

## FINANCE COMMITTEE REPORT

REGULAR MEETING  
TUESDAY, JULY 26, 2016, AT 9:00 A.M.

A regular meeting of the Finance Committee was convened by the Chairman, David H. Smith, at 9:00 a.m. on Tuesday, July 26, 2016, in the Board Room at Gateway Complex.

Present, in addition to the Chairman, were Jean A. Autrey, F. William Dorband, Attendance Kenneth W. Haley, Mary K. Neff, Paul Rosenzweig, and Christopher T. Yahng. Also attending were Leslie Birdsall, President, Melvin C. Fredlund, Vice President, Mary Lou Delpech, Secretary, and Sue DiMaggio Adams, Robert D. Kelso, Geraldine Pyle, and Stephen D. Roath, Directors, GRF; Timothy O'Keefe, CEO; Richard S. Chakoff, CFO; Paul J. Donner, Director of Mutual and Trust Operations; Joseph Bruzdinski, Information Technology Manager; Gail Denzon, Insurance Coordinator; John Tastor, Area Executive Vice President, Arthur J. Gallagher & Company; and two residents.

The Finance Committee's report of June 28, 2016, was unanimously approved as Report written. Approved

A motion was made by Ms. Autrey, seconded by Mr. Rosenzweig, and M. Neff CARRIED UNANIMOUSLY to elect Mary K. Neff Vice Chairman of the Elected Committee. Vice Chair

During the Residents' Forum, one resident expressed his opinion regarding Residents' purchasing earthquake insurance for buildings owned by the Golden Rain Forum Foundation.

The Chairman and the Committee thanked Mr. Yahng for his two years of service as C. Yahng Chairman. Thanked

The Chairman then introduced Mr. Tastor from Arthur J. Gallagher & Company, and Chairman's as a courtesy to Mr. Tastor, announced that he is moving two items up on the Announce- agenda to be discussed as one item: item 9a, the presentation on earthquake ment insurance, and item 8a, the need for a contingency reserve.

Following introductory remarks, the Chairman called on Mr. Tastor, who gave a Earthquake presentation on earthquake insurance for buildings owned by the Golden Rain Insurance Foundation. Discussion followed, with Mr. Tastor answering questions posed by Presentation Committee members.

Mr. Tastor and Ms. Denzon left the meeting.

The Committee continued its discussion of earthquake insurance, including the need Earthquake for a contingency reserve in the Trust Estate. It was the consensus of the Insurance Committee that establishing a contingency reserve fund in the Trust Estate was not and a practical way to deal with funding needs in the event of an earthquake. Contingency Reserve

A motion was made by Mr. Dorband and seconded by Mr. Rosenzweig to recommend to the GRF Board that it authorize Arthur J. Gallagher & Company to provide estimates of earthquake insurance costs, including estimates for roads, including and excluding estimates for the Dollar Clubhouse, and incorporating this information in the draft 2017 Operations Budget for future discussion. Following further discussion, the vote on the motion was taken, and the motion CARRIED, with Ms. Autrey abstaining.

Recom-  
mendation  
to GRF  
Board  
re. Earth-  
quake  
Insurance  
Estimates

Mr. Chakoff asked the Chairman if agenda item 9c regarding a new phone system could be the next item of business, and the Committee agreed to take this agenda item out of order. Mr. Chakoff called on Mr. Bruzdinski, who reviewed the current phone system and the problems associated with an old system, including maintenance and repair issues. Mr. Bruzdinski and Mr. Chakoff then answered questions from the Committee.

Phone  
System

A motion was made by Mr. Haley, seconded by Ms. Neff, and CARRIED UNANIMOUSLY, to recommend to the GRF Board that it approve the purchase of a \$140,000 phone system from Maverick, payable from the Trust Estate Fund.

Recom-  
mendation  
to GRF  
Board  
re. New  
Phone  
System

Mr. Bruzdinski was excused from the meeting.

Mr. O'Keefe commented on several matters and answered questions from the Committee.

Staff  
Reports

Mr. Chakoff reviewed the monthly GRF financial reports.

Mr. Donner reviewed the Trust Facilities and Property Maintenance, Projects, and Machinery/Equipment Acquisition Reports. Discussion followed.

The Chairman called on Mr. Chakoff, who introduced agenda item 9b, the December 31, 2016 operating cash forecast. Discussion followed.


Recom-  
mendation  
to GRF  
Board re.  
Cash  
Amount  
To Offset  
Expenses in

A motion was made by Mr. Haley, seconded by Mr. Dorband, and CARRIED UNANIMOUSLY, to recommend to the GRF Board that \$400,000 be applied to the draft 2017 Operations Budget to offset expenses.

There being no further business to come before the Committee, the meeting was adjourned at 10:39 a.m.

Draft 2017  
Budget/  
Adjourn-  
ment/  
Next Mtg.  
8/23/16

The next meeting of the Finance Committee will be held on Tuesday, August 23, 2016, at 9:00 a.m. in the Board Room at Gateway Complex.

  
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David H. Smith, Chairman  
Finance Committee