or a department, that~~  
7 ~~information is included in the motion.~~
- 8 ~~3. After Committee approval, the motion goes to the full Board for approval,~~  
9 ~~modification, or denial.~~
- 10 ~~4. Every motion requires a second.~~

11  
12 **~~J. Elections~~**

- 13 ~~1. A Board meeting is called when ballots for GRF elections are to be counted.~~
- 14 ~~2. A quorum must be present to count ballots. All directors are expected to attend.~~

15  
16 **~~K. Annual Meeting of Full GRF Board~~**

- 17 ~~1. Committee Chairs submit a written report prior to the annual meeting and may~~  
18 ~~choose to present an oral summation at the meeting.~~
- 19 ~~2. New Board Members are seated.~~

20  
21 **~~L. Organizational Meeting~~**

- 22 ~~1. New officers are elected.~~

23  
24 **~~M. Community Rules Violation Panel (CRV)~~**

- 25 ~~1. A panel of three GRF Directors that receives initial appeals to violations of GRF~~  
26 ~~rules from Members.~~
- 27 ~~2. The panel will hear contested parking citations and Code of Conduct violations.~~
- 28 ~~3. Final appeals will be reviewed by the full GRF Board of Directors.~~

29  
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32 **~~N. Town Hall Meetings~~**

- 33 ~~1. These are GRF meetings to discuss important issues related to our community.~~  
34 ~~These meetings are often at night so working members of our community may~~  
35 ~~attend. It is expected all GRF Directors will attend.~~

36  
37 **~~O. Board Trainings~~**

GRF Director’s Handbook



1 ~~1. It is strongly recommended you attend all training opportunities. Some training sessions~~  
2 ~~are mandatory.~~

3 ~~2. GRF Board training is sometimes combined with the Mutual Board training.~~

4 ~~3. Off site Board workshops may be held for training, goal setting, long term planning, etc.~~

5

6 ~~P. Director Appreciation Dinner~~

7 ~~1. Thank you to the departing Directors for their service on the Board.~~

8 ~~2. Welcome to the new Directors.~~

9 ~~3. Attendance not required but strongly encouraged.~~

10

11 **~~Q. Resigning as a Director from the GRF Board~~**

12 ~~1. Formal Letter of Resignation must be in writing and include the following:~~

13 ~~a. Date written~~

14 ~~b. Date effective~~

15 ~~1.1.1.1. Include your signature~~

16 ~~1.1.1.1.2. This written resignation is non-revocable upon submission.~~

17

18 **~~R. Ending Your Directorship~~**

19 ~~1. Return mailbox key.~~

20 ~~2. Return iPad/Laptop to IT.~~

21 ~~a. Get a signed receipt.~~

22 ~~b. Depending on the age of the equipment, you may have the option~~  
23 ~~to purchase; check with the IT Director.~~

24 ~~3. Confidentiality – your obligation of confidentiality continues after you are no~~  
25 ~~longer a Director.~~

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28 ~~—~~

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32 **Document History**

33 ~~Adopted: 21 Mar 18 Amended: 26 Oct 21 Amended: 23 May 23~~



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~~Keywords: Handbook — Code of Conduct — GRF Board Member~~

~~You may get paper and ink cartridges for your printer, if needed, while doing GRF work. See the Executive Coordinator.~~

**Becoming an ex-GRF Board Director**

~~If you are leaving the Board before your term is scheduled to end, your signed resignation letter must include the following: date written and effective date of your resignation. This written resignation is non-revocable upon submission.~~

~~You must return your mailbox key to the Administrative Coordinator. Your iPad or laptop must be returned to the IT office.~~

**How GRF Attempts to Make Board Service Easier**

- ~~1. You'll generally not have meetings on Mondays, Wednesdays and Fridays.~~



GRF Director’s Handbook

- 1 2. You will likely be assigned to only one or two committees.
- 2 3. During your first months of service, you’ll be assigned a mentor by the GRF
- 3 President to advise you.
- 4 4. Training will be provided throughout your term on the Board.
- 5 5. You’ll receive periodic updates and guidance from the Foundation’s attorneys and
- 6 its professional staff.
- 7 6. GRF will provide you with an iPad or laptop.
- 8 7. The Administrative Coordinator can issue paper and toner for your printer.
- 9 8. For specific questions not answered in an agenda’s supporting materials, you can
- 10 contact the Executive Director, President or relevant committee chair before a
- 11 meeting.

**Resources**

- 13 1. Davis-Stirling Act: <https://www.davis-stirling.com/HOME/Statutes/Davis-Stirling-Act>
- 14 2. GRF Bylaws: <https://www.lwsb.com/wp-content/uploads/2015/08/GRF-By-Laws.pdf>
- 15 3. GRF Governing Documents: <https://www.lwsb.com/grf/previous-departments/>
- 16 4. Budget: <https://www.lwsb.com/wp-content/uploads/2023/12/2024-GRF-Budget.pdf>
- 17 5. GRF Glossary: <https://www.lwsb.com/wp-content/uploads/2023/10/13-1001-5.pdf>
- 18 6. Management Agreement:
- 19 7. Historical Society: <https://sealbeachleisureworldhistory.org/>
- 20 8. Wikipedia: [https://en.wikipedia.org/wiki/Leisure\\_World,\\_Seal\\_Beach,\\_California](https://en.wikipedia.org/wiki/Leisure_World,_Seal_Beach,_California)

**Ready or Not, You’re Now a Fiduciary.**

You’ll hear a lot of talk about your fiduciary responsibility. But what is it?

GRF Director’s Handbook



1            When you have a fiduciary responsibility, you pledge to set your self-  
2            interest aside in the service of someone else. For example, if you’re  
3            an executor of an estate, you agree you’ll explicitly follow the  
4            instructions of the deceased, not serve your own bank account.

5            It’s a bit different when you’re a corporate board member. As an  
6            administrator of an estate, your fiduciary duty is to one client. As a  
7            GRF Board Director, your fiduciary duty is to the corporation’s 6,608  
8            shareholders. All have one thing in common: they are rewarded by  
9            the community’s continued capacity to exist and benefit its residents.

10           Explicitly, your fiduciary duty does not commit you to guarantee the  
11           lowest monthly assessment for the neediest shareholder, nor to  
12           provide the most luxurious lifestyle to the most fortunate. Instead, it is  
13           to assure the continuation of the residents’ expectations that those  
14           benefits will be available to the majority of shareholders into the  
15           future.

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**The Financials**

Frankly, you’ll be learning new intricacies of the Foundation’s \$24-million plus budget nearly every day during your term. Here are some basics: The Foundation’s spending comes from three major areas:

**The Operating Budget** comprises the Foundation’s anticipated budget for expected expenses: for example, office expenses, payroll, custodial services and utilities. The Committees and then the Board develop, review and finally approve the annual budget during the summer and fall.

**The Reserve Account** contains money GRF sets aside every year that is used to replace or repair assets that have an extended lifespan. Think roofs, roads, carpets, equipment and vehicles, and even software operating systems or paint. However, any expenditure made from the reserve account must have previously been included within the reserve study. New items or new construction cannot be financed using the Reserves. The primary funding for Reserves comes from the Trust Property Use Fee (TPUF), the fee new buyers must pay before closing escrow. Current Member assessments refresh the GRF Reserve Funds, but assessments represent only a minor percentage of reserve funding.

**The Capital Account** typically pays for any expenditures not anticipated in the operating budget or those expenditures that have not had funds set aside in the Reserve Account. For instance, new buildings or new types of equipment must be paid using the Capital Account. However, Capital funds must also be used to pay for failures of so-called “lifetime assets.” These are generally physical property assets, which when originally constructed were perceived as never needing to be replaced. So, while Clubhouse 2 has Reserve funding to pay for periodic repainting and lighting system replacement, there are no reserves put aside to replace the clubhouse or perform extensive repairs on it. At this time, the Capital Account is replenished by the TPUF. However, the Board has dictated that Capital only receives funding after the full obligation to the Reserve Fund is met.

**Budget Controls**

**Generally Accepted Accounting Principles:** GRF observes GAAP and the Foundation’s books undergo an annual audit by a Certified Public Accountanting firm.

**Board of Directors:** The Board must vote to approve all expenditures from the Reserve Fund or the Capital Fund. Any expenditure from the Operating Account above \$10,000 must also be approved by a Board vote. All payments issued to vendors require authorization from at least two staff and Board members.

**Executive Director:** The executive director can authorize an expenditure of up to \$10,000 from the operating budget. However, any such expenditure must have been previously included in the annual budget passed by the Board of Directors.



July-May						Calendar					
Week	Monday	Tuesday	Wed	Thursday	Friday						
1st		Facilities Committee		Operations Committee							
2nd		Member Serv. Comm		Administration Comm							
3rd		CRV Panel		Board Exec Session							
4th		BoD Monthly Meeting									
AND... Work Studies... & Added Executive Sessions... & Mutual Reports... & Community Events											
June						Calendar					
Week	Monday	Tuesday	Wed	Thursday	Friday						
1st		GRF Vote Count		New Director Training							
2nd		GRF Annual Meeting									
3rd		Comm Assignments		Chair Training							
4th		Full Board Training									







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## BOARD ACTION REQUEST

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**DATE:** APRIL 23, 2024  
**TO:** GRF BOARD OF DIRECTORS  
**FROM:** ADMINISTRATION COMMITTEE  
**ACTION:** AMEND 13-5092-3, GRF DIRECTORS CENSURE PROCESS

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### **Committee Approval:**

At its April 11, 2024, meeting, the Administration Committee recommended the GRF Board of Directors amend policy 13-5092-3, GRF Directors Censure Process.

### **Background:**

In its obligation to review all GRF rules under its purview every two years, the Administration Committee reviewed on April 11, 2024, the GRF Directors Censure Process policy 13-5092-3, which was last amended by the GRF Board in December 2021.

The changes proposed by the Administration Committee expand the number of Director complaints necessary to initiate a censure hearing and permit the Board panel hearing the case to impose a variable time frame for sanctions the Board panel proposes. While maintaining the 2/3 vote of the non-offending Directors to affirm any charges, it also explicitly defines the proportion of the quorum necessary to define sanctions against a Director, which was not included in the standing version. The proposed rule also protects a sanctioned GRF Director's right to be nominated for a GRF officer's position in the term following that in which they were sanctioned.

### **Fiscal Impact:**

No predicted fiscal impact.

### **Recommendation:**

I move the GRF Board of Directors amend policy 13-5092-3, GRF Directors Censure Process.



Golden Rain Foundation Board of Directors Censure Procedure



If the action(s) of one or more Golden Rain Foundation (GRF) Directors fail to follow the precepts of the Code of Ethics and Conduct (3013-3052-1) and 30-5092-3, other members of the Board of Directors (BOD) may act to censure that Directorperson(s).

1. DIRECTOR CENSURE

1.1. A censure is the process by which the GRF BOD, acting by a two-thirds (2/3) majority vote of the non-offending eDirectors (the named may not vote per Robert’s Rules of Order), can reprimand or condemn the action(s) or reprimand of a fellow Directormember(s).

1.2. Chart illustrating two-thirds (2/3) majority.

Table with 2 columns: Number of Directors, Two-thirds Majority. Rows range from 18 down to 10.

~~1.3.1.1. All proceedings related to a censure shall be conducted in a closed executive session meeting. The Director(s) subject to the censure may not elect to have the proceedings conducted in an open, public session.~~

2. MOTION TO CENSURE AND NOTICE

2.1 A “Motion to Censure” form including at least five (5) Directors’ signatures form must be filed. It must include two directors’ signatures and be submitted to the President, who will schedule and preside over the hearing for presentation at a special executive session of the BOD. If the censure involves a Board officerthe President, it will be submitted to the Vice President highest ranking officer not named in the action, who will schedule and preside at the for presentation at a special executive session.

2.2 If the Presiding Officer elects not to place the motion on the agenda of a special executive session, any five (5) Directorstwo members may request a special executive session.

Golden Rain Foundation Board of Directors Censure Procedure



31           2.3     The Executive Director's office will provide notice to Director(s) subject to  
 32           censure ~~shall be provided with~~ at least ten (10) calendarbusiness days  
 33           prior ~~to notice of~~ the censure hearing via U.S. Mail and GRF email, and  
 34           place copies in the Director(s)' GRF Mailbox, including ~~The notice will~~  
 35           include the reason for the censure motion ~~and the date, time and location~~  
 36           of the meeting where censure will be considered. The Executive Director's  
 37           office will send notice of the meeting, a copy of the "Motion to Censure"  
 38           form, ~~and the Ccensure Ppolicies (13-5092-130 and 13-5092-3, 01-30)~~  
 39           and the location, date, and time of the meeting when censure will be  
 40           considered. to the Director(s) by U.S. Mail, GRF email and place copies in  
 41           the Director(s) GRF Mailbox. The Presiding Officer will also contact the  
 42           Director(s).

43           2.4     The BOD shall be provided at least five (5) calendarbusiness days  
 44           advance written notice of the special executive session regarding  
 45           considering a censure action~~the Motion to Censure,~~ which The notification  
 46           shall include a copy of the submitted Motion to Censure form, and specify the  
 47           meeting's date, time and location. ~~Notification shall be sent~~ The  
 48           Executive Director's office shall send the notification by U.S. Mail and ;  
 49           GRF email, and place copies placed in the Director(s)' GRF Mailboxes.  
 50           ~~by the Executive Director's office. Notification shall contain the date, time~~  
 51           ~~and location of the meeting.~~

52           2.5     Director(s) subject to censure may provide a written response and  
 53           supporting documentation to all BOD members no later than two (2)  
 54           business days prior to the meeting. Director(s) shall also be provided an  
 55           opportunity at the meeting to respond to the reason for censure ~~at the~~  
 56           meeting.

57     3.     CENSURE HEARING

58           2.1. ~~— All proceedings related to a censure shall be conducted in a closed executive~~  
 59           session meeting. The Director(s) subject to the censure may not elect to have the to  
 60           hold the proceedings conducted in an open, public session.

61           3.1.

62           2.6.3.2. The censure motion may be debated, and the Director(s) subject to censure may  
 63           participate. Following this general discussion, the Director(s) subject to censure  
 64           must leave the room. A private discussion of the remaining Directors may then  
 65           ensue, followed by a vote of ~~the remaining those Directors~~ Board members. The  
 66           Board members voting ~~BOD~~ may take one of the following actions:

68           2.6.1.3.2.1. By a simple majority of a quorum of the non-offending directors,  
 69           Postpone the motion by a simple majority for any reason, including,  
 70           but not limited to, the desire of the majority to gather additional  
 71           information and/or permit the director(s) to respond further.

72           2.6.2.3.2.2. Approve the motion b By a two-thirds (2/3) majority of a quorum of the

## Golden Rain Foundation Board of Directors Censure Procedure



73 non-offending directors, approve the motion. ~~once a quorum has been~~  
 74 ~~established.~~

75 ~~2.6.3.3.2.3.~~ Defeat the motion.  
 76

77 ~~2.7.3.3.~~ Written notice of the BOD's decision shall be sent ~~by U.S. Mail~~ to the  
 78 named Director(s) by U.S. Mail no more than fifteen (15)  
 79 ~~calendar~~business days following the meeting.  
 80

### 81 3.4. ENFORCEMENT PROCEDURES

82 ~~3.1.4.1.~~ If the "Motion to Censure" is passed, a simple majority of the quorum of non-  
 83 offending Director(s) ~~may choose~~ determine that one or more of the following  
 84 disciplinary actions be applied to the offending Director(s) for a period ranging  
 85 from not less than one month to not more than 12 months:

86 3.1.1 Warning/Education;

87 3.1.2 Removal and disqualification from corporate office;

88 ~~3.1.2.3.1.3~~ Removal as a committee ~~or~~ chair;

89 ~~3.1.3.1.4~~ Removal from committee(s);

90 ~~3.1.4.3.1.5~~ Request for resignation.

91 ~~3.2.4.2.~~ For offenses relating to the disclosure of confidential or sensitive information,  
 92 ~~upon a vote of~~ two-thirds (2/3) of the majority of quorum of the non-offending  
 93 Director(s) ~~once a quorum has been established~~ may vote to bar; the offender(s)  
 94 ~~shall be prevented from~~ access to confidential information and ~~E~~ executive  
 95 sessions.

96 ~~3.3.4.3.~~ In addition to the penalties described above, if at any time a ~~d~~ Director(s)  
 97 subjects GRF to financial risk, or is formally charged with ~~commits~~ a crime ~~or~~  
 98 ~~subjects GRF to financial risk,~~ the Board of Directors can sanction the offending  
 99 Director through these actions:

100 ~~3.3.1.4.3.1.~~ Director(s) ~~may~~ shall be subject to independent legal action by GRF.

101 ~~3.3.2.4.3.2.~~ Director(s) may be removed from the GRF directors and officers  
 102 liability coverage.

103 ~~3.4.4.4.~~ With the exception of a Board decision removing an offending Director from an  
 104 officer's position, c ~~Censure~~ penalties remains in effect for not less than one  
 105 month nor longer than 12 months from the postmarked date of the Board's letter  
 106 detailing its judgment. A censured Director may occupy a Board office during the  
 107 Board term following the term in which they were censured. ~~until the next annual~~  
 108 meeting.

109 ~~3.5.5.~~ The D ~~d~~ decision of the BOD cannot be appealed. ~~is not appealable.~~  
 110

### Document History

(Dec 21)

GOLDEN RAIN FOUNDATION Seal Beach, California

**ADMINISTRATION**

**13-5092-3**

**Golden Rain Foundation Board of Directors Censure Procedure**



Adopted:	24 Jan 17	Reviewed:	12 May 17	Amended:	22 May 18
Amended:	23 Jul 19	Reviewed:	13 Mar 20	Comm. Name Chg.	24 Aug 21
Amended:	21 Dec 21				

**Keywords:** GRF      Censure      Board of      GRF Conduct  
Administration      Directors  
Committee

111



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## BOARD ACTION REQUEST

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**DATE:** APRIL 23, 2024  
**TO:** BOARD OF DIRECTORS  
**FROM:** ADMINISTRATION COMMITTEE  
**BOARD ACTION:** ADOPT 10-1010-1, DIRECTOR USE OF SOCIAL MEDIA

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### **Committee Approval:**

On April 11, 2024, the Administration Committee recommended the Board of Directors adopt 10-1010-1, Director Use of Social Media.

### **Background:**

Responding to a Board request, the Foundation's corporate attorney developed an outline governing the Directors' use of social media platforms, presented to the Directors at their January 25, 2024, executive session. At the Board's February 22, 2024, executive session, the Board tabled formalizing the policy in the executive session forum. It instead requested the Administration Committee modify the attorney's proposal into a formatted GRF policy for consideration by the entire Board.

The GRF President subsequently contacted the Foundation's attorney to review the Administration Committee's initial draft. The Foundation's attorney examined the policy and proposed more detailed language concerning restrictions on social media interactions among Directors. Those changes were integrated into this version proposed to the Board.

### **Fiscal Impact:**

Adopting this rule is not anticipated to change the Foundation's fiscal position.

### **Recommendation:**

I move to adopt 10-1010-1, Director Use of Social Media.





1 **ADMINISTRATION**

2 **DIRECTOR USE OF SOCIAL MEDIA**

10-XXXX-1

3  
4 **PURPOSE:** Social media and social media platforms include, but are not limited to  
5 Meta, X (“Twitter”), Instagram, YouTube, TikTok, Twitch, Snapchat, Tumblr, Pinterest,  
6 LinkedIn, Nextdoor, Dwelling Live, forums, blogs, and instant messaging. This Policy  
7 shall apply to all social media transmissions (comments, videos, photos, website URLs,  
8 etc.) by members of the Board. It is intended to ensure the Board is meeting its fiduciary  
9 obligations, while keeping GRF Members adequately informed.

10 **1. Social Media Postings Approved by the Board**

11 **1.1.** No Board member, acting in their capacity as a Board member or  
12 identifying themselves as a Board member, may make unilateral  
13 statements on social media without obtaining the explicit consent of the  
14 Board of Directors.

15 **1.2.** Board-sanctioned social media communications shall conspicuously  
16 provide the following notice:

17 “This statement has been sanctioned by the Golden Rain  
18 Foundation Board of Directors pursuant to GRF’s governing  
19 documents. Nothing contained herein shall be interpreted or  
20 construed as approving any act, action or conduct which is in  
21 violation of existing law.”

22 ~~1.1.~~ **1.3.** Any social media communication or post by an individual Board  
23 member that does not contain the above notice shall not be interpreted to  
24 create, control, represent, or endorse any opinions or statements by the  
25 Board.

26 ~~1.2.~~ **1.4.** The Board, in its discretion, may appoint one (1) Board member to  
27 serve as a liaison to interface via social media communication with GRF  
28 members and residents.

29  
30 **2. Social Media Postings Not Approved by the Board**

31 **2.1.** Directors responding to postings

32 The Board and each of its individual Board members shall not respond on  
33 behalf of the Board to any question, complaint, or comment brought to  
34 their attention by GRF members or others on any social media platform.

35 **2.2.** Directors’ social media interactions as individuals

36 Board members, as individual GRF members, may engage in  
37 communications with GRF members and others on social media, solely on

38 their own. Any Board member posting on social media without Board  
39 approval shall state:

40 "My comments, statements and/or positions are my own  
41 and made without the knowledge and/or authority of  
42 GRF."

43 ~~2.3.~~ 3. Social Media interactions among GRF Directors

44 3.1. Fewer than a majority of Board members may discuss or comment  
45 on an item of business on a social media platform, so long as the  
46 exchange does not become a "series" of communications involving  
47 a majority of the Board. Pursuant to Civil Code Sections 4910(b),  
48 4090(a), 4155, 4910(b)(2) and 4910(b), except for emergencies,  
49 social media platforms may not be used by a Board majority to  
50 discuss, deliberate and make decisions on GRF business items.

51 ~~2.1.3.2.~~ 3.2. Nonetheless, if a majority of the members of the Board begin  
52 discussing GRF business on a social media platform, this shall  
53 not be construed to meet the quorum requirement under Article  
54 VII, Section 3(g) of the GRF's Bylaws. In other words, if a majority  
55 of the members of the Board are engaged in social media  
56 communications (i.e., under a single "post" or "comment"), it is not  
57 considered an official Board meeting so long as the Board does  
58 not make decisions on GRF business items. [See also LNSU #1  
59 LLC Alfa Del Mar Coastal Cmty Ass'n (2023) 94 Cal App. 5<sup>th</sup>  
60 1050,1091: Open Meeting Act does not prohibit board discussion  
61 by email, only making business decisions.]  
62

63 4. Social Media communication is not official communication

64 ~~2.2.4.1.~~ 4.1. Social media platforms shall not constitute notice to GRF of claims,  
65 complaints, or requests. Social media platforms are not a formal means of  
66 communication or delivery of notice to GRF per Civil Code Section 4035.

67 ~~1.4.2.~~ 4.2. Communications by the Board on social media shall not be used, nor  
68 interpreted to replace the notice and enforcement procedures for  
69 violations of the governing documents, described under Article IV of the  
70 Bylaws and Civil Code Section 5855.

71 5.. Standards Governing Board and Director Use of Social Media

72 5.1. Social media communications by the Board shall always be honest,  
73 impartial and dedicated to protecting the health, safety and welfare of the  
74 community. Board members using social media platforms in their capacity  
75 of a Board member must act with proper professional decorum at all  
76 times. This includes, but is not limited to, abstaining from harassing,  
77 discriminatory, abusive or unilateral communications.

- 78           5.2     In deciding to post on or communicate via social media, the Board shall  
79           exercise due diligence and with due regard for the rights, responsibilities,  
80           benefits, safety and health of GRF members. The Board shall not  
81           knowingly or recklessly make false or misleading statements about GRF  
82           members or other residents on social media.
- 83           5.3.    Confidential information, including, but not limited to personnel matters, a  
84           GRF member's delinquency, disciplinary measures, and attorney-client  
85           privileged communications between GRF and its legal counsel, shall not  
86           be shared on any social media platform. Board members shall not share  
87           information obtained or discussed in executive session on social media.
- 88    6.     Any Board member who violates this Policy may be subject to discipline,  
89           including but not limited to, censorship, removal from office per Article VI,  
90           Section 7 of the GRF Bylaws and other disciplinary action in the discretion of the  
91           Board as authorized by the governing documents and applicable law.
- 92    7.     GRF is not liable for injuries or damage resulting from communications made by  
93           a Board member on social media.





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## BOARD ACTION REQUEST

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**DATE:** APRIL 23, 2024  
**TO:** BOARD OF DIRECTORS  
**FROM:** FACILITIES COMMITTEE  
**BOARD ACTION:** CAPITAL FUNDING: ADDITIONAL SPEED CUSHIONS

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### **Committee Approval:**

On April 2, 2024, the Facilities Committee approved to recommend to the Board award MJ Jurado Inc. a contract for \$32,382, Capital Funding, to install speed cushions at El Dorado, Golden Rain, Saint Andrews, and Thunderbird and authorize the President to sign the contract

### **Background:**

The GRF Board of Directors approved the installation of speed cushions in five areas designated by the security department for the community. One was installed in Del Monte this year. The Facilities Committee requested staff provide a cost for the additional four installations at El Dorado, Golden Rain, Saint Andrews, and Thunderbird.

Listed below are the costs for four additional speed cushions. Locations approved by OCFA.

- CERTIFIED ROOFING APPLICATORS - \$34,850
- MJ JURADO INC. - \$32,382

### **Fiscal Impact:**

Funding to come from Capital.

### **Recommendation:**

I move to award MJ Jurado Inc. a contract for \$32,382, Capital Funding, to install speed cushions at El Dorado, Golden Rain, Saint Andrews, and Thunderbird and authorize the President to sign the contract.





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## BOARD ACTION REQUEST

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**DATE:** APRIL 23, 2024  
**TO:** GRF BOARD OF DIRECTORS  
**FROM:** MEMBER SERVICES COMMITTEE  
**ACTION:** CAPITAL FUNDING: CLUBHOUSE 2 FLEX SPACE

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**Committee Approval:**

At its April 9, 2024 meeting, the Member Services Committee recommended the GRF Board of Directors approve the renovation costs for Clubhouse 2 Flex Space at a cost not to exceed \$37, 535, Capital funding.

**Background:**

On February 13, 2024, the Member Services Committee consented to sending the Clubhouse 2 Flex Space to the Facilities Committee for cost information. On their March 5, 2024 meeting, the Facilities Committee sent the cost information to the Member Services Committee for review.

**Fiscal Impact:**

Funding to come from Capital.

Remediate the popcorn ceiling	\$ 4,600	\$ 4,600
Paint Walls and Ceiling	\$ 4,100	\$ 4,100
Heat Pump	\$ 16,250	\$ 16,250
Install flooring (carpet squares)	\$ 10,635	\$ 10,635
Install LED Lighting	\$ 1,950	\$ 1,950
Option for sink and cabinet	\$ 45,000	
	\$ 82,535	\$ 37,535

**Recommendation:**

To approve the renovation costs for Clubhouse 2 Flex Space at a cost not to exceed \$37, 535, Capital funding.







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## BOARD ACTION REQUEST

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**DATE:** APRIL 23, 2024  
**TO:** GRF BOARD OF DIRECTORS  
**FROM:** MEMBER SERVICES  
**ACTION:** CAPITAL FUNDING REQUEST: PURCHASE BISTRO TABLES FOR PATIO AREA IN FRONT OF PHARMACY

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### **Committee Approval:**

At its April 9, 2024 meeting, the Member Services Committee recommended the GRF Board of Directors approve the purchase of two (2) 30" bistro tables and a total of four (4) dining chairs from Leisure Creations for a total not to exceed \$2,748.52, Capital Funding.

### **Background:**

The new pharmacy opened with a bistro serving cold sandwiches, drinks, and other food. GRF would like to place two small bistro tables in front of the pharmacy to provide an area for shareholders to sit and consume food purchased in the pharmacy.

Attached is a proposal for two 30" bistro tables and a total of four dining chairs from Leisure Creations.

### **Fiscal Impact:**

Fiscal Impact is a one time cost of \$2,748.52 from Capital Funds.

### **Recommendation:**

I move to approve the purchase of two (2) 30" bistro tables and a total of four (4) dining chairs from Leisure Creations for a total not to exceed \$2,748.52, Capital Funding.





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## BOARD ACTION REQUEST

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**DATE:** APRIL 23, 2024  
**TO:** BOARD OF DIRECTORS  
**FROM:** MEMBER SERVICES COMMITTEE  
**BOARD ACTION:** CAPITAL FUNDING: APPROVE PURCHASE OF HONORARY PLAQUE

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### **Committee Approval:**

On April 9, 2024, the Member Services Committee approved to recommend to the Board purchase a plaque in honor of Terry Otte's service to the community not to exceed \$80.00 plus a 10% contingency and to forward the request to the Board for final approval.

### **Background:**

Recreation has received a request from the family of Terry Otte, President and Lead Performer of the Terry Otte and Abilene Band, to present him with a plaque in recognition of his service to the community upon his retirement this month.

Mr. Otte, a resident of Mutual 6, has been an integral part of Leisure World Seal Beach for the past 20 years through his performances with the band, Terry Otte and Abilene. They have remained the top GRF Weekend Band, typically drawing more than 300 attendees at their monthly performances in Clubhouse 2.

### **Fiscal Impact:**

A plaque created by and purchased from University Trophy is estimated at \$80.00.

### **Recommendation:**

I move to purchase a plaque in honor of Terry Otte's service to the community not to exceed \$80.00 plus a 10% contingency.