

MINUTES

GOLDEN RAIN FOUNDATION OF WALNUT CREEK

JOINT MEETING OF THE BOARD OF DIRECTORS AND THE FINANCE COMMITTEE

TUESDAY, SEPTEMBER 15, 2010, AT 9:04 A.M.

A joint meeting of the Board of Directors of the Golden Rain Foundation (GRF) of Walnut Creek and the Finance Committee was convened by the President, David H. Smith, at 9.04 a.m. on Wednesday, September 15, 2010, in the Fireside Room at Gateway Complex, 1001 Golden Rain Road, Walnut Creek, California.

ROLL CALL: Present: GRB members David H. Smith, Rita A. Fredlund, Clair S. Weenig, Phoebe E. Cortessis, Barbara S. Jordan, Patrick T. Kelly, Donald A. Peterson, Melvin N. Wall, and Warren T. Salmons, Chief Executive Officer (CEO), ex-officio member of the Board Attendance

Excused: Susan Williamson

Present: Finance Committee members Kenneth Haley, Paul Rosenzweig, Jean A. Autrey, Robert S. Beach, Robert D. Burnett, and Tim R. Christoffersen

Absent: None

Also present were Richard S. Chakoff, Chief Financial Officer; Paul J. Donner, Director, Mutual Operations Division; Anthony W. Grafals, General Counsel and Director of Confidential Services; Mark K. Heptig, Director, Golf Courses/Golf Professional; Jeffrey P. Matheson, Director, Resident Services; Paulette L. Jones, Senior Manager, Executive Services; Maureen A. O'Rourke, Senior Manager, and Wilma Murray, Staff Writer, Communications Department; Dennis Bell, Public Safety Coordinator; Priscilla Tudor, Counseling Services Coordinator; Susan F. Ritner, Program Manager, and George Ivanov, Program Assistant, Rossmoor Television Channel; Debi Tallerico, Manager, Information Technology; Tess Haskett, Assistant Controller, and Ellen Schweizer, Senior Accountant, Accounting Department; Masha Henzel, Fitness Supervisor; Betsy Hocking, Recreation Department Supervisor; Donald Powell, Aquatics Supervisor; Randy Wright, Custodial Supervisor; Gretchen Hansen, Bus Transportation Foreman; Glenn Mix, Vehicle Maintenance Foreman; and James Prashad, Custodian/AV Technician Foreman.

During the Residents' Forum, Barbara Blum, President, Rossmoor Tennis Club, requested that the Creekside tennis courts be resurfaced to restore the playing surface, that new windscreens be installed, and that the fence be repaired in 2011. She elaborated on the subject, noting that the work is long overdue.

Residents'
Forum

Trish Dickson, speaking on behalf of the Rossmoor Pickle Ball Club, spoke in support of resurfacing the Creekside Tennis Courts, which pickle ball players also use, in 2011.

Clarence H. Nixon spoke on the “mechanics of speech” and speaking directly into the microphones so the speakers could be heard.

Patricia Ranagan, Secretary of the Rossmoor Garden Club, requested that the Board include funds in the 2011 budget for a metered water connection from the Club’s garden site behind the Jewish Community Center to Rossmoor’s water supply to serve as a back-up to the Club’s existing well water supply and elaborated on the subject.

Before proceeding with the agenda for the meeting, the President said that several members of the Board approached him after yesterday’s joint meeting and expressed their concern that they were being asked to vote on budget matters at these joint meetings and to then again consider and vote on the same matters at the Board’s regular meeting on September 30th. He said he found this to be a legitimate concern and discussed the matter with the Chairman of the Finance Committee, Kenneth Haley. He went on to say that Mr. Haley was also concerned about the matter, especially since the Finance Committee will also be considering many of these same issues at its meeting on September 28th. After individual discussions between Mr. Haley and members of the Finance Committee, they came to the following understanding regarding the procedure for today’s meeting, which is as follows:

Meeting
Procedure

1. After they discuss each of the possible changes to the draft budget, the President will ask for an expression of interest among the members of the Board and the Finance Committee in pursuing the topic further. In some cases, the direction may be obvious, but in other cases they may want further study by staff to make an informed decision. In either case, if a significant number of the members of the Board and the Finance Committee feel the topic has potential, it will be kept on an active list for consideration by the Finance Committee and then the Board at its September 30th meeting.
2. No recorded votes will be taken on any specific budget matters at today’s meeting. However, if any additional changes in the budget are desired by a member of the Board or the Finance Committee, they can and should be suggested during this meeting. If the group expresses an interest in pursuing the topic, it can be added to the list for further consideration at the Board meeting on September 30th.

The President called on the CEO who began the continuing presentation of the draft FY 2011 GRF Operations Budget by discussing Section 2 of the draft budget, New Programs and Program Augmentation, which included four (three personnel and one maintenance) proposals recommended by the Fitness Center Advisory Committee. Discussion followed. It was the consensus of the members of the Board and the Finance Committee that these proposals be advanced for further consideration by the Finance Committee at its September 28th meeting and the Board at its meeting on September 30th.

Draft
FY 2011
GRF
Operations
Budget
Presentation

The CEO then introduced discussion of Section 3, Program Modifications, of the draft budget, which included the idea of discontinuing the Fitlinxx tracking program at the Fitness Center. Discussion followed. It was the consensus of the members of the Board and the Finance Committee that this item be advanced for further consideration by the Finance Committee and the Board at their upcoming meetings.

Discussion ensued regarding Section 4, New and Increased Revenue, of the draft budget, which included ideas for increasing revenue or developing new sources of revenue. It was the consensus of the members of the Board and the Finance Committee that the following ideas be advanced for further consideration by the Finance Committee and the Board at their upcoming meetings:

- Associate Golf Memberships
- Local Hotel Guest Golf Referrals
- Increased Outside Golf Tournament Dates
- Venue Rental for Commercial Use
- Sales of Smart Cards for PharmaSmart Blood Pressure Kiosk
- Pool Venue Availability for Resident/Club Events

Discussion then ensued regarding the draft budget assumption that Dollar and Hillside pools be closed from November through March. It was proposed that the Finance Committee and the Board revisit this assumption and consider not closing the pools during the winter months. There was no consensus support for that proposal. It was then proposed that the draft budget be modified to keep Hillside pool open an additional 4 weeks. There was no consensus support for that proposal.

Before proceeding with the agenda, the CEO asked if the Finance Committee and the Board wished to discuss any other program modifications, new programs, or program augmentations. They did not.

The CEO introduced discussion regarding Section 5, Program Cost Recovery, of the draft budget, which included ideas to more fully recover costs from activities where a fee is now charged or can be charged. Discussion followed. It was the consensus of the members of the Board and the Finance Committee that the following ideas be

advanced for further consideration by the Finance Committee and the Board at their upcoming meetings:

- Golf Card Rate Increase
- Creekside Meeting Room/Venue Room Rate
- Increasing Bar Code Initial and Renewal Fees
- Moving Bar Code Fee Revenue from the Trust Operations Fund to the GRF Operating Budget

During discussion of the proposal regarding the Creekside meeting room/venue room rates, staff was requested to review all rental venue rates and bring proposed rates to the Finance Committee and the Board for consideration at a later date.

Recess: 11:30 a.m.

Recess

Reconvened: 12:35 p.m.

The CEO introduced discussion regarding Section 6, Trust Facility/Property Maintenance Projects, of the draft budget, which listed the proposed FY2011 Trust Estate Facility/Property Maintenance Program of necessary and discretionary maintenance items and a narrative description of each item. Discussion followed. It was the consensus of the members of the Board and the Finance Committee that all of the proposed necessary maintenance items be advanced for further consideration by the Finance Committee and the Board at their upcoming meetings. Mr. Rosenzweig maintained that several of the Pound Management projects approved by the Board on August 26, 2011, to evaluate Trust facilities projects should also be included in the 2011 Trust Estate Facility/Property Maintenance Program rather than be funded from the Trust Estate Fund as approved by the Board and explained why. Discussion followed during which it was the consensus that the ongoing question of what items should be considered capital expenditures and paid from the Trust Estate Fund and what items should be considered operational expenditures and paid from the Operations Fund be a topic of further discussion by the Board and the Finance Committee. It was also the consensus that the CFO review the Pound Management projects recently approved by the Board and determine if they are capital or operating items for further consideration by the Board and the Finance Committee.

The discretionary items in the proposed FY2011 Trust Estate Facility/Property Maintenance Program were then discussed. With regard to the resurfacing of the Creekside tennis courts, it was the consensus of the members of the Board and the Finance Committee that staff get more information about the project for further consideration by the Board and the Finance Committee. It was also the consensus of the members of the Board and the Finance Committee that the following discretionary

items be advanced for further consideration by the Finance Committee and the Board at their upcoming meetings:

- Creekside Complex Tennis Courts, Fencing Repair
- Creekside Complex Tennis Courts, Windscreen Replacement
- Del Valle Clubhouse, ADA Automatic Door Openers for the Main Clubhouse and Pool Entrance
- Garden Area
- Hillside, Replace Vinyl Flooring at the Mat House

Recess: 2:20 p.m.

Reconvened: 2:35 p.m.

Recess

The CEO introduced discussion regarding Section 7, Working Capital, of the draft budget, which calls for including \$200,000 of working capital in the budget to help offset projected FY 2011 expenses. He reported that, unless the Board and the Finance Committee want to change the amount of working capital to be budgeted for 2011, no further discussion on this item was necessary. There was no further discussion on this item.

The CEO then introduced discussion regarding Section 8, RV Cost Analysis – Fee, of the draft budget, which proposes reducing the RV annual lease fee from \$277 to \$210. Discussion followed during which the question of whether the GRF can charge for RV parking was debated. It was noted that General Counsel will be prepared to give his opinion on this question. Following further discussion, it was the consensus of the members of the Board and the Finance Committee that this item be advanced for further consideration by the Finance Committee and the Board at their upcoming meetings.

Before concluding, the CEO asked members of the Board and the Finance Committee to contact him, the CFO, or one of the departmental managers if they have other questions regarding the draft budget between now and their upcoming meetings.

There being no further business to come before the Board, the meeting was recessed at 3:02 p.m.

Adjournment


David H. Smith, President
Golden Rain Foundation of Walnut Creek