

MINUTES

GOLDEN RAIN FOUNDATION OF WALNUT CREEK

REGULAR MEETING OF THE BOARD OF DIRECTORS THURSDAY, MAY 25, 2017, 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, Geraldine Pyle, at 9:00 a.m. on Thursday, May 25, 2017, in Peacock Hall at Gateway Complex, 1001 Golden Rain Road, Walnut Creek, California.

ROLL CALL: Present: Geraldine Pyle, Stephen D. Roath, Robert D. Kelso, Mary K. Neff, Sue DiMaggio Adams, Leslie Birdsall, Carl W. Brown, Mary Lou Delpech, Melvin C. Fredlund, and Timothy O'Keefe, Chief Executive Officer (CEO), ex-officio member of the Board

Attendance

Absent: None

Before proceeding with the approval of the minutes, Mr. Kelso noted a typo in the third from the last paragraph on page 3 of the minutes of the April 27, 2017, regular meeting of the Board, saying that "CARRED" was misspelled and should be corrected to "CARRIED". There being no additional corrections, the minutes of the regular meeting of the Board held on March 30, 2017, were approved, as corrected, by unanimous consent.

Minutes
Approved as
Corrected

There being no corrections, the minutes of the organizational meeting of the Board held on May 8, 2017, and the minutes of the regular meeting of the Board held on May 9, 2017, were approved, as written, by unanimous consent.

Minutes
Approved

At this point, the CEO made a special presentation of an engraved award and a gift to the immediate past President of the GRF, Leslie Birdsall, in appreciation for his outstanding service to the Rossmoor community from May 2015 to May 2017 and thanked him for his dedicated service. Mr. Birdsall accepted the award and gift with his thanks and was given a round of applause.

Special
Presentation
to Past
President

President Geri Pyle then introduced Cindy Silva, Walnut Creek City Council member and the City's Liaison to Rossmoor, who gave an update on City and Council activities in Walnut Creek.

Update by
City's
Liaison to
Rossmoor/
Treasurer's
Report/

Mary Neff gave the Treasurer's report for the period ending April 30, 2017.

The CEO reviewed his written report dated May 18, 2017, which included important data and facts about GRF operations in 2016 that have not been previously reported.

CEO's
Report

During the Residents' Forum, Carol Lehr, President of the Rossmoor Lapidary and Jewelry Club and a member of the Visual Arts Modernization Project Committee (VAMP); Patricia Solari, President of the Rossmoor Art Association and a member of VAMP; Anne Shulenberger, Vice President of the Ceramics Art Club, a member of the Art Association, and a member of VAMP; Holly Oddson, of the Sewing Arts Club, and then Gabby Miller, a member of the Ceramics Art Club; asked the Board to include funds in the 2018 capital projects budget to renovate the arts and craft studios at Gateway Complex, saying that they have been asking for the studios to be renovated for three years.

Residents'
Forum

Following some introductory remarks, Steve Adza asked if the GRF has a continuity of business plan.

Dwight Walker, speaking on behalf of resident Christopher Slee, read a statement from Mr. Slee in which Mr. Slee said, amongst other things, that the challenge for the Board and the Ad Hoc Technology Committee is to demonstrate that they are accelerating Rossmoor's adoption of technology to meet the expectations of current and future residents and made some suggestions on how to accomplish this.

John H. Nutley referred to the TJKM Vehicle and Pedestrian Safety Study it conducted in Rossmoor and then cited some intersections and crossings that he said were hazardous and suggested some improvements to them.

Brian K. Stack, Chairman, Aquatics Advisory Committee, said the written report of the Committee's May meeting was accurate and complete and that he would be happy to answer any questions. There were none.

AAC
Report

The Chairman of the Finance Committee, David Smith, said the members of the Board have the written report of the Committee's May meeting and that most of them were at the meeting. He then said he would be happy to answer any questions. There were none.

Finance
Committee
Report

Claudia Tierney, Chairman, Fitness Center Advisory Committee, commented on the status of the Del Valle Complex Renovation Project, saying that it is in the demo and remodeling stages. She then mentioned that the residents are very complementary about the modules and the efforts to sustain them during this time.

FCAC
Report

Following introductory remarks, the Chairman of the Compensation Committee, Mr. Birdsall, read the GRF Compensation Philosophy and discussed the Compensation Management Structure that was approved by the Board on June 29, 2011, and the Committee's recommendation that the Board establish three distinct pools of money available for distribution to employees.

Compen-
sation
Committee
Report

A motion was made by Mr. Birdsall and seconded by Ms. Delpech to reaffirm, as recommended by the Compensation Committee, the GRF Compensation Philosophy (agenda attachment 10a1-3) and the Compensation Management Structure (CMS) (agenda attachment 10a1-4) that was approved by the Board on June 29, 2011, and, in support of the CMS, establish three distinct pools of money available for distribution to employees. The three pools are a "base pool", a "merit pool", and a "discretionary pool".

Motion to Reaffirm Compensation Philosophy & Management Structure & Establish 3 Pools/ Motion to Amend Motion as Indicated CARRIED UNANIMOUSLY

A motion was made by Ms. Neff and seconded by Mr. Roath to amend the motion to reaffirm, as recommended by the Compensation Committee, the GRF Compensation Philosophy (agenda attachment 10a1-3) and the Compensation Management Structure (CMS) (agenda attachment 10a1-4) that was approved by the Board on June 29, 2011, and, in support of the CMS, establish three distinct pools of money available for distribution to employees and add the words "in 2018" following the words "pools of money". The three pools are a "base pool", a "merit pool", and a "discretionary pool". Following discussion, the vote on the motion was taken, and the motion CARRIED UNANIMOUSLY.

The vote was then taken on the motion, as amended, to reaffirm, the GRF Compensation Philosophy (agenda attachment 10a1-3) and the Compensation Management Structure (CMS) (agenda attachment 10a1-4) that was approved by the Board on June 29, 2011, and, in support of the CMS, establish three distinct pools of money in 2018 available for distribution to employees. The three pools are a "base pool", a "merit pool", and a "discretionary pool". The amended motion CARRIED UNANIMOUSLY.

Motion, as Amended CARRIED UNANIMOUSLY

Following remarks by Mr. Birdsall, a motion was made by Mr. Birdsall and seconded by Ms. Delpech to establish, as recommended by the Compensation Committee, a budget principle beginning with the 2018 budget, assuming a wage increase amount equivalent to the CPI-U published by the Federal Bureau of Labor Statistics for the San Francisco Bay Area, for the most recent 12 month period ending April 20. This would be used to fund a pool for wage increases during the budget year to be optionally referred to as either a "base pool" or "cost of living pool".

Motion to Establish Budget Principle as Indicated

A motion was made by Mr. Kelso and seconded by Mrs. Neff to amend the motion to establish, as recommended by the Compensation Committee, a budget principle beginning with the 2018 budget, assuming a wage increase amount equivalent to the CPI-U published by the Federal Bureau of Labor Statistics for the San Francisco Bay Area, for the most recent 12 month period ending April 20. This would be used to fund a pool for wage increases during the budget year to be optionally referred to

Motion to Amend Motion as Indicated CARRIED UNANIMOUSLY

as either a "base pool" or "cost of living pool". The proposed amendment is to delete the words "beginning with" and add the word "for" preceding the words "the 2018 budget"; change "April 20" to "April 30" following the words "period ending"; delete the word "either" preceding the words "a base pool", and delete the words "or cost of living pool" following the words "a base pool". Following discussion, the vote on the motion was taken, and the motion CARRIED UNANIMOUSLY.

The vote was then taken on the motion, as amended, to establish a budget principle for the 2018 budget, assuming a wage increase amount equivalent to the CPI-U published by the Federal Bureau of Labor Statistics for the San Francisco Bay Area, for the most recent 12 month period ending April 30. This would be used to fund a pool for wage increases during the budget year to be optionally referred to as a "base pool". The amended motion CARRIED UNANIMOUSLY.

Motion, as Amended, CARRIED UNANIMOUSLY

Following remarks by Mr. Birdsall, a motion was made by Mr. Birdsall, seconded by Mr. Roath, and CARRIED UNANIMOUSLY to approve, as recommended by the Compensation Committee, including in the 2018 budget \$70,000 to be used by the CEO to recognize and reward eligible employees not subject to discipline or performance improvement plans who demonstrated exemplary performance during the budget year, as evidenced by an objective performance evaluation, subject to applicable wage caps established by the CMS.

Approved Including \$70,000 in 2018 Budget to be Used as Indicated

Following remarks by Mr. Birdsall, a motion was made by Mr. Birdsall and seconded by Mr. Fredlund to approve, as recommended by the Compensation Committee, including in the 2018 budget \$15,000 to be used for wage-related contingencies in 2018, to be distributed at the discretion of the CEO.

Motion to Include \$15,000 in 2018 Budget to be Used as Indicated

A motion was made by Mr. Roath and seconded by Mr. Kelso to amend the motion to approve, as recommended by the Compensation Committee, including in the 2018 budget \$15,000 to be used for wage-related contingencies in 2018, to be distributed at the discretion of the CEO and delete the words "for wage related contingencies in 2018" following the words "to be used" and add the words "to bring current employees to at least the floor of their band" preceding the words "to be distributed at the discretion of the CEO". Following discussion, the vote on the motion was taken, and the motion CARRIED, with directors Adams, Delpech, Birdsall and Fredlund voting no.

Motion to Amend Motion as Indicated CARRIED

A motion was made by Mr. Brown to amend the motion to approve, as recommended by the Compensation Committee, including in the 2018 budget \$15,000 to be used for wage-related contingencies in 2018, to be

Motion to Amend Motion as

distributed at the discretion of the CEO, and include in the 2018 budget \$17,000 to be used for base salary adjustments and new hire base salaries, to be distributed at the discretion of the CEO. The motion DIED for lack of a second.

Indicated
DIED

The vote was then taken on the motion, as amended, to approve including in the 2018 budget \$15,000 to be used to bring current employees to a least the floor of their band, to be distributed at the discretion of the CEO, and the amended motion CARRIED UNANIMOUSLY.

Motion, as
Amended
CARRIED
UNANI-
MOUSLY

The President called on Dennis Bell, Public Safety Manager, who introduced discussion and gave some background information regarding the Rossmoor Vehicle and Pedestrian Safety Study conducted by TJKM Traffic Engineering Consultants (TJKM), which the Board authorized on June 30, 2016. He then noted that today's presentation of their findings and recommendations for changes to improve traffic/pedestrian safety in Rossmoor is for discussion only and no decisions on implementation of the recommendations will be made. He then called on Chris D. Kinzel, Vice President, TJKM, who reviewed a PowerPoint presentation of their findings and recommendations (copy on file). Amongst many other things, the study found that motorists generally exceed the speed limit on Rossmoor's main streets and often ignore stop signs. A three-phase plan to improve pedestrian and traffic safety in Rossmoor at a cost of \$1.3 million was recommended by TJKM. Mr. Kinzel then, along with Ruta Jariwala, Principal, TJKM, answered questions from members of the Board. This matter will be further considered at a future meeting of the Board.

Vehicle &
Pedestrian
Safety
Study

The President read the list of names of her recommended Board representative and Board Committee appointments following which, a motion was made by Mr. Kelso, seconded by Ms. Adams, and CARRIED UNANIMOUSLY to approve, as recommended by the President, the following Board representative and Board Committee appointments for one-year terms, effective immediately:

Board Rep
& Board
Committee
Appoint-
ments
Approved

Board Representative Committee Appointments

Aquatics Advisory Committee – Sue DiMaggio Adams
Audit Committee – Mary K. Neff
Finance Committee – Mary K. Neff
Fitness Center Advisory Committee - Melvin C. Fredlund
Golf Advisory Committee - Mary Lou Delpech

Board Committee Appointments

Compensation Committee - Leslie Birdsall

Carl W. Brown
Robert D. Kelso
Stephen D. Roath

Mutual Liaison Committee - Sue DiMaggio Adams
Carl W. Brown
Mary Neff
Geraldine Pyle

Policy Committee - Mary Lou Delpech
Robert D. Kelso
Geraldine Pyle
Stephen D. Roath

The President then announced her appointment of Stephen D. Roath as Chairman of the Compensation Committee and Robert D. Kelso as Chairman of the Policy Committee.

Committee
Chairs
Announced

Following remarks by the President, a motion was made by Mr. Roath, seconded by Ms. Delpech, and CARRIED, with Mr. Brown abstaining, to approve the Mission Statement for the Ad Hoc Technology Committee formed to develop a strategic 5-year plan for GRF technology (agenda attachment 12c-3 and 12c-4).

Approved
Mission
Statement
For Ad Hoc
Tech Com.

Following remarks by the CFO, Rick Chakoff, a motion was made by Ms. Neff, seconded by Ms. Adams, and CARRIED UNANIMOUSLY to adopt the Mechanics Bank Corporation Banking Resolution authorizing the GRF Board officers, the CEO, and the CFO to sign and act on behalf of the organization (agenda attachment 12d-2 through 12d-5).

Adopted
Banking
Resolution
as Indicated

The CEO commented on the agenda item to consider approving the following items and recommended that the Board postpone the creation of a drought tolerant landscape design template until the need for such a template becomes more urgent and instead consider approving an alternate plan to modestly improve the corner of Rossmoor Parkway and Golden Rain Road with the addition of a small hedge with plants and flowers similar to treatments at other highly visible locations around the valley:

Drought
Tolerant
Landscape
Design
Template

- A drought tolerant landscape design template for areas of the golf course bordering residential housing that might be taken out of the regular irrigation pattern in the future.
- A drought tolerant park-like solution for 2 areas adjacent to the creek that were taken out of the regular irrigation pattern:

1. on the corner of Rossmoor Parkway/Golden Rain Road
 2. on Rossmoor Parkway just south of the 2nd green on the Dollar Ranch Course
- A trail system that networks the Foundation's and the Mutuals' small pocket parks to enhance the visibility and enjoyment of Rossmoor's various parks for residents and guests.

A motion was made by Ms. Adams and seconded by Ms. Delpech to approve staff's alternate plan to modestly improve the corner of Rossmoor Parkway and Golden Rain Road with the addition of a small retaining wall and hedge with plants and flowers similar to treatments at other highly visible locations around the valley at a cost not to exceed \$10,000 from the Operating Fund. Following discussion, the vote on the motion was taken, and the motion CARRIED UNANIMOUSLY.

Approved
Landscape
Plan to
Improve
Corner of
Rossmoor
Parkway &
Golden
Rain Road

Before concluding, the President announced that there will be a Board retreat on Friday, May 26, 2017, at 9:00 a.m. in the Club Room at Creekside. It is not open to the public. She went on to say that the next mid-month regular meeting of the Board will be held on Tuesday, June 13, 2017, at 9:00 a.m. in the Fireside Room; that the next end-of-the month regular meeting of the Board will be held on Thursday, June 29, 2017, at 9:00 a.m. in Peacock Hall at Gateway Complex; and that there will be an executive session of the Board following this meeting to discuss contract and legal matters and any other appropriate business.

Announce-
ments

There being no further business to come before the Board, the meeting was recessed at 12:00 p.m. and reconvened in executive session at 12:25 p.m. in the Board Room.

Recess



Robert D. Kelso, Secretary
Golden Rain Foundation of Walnut Creek