A regular meeting of the Board of Directors of the Golden Rain Foundation of Walnut Creek will be held in the Fireside Room at Gateway Complex, commencing at 9:00 a.m., Tuesday, May 9, 2017. The agenda for the meeting is listed below. It is sometimes necessary to add agenda items for consideration by the Board after the agenda has been prepared and distributed. These items will be described in the agenda available at the Board meeting. Regular meetings of the Board of Directors are open, and comments from residents are always welcome during the Residents' Forum.

A G E N D A

GOLDEN RAIN FOUNDATION OF WALNUT CREEK

REGULAR MEETING OF THE BOARD OF DIRECTORS
TUESDAY, MAY 9, 2017, AT 9:00 A.M.

1. MEETING CALLED TO ORDER: President

2. ROLL CALL: Adams (A), Birdsall (I), Brown (B), Delpech (E), Fredlund (C), Kelso (D), Neff (H), (Pyle (G), Roath (F), and O'Keefe, ex-officio member

3. RESIDENTS' FORUM

4. UNFINISHED BUSINESS

5. NEW BUSINESS

   a. Matters related to an access control system: (Attachment)

      • Confirm the Board’s interest in implementing an access control system.

      • Provide direction on non-member amenity access for lessees, caregivers, additional occupants, and guests.

      • Provide direction on the types of identification required to establish proof of residency.

6. ANNOUNCEMENTS

   a. The next end-of-the-month regular meeting of the Board will be held on Thursday, May 25, 2017, at 9:00 a.m. in Peacock Hall at Gateway Complex.

   b. There will be a Board retreat on Friday, May 26, 2017, at 9:00 a.m. in the Club Room at Creekside Complex.
7. **EXECUTIVE SESSION**

   a. If an executive session is necessary, it will be announced during the regular meeting. Executive session topics are restricted to legal, personnel, and third-party contract matters.

8. **RECESS OR ADJOURNMENT**
REQUESTED ACTION/RECOMMENDATION:

There are 3 objectives of today’s workshop:

1. Confirm the Board’s interest in implementing an access control system.
2. Provide direction on non-member amenity access for lessees, caregivers, additional occupants, and guests.
3. Provide direction on the types of identification required to establish proof of residency.

BACKGROUND:

Over the years, residents and Mutuals have expressed concern over the perception that non-residents and non-GRF members may have access to and are using GRF amenities without limitation. Currently, there is no mechanism to limit or prevent such use. Additionally, Mutuals have been concerned with the number of residents who appear to be renting in their Mutuals without the consent of the Mutuals as required by their governing documents, which is likely closely related to the issue above.

At the February 14, 2017 GRF Board meeting, staff presented several new concepts to address this and other issues associated with membership and the use of Rossmoor amenities. Board members expressed interest in access control and limiting non-members’ use of amenities but were not enthusiastic about changing the membership transfer fee from a manor-based fee to a resident-based fee, which staff had suggested: 1) as an equitable means to discourage renters from failing to register with their Mutual, and 2) to raise additional capital for the Trust Estate Fund.

Following feedback from that meeting and subsequent individual meetings with Board members and residents, staff revised its concept to eliminate the resident-based transfer fee and instead modify the rules around the existing manor-based fee. Staff have also eliminated the consideration of an increase in the membership transfer fee from the concept which Board members had indicated they were not ready to support at this time.

Today’s presentation and discussion will ask the Board to formally confirm its interest in implementing access control at the Del Valle complex once the Fitness Center re-opens next year. (The Board can decide whether to expand the access control system to other amenities at a later time.) If the answer is affirmative, then the Board will be
asked to clarify the rules for amenity access for lessees, guests and caregivers and consider whether fees are appropriate for card issuance to persons requesting amenity cards who belong in any of these categories. Policies will be developed based on the Board’s decisions today which will be submitted for formal approval in future months.

GOALS:

The goals of these new systems, processes and fees are the following:

- Limit use of GRF amenities to authorized users through the issuance of an identifying card and associated access control hardware and software
- Identify and ensure that persons requesting a card live in Rossmoor
- Develop a Lessee, Guest and Caregiver use policy
- Define and formalize the criteria to be used for issuing identification cards
- Identify hardware and software solutions for the system
- Generate funds to offset some or all of the annual operating costs of the Access Control System to minimize impact on the coupon
- Implement with the opening of the Fitness Center

PERMITTED ACCESS:

Staff evaluated the various types of authorized residency in Rossmoor and makes the following recommendations regarding access to GRF amenities:

- Mutual-approved Owner-occupants, Designated Occupants, and Co-occupants will have the right to full use of the GRF common facilities. Lessees will have time limited, but otherwise unrestricted, use of the GRF common facilities, subject to additional conditions.
- Those permitted unrestricted use of Foundation facilities will be provided a Facilities Access Card. The Card will be required at all restricted facilities in order for a person to gain access.
- GRF Facilities Access will require annual no-cost renewal, to ensure that Members who have moved out of Rossmoor are removed from the database.
- GRF Members will be entitled to ten (10) guest uses of Del Valle complex per year at no cost.* Additional usage by guests will incur a per-use fee TBD. Access to other facilities by guests will be determined at a future date.
- Mutual-approved Live-in Employees and Caregivers will be entitled to limited access to restricted facilities after registering and paying an Administrative Fee TBD. They will be permitted to accompany GRF Members into restricted facilities, and will be permitted access through the Entrance Facility and Transportation Facilities unaccompanied. Live-in Employees and Caregivers shall wear a provided wristband while within restricted facilities as an indicator to staff that they are not to use the equipment.

* Policy change recommended by a joint subcommittee of the Aquatics Advisory Committee and the Fitness Center Advisory Committee
COSTS:

Staff continues to research software and hardware solutions. The February concept included a comprehensive software solution to replace some of the systems currently used by GRF. Upon deeper study and testing, the software did not meet all the necessary criteria. Staff is now studying whether existing software can provide an interim access control solution at little to no additional cost. It is anticipated that extensive further research will be required next year to determine if there is a system that can meet all our unique needs in security, golf, recreation and membership management.

It is anticipated that the annual operating costs of the Access Control System would be approximately:

<table>
<thead>
<tr>
<th>New Annual Operating Costs</th>
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<tbody>
<tr>
<td>Software Maintenance &amp; Support</td>
<td>$-0-</td>
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<tr>
<td>1 New Staff (Manor Records Dept)</td>
<td>80,000</td>
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<tr>
<td>Supplies</td>
<td>10,000</td>
</tr>
<tr>
<td>5% Contingency</td>
<td>10,500</td>
</tr>
<tr>
<td><strong>Total Addl. Operating</strong></td>
<td><strong>$100,500</strong></td>
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* Provided that we are able to use one of the existing software programs

The hardware costs for the access control devices at the Fitness Center are relatively nominal and will be included in the project’s build-out.

REVENUE:

The February concept included significant revenue assumptions due to the introduction of a resident-based membership transfer fee. Today’s proposal abandons that concept and instead continues with the current manor-based fee therefore there are no changes proposed that result in additional revenue to the Trust Estate Fund.

However, staff is proposing the imposition of a Facility Use Fee for lessees. The Facility Use Fee would generate revenue for the Operating Fund to reduce or eliminate the impact on the coupon of the cost of implementing this new system. Last year there were 89 registered leases in Rossmoor for a total of 479 lease months (an average of 5.4 months per lease). The Mutuals believe the actual number of leases is significantly higher and would like GRF’s assistance in helping to identify lessees who have failed to register with them by having GRF implement an access card to use amenities. This would presumably encourage lessees to register in order to obtain an access card. (It is important to note that in 2015, there were 586 lease months and the average over the last 5 years is 1,073 lease months per year.)

Facility Use Fee (charged to tenants as approved by Mutual):
- $150 per tenant resident per month (average 1.5 tenants per lease)
- ID card deactivated at expiration of lease unless Mutual renews lease
- Landlords would still be able to use amenities
- Using this new Fee as income to the operating budget:
400 lease months per year would generate $90,000
600 lease months per year would generate $135,000
800 lease months per year would generate $180,000
1,000 lease months per year would generate $225,000

PROOF OF RESIDENCY – MUTUAL CO-OCCUPANTS

- A Memorandum of Understanding will be established between Rossmoor mutual corporations and the GRF. This will serve as an agreement to promote use of a “Proof of Residency and Affidavit of Intent to Occupy” rider.
- Proof of Residency will be required in order to obtain a Facility Access Card.
- Acceptable documentation issued in the last 12 months demonstrating residency in Rossmoor:
  - California State ID
  - California or Federal tax return
  - car registration
  - utility bill
  - rental/lease agreement
  - property tax bill
  - declaration page from homeowners or renter’s insurance policy
  - payroll check stub
  - dated correspondence from a government agency:
    - IRS/social security/child support/foster care
    - Voter registration/polling information
    - Jury summons/subpoena

ALTERNATIVES AND OPTIONS:

Do not implement the Access Control System, the proposed modifications to membership and facility access, the Facility Use Fee, Guest Fee or the Administrative Fee.

SUBSEQUENT ACTIONS:

At a future meeting, staff will provide policy recommendations based on the Board’s input today which will then be circulated through the Policy Committee for policy revisions and the Finance Committee for revenue and cost evaluations before returning to the Board of Directors for final approval on the structure, fees and related policy modifications.

It is recommended that the Access Control System is implemented concurrently with the opening of the renovated Fitness Center. In the future, the Board will be asked to identify other amenities where access control is desired.