

MINUTES

GOLDEN RAIN FOUNDATION OF WALNUT CREEK

REGULAR MEETING OF THE BOARD OF DIRECTORS THURSDAY, SEPTEMBER 29, 2016, 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, Leslie Birdsall, at 9:00 a.m. on Thursday, September 29, 2016, in Peacock Hall at Gateway Complex, 1001 Golden Rain Road, Walnut Creek, California.

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

Excused: Carl W. Brown

There being no corrections, the minutes of the regular meeting of the Board held on August 25, 2016, and the minutes of the joint meeting of the Board and the Finance Committee held on September 13 and 14, 2016, were approved, as written, by unanimous consent.

Minutes
Approved

Mr. Haley gave the Treasurer's report for the period ending August 31, 2016.

Treasurer's
Report/
CEO's
Report

The CEO reviewed his written report dated September 22, 2016.

During the Residents' Forum, the following residents expressed their views regarding proposed revised Policy 502.0, Bulletin Boards and Display Cases, and proposed revised Policy 502.1, Flyers and Petitions, which are recommended for approval by the Policy Committee and are on the agenda for their first reading later in the meeting: June Brott, Brenda Hepler, Karolyn Rim Stein, William Anderson, Sheldon Solloway, Joy Danzig, Carol Weed, John S. Littig, Peggy Fryer, Jonathan Hathaway, Mary Izett, Karen Zehnder, Patricia Sharaf, Mary A. England, Adrienne Lipman, Edward Manning, and Clair Weenig.

Residents'
Forum

Susan Papilion spoke about the musty smell of Dollar Clubhouse and asked the Board to budget funds to renovate it.

John H. Nutley commented on the question of whether the first floor of Hillside Clubhouse was strong enough to hold a second floor and then expressed his opinion that the Trust, not the operations budget, should pay for earthquake insurance for the Trust properties.

Mr. Kelso, Chairman, Policy Committee, took the opportunity to thank the residents who spoke about proposed revised Policies 502.0 and 502.1 during the Residents' Forum and explained how the Policies evolved. He then suggested that the Board deviate from the agenda for the meeting and proceed to the Policy Committee's report and recommendations. There were no objections.

Mr. Kelso explained the reasons for the Policy Committee's recommended proposed revisions to Policy 502.0, Bulletin Boards and Display Cases. Discussion followed. Policy 502.0

Mr. Kelso then explained the reasons for the Policy Committee's recommended proposed revisions to Policy 502.1, Flyers and Petitions. Discussion followed. Policy 502.1

Lastly, Mr. Kelso explained the reasons for the Policy Committee's recommended proposed revisions to Policy 201.3, Guidelines for Creating Resident Activity Advisory Committees. Policy 201.3

The President noted that this was the first reading of the proposed revised Policies 502.0, 502.1, and 201.3. 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 revised Policies 502.0, 502.1, and 201.3 was deferred to the October 27, 2016, regular meeting of the Board. Discussion followed. Consideration of Proposed Revised Policies Deferred

Brian Stack, Chairman, Aquatics Advisory Committee, said the written report of the Committee's September meeting was accurate and complete. AAC Report

David Smith, Chairman, Finance Committee, commented on the Committee's recommendation that the Trust be reimbursed \$91,875 from Operations for the actual cost of the Broadband Phase 2 Study and then summarized the Committee's recommendations to the Board regarding the 2017 Operations Budget. Finance Committee Report

A motion was made by Mr. Haley, seconded by Ms. Adams, and CARRIED UNANIMOUSLY to approve, as recommended by the Finance Committee, reimbursing the Trust \$91,875 from Operations for the actual cost of the Broadband Phase 2 Study. Approved Reimbursing Trust for Broadband Phase 2 Study

Claudia Tierney, Chairman, Fitness Center Advisory Committee, reported on the Committee's September meeting. Discussion followed. FCAC Report

John McDonnell, Chairman, Golf Advisory Committee, had no comments regarding the report of the Committee's September meeting. Discussion followed. GAC Report

Following introductory remarks by the President, a motion was made by Mr. Haley and seconded by Ms. Adams to approve the proposed 2017 GRF Operations Budget in the aggregate amount of \$21,069,841, a coupon amount of \$262.92 per manor, per month, including cable TV, as presented by staff. Motion to Approve Proposed 2017 GRF Operations Budget

A motion was made by Mr. Haley and seconded by Mr. Roath to amend the main motion to approve the proposed 2017 GRF Operations Budget as presented by staff and approve, as recommended by the Finance Committee, an Administrative Assistant for Confidential Services at a cost of \$73,000. Following discussion, the vote on the motion was taken, and the motion CARRIED UNANIMOUSLY.

A motion was made by Mr. Haley and seconded by Ms. Delpech to amend the main motion to approve the proposed 2017 GRF Operations Budget as presented by staff and approve, as recommended by the Finance Committee, an IT Support Specialist at a cost of \$82,000, with \$41,000 of the cost to be paid by the GRF and \$41,000 to be paid by the MOD. 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. Fredlund to amend the main motion to approve the proposed 2017 GRF Operations Budget as presented by staff and approve, as recommended by the Finance Committee, New Staffing for the Recreation Department at a cost of \$26,000, the cost of which is to be offset by increases in Recreation Department revenue. Following discussion, the vote on the motion was taken, and the motion CARRIED UNANIMOUSLY.

A motion was made by Mr. Haley and seconded by Ms. Adams to amend the main motion to approve the proposed 2017 GRF Operations Budget as presented by staff and approve, as recommended by the Finance Committee, the cost of a study for a Short-Range Transit Plan to be carried out using an RFP to select the contractor. It is estimated that the cost of this study will be \$50,000. Following discussion, the vote on the motion was taken, and the motion CARRIED, with Mr. Roath voting "no".

A motion was made by Mr. Haley and seconded by Ms. Adams to amend the main motion to approve the proposed 2017 GRF Operations Budget as presented by staff and, as recommended by the Finance Committee, include in the budget \$193,000 to purchase \$25M worth of earthquake insurance on GRF properties. Discussion followed during which representatives from Arthur J. Gallagher & Co. participated in the meeting via telephone, answered a number of questions regarding earthquake insurance coverage, and were asked to provide some additional information regarding it. The vote on the motion was then taken, and the motion CARRIED UNANIMOUSLY.

A motion was made by Mr. Kelso and seconded by Ms. Adams to amend the main motion to approve the proposed 2017 GRF Operations Budget

Main
Motion to
Approve
Proposed
2017 GRF
Operations
Budget
Amended as
Indicated

as presented by staff and approve, as recommended by the Finance Committee, Trust Facility/Property Maintenance Projects and Purchase of Tangible Property and reducing the total cost of \$873,700 to \$363,700 by deleting \$510,000 in road replacement expenditures (Line 1) and charging the deleted expenditures to the Trust Estate Fund. Following discussion, the vote on the motion was taken, and the motion CARRIED, with Messrs. Birdsall and Haley voting no.

A motion was made by Mr. Haley and seconded by Mr. Roath to amend the main motion to approve the proposed 2017 GRF Operations Budget as presented by staff and approve, as recommended by the Finance Committee, Departments 100, Executive Services, through 502, Rossmoor Channel, as presented, except for decreasing the non-union health insurance expense by \$93,068 and the union pension expense by \$52,208 for a total decrease of \$145,276. Following discussion, the vote on the motion was taken, and the motion CARRIED UNANIMOUSLY.

There was no change to the recommended Defined Benefit Pension Plan contribution for 2017 of \$707,250 so no motion was needed on this item.

A motion was made by Mr. Haley, seconded by Ms. Adams to amend the main motion to approve the proposed 2017 GRF Operations Budget as presented by staff and approve, as recommended by the Finance Committee, decreasing the use of operating cash by \$90,000 for a total of \$310,000.

The vote was then taken on the motion to approve the proposed 2017 GRF Operations Budget, and the motion, as amended, CARRIED UNANIMOUSLY.

Following introductory remarks by the Director of Resident Services, a motion was made by Mr. Haley and seconded by Ms. Adams to authorize the CEO to execute an agreement with First Serve Production, Inc., to renovate the existing tennis courts at Creekside into three pickleball courts for an amount not to exceed \$25,000, which includes a contingency, to be paid from the Trust Estate Fund.

A motion was made by Mr. Roath and seconded by Ms. Pyle to amend the motion to authorize the CEO to execute an agreement with First Serve Production, Inc., to renovate the existing tennis courts at Creekside into three pickleball courts for an amount not to exceed \$25,000, which includes a contingency, to be paid from the Trust Estate Fund, and instead charge the renovation to Operations and therefore be on the

2017 GRF
Operations
Budget
Approved
as Amended

Motion to
Renovate
Creekside
Tennis
Courts into
Pickleball
Courts/
Motion to
Amend
Motion
Failed

coupon. Following discussion, the vote on the motion was taken, and the motion FAILED, with Mr. Roath voting "yes".

The vote was then taken on the motion to authorize the CEO to execute an agreement with First Serve Production, Inc., (agenda attachment 10b-3) to renovate the existing tennis courts at Creekside into three pickleball courts for an amount not to exceed \$25,000, which includes a contingency, to be paid from the Trust Estate Fund, and the motion CARRIED UNANIMOUSLY.

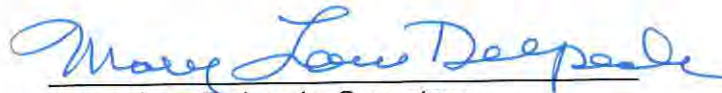
Approved
Renovating
Creekside
Tennis
Courts into
Pickleball
Courts

Before concluding, the President announced that the next mid-month regular meeting of the Board will be held on Tuesday, October 11, 2016, in Peacock Hall Gateway Complex; that the next end-of-month regular meeting of the Board will be held on Thursday, October 27, 2016, 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, legal, and personnel matters and any other appropriate business.

Announce-
ments

There being no further business to come before the Board, the meeting was recessed at 11:50 a.m. and reconvened in executive session at 12:30 p.m. in the Board Room.

Recess



Mary Lou Delpech, Secretary
Golden Rain Foundation of Walnut Creek