

MINUTES

GOLDEN RAIN FOUNDATION OF WALNUT CREEK

REGULAR MEETING OF THE BOARD OF DIRECTORS TUESDAY, FEBRUARY 9, 2010, AT 9:02 A.M.

A regular meeting of the Board of Directors of the Golden Rain Foundation (GRF) of Walnut Creek was convened by the President, Ronald W. Moschel, at 9:02 a.m. on Tuesday, February 9, 2010, in the Board Room at Gateway Complex, 1001 Golden Rain Road, Walnut Creek, California.

ROLL CALL: Present: Ronald W. Moschel, Sheldon Solloway, Susan Williamson, Attendance
Paul Rosenzweig, Fred W. Barnes, Phoebe E. Cortessis,
Rita A. Fredlund, David H. Smith, Melvin N. Wall, and
Warren T. Salmons, CEO, ex-officio member of the Board

Absent: None

Also present were Paul J. Donner, Director, Mutual Operations Division; Mark K. Heptig, Director, Golf Courses/Golf Professional; Daniel L. Schrantz, Director, Trust Operations; Shannon M. Walpole, General Counsel, and Director, Confidential Services; Paulette L. Jones, Senior Manager, Executive Services; Maureen A. O'Rourke, Senior Manager, and Wilma Murray, Staff Writer, Communications Department; Judith A. Perkins, Senior Manager, Human Resources; Dennis Bell, Public Safety Coordinator; Priscilla Tudor, Coordinator, and Ann Pagliaro, Social Worker, Counseling Services; Susan F. Ritner, Program Manager, and George Ivanov, Program Assistant, Rossmoor Television Channel; Alexander Gunst, Project Manager/Owner's Representative, Pound Management; Gregor L. Markel, Senior Architect, Dahlin Design Team; and Joseph LaCombe, Regional Sales Manager, and Rob Tracy, Field Manager, KeyTrak.

During the President's report, Mr. Moschel thanked and praised Trust Operations staff and Recreation Department staff for their outstanding and prompt work the past few weeks with respect to replacing the ventilation ductwork in the Fireside Room and rescheduling events scheduled for that venue during the repair. He noted that the ventilation ductwork was completed a week after the work was approved by the Board. President's Report

The President called on the CEO, who explained the agenda item under Unfinished Business, which was deferred at the January 28, 2010, regular meeting of the Board, to approve an agreement for the Creekside pro shop fixtures and then called on Mr. Gunst, who further elaborated on the contractor selection process and explained why the item was not competitively bid and Procraft Heritage Creations was the selected contractor. Mr. Markel added that he used Procraft Heritage Creations a number of times and was pleased with the company and its work. During discussion, Mr. Rosenzweig reiterated his objection to the item because it was not competitively bid. Creekside Pro Shop Fixtures

Mr. Barnes and Mrs. Cortessis expressed their concerns regarding not competitively bidding the item. Further discussion ensued.

The question was called for on the motion to approve an agreement for the Creekside pro shop fixtures with Procraft Heritage Creations in an amount not to exceed \$67,365.75, which includes a 10% contingency, from the Trust Estate Fund and to authorize the CEO to execute the agreement. The President asked that all those in favor of voting on the motion please signify by saying aye. All of the members of the Board voted aye.

Question
Called for
to Approve
Agreement
for Pro Shop
Fixtures

The vote was then taken on the on the motion to approve an agreement for the Creekside pro shop fixtures with Procraft Heritage Creations in an amount not to exceed \$67,365.75, which includes a 10% contingency, from the Trust Estate Fund and to authorize the CEO to execute the agreement, and the motion CARRIED, with Mrs. Cortessis and Messrs. Barnes and Rosenzweig voting no.

Approved
Agreement
for Pro Shop
Fixtures

The President called on the Public Safety Coordinator, who gave an overview of a Secure Key Program Proposal, describing the background of the proposal, the technology, the program itself, the vendor evaluation, points of comparison, the KeyTrak (the suggested vendor for the program) difference, the costs, and the next steps. The overview and the Secure Key Program Proposal (agenda attachments 5a-1 thru 5a-35 are on file with the minutes). Mr. Bell then introduced Mr. LaCombe, Regional Sales Manager, KeyTrak, who reviewed a PowerPoint presentation giving an overview of the company and its services. Rob Tracy, KeyTrak/KeySafe Field Manager, then demonstrated how the key management system works. Discussion followed during which it noted that this proposal was being presented as an entrepreneurial venture. During last year's budget process, a Secure Key Program was presented as a potential revenue-generating venture, which would also provide a community service, and the Board asked staff to evaluate the feasibility of such a program. During further discussion of the program, members of the Board expressed concerns about whether there is a need for a key program and, if so, whether residents would be willing to pay for it and how many might subscribe. They also expressed their views on whether such a program, if needed, should be an entrepreneurial venture or an amenity.

Secure
Key
Program
Proposal

It was the CONSENSUS of the members of the Board that staff be directed to further explore the feasibility of a Secure Key Program for residents; to consult with the Finance Committee to conduct a thorough cost analysis of the program as both a entrepreneurial venture and an amenity; and to brief the Mutual Presidents on the program and inform them that the Finance Committee will be conducting a thorough cost analysis of the program.

Directed
Staff to
Further
Explore
Feasibility
of A Secure
Key
Program

The President called on General Counsel, who discussed draft Comprehensive Compensation Review Process Guidelines (agenda attachment 5b-2 and 5b-3), noting that staff and the Board have committed to begin a comprehensive compensation review in 2010. The objective of the review is to conduct a comprehensive review of the total compensation package offered to non-union GRF employees in an open and transparent fashion, utilizing, where appropriate, the GRF Board, the Compensation Committee, a CEO advisory group, staff, and outside consultants. Mrs. Walpole said the draft Guidelines are intended to provide a road map for the process; establishing a timeline and clarifying roles and responsibilities throughout the process. She then summarized the process. Discussion followed during which it agreed that the word "should" in the first sentence of the second paragraph of the draft Guidelines should be changed to "may".

Compre-
hensive
Compensa-
tion Review
Process
Guidelines

A motion was made by Mr. Smith and seconded by Mr. Barnes that the CEO be authorized and directed to examine and make recommendations on the employee compensation program consistent with the Comprehensive Compensation Review Process Guidelines discussed at this meeting, including assembling a CEO resident advisory group. Following discussion, the vote was taken on the motion, and the motion CARRIED UNANIMOUSLY.

CEO to
Examine &
Make Recorr
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re. Employee
Compensatic
Program

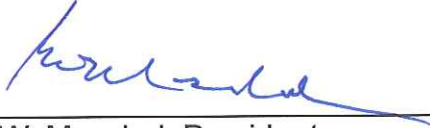
The President called on Mr. Solloway, Chairman of the Subcommittee appointed at the January 12th mid-month regular meeting of the Board to draft a GRF Mission Statement for consideration of the Board, to give a report on the Subcommittee's progress to date. Mr. Solloway reported that the Subcommittee has received many suggestions for a mission statement, which have come from several sources, and that they vary considerably. He noted that, before developing a mission statement, it was necessary to determine what the nature of a mission statement really was. A mission statement should be a statement of goals, transcending in its nature, strategic, and long term. He said that he and Mrs. Fredlund are in the process of refining a statement from all of the suggestions they received and hoped to have something by the March mid-month regular meeting of the Board. Mrs. Fredlund encouraged residents to continue to submit suggestions.

GRF Mission
Statement

Before concluding, the President announced that the next end-of-the month regular meeting of the Board will be held on Thursday, February 25, 2010, at 9:00 a.m. in Peacock Hall at Gateway Complex; that the next mid-month regular meeting of the Board will be held on Tuesday, March 9, 2010, at 9:00 a.m. in the Board Room at Gateway Complex; and that the Board will not meet in executive session following this meeting.

Announce-
ments

There being no further business to come before the Board, the meeting was Adjournment adjourned at 11:10 a.m.



Ronald W. Moschel, President
Golden Rain Foundation of Walnut Creek

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