

## MINUTES

### GOLDEN RAIN FOUNDATION OF WALNUT CREEK

#### REGULAR MEETING OF THE BOARD OF DIRECTORS THURSDAY, SEPTEMBER 28, 2011, AT 9:00 A.M.

A regular meeting of the Board of Directors of the Golden Rain Foundation (GRF) of Walnut Creek was convened by the President, Susan Williamson, at 9:00 a.m. on Thursday, September 28, 2011, in Peacock Hall at Gateway Complex, 1001 Golden Rain Road, Walnut Creek, California.

ROLL CALL: Present: Susan Williamson, Donald A. Peterson, Barbara S. Jordan, Attendance  
Kenneth W. Haley, Rita A. Fredlund, Donald J. Liddle,  
Melvin N. Wall, Clair S. Weenig, and Warren T. Salmons,  
Chief Executive Officer (CEO), ex-officio member of the  
Board

Excused: James W. Giffin

Also present were Joan (Jo) Jones, Chairman, Aquatics Advisory Committee; Sheldon Solloway, Chairman, Audit Committee; David H. Smith, Chairman, Finance Committee; Michael P. Fleck, Chairman, Golf Advisory Committee; Richard S. Chakoff, Chief Financial Officer; Paul J. Donner, Director, Mutual and Trust Operations; 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; Judith A. Perkins, Senior Manager, Human Resources; Priscilla Tudor, Counseling Services Manager; Dennis Bell, Public Safety Coordinator; Martijn Lemmens, Public Works Engineer; Glenn Mix, Vehicle Maintenance Foreman; George Ivanov, Program Assistant, Rossmoor Television Channel; and Ryan Carroll, Custodian/AV Technician, Custodial Department.

A motion was made by Mr. Weenig, seconded by Mr. Peterson, and CARRIED UNANIMOUSLY to approve, as written, the minutes of the regular meeting of the Board held on August 25, 2011, and the minutes of the joint meetings of the Board and the Finance Committee held on September 13 and 14, 2011.

Minutes  
Approved

Mr. Haley gave the Treasurer's report for the period ending August 31, 2011. The report was included in the agenda package.

Treasurer's  
Report

The CEO reviewed his written report dated September 22, 2011, which included the manor sales report for the period ending August 31, 2011, and as of September 21, 2011. The report was included in the agenda package. Mr. Salmons added that, as of yesterday, there have been 38 sales in September, and there are 66 pending escrows.

CEO's  
Report

During the Residents' Forum, Gilbert Doubet said a number of residents are concerned that the Rossmoor News, which they all pay for, is running one-sided articles written by the CEO, who they all pay for, about the Dollar parking lot and the Event Center that most residents do not want to pay for. He proposed that, if the CEO continues his newspaper propaganda articles, the opposition be allowed equal space in the Rossmoor News to present the other side of the story.

Residents'  
Forum

Robert Dickson commended the Board for its efforts to reduce the coupon. He then added that last month he asked that each Board member go door-to-door in at least several of their entries to find out what the residents' opinions are regarding the cost of the Event Center and its planned location. He asked how many members of the Board did that. He also asked how many members of the Board are returning e-mails and telephone calls from residents.

Patrick T. Kelly expressed his respect and admiration for the hard work and long hours the Board devotes to making Rossmoor a better place to live. He said that residents are depending on the Board to keep Rossmoor moving forward and asked the members of the Board to individually and collectively free themselves from detractors and distractions, to keep their eyes on the ball, and to keep their minds on the goal.

Gene Gordon referred to three items on the agenda for today's meeting, the approval of which would take the Board further down the road to building an Event Center on the Dollar lawn. He beseeched the Board to pause a bit and ponder a lot on the critical nature of today's vote. Saying that a vast majority of residents do not want the Event Center built on the proposed location, he urged the Board to vote no on the three agenda items regarding the Creekside Event Center Design Project.

Jane B. Viator said the proposed Event Center project is being pushed in great haste, and that many residents think haste makes waste. She went on to say that, in order to gain support from several interest groups, the proposed Event Center is being designed to meet performance space and dinner-dance space uses, but the two uses are incompatible. She elaborated on the subject of mixed-use spaces in Rossmoor, and said they don't work.

Philip Wesler suggested that the Board hit the "pause" button on the contracts it awarded for designing an Event Center on the Dollar grounds, saying that doing so will save well over a million dollars. He then asked that staff meet with residents to explore the many options available, which would range from the expansion of the fitness center, to a suitable theatrical venue, to a banquet and dance space, and improvements to other clubhouses in order to satisfy requirements.

Diane C. Mader took issue with and refuted several of the comments made by the speakers before her and encouraged the Board to proceed with the Event Center.

Mrs. Jones, Chairman of the Aquatics Advisory Committee, said the report of the Committee's September meeting was included in the agenda package. She then highlighted items in the report, noting that in August there were 5,301 visits to Del Valle pool, 1,754 visits to Dollar pool, and 2,431 visits to Hillside pool.

AAC  
Report

The Chairman of the Audit Committee, Mr. Solloway, highlighted items in the report of the Committee's September meeting, which was included in the agenda package.

Audit  
Committee  
Report

Mr. Smith, Chairman of the Finance Committee, reported that the Committee met on September 23<sup>rd</sup> and produced its recommendations for the 2012 GRF Operations Budget. A copy of the report of the meeting was distributed to the Board prior to the meeting and is on file. Mr. Smith noted that, if the recommendations are approved by the Board today, the result of the recommendations would be a \$2.69 increase in the GRF portion of the coupon, excluding cable TV. If cable TV is included, the increase would be \$4.42. He said he will go over each of the changes the Committee recommended later in the meeting.

Finance  
Committee  
Report

Reporting in the absence of Ms. Green, Chairman of the Fitness Center Advisory Committee, Mr. Matheson said the report of the Committee's September meeting was included in the agenda package. He then highlighted items in the report, noting that there were 13,132 visits to the Fitness Center in August, including 232 guests and 97 caregivers. There were also 1,326 visits to pool classes taught by Fitness Center staff.

FCAC  
Report

Mr. Fleck, Chairman of the Golf Advisory Committee, said that the report of the Committee's September meeting was included in the agenda package. He then commented on the proposal to add two tennis courts and additional parking at the Buckeye tennis courts. Discussion followed.

GAC  
Report

A motion was made by Mr. Haley and seconded by Mr. Peterson to approve the proposed 2012 GRF Operations Budget in the aggregate amount of \$16,120,364, a coupon amount of \$201.16 not including cable TV, as presented by staff. The proposed budget is a baseline budget, and staff's recommendations were based on the Budget Principles adopted by the Board at its meeting on July 28, 2011.

Motion to  
Approve  
Proposed  
2012 GRF  
Operations  
Budget

The President called on the Chairman of the Finance Committee to present the Finance Committee's recommendations regarding the 2012 GRF Operations Budget.

Mr. Haley noted that a motion was not needed on the Finance Committee's recommendation that the Fitness Center not add a 24-hour per week fitness trainer position, a \$52,000 item, unless the Board wanted to approve the item. The Board did not wish to do so.

A motion was made by Mr. Haley, seconded by Mrs. Fredlund, and CARRIED, with Mr. Wall voting no, to amend the main motion to approve the proposed 2012 GRF Operations Budget as presented by staff to incorporate the Finance Committee's recommendation that basic WiFi service be added to the Dollar Clubhouse, increasing operating costs by \$750.

Main  
Motion to  
Approve  
Proposed  
2012 GRF  
Operations  
Budget as  
Indicated

Mr. Haley noted that a motion was not needed on the Finance Committee's recommendation that public safety enhancement, increasing the gate staff, not be implemented, a \$31,000 to \$52,000 item, unless the Board wanted to approve the item. The Board did not wish to do so.

A motion was made by Mr. Haley and seconded by Mr. Liddle to amend the main motion to approve the proposed 2012 GRF Operations Budget as presented by staff to incorporate the Finance Committee's recommendation that the GRF carry cyber insurance, increasing operating costs by \$10,000. Following discussion, the vote on the motion was taken, and the motion CARRIED, with Mrs. Fredlund and Mr. Wall voting no.

Mr. Haley noted that a motion was not needed on the Finance Committee's recommendation that the pool use season for Dollar and Hillside not be extended by 4 weeks, a \$16,000 item, unless the Board wanted to approve the item. The Board did not wish to do so.

A motion was made by Mrs. Fredlund, seconded by Mr. Haley, and CARRIED UNANIMOUSLY to amend the main motion to approve the proposed 2012 GRF Operations Budget as presented by staff to incorporate the Finance Committee's recommendation that, with respect to the Creekside Bar, \$12,000 of additional revenue be incorporated in the budget representing the monthly bar lease and that \$10,000 of additional revenue from the percentage of gross sales be incorporated in the budget for a total increase in revenue of \$22,000.

A motion was made by Mr. Haley, seconded by Mr. Weenig, and CARRIED UNANIMOUSLY to amend the main motion to approve the proposed 2012 GRF Operations Budget as presented by staff to incorporate the Finance Committee's recommendation that the annual Waterford Administrative Charge be increased by \$7,000, increasing revenue by \$7,000.

It was noted that a motion was not needed on the Finance Committee's recommendation that a proposed fee for replacement of Rossmoor ID cards not be implemented, a \$1,650 item, unless the Board wanted to approve the item. The Board did not wish to do so.

A motion was made by Mr. Haley, seconded by Ms. Jordan, and CARRIED UNANIMOUSLY to amend the main motion to approve the proposed 2012

GRF Operations Budget as presented by staff to incorporate the Finance Committee's recommendation that selected Rossmoor News advertising rates be increased, increasing revenue by \$20,000.

A motion was made by Mr. Haley and seconded by Mr. Peterson, and CARRIED UNANIMOUSLY to amend the main motion to approve the proposed 2012 GRF Operations Budget as presented by staff to incorporate the Finance Committee's recommendation that Items 1, Buckeye restrooms, 3, Dollar picnic restrooms, 6, Fitness Center Expansion, 8, Shops HVAC piping, 9, chiller compressor, and 10, cooling tower pump on the Trust Facility/Property Maintenance Project list be considered for funding from the Trust Estate Fund, reducing the operating budget by \$306,500.

A motion was made by Mr. Haley, seconded by Mr. Liddle, and CARRIED UNANIMOUSLY to amend the main motion to approve the proposed 2012 GRF Operations Budget as presented by staff to move Item 4, Shasta Room flooring, on the Trust Facility/Property Maintenance Project list to the Trust budget to be discussed later.

Mr. Haley noted that a motion was not needed on the Finance Committee's recommendation that Item 2, Dollar Pool plastering, on the Trust Facility/Property Maintenance Project list be implemented in 2012 as proposed, making no change in the budget.

Mr. Haley noted that a motion was not needed on the Finance Committee's recommendation that Item 5, pool shower enclosures, on the Trust Facility/Property Maintenance Project list be implemented in 2012 as proposed, making no change in the budget.

A motion was made by Mr. Haley and seconded by Ms. Jordan to amend the main motion to approve the proposed 2012 GRF Operations Budget as presented by staff to incorporate the Finance Committee's recommendation that Item 7, Art Studio floor/paint, on the Trust Facility/Property Maintenance list not be implemented in 2012, reducing the operating budget by \$36,000. Following discussion, the vote on the motion was taken, and the motion FAILED UNANIMOUSLY.

A motion was made by Mr. Haley, seconded by Mr. Liddle, and CARRIED UNANIMOUSLY to amend the main motion to approve the proposed 2012 GRF Operations Budget as presented by staff to incorporate the Finance Committee's recommendation that Item 11, Billiards Room floor/paint, on the Trust Facility/Property Maintenance Project list not be implemented in the 2012 year, reducing the operating budget by \$8,000.

A motion was made by Mr. Haley, seconded by Mr. Weenig, and CARRIED UNANIMOUSLY to amend the main motion to approve the proposed 2012 GRF Operations Budget as presented by staff to incorporate the Finance Committee's recommendation that Item 12, MOD gutters/downspouts, on the Trust Facility/Property Maintenance Project list be considered for funding from the Trust Estate Fund, reducing the operating budget by \$33,000.

Mr. Haley noted that a motion was not needed on the Finance Committee's recommendation that Items 13, bridge railing, 14, equipment replacement, 15, fire abatement, 16, street maintenance, 17, sidewalk maintenance, 18, water drainage, sewer maintenance, and 19, open space maintenance, on the Trust Facility/Property Maintenance Project list be implemented in 2012 as proposed, making no change in the budget.

A motion was made by Mr. Haley and seconded by Mr. Peterson to amend the main motion to approve the proposed 2012 GRF Operations Budget as presented by staff to incorporate the Finance Committee's recommendation that \$500,000 of working capital be utilized in the 2012 budget. Following discussion, the vote on the motion was taken, and the motion CARRIED UNANIMOUSLY.

A motion was made by Mr. Haley and seconded by Mr. Weenig to amend the main motion to approve the proposed 2012 GRF Operations Budget as presented by staff to incorporate the Finance Committee's recommendation that Department 800 Unallocated/General Services – Account 6913, Trailer Rental, be paid from the Trust Estate Fund, thus decreasing operating costs by \$22,500. Following discussion, the vote on the motion was taken, and the motion CARRIED UNANIMOUSLY.

Mr. Smith introduced discussion regarding the Finance Committee's recommendation that the Board consider undertaking a comprehensive review of all aspects of Information Technology (IT) throughout the organization, including operations, hardware and software specifications, and purchasing practices, subject to further consideration by the Finance Committee and the Board of possible firms to undertake study, scope of service, and cost. It was noted that this would have no direct impact on the 2012 operating budget. Further discussion regarding the recommendation ensued. It was the consensus of the members of the Board that hiring an outside consultant to perform a comprehensive review of IT operations and practices was not a good idea at this time. During further discussion, the CEO suggested that staff put an item on an agenda for a future meeting for the Board to consider creating an ad hoc committee comprised of Board members, perhaps Finance Committee members, and residents who have the technical expertise so that an internal ad hoc committee could look at various aspects of what the IT Department does and then see whether an

Consideration of Creating an Ad-Hoc Committee to Look at Various Aspects of What the IT Dept. Does to be on Future Agenda

outside consultant is needed in terms of evaluation or whether there are some recommendations that the ad hoc committee feels comfortable making. The members of the Board agreed with the CEO's suggestion. It was noted that no action on the Finance Committee's recommendation was needed unless there was anything a Board member wanted to bring up with regard to the budget. There were no further matters raised.

Proposed  
2012 GRF  
Operations  
Budget  
Approved as  
Amended

The vote was then taken on the motion to approve the proposed 2012 GRF Operations Budget, and the motion, as amended, CARRIED UNANIMOUSLY.

A motion was made by Mrs. Fredlund, seconded by Ms. Jordan, and CARRIED UNANIMOUSLY to approve, as recommended by the President, the appointment of Dale O. Reynolds, Jr. to the Aquatics Advisory Committee, effective immediately, to fill the unexpired portion of the term of Kathryn Smith, who resigned from the Committee. The term expires in May 2012.

Approved  
Appointment  
of D.  
Reynolds to  
AAC

A motion was made by Mr. Liddle and seconded by Mr. Haley to approve the proposal for audio/visual services for the Creekside Event Building Project by Rosen, Goldberg, Der & Lewitz, Inc. for a cost of \$49,800, plus a contingency of up to \$4,980, paid from the Trust Estate Fund, and to authorize the CEO to execute a standard Professional Services Agreement with Rosen, Goldberg, Der & Lewitz, Inc. on behalf of the Golden Rain Foundation. Following discussion, the vote on the motion was taken, and the motion CARRIED, with Ms. Jordan voting no.

Approved  
Proposal for  
Audio/Visual  
Services for  
Creekside  
Event  
Building  
Project

A motion was made by Mr. Peterson and seconded by Mr. Weenig to approve the proposal for energy conservation services for the Creekside Event Building Project by Guttman & Blaevoet for a cost of \$15,800, plus a contingency of up to \$1,580, paid from the Trust Estate Fund, and to authorize the CEO to execute a standard Professional Services Agreement with Guttman & Blaevoet on behalf of the Golden Rain Foundation. Following discussion, the vote on the motion was taken, and the motion CARRIED, with Ms. Jordan voting no.

Approved  
Proposal for  
Energy Con-  
servation  
Services for  
Creekside  
Event Build-  
ing Project

A motion was made by Mr. Haley and seconded by Mr. Peterson to approve the proposal for arborist services for the Creekside Event Building Project and the Table Tennis Project by Ed Brennan Consulting Arborist for a cost not to exceed \$5,000 and \$3,170 respectively, paid from the Trust Estate Fund, and to authorize the CEO to execute a standard Professional Services Agreement with Ed Brennan Consulting Arborist on behalf of the Golden Rain Foundation. Following discussion, the vote on the motion was taken, and the motion CARRIED, with Ms. Jordan voting no.

Approved  
Proposal for  
Arborist  
Services for  
Creekside  
Event Build-  
ing Project

A motion was made by Mrs. Fredlund and seconded by Mr. Haley to approve the consultant services agreement for the completion of the evaluation of Dollar and Hillside Clubhouses and the Gateway Multi-Purpose Rooms with Jacobsen Silverstein Winslow / Degenhardt Architects for a cost of \$37,000, plus a contingency of up to \$3,700, paid from the Trust Estate Fund; 2) to authorize the CEO to execute a standard Professional Services Agreement with Jacobsen Silverstein Winslow / Degenhardt Architects on behalf of the Golden Rain Foundation; 3) to authorize an additional allowance not to exceed \$30,000 paid from the Trust Estate Fund for selected systems contractors to complete the evaluation of the electrical, mechanical, plumbing, roofing, and audio/visual systems; and 4) to authorize the CEO to execute standard Professional Services Agreements with the selected systems contractors on behalf of the Golden Rain Foundation. Discussion followed.

A motion was made by Mr. Liddle, seconded by Ms. Jordan, and CARRIED UNANIMOUSLY to amend the above main motion to also include an evaluation of energy conservation.

The vote was then taken on the above main motion, and the motion, as amended, CARRIED UNANIMOUSLY.

A motion was made by Ms. Jordan and seconded by Mrs. Fredlund to approve the consultant services agreement with Thomas Baak and Associates LLP to complete the design and construction drawings for the Buckeye Tennis expansion project for a cost of \$37,500, plus a contingency of up to \$3,750, paid from the Trust Estate Fund, and to authorize the CEO to execute a standard Professional Services Agreement with Thomas Baak and Associates LLP on behalf of the Golden Rain Foundation. Following discussion, the vote on the motion was taken, and the motion CARRIED UNANIMOUSLY.

Before concluding, the President announced that there will not be an October mid-month regular meeting of the Board; that the next end-of-the month regular meeting of the Board will be held on Thursday, October 27, 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 contract and personnel matters.

There being no further business to come before the Board, the meeting was recessed at 10:50 a.m. and reconvened in executive session at 11:00 a.m. in the Board Room.

  
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Barbara S. Jordan, Secretary  
Golden Rain Foundation of Walnut Creek

Motion to  
Approve  
Consultant  
Services  
Agreement  
for Com-  
pletion of  
Evaluation  
of Dollar &  
Hillside  
Clubhouses  
& Gateway  
Multi-  
Purpose  
Rooms/  
Motion  
Amended/  
Motion  
Approved  
as Amended

Approved  
Consultant  
Services  
Agreement  
to Complete  
Design &  
Construction  
Drawings for  
Buckeye  
Tennis  
Expansion

Announce-  
ments

Recess