

# MINUTES

## GOLDEN RAIN FOUNDATION OF WALNUT CREEK

### REGULAR MEETING OF THE BOARD OF DIRECTORS THURSDAY, JUNE 26, 2014, AT 9:03 A.M.

A regular meeting of the Board of Directors of the Golden Rain Foundation (GRF) of Walnut Creek was convened by the President, Diane C. Guilfooy, at 9:03 a.m. on Thursday, June 26, 2014, in Peacock Hall at Gateway Complex, 1001 Golden Rain Road, Walnut Creek, California.

ROLL CALL: Present: Diane C. Guilfooy, Geraldine Pyle, Barbara S. Jordan, Attendance  
Kenneth W. Haley, Leslie Birdsall, Mary Lou Delpech,  
Richard E. Hurley, Alice S. Lau, Melvin N. Wall, and  
Warren T. Salmons, Chief Executive Officer (CEO), ex-  
officio member of the Board

Absent None

There being no corrections, the minutes of the regular meetings of the Minutes  
Board held on May 29, 2014, and June 10, 2014, were approved as Approved  
written by unanimous consent.

Mr. Haley gave the Treasurer's report covering the financial results for the period Treasurer's  
ending May 31, 2014, and year to date. Discussion followed. Report/

The CEO reviewed his written report dated June 19, 2014. CEO's  
Report

During the Residents' Forum, Sally Lowry and Roslyn Riskin requested that the Residents'  
dog park resurfacing project scheduled for completion the latter part of 2014 be Forum  
completed earlier.

Patricia Zuker commented on suggestions regarding the interim expansion of the  
Fitness Center and suggested additional improvements at the dog park.

Richard Schuman, Judith L. Morton, Diane C. Mader, Catherine S. Herdering, and  
Jo Jones expressed their objections to the Board's 2014- 2015 proposed goal to  
combine the Aquatics Advisory Committee and the Fitness Center Advisory  
Committee.

Karen Perkins expressed her objections to the item listed in the agenda for  
today's meeting published in the Rossmoor News, which was not on the official  
agenda for the meeting, regarding the loan of certain Native-American Saklan  
archeological artifacts and other materials.

John Turnier spoke on the subject of spending and expressed his concerns about  
debt.

Phoebe Cortessis encouraged the Board to preserve the Stanley Dollar House and California history.

John H. Nutley discussed the background regarding the anticipated request to loan certain Native-American Saklan archeological artifacts and other materials to the City of Walnut Creek.

At this point, some members of the Board took the opportunity to comment on some of the remarks made during the Residents' Forum.

David Smith, Chairman of the Finance Committee, reporting on the Committee's June meeting, commented on the Committee's recommendation regarding the take-out loan with Mechanics Bank. Discussion followed during which the President noted the Committee's suggestion that the Board may wish to consider rescheduling its September 25<sup>th</sup> meeting because it falls on a religious holiday. This will be discussed at the Board's July 31<sup>st</sup> meeting when it considers the budget development calendar for 2015.

Finance  
Committee  
Report

Carol Green, Chairman of the Fitness Center Advisory Committee, highlighted items in the report of the Committee's June meeting. Discussion followed.

FCAC  
Report

Alice S. Lau, Chairman of the Compensation Committee, reported on the Committee's June meeting at which the Committee considered recommendations regarding the GRF budget for 2015. Discussion followed.

Compen-  
sation  
Committee  
Report/  
Committee's  
Recommen-  
dations  
Referred  
to Finance  
Committee  
for Con-  
sideration

A motion was made by Ms. Pyle and seconded by Mr. Hurley to refer the Compensation Committee's recommendations that the employees' benefits program budget for 2015 be increased by \$87,470; that the 2015 budget include a pool of money equal to 3% of wages, \$118,000, to be used to adjust non-union compensation; and that a pool of \$30,000 be included in the 2015 budget to allow for any possible 2015 salary increase and/or a 2015 bonus for the CEO to the Finance Committee for consideration and report back to the Board. Following discussion, the vote on the motion was taken, and the motion CARRIED UNANIMOUSLY.

Geraldine Pyle, Chairman of the Policy Committee, reporting on the Committee's June meeting, discussed the Committee's recommended proposed new Rule R114.0, Resident and Guest Rules for Access and Use of Rossmoor Table Tennis Facility, as developed and recommended by the Rossmoor Table Tennis Club, noting that this was the first reading of the proposed new Rule. Discussion followed regarding the proposed limited hours the table tennis facility will be open.

Policy  
Committee  
Report

A motion was made by Mr. Haley and seconded by Ms. Lau to refer proposed new Rule R114.0, Resident and Guest Rules for Access and Use of Rossmoor Table Tennis Facility, back to the Policy Committee and request that it work with the Table Tennis Club to find a solution to keep the facility open to the general public more hours on weekends. Following discussion, Mr. Haley and Ms. Lau withdrew the motion.

Motion to Refer New Rule R114.0 Back to Policy Com. Withdrawn/ CEO to Work to Find Solution re. Table Tennis Facility Hours

A motion was made by Mr. Haley, seconded by Ms. Lau, and CARRIED, with Mr. Wall voting no, to request the CEO to work with the Policy Committee and the Table Tennis Club to find a solution to keep the table tennis facility open more hours on weekends.

In keeping with the Board's practice that policy, procedure, and rule items be on the agenda for two end-of-the-month meetings to allow time for resident input, consideration of approving proposed new Rule R114.0, Resident and Guest Rules for Access and Use of the Rossmoor Table Tennis Facility, was deferred to the July 31, 2014, regular meeting of the Board.

Consideration of Approving New Rule R1140.0 Deferred to 6/26/14

Under Unfinished Business, Ms. Pyle commented on the Policy Committee's recommended proposed revised Policy 303.1, Staff Use of Golf Courses, noting that it was deferred at the May 29, 2014, regular meeting of the Board for consideration of approval at this meeting.

A motion was made by Ms. Pyle, seconded by Ms. Jordan, and CARRIED UNANIMOUSLY to approve, as recommended by the Policy Committee, proposed revised Policy 303.1, Staff Use of Golf Courses (agenda attachment 9a-2 and 9a-3).

Proposed Revised Policy 303.1 Approved

Proceeding to New Business, the President announced the names of her recommended resident member Committee appointments and their terms.

A motion was made by Ms. Delpech and seconded by Ms. Jordan to approve, as recommended by the President, the following resident member Committee appointments for the terms indicated, effective July 1, 2014:

Resident Member Committee Appointments Approved

Aquatics Advisory Committee

Susie L. Chiang, One-Year Term  
Norman P. Gorsuch, Three-Year Term  
Judy L. Morton, Three-Year Term

Audit Committee

Mary K. Neff, Three-Year Term  
Devon L. Olson, Three-Year Term

Finance Committee

F. William Dorband, One-Year Term  
Mary K. Neff, Three-Year Term  
Christopher T. Yahng, Three-Year Term

Fitness Center Advisory Committee

Barbara Leonard, Three-Year Term  
Virginia Lee Rapp, Three-Year Term  
Sherry S. Smith, Three-Year Term

Golf Advisory Committee

Michael J. Devlin, One-Year Term  
Donald A. Terry, Three-Year Term

The President then announced her appointment of the following Committee Chairmen:

Committee  
Chairmen  
Appointments  
Announced

Aquatics Advisory Committee – Richard Schuman (reappointment)  
Audit Committee – Paul Rosenzweig (reappointment)  
Finance Committee – Christopher T. Yahng (new appointment)  
Fitness Center Advisory Committee – Claudia Tierney (new appointment)  
Golf Advisory Committee – John McDonnell (reappointment)

The CEO introduced discussion regarding the Board's priority goals for the 2014 – 2015 Board year following which Ms. Jordan suggested that the Board eliminate her proposed goal that the Aquatics Advisory Committee and the Fitness Center Advisory Committee be combined. The other members of the Board concurred.

Board Goal  
to Combine  
AAC & FCAC  
Eliminated

A motion was made by Mr. Haley, seconded by Ms. Lau, and CARRIED UNANIMOUSLY to approve the following Board goals for the 2014 – 2015 Board year:

Board Goals  
for 2014/15  
Board Year  
Approved

#1 Set in place a process to recruit and select a new CEO to replace the current CEO who will be retiring in late 2015.

- #2 Move forward to the next step of the Del Valle Clubhouse/Fitness Center renovation project.
- #3 Move forward with the IT Broadband study.
- #4 Explore facility access technology using new resident ID cards. This allows for better control and use of the Del Valle Clubhouse/Fitness Center by guests and will dovetail with the review of policies relative to guest access to Rossmoor and club membership by non-residents.
- #5 Continue to implement water use reduction measures to respond to possible/probable long-term water shortages.

Mr. Chakoff, along with Mr. Grafals, discussed matters related to the equal principal payment take-out loan with Mechanics Bank to refinance the line of credit loan for construction of the Event Center and the Table Tennis projects and answered questions from members of the Board.

Take-Out  
Loan w/  
Mechanics  
Bank

A motion was made by Mr. Haley and seconded by Ms. Delpech to adopt the language set forth in the Authorization to Obtain Credit, Grant Security, Guarantee or Subordinate (agenda attachment 10c-3 through 10c-5), and incorporate such language by resolution into the minutes of the meeting as action taken by the Board. Following discussion, the vote on the motion was taken, and the motion CARRIED UNANIMOUSLY.

Adopted  
Language  
Set Forth in  
Authoriza-  
tion to  
Obtain  
Credit Etc./

A motion was made by Mr. Haley, seconded by Ms. Jordan, and CARRIED UNANIMOUSLY to approve the First Amendment to Loan Agreement between the GRF and Mechanics Bank (agenda attachment 10c-7 through 10c-9).

Approved  
First Amend-  
ment to Loan  
Agreement/  
Rescinded

A motion was made by Mr. Haley, seconded by Ms. Jordan, and CARRIED UNANIMOUSLY to rescind the previous motion to approve the First Amendment to Loan Agreement between the GRF and Mechanics Bank (agenda attachment 10c-7 through 10c-9).

Motion to  
Approve  
First Amend-  
ment to Loan  
Agreement

A motion was made by Mr. Haley and seconded by Ms. Jordan to approve the form of the documents substantially in conformance with agenda attachment 10c-7 through 10c-23, subject to final negotiations between General Counsel for GRF and Mechanics Bank and subject to final confirmation by the GRF President, with a loan amount of \$8.1 million, such funds to be used to replace the outstanding line of credit with Mechanics Bank with a fifteen-year loan. Following discussion, the vote on the motion was taken, and the motion CARRIED, with Mr. Hurley abstaining.

Approved the  
Form of Loan  
Documents as  
Indicated

A motion was made by Mr. Haley, seconded by Ms. Delpech, and CARRIED UNANIMOUSLY to authorize the expenditure of an amount not to exceed \$60,000 to cover loan fees and actual expenses incurred by the Bank for the loan, including, but not limited to, legal fees, appraisal fees, environmental review, title fees, etc.

Authorized  
Expenditure  
to Cover  
Loan Fees,  
Etc.

Following introductory remarks by Debi Tallerico, Information Systems Manager, a motion was made by Ms. Lau and seconded by Ms. Pyle to approve the proposal from The Broadband Group for broadband consulting services to conduct a study regarding the feasibility of a Rossmoor-specific television and data network for an amount of \$67,620 to be paid from the Trust Estate Fund (agenda attachment 10d-3 through 10d-28) and to authorize the CEO to execute a Professional Services Agreement with the consultant on behalf of the Golden Rain Foundation. Following discussion, the vote on the motion was taken, and the motion CARRIED, with Mr. Wall voting no.

Approved  
Proposal for  
Broadband  
Consulting  
Services

Before concluding, the President announced that that there will not be a mid-month regular meeting of the Board in July; that the next end-of-the month regular meeting of the Board will be held on Thursday, July 31, 2014, 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 legal matters and any other appropriate business.

Announce-  
ments

There being no further business to come before the Board, the meeting was recessed at 11:13 a.m. and reconvened in executive session at 11:25 a.m. in the Board Room.

Recess

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