

MINUTES

GOLDEN RAIN FOUNDATION OF WALNUT CREEK

REGULAR MEETING OF THE BOARD OF DIRECTORS THURSDAY, SEPTEMBER 24, 2015, AT 9:02 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 9:03 a.m. on Thursday, September 24, 2015, in Peacock Hall at Gateway Complex, 1001 Golden Rain Road, Walnut Creek, California.

ROLL CALL: Present: Leslie Birdsall, Barbara S. Jordan, Mary Lou Delpech, Kenneth W. Haley, Sue DiMaggio Adams, Richard E. Hurley, Robert D. Kelso, Geraldine Pyle, and Warren T. Salmons, Chief Executive Officer (CEO), ex-officio member of the Board Attendance

Excused: Melvin C. Fredlund

There being no corrections, the minutes of the regular meeting of the Board held on August 27, 2015, and the minutes of the joint meeting of the Board and the Finance Committee held on September 8 and 9, 2015, were approved, as written, by unanimous consent. Minutes Approved

Mr. Haley gave the Treasurer's report for the period ending August 31, 2015. Treasurer's Report/

The CEO reviewed his written report dated September 16, 2015. Discussion followed. CEO's Report

During the Residents' Forum, Carol Lehr, President of the Lapidary and Jewelry Club, and a member of the Visual Arts Modernization Project Committee (VAMP), which supported modernization of the arts and crafts studios at Gateway Complex, asked the Board to enlist the help of a professional space planner to assess their studios and offer possible solutions to their space needs before proceeding with planned electrical improvements at the studios. Residents' Forum

Sara Spence, President of the Ceramics Arts Club and Chairman of VAMP, echoed Ms. Lehr's remarks. Discussion followed.

Meriel Ennik, President of the Performing Arts Guild of Rossmoor, mentioned two major projects the Group is currently working on, thanked the Board for its support, and then presented a special pass to the members of the Board to any event presented by members of the Guild.

Barbara Blum, President of Mutual No. Sixty-Eight, and then John Reppart spoke about the unpleasant effects of the PG&E power line upgrade project on both of their Mutuals and requested that the Board reconsider its decision not to allocate

the \$18,000 GRF received from PG&E for the easements for the reconductering project to the two Mutuals proportionately. Discussion followed.

Edward Thomas talked about the "huge liability" of speeding on lower Golden Rain Road and asked the Board to find interventions to reduce the liability.

Carl Brown and then Terry Bedford asked the Board to thoroughly research all options before moving forward with the broadband project.

Carolyn Priest encouraged the Board to thoroughly research all options before moving forward with the Del Valle Complex renovation project.

Donald Heflich said Rossmoor is sorely lacking in parking for bicycles and asked that bike racks be installed at all Rossmoor's community facilities.

John Nutley suggested putting storage lockers underneath the solar array, which would earn money while providing an additional usefulness for the space.

Chris Yahng, Chairman, Finance Committee, reported on the Committee's September meeting at which the Committee discussed the draft FY 2016 GRF Operations Budget and made recommendations regarding it.

Finance
Committee
Report

John McDonnell, Chairman, Golf Advisory Committee, reported on golf course water conservation and turf reduction efforts and commended the Director of Golf and the Golf Course Superintendent for their efforts in this regard.

GAC
Report

Mr. Birdsall, Chairman, Policy Committee, reported on the Committee's September meeting. Discussion followed.

Policy
Committee
Report

The President called on the CEO, who discussed minor changes in the draft revised Letter Agreement with Pulte Group.

A motion was made by Ms. Adams and seconded by Ms. Jordan to approve the draft revised Lease Agreement with Pulte Group to memorialize certain improvements to GRF property and GRF's support of Pulte's proposed residential condominium project and to authorize the CEO to execute the letter substantially consistent with agenda attachment 9a-4 through 9a-19. Following discussion, the vote on the motion was taken, and the motion CARRIED UNANIMOUSLY.

Approved
Draft
Revised
Lease
Agreement
w/Pulte
Group

Following introductory remarks by the President and the Treasurer, a motion was made by Mr. Haley and seconded by Ms. Adams to approve the proposed 2016 GRF Operations Budget in the aggregate amount of \$19,613,028, a coupon amount of \$244.75 per manor, per month, including cable TV, as presented by staff. The proposed budget is a

Motion to
Approved
Proposed
2016 GRF
Operations

baseline budget, and staff's recommendations were based on the Budget Principles adopted by the Board at its meeting on July 30, 2015.

Budget

A motion was made by Mr. Haley, seconded by Ms. Jordan, and CARRIED UNANIMOUSLY to amend the main motion to approve the proposed 2016 GRF Operations Budget as presented by staff and approve, as recommended by the Finance Committee, funding golf turf/irrigation modifications at a net cost of \$34,035.

Main
Motion to
Approve
Proposed
2016 GRF
Operations
Budget
Amended as
Indicated

A motion was made by Mr. Haley, seconded by Ms. Jordan, and CARRIED UNANIMOUSLY to amend the main motion to approve the proposed 2016 GRF Operations Budget as presented by staff and approve, as recommended by the Finance Committee, golf fee increases with an aggregate revenue increase of \$28,400.

A motion was made by Mr. Haley, seconded by Ms. Jordan, and CARRIED UNANIMOUSLY to amend the main motion to approve the proposed 2016 GRF Operations Budget as presented by staff and approve, as recommended by the Finance Committee, the Handyman contract increase with an aggregate revenue of \$40,000, offset, however, by \$40,000 in expenses.

A motion was made by Mr. Haley, seconded by Ms. Jordan, and CARRIED UNANIMOUSLY to amend the main motion to approve the proposed 2016 GRF Operations Budget as presented by staff and approve, as recommended by the Finance Committee, Trust Facility/Property Maintenance Projects and Purchase of Tangible Property, totaling \$887,300, not including Project 9, Gateway – Multi-Purpose Rooms improvements in the amount of \$185,00; Project 13, Hillside – Shady Glen Park concrete pads construction in the amount of \$20,000; Project 16 – Vehicle Maintenance Shop – roll up doors replacement in the amount of \$18,000; and Project 18 – Gateway Clubhouse electrical improvements in the amount of \$50,000, which were classified as capital expenditures and resulted in a reduction of \$273,00 in the proposed 2016 GRF Operations Budget.

A motion was made by Mr. Haley, seconded by Ms. Jordan, and CARRIED UNANIMOUSLY to amend the main motion to approve the proposed 2016 GRF Operations Budget as presented by staff and approve, as recommended by the Finance Committee, Departments 100, Executive, through 502, Rossmoor Channel, as presented, except for an increase in Department 116, Bus Transportation, Line 5116 of \$62,833.

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

proposed 2016 GRF Operations Budget as presented by staff and approve, as recommended by the Finance Committee, Department 800, Unallocated/General Services, as presented, except for a decrease in Line 6707 of \$110,587.

A motion was made by Mr. Haley and seconded by Mr. Kelso to amend the main motion to approve the proposed 2016 GRF Operations Budget as presented by staff to change the salary increase for the non-union employees from 3% down to 2½% (Department 800, Unallocated/General Services, Line 6110, which was \$138,000) knowing that that will also affect the union employees by the same ratio. Following discussion, the vote on the motion was taken, and the motion CARRIED, with Ms. Adams and Mr. Birdsall voting no.

A motion was made by Mr. Kelso and seconded by Ms. Adams to amend the main motion to approve the proposed 2016 GRF Operations Budget as presented by staff and remove the \$20,000 for a labor study from the budget. Following discussion, the vote on the motion was taken. There was a tie vote, and the motion FAILED, with Ms. Adams, Ms. Delpech, Mr. Birdsall, and Mr. Haley voting no.

A motion was made by Mr. Haley and seconded by Ms. Adams to amend the main motion to approve the proposed 2016 GRF Operations Budget as presented by staff and approve, as recommended by the Finance Committee, creating a "Designation" (Reserve) for future Trust Maintenance work in the amount of \$250,000. Following discussion, the vote on the motion was taken, and the motion CARRIED, with Mr. Kelso abstaining.

A motion was made by Mr. Haley and seconded by Ms. Adams to amend the main motion to approve the proposed 2016 GRF Operations Budget as presented by staff and approve, as recommended by the Finance Committee, increasing the use of operating cash by \$47,000, for a total of \$700,000.

A motion was made by Mr. Haley, seconded by Ms. Adams, and CARRIED UNANIMOUSLY to amend the motion to amend the main motion to approve the proposed 2016 GRF Operations Budget as presented by staff and approve, as recommended by the Finance Committee, increasing the use of operating cash by \$47,000, for a total of \$700,000, and to instead increase the use of operating cash by \$147,000, for a total of \$800,000. Following discussion, the vote on the motion was taken, and the motion CARRIED, with Mr. Birdsall abstaining.

The vote was then taken on the motion, as amended, to amend the main motion to approve the proposed 2016 GRF Operations Budget as presented by staff and approve, as recommended by the Finance Committee, increasing the use of operating cash by \$47,000, for a total of \$700,000, and to instead increase the use of operating cash by \$147,000, for a total of \$800,000, and the motion, as amended, CARRIED, with Ms. Adams and Mr. Birdsall abstaining.

2016 GRF
Operations
Budget
Approved
as Amended

The vote was then taken on the motion to approve the proposed 2016 GRF Operations Budget, and the motion, as amended, CARRIED UNANIMOUSLY.

A motion was made Ms. Adams and seconded by Ms. Jordan to fund from the Trust Estate Fund Project 9, Gateway – Multi-Purpose Rooms improvements in the amount of \$185,000; Project 13, Hillside – Shady Glen Park concrete pads construction in the amount of \$20,000; Project 16 – Vehicle Maintenance Shop – roll up doors replacement in the amount of \$18,000; and Project 18 – Gateway Clubhouse electrical improvements in the amount of \$50,000, which were classified as capital expenditures and therefore deleted from the list of 2016 Trust Facility and Property Maintenance Projects included in the draft operating budget in the amount of \$273,000. During discussion, staff was directed to look into the cost of hiring a professional space planner to assess the arts and arts studios at Gateway Complex and offer possible solutions to their space needs. Following further discussion, the vote on the motion was taken, and the motion CARRIED UNANIMOUSLY.

Funded 2016
Indicated
Trust
Facility &
Property
Maintenance
Projects from
Trust
Estate Fund

A motion was made by Ms. Jordan and seconded by Ms. Adams to allocate, out of the \$18,000 GRF received from PG&E for the easements for the reconductering project, \$9,000 to Mutual No. Forty-Eight and \$9,000 to Mutual Sixty-Eight, the most affected by the PG&E project, for the undue stress put upon the residents of those Mutuals and for the potential extra expense the Mutuals may occur because of the project. Before proceeding with discussion of the motion, Mr. Haley recused himself from participating in discussion of it because he is a resident of Mutual No. Sixty-Eight. Following discussion, the vote on the motion was taken, and the motion CARRIED, with Ms. Pyle abstaining and Mr. Hurley voting no.

Allocated
Funds
Received
from PG&E
for Recon-
ductering
Project to
Mutuals 48
& 68 as
Indicated

Under New Business, Mr. Kelso referred to the Rossmoor telephone directory insert in a recent edition of the Rossmoor News. He said that residents should be given the option of submitting the card by e-mail next year. Discussion followed.

Rossmoor
Telephone
Directory
Insert
Discussed

The President then took this opportunity to say, for the record, that he appreciated the fact that the Board finished the budget, but that he did not appreciate the fact that the only part of the budget that the Board reduced during the process had to do with employees. He said he thought that was a very bad move, and that he didn't recall a time when he was on the Compensation Committee that it tied employees' salaries to any indicator like the CPI or anything else. That wasn't done.

President's
Remarks re.
Board's
Action on
Budget

Before concluding, the President announced that a special meeting of the Board will be held on Tuesday, October 6, 2015, at 9:00 a.m. in Peacock Hall to approve the Employment Agreement with Timothy F. O'Keefe, the new GRF CEO; that the next end-of-the month regular meeting of the Board will be held on Thursday, October 29, 2015, at 9:00 a.m. in Peacock Hall at Gateway Complex.

Announce-
ments

There being no further business to come before the Board, the meeting was adjourned at 11:00 a.m.

Adjournment


Mary Lou Delpech, Secretary
Golden Rain Foundation of Walnut Creek