

MINUTES

GOLDEN RAIN FOUNDATION OF WALNUT CREEK

REGULAR MEETING OF THE BOARD OF DIRECTORS THURSDAY, FEBRUARY 24, AT 9:06 A.M.

A regular meeting of the Board of Directors of the Golden Rain Foundation (GRF) of Walnut Creek was convened by the President, David H. Smith, at 9:06 a.m. on Thursday, February 24, 2011, in Peacock Hall at Gateway Complex, 1001 Golden Rain Road, Walnut Creek, California.

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

Excused: Donald A. Peterson

Also present were Joan (Jo) Jones, Chairman, Aquatics Advisory Committee; Sheldon Solloway, Chairman, Audit Committee; Kenneth W. Haley, Chairman, Finance Committee; Carol A. Green, Chairman, Fitness Center Advisory Committee; Richard S. Chakoff, Chief Financial Officer; Paul J. Donner, Director, Mutual Operations; Anthony W. Grafals, General Counsel and Director of Confidential Services; 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; Judith A. Perkins, Senior Manager, Human Resources; Dennis Bell, Public Safety Coordinator; Priscilla Tudor, Counseling Services Coordinator; Betsy Hocking, Recreation Department Supervisor; Susan F. Ritner, Program Manager, and George Ivanov, Program Assistant, Rossmoor Television Channel; and Justin Lal, Custodian/AV Technician, Custodial Department.

There being no corrections, the minutes of the regular meetings of the Board held on January 27 and February 8, 2011, were approved as written by unanimous consent. Minutes Approved

The President announced that there will be not be a President's report today as he will be delivering a State of the Valley address on March 14th at 1:30 p.m. in the new Creekside Social Building, and he invited everyone to attend. He then said he was sad to report that Robert W. Donovan, past Finance Committee Chairman, Director of Mutual Sixty-One, and Rossmoor Fund Treasurer, recently passed away and that he will be greatly missed. Announcement re. State of Valley Address & R. Donovan

Mr. Weenig gave the Treasurer's report for the period ending January 31, 2011, noting that, for the month, overall operating results, before depreciation, were within \$2,000 of budget. The report was included in the agenda package. Treasurer's Report

The CEO reviewed his written report dated February 17, 2011, which included the manor sales report for the period ending January 31, 2011, and as of February 17th. The report was included in the agenda package. Mr. Salmons added that, as of yesterday, there have been 17 sales in February, and there are 72 pending escrows.

CEO's
Report

During the Residents' Forum, Carl W. Brown reiterated his concerns regarding the proposal to charge guest fees at the Fitness Center and encouraged the Board to refer this matter back to not only the Fitness Center Advisory Committee but to also the Aquatics Advisory Committee and the Policy Committee for further review.

Residents'
Forum

Hugh Grey referred to the revised Policy 602.0, The Rossmoor Television Channel, which is on the agenda for consideration of approval at this meeting and expressed his concerns regarding item 6f of the revised Policy. He then suggested alternative wording for the item.

Sheryl Almon suggested that consideration be given to providing a gathering space in Hillside Clubhouse where residents could drop-in to meet casually one-on-one or to access Wi-Fi, etc. Currently all of the rooms in Hillside have to be reserved and there is no such space.

Mrs. Jones, Chairman of the Aquatics Advisory Committee, said the report of the Committee's February meeting was included in the agenda package. She then noted that last month was the first reading of recommended new Rule R105.0, General Pool Rules, which establishes rules for all of the pools, and that the Board will be considering approval of the Rule later in today's meeting. She then, for the benefit of the residents, described the lengthy process followed before any recommended revised or new rules can be implemented. Discussion followed during which it was requested that, in the future, the number of resident visits and guest visits to the pool during the month be reported in the report rather than the number of people using the pool during the month, which is what is currently being reported.

AAC
Report

The Chairman of the Audit Committee, Mr. Solloway, said the report of the Committee's February meeting was included in the agenda package. He then reported that the Committee considered and recommends approval of a draft revised Committee Charter, which needs to be reviewed by the Policy Committee and then recommended for consideration of approval by the Board. He further reported that David L. Cutter was appointed Vice Chairman of the Committee.

Audit
Committee
Report

Mr. Haley, Chairman of the Finance Committee, said the Board should have received the report of the Committee's February meeting, which was distributed to the members of the Board and is on file. He then highlighted items in the report.

Finance
Committee
Report

The Chairman of the Fitness Center Advisory Committee, Ms. Green, said the report of the Committee's February meeting was included in the agenda package. She then noted that there were 13,187 visits to the Fitness Center in January, including 391 guest visits; and that there were 515 visits to the Fitness Center website in January. She then reported new fitness related activities being planned for residents and concluded by reporting that the Committee recommended that agenda item 9e, revised Rule R102.0, Fitness Center Access and Use, be referred back to the Committee for further discussion. Discussion followed regarding the thefts of equipment from the Fitness Center.

FCAC
Report

It was noted that the report of the Golf Advisory Committee's February meeting was included in the agenda package. The Committee's Vice Chairman, Stephen O. Kilmer, was not present at the meeting to discuss the report.

GAC
Report

Under Unfinished Business, the President called on the Chairman of the Policy Committee, Ms. Williamson, who noted that revised Policy 601.2, Rossmoor News Editorial Policy, was introduced at the January 27th regular meeting of the Board. She then explained the reasons for the proposed revisions.

A motion was made by Ms. Jordan, seconded by Mrs. Fredlund, and CARRIED UNANIMOUSLY to approve, as recommended by the Policy Committee, revised Policy 601.2, Rossmoor News Editorial Policy (agenda attachment 9a-3 through 9a-6).

Approved
Revised
Policy
601.2

Ms. Williamson noted that revised Policy 602.0, The Rossmoor Television Channel, was introduced at the January 27th regular meeting of the Board. She then explained the reasons for the proposed revisions.

A motion was made by Ms. Jordan and seconded by Mrs. Fredlund to approve, as recommended by the Policy Committee, revised Policy 602.0, The Rossmoor Television Channel (agenda attachment 9b-3 and 9b-4). Discussion followed during which Mr. Weenig suggested that the next time this Policy is considered consideration be given to including the language in items 10b and 10c of Policy 601.2, Rossmoor News Editorial Policy, in the Rossmoor Television Channel Policy, and Mrs. Cortessis expressed her objections to the revised Rule and supported the concerns expressed by Hugh Grey regarding the revised Rule during the Residents' Forum earlier in the meeting. Following further discussion, the vote on the motion was taken, and the motion CARRIED, with Mrs. Cortessis voting no.

Approved
Revised
Policy
602.0

Continuing, Ms. Williamson noted that revised Policy 603.0, Rossmoor Websites, was introduced at the January 27th regular meeting of the Board. She then explained the reasons for the proposed revisions.

A motion was made by Mr. Weenig and seconded by Mrs. Cortessis to approve, as recommended by the Policy Committee, revised Policy 603.0, Rossmoor Websites (agenda attachment 9c-2 and 9c-3).

Approved
Revised
Policy
603.0

Ms. Williamson next noted that revised Policy 304.1, Guest Usage Policy, was introduced at the January 27th regular meeting of the Board. She then explained the reasons for the proposed revisions.

A motion was made by Mrs. Fredlund and seconded by Mr. Weenig to approve, as recommended by the Policy Committee, revised Policy 304.1, Guest Usage Policy (agenda attachment 9d-3). Discussion followed during which Mr. Wall expressed his concerns regarding the revised Policy. Following further discussion, the vote on the motion was taken, and the motion CARRIED, with Mr. Wall voting no.

Approved
Revised
Policy
304.1

Ms. Williamson referred to the Fitness Center Advisory Committee's (FCAC) recommendation that revised Rule R102.0, Fitness Center Access and Use, be referred back to the FCAC for discussion at its next meeting on March 9th and proposed that it be referred back to the FCAC.

A motion was made by Mrs. Fredlund, seconded by Mr. Wall, and CARRIED UNANIMOUSLY to refer revised Rule R102.0, Fitness Center Access and Use, (agenda attachment 9e-3 through 9e-6) back to the FCAC for discussion at its next meeting on March 9th, as recommended by the FCAC.

Revised
Rule R102.0
Referred
to FCAC

Ms. Williamson noted that the Aquatics Advisory Committee recommended that the Board rescind Rules 105.1, Del Valle Pools Access and Use, R105.2, Dollar Pool Access and Use, and R105.3, Hillside Pool Access and Use, and approve new Rule R105.0, General Pool Rules. This item was introduced at the January 27th regular meeting of the Board.

A motion was made by Ms. Williamson and seconded by Ms. Jordan to rescind Rules R105.1, Del Valle Pools Access and Use, R105.2, Dollar Pool Access and Use, and Rule R105.3, Hillside Pool Access and Use, and approve new Rule R105.0, General Pool Rules, as recommended by the Aquatics Advisory Committee and the Policy Committee. During discussion, the rules specific to the Del Valle Pools were referred to (agenda 9f-6), and it was noted that a parenthesis should be added at the end of the first bullet under Hours of Operation and that the word "ENVIRANMENTAL" in the 6th heading should be changed to "ENVIRONMENTAL". It was also noted that the specific pool rules for Del Valle, Dollar, and Hillside pools were not part of new Rule R105.0, which requires Board approval. The specific rules are promulgated and adopted by the Aquatics Advisory Committee, within the purview of the Committee as defined by its Charter. Said rules have the full

Motion to
Rescind
Rules
R105.1,
R105.2,
& R105.3
& Approve
New Rule
R105.0

force and effect of the general rules and shall be so enforced. During discussion of new Rule R105.0, it was noted that the temperature of the spa at Del Valle shall not exceed 103 degrees, not 102 degrees as indicated. Further discussion ensued during which Mrs. Cortessis referred to the caregiver policy included in the Rule (pages 9f-4 and 9f-5) and discussed her concerns regarding it.

A motion was made by Mrs. Cortessis and seconded by Ms. Jordan to amend the last bullet of the caregiver policy included in new Rule R105.0, General Pool Rules, to eliminate the words "while their resident is in the water or elsewhere in a pool facility. The bullet, if amended, would thereby read "Caregivers shall not use the pool facilities for free swim or engage in other activities." Following discussion, the vote on the motion was taken, and the motion to amend the last bullet of the caregiver policy as indicated above CARRIED, with Mrs. Fredlund and Messrs. Smith and Wall voting no.

Motion
Amended
as Indicated

The vote was then taken on the motion to rescind Rules R105.1, Del Valle Pools Access and Use, R105.2, Dollar Pool Access and Use, and Rule R105.3, Hillside Pool Access and Use, and to approve new Rule R105.0, General Pool Rules, as recommended by the Aquatics Advisory Committee and the Policy Committee, and as amended above, and the motion, as amended, CARRIED UNANIMOUSLY.

Approved
Motion as
Amend

Ms. Williamson noted that new Rule R113.0, Sanctum Room Use, was introduced at the January 27th regular meeting of the Board. She then explained the purpose of the new Rule.

A motion was made by Mr. Weenig, seconded by Mrs. Fredlund, and CARRIED UNANIMOUSLY to approve, as recommended by the Policy Committee, new Rule R113.0, Sanctum Room Use (agenda attachment 9g-3 and 9g-4).

Approved
New Rule
R113.0

Mrs. Williamson concluded by announcing that the Policy Committee will not meet in March.

No Feb.
Policy Com.
Meeting

A motion was made by Mrs. Fredlund and seconded by Mr. Kelly to authorize the CEO to execute an agreement, in a form substantially consistent with the agreement included in the agenda package (agenda attachment 10a-3 through 10a-25), between Creekside Mochas, Inc., and the GRF for operation of the Creekside Grill Restaurant at the new Creekside Clubhouse. The President called on the CEO who discussed the agreement and related matters. Following further discussion, the vote on the motion was taken, and the motion CARRIED UNANIMOUSLY.

Authorized
CEO to
Execute
Agreement
w/Creekside
Mochas

A motion was made by Mrs. Fredlund and seconded by Ms. Williamson to approve a new three-year agreement with Arthur J. Gallagher, Insurance Brokers, (agenda attachment 10b-4 through 10b-9) in the amount of \$225,000 for 2011, \$240,000 for 2012, and \$250,000 for 2013 paid from the GRF Operating Fund and 17 Mutuals on a prorated basis. The President called on the CFO who discussed the agreement and related matters. Following further discussion, the vote on the motion was taken, and the motion CARRIED UNANIMOUSLY.

Approved
New
Agreement
w/Arthur J.
Gallagher

A motion was made by Mrs. Fredlund and seconded by Mr. Kelly to approve a contract amendment with Pound Management for \$30,537.50 for Creekside Project Management Services, paid from the Trust Estate Fund, and to authorize the CEO to execute any necessary contract amendment. The President called on the CEO who explained the reasons for the contract amendment and discussed related matters. Following further discussion, the vote on the motion was taken, and the motion CARRIED UNANIMOUSLY.

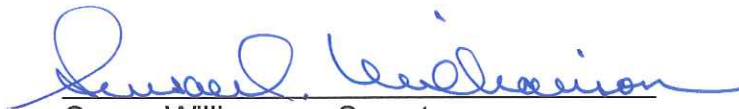
Approved
Contract
Amendment
w/Pound
Management

Before concluding, the President announced that there will not be a March mid-month regular meeting of the Board; that the next end-of-the month regular meeting of the Board will be held on Thursday, March 31, 2011, at 9:00 a.m. in Peacock Hall at Gateway Complex; and that the Board will meet in executive session following this meeting to discuss a contract matter.

Announce-
ments

There being no further business to come before the Board, the meeting was recessed at 10:55 a.m.

Recess



Susan Williamson, Secretary
Golden Rain Foundation of Walnut Creek