

AD HOC TASK FORCE TO REVIEW THE  
ROSSMOOR GENERAL PLAN REPORT

REGULAR MEETING  
MONDAY, JULY 6, 2015, AT 9:00 A.M.

A regular meeting of the Ad Hoc Task Force to Review the Rossmoor General Plan (Task Force) was called to order by the Chairman, Donald J. Liddle, at 9:00 a.m. on Monday, July 6, 2015, in the Board Room at Gateway Complex.

Present, in addition to the Chairman, were Mary Hufford, Vice Chairman, Carol J. Edlund, Secretary, Christine A. Bertrand, F. William Dorband, Alice S. Lau, Alan W. Swanson, and Robert D. Kelso, GRF representative and ex-officio member. Also attending were Warren T. Salmons, CEO; Leslie Birdsall, President, Kenneth W. Haley, Treasurer, Sue DiMaggio Adams, Director GRF; Christopher T. Yahng, Chairman, Finance Committee; Paul Rosenzweig, Chairman, Audit Committee; and several residents. Attendance

No residents spoke during the first Residents' Forum.

Mr. Salmons began by referring to a packet of information which is a general overview of Rossmoor, and which he uses for new residents and when speaking to outside groups. He "walked the Task Force through" the report:

Residents'  
Forum/  
Finance  
Presen-  
tation

Community – Rossmoor is one of seven Leisure World developments in the country.

Golden Rain Foundation (GRF) – a nonprofit mutual benefit corporation which provides services and facilities to the 18 Mutuels, a Community Services organization.

Governance Structure – refers to the Trust Agreement and Management Agreements.

Administration – GRF organization chart of officers and department directors, and a list of GRF staff positions funded by the coupons.

Finance – GRF Funds – Revenues and Expenditures for Operating and Trust Funds, excluding MOD. This section includes the current budget and budget summaries of the last eight years. It is important to note that maintenance expenses are paid by the coupons, whereas the Trust Estate Fund covers capital projects. The budget is a Board-approved plan to direct staff behavior. A draft budget is developed in the summer for final Board approval in September, at which time the Mutuels develop their budgets.

In summary, Mr. Salmons reported that in the last few years \$30 million was spent on five major projects and the current debt is \$14.5 million. He then gave the following summary of Mutual Operations: Mutual Operations – a separate department (MOD) was established in 1993 to provide an autonomous relationship with the Mutuals without GRF intervention. Components include: management fees, operational design (cost/revenue centers), entrepreneurial flexibility (MOD is managed to not lose money), and employee compensation and benefits.

Mr. Haley explained that a lot of thought goes into preparing the budget, which is a very comprehensive statement. He described various areas where future capital requirements are needed, which explains the recent membership transfer fee increase. Even though revenue is increasing, he advises the Board to be cautious in its decisions. The pension and 401(k) plans operate under ERISA rules and are thus not GRF-controlled operations. He reported very good returns on investments in the last three years, due in large part to recovering from the recession and the drop in interest rates. New employees will not join the pension plan, thus pension outlays will eventually disappear. However, GRF is committed to meet its current pension obligations and will pay them.

Mr. Yahng said that the Finance Committee serves in an advisory capacity to the Board.

Mr. Rosenzweig told the Task Force that the Audit Committee reviews the budget draft, annual reports, and looks at internal controls, e.g.; in 1999 the Committee looked at the purchasing agent's payroll and decided this position is no longer necessary. He also explained that outside auditors examine key aspects of the budget, according to FASB regulations, and recommend when ordinary operating procedures should be tightened

Members discussed the Task Force's purpose and how it should format its report. No final decision was made.

Discussion  
Final  
Report/  
Future  
Presentation  
Topics

Future presentation topics were discussed. Facilities will be the topic for the next meeting, and Mr. Salmons will schedule the speakers. The Task Force's August 31<sup>st</sup> meeting is scheduled for Mutual Presidents.

During the second Residents' Forum, one resident spoke about conflicts in branding Rossmoor as a premier and entrepreneurial community, and was concerned about earthquake preparedness and funding. A second resident suggested the Task Force consider a central purchasing department and advised that the report format be readable. Lastly, a third resident asked when the two-day budget workshop will be held and whether residents could attend.

Residents'  
Forum

The meeting was adjourned at 11:20 a.m.

Adjournment

Ad Hoc Task Force to Review the Rossmoor General Plan  
Regular Meeting

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July 6, 2015

The next regular meeting of the Task Force will be held on Monday, July 20, 2015, Next Mtg.  
at 9:00 a.m. in the Board Room at Gateway Complex. 7/20/15



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Donald J. Liddle, Chairman

Ad Hoc Task Force to Review the Rossmoor General Plan

CJE/kv