

A G E N D A

FINANCE COMMITTEE

REGULAR MEETING
TUESDAY, SEPTEMBER 27, 2016, AT 9:00 AM
BOARD ROOM – GATEWAY COMPLEX

1. MEETING CALLED TO ORDER: David H. Smith, Chairman
2. ROLL CALL: Smith, Neff, Autrey, Dorband, Haley, Rosenzweig, and Yahng
3. APPROVAL OF REPORTS OF AUGUST 23, AND SEPTEMBER 13 AND SEPTEMBER 14, 2016 (Attachments)
4. RESIDENTS' FORUM
5. CHAIRMAN'S REPORT – ANNOUNCEMENTS
6. STAFF REPORTS
 - a. CEO – General Comments
 - b. CFO – Monthly GRF Financials (copy in GRF Board Office Finance Committee mailbox)
 - c. Director of Mutual and Trust Operations – Trust Facilities and Property Maintenance, Projects, and Machinery/Equipment Acquisition Reports (Attachments)
7. UNFINISHED BUSINESS

Discuss the Broadband Phase 2 expenses and charges.
8. NEW BUSINESS

Matters related to the 2017 GRF Operations Budget:

 - 1) Consider recommending to the GRF Board the approval of 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.
 - 2) Consider recommendations to the GRF Board to amend the proposed FY 2017 GRF Operations Budget as presented by staff to incorporate any other changes that may be recommended by the Committee.

	Possible 2017 Budget Impact
i. New Programs and Program Augmentation (Tab 2)	
1. Administrative Assistant for Confidential Services	+ \$73,000
2. IT Support Specialist	+ \$82,000

- 3. Short Range Transit Plan + \$50,000
- 4. Purchase of Earthquake Insurance for GRF property + \$99,000 - \$193,000
- ii. Program Modifications (Tab 3) N/A
- iii. New and Increased Revenue and Program Cost Recovery (Tab 4) N/A
- iv. Trust Facility/Property Maintenance Projects and Purchase of Tangible Property (Tab 6)
 - 1. Items totaling \$ 873,700. (No recommendation needed unless projects are added or deleted and amount changed) \$ _____
- v. Department Budgets (Tab 8)
 - 1. Recommend approval of Departments 100 Executive through 502 Rossmoor Channel as presented except for decreases in health insurance expense of \$59,828 and union pension expense of \$52,208. (No recommendation needed unless line item amounts are changed) - \$112,036
- vi. Defined Benefit Pension Plan Contribution (Tab 5)
 - 1. 2017 contribution of \$707,250. (No recommendation needed unless the amount is changed) \$ _____
- vii. Operating Cash (Tab 7) (Attachment)
 - 1. Use of \$400,000 of operating cash. (No recommendation needed unless the amount is changed) \$ _____
- viii. Consider any other recommendations from the Finance Committee.

9. ADJOURNMENT

10. NEXT REGULAR MEETING: Tuesday, October 25, 2016, at 9:00 a.m. in the Board Room at Gateway Complex.

FINANCE COMMITTEE REPORT

REGULAR MEETING
TUESDAY, AUGUST 23, 2016, AT 9:00 A.M.

A regular meeting of the Finance Committee was convened by the Vice Chairman, Mary K. Neff, at 9:00 a.m. on Tuesday, August 23, 2016, in the Board Room at Gateway Complex.

Present, in addition to the Vice Chairman, were Jean A. Autrey, F. William Dorband, Attendance Kenneth W. Haley, and Paul Rosenzweig. David H. Smith and Christopher T. Yahng were excused. Also attending were Leslie Birdsall, President, Melvin C. Fredlund, Vice President, and Robert D. Kelso and Stephen D. Roath, Directors, GRF; Timothy O'Keefe, CEO; Richard S. Chakoff, CFO; Paul J. Donner, Director of Mutual and Trust Operations; and one resident.

The Vice Chairman called on Mr. Rosenzweig, who read an email received from Comments Dick Locke regarding the Committee's July 26th report. Discussion followed. The on Vice Chairman announced that, since Mr. Locke was in attendance, the Residents' July 26th Forum portion of the meeting would be moved up on the agenda. She suggested Report that Mr. Locke speak first, and the Committee would then consider changing and/or approving the July 26th report.

During the Residents' Forum, Mr. Locke questioned the accuracy of a portion of the Residents' Committee's July 26th report regarding the Committee's agreement that establishing Forum a contingency reserve fund in the Trust Estate Fund was not a practical way to deal with funding needs in the event of an earthquake. Discussion followed, including a suggestion that "contingency reserve fund" be revised to say "earthquake-related contingency reserve fund".

The Vice Chairman proposed that the Committee's report of July 26, 2016, be Report approved, and that the report of today's meeting reflect the earthquake contingency Approved reserve discussion. The Committee's report of July 26, 2016 was then unanimously as approved as written. Written

Mr. O'Keefe commented on GRF's new contract with Comcast and answered Staff questions from the Committee. Reports

Mr. Chakoff reported that an emergency purchase was made from the Trust Estate Fund for approximately \$7,500 to replace the air conditioning unit in the computer room in the Mutual Operations building. He then reviewed the monthly GRF financial reports. Discussion followed.

Mr. Donner reviewed the Trust Facilities and Property Maintenance, Projects, and Machinery/Equipment Acquisition Reports. Discussion followed. During discussion, Committee members asked if some or all of the Broadband Phase 2 project expenses in the Capital Projects report should be charged to Operations instead of to the Trust. Mr. Chakoff agreed to analyze how the project dollars were spent. The Committee will review Mr. Chakoff's report at next month's meeting.

The Vice Chairman called on Mr. Chakoff, who introduced agenda item 8, the Marin Clean Energy options. Discussion followed.

A motion was made by Mr. Dorband, seconded by Mr. Rosenzweig, and CARRIED UNANIMOUSLY to recommend that the GRF Board adopt the MCE Light Green option (52% renewable energy) and that this matter be revisited on a regular basis.

Recom-
mendation
to GRF
Board
re. MCE
Option

The Vice Chairman announced that the Committee's budget meetings with the GRF Board are scheduled for September 13th and 14th, and confirmed that the draft 2017 budget will be available for review on September 6th. The Committee's next regular meeting will be held on September 27th at 9:00 a.m. in the Board Room at Gateway Complex.

Next
Meetings:
9/13/16,
9/14/16 and
9/27/16/
Adjourn-

There being no further business to come before the Committee, the meeting was adjourned at 10:02 a.m.


Mary K. Neff, Vice Chairman
Finance Committee

FINANCE COMMITTEE REPORT

JOINT MEETING OF THE FINANCE COMMITTEE AND
THE GOLDEN RAIN BOARD OF DIRECTORSTUESDAY, SEPTEMBER 13, AND
WEDNESDAY, SEPTEMBER 14, 2016, AT 9:00 A.M.
FIRESIDE ROOM – GATEWAY CLUBHOUSE

A joint meeting of the Finance Committee and the Golden Rain Board of Directors was convened by the President, Leslie Birdsall, at 9:00 a.m. on Tuesday, September 13, 2016, in the Fireside Room at Gateway Complex.

ROLL CALL: Present: Finance Committee members David H. Smith, Jean A. Autrey, F. William, Dorband, Kenneth W. Haley, Mary K. Neff, Paul Rosenzweig, and Christopher T. Yahng Attendance

Absent: None

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

Absent: None

During the Residents' Forum, Mary A. England expressed her concerns regarding the Policy Committee's proposed revisions to Policy 502.0, Bulletin Boards and Display Cases, and Policy 502.1, Flyers and Petitions. Residents' Forum

John H. Nutley asked the Board not to forget Hillside Clubhouse in its financial planning for 2017, saying that preliminary work on the new building should begin soon. He then submitted a list of ideas for rebuilding the Hillside Clubhouse.

The President welcomed the audience to the beginning of the 2017 GRF Operations Budget process and then thanked staff for preparing all of the material the Board and the Finance Committee will be reviewing today and tomorrow. He noted that there will be no decisions made at today's or tomorrow's meeting. He went on to say that the Finance Committee will continue discussion of the draft operating budget at its meeting on September 27th and make recommendations to the Board. The Board will consider the recommendations at its meeting on September 29th and approve the 2017 GRF operations budget at that meeting. President's Opening Remarks

Following opening remarks by the CEO and the CFO, the Board and the Finance Committee reviewed the draft FY 2017 GRF Operations Budget with staff, which included departmental presentations by management staff. Draft FY 2017 GRF Operations Budget Reviewed

The meeting was recessed at 11:23 a.m. Recess

Joint Meeting of the
Finance Committee and
the GRF Board

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September 13 & 14, 2016

The meeting was reconvened at 9:00 a.m. on Wednesday, September 14, 2016, in the Fireside Room at Gateway Complex.

Meeting
Reconvened
9/14/16/
Attendance

All of the members of the Finance Committee were present except Paul Rosenzweig, who was excused. All of the members of the Board were present.

During the Residents' Forum, Dick Locke and then Alan Swanson expressed their concerns about the employee pension fund.

Residents'
Forum

John H. Nutley commented on the ideas for rebuilding Hillside Clubhouse that he presented to the Board at yesterday's meeting.

David Smith took this opportunity to respond to the comments made by Mr. Locke and Mr. Swanson during the Residents' Forum.

Before continuing with the review of the draft FY 2017 GRF Operations Budget, the CEO withdrew item #3, New Staffing for Recreational Services, from Budget Section 2, New Programs and Program Augmentation.

Item #3
Withdrawn
from Budget

The Finance Committee and the Board then continued their review of the draft FY 2017 GRF Operations Budget with staff (Sections 2 through 7). This was an information meeting and no actions were taken.

Continued
Review of
Draft FY
2017 GRF
Operations
Budget


There were no closing questions/remarks by the Finance Committee or the Board.

Before concluding, the President announced that the Finance Committee will meet on Tuesday, September 27, 2016, at 9:00 a.m. in the Board Room at Gateway Complex to further consider the draft FY 2017 GRF Operations Budget and make recommendations to the Board about it; and that the next end-of-the-month regular meeting of the Board will be held on Thursday, September 29, 2016, at 9:00 a.m. in Peacock Hall at Gateway Complex, at which time the Board will consider the Finance Committee's recommendations regarding the draft FY 2017 GRF Operations Budget and other matters.

Announce-
ments

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

Adjournment


David H. Smith, Chairman
Finance Committee

**CAPITAL PROJECTS
BUDGET AND EXPENDITURE REPORT**
Reporting Period AUGUST 2016

Project	Approved Budget	Reporting Period Expenditures	Incurred To-Date	Forecast To-Complete	Est. Final Expenditure	Under/(Over) Budget
Gateway HVAC Replacement Phase 1	180,000		184,275	0	184,275	(4,275)
Gateway HVAC Replacement Phase 2	160,000		153,560	6,440	160,000	0
Gateway Multi-Purpose Rooms Improvements	185,000	25,627	130,772	54,228	185,000	0
Gateway Clubhouse Electrical Improvements	25,000		5,131	19,869	25,000	0
Gateway Studios Space Study	25,000		6,770	18,230	25,000	0
Drop Creek Structure Construction	550,000		19,395	530,605	550,000	0
Del Valle Fitness Complex Study	157,421		157,380	0	157,380	41
Broadband Study Phase 1 Design	67,620		67,620	(0)	67,620	0
Broadband Study Phase 2 Design	91,875	2,550	87,514	4,361	91,875	0
Hillside Clubhouse Atrium Roof Design	12,000		8,150	3,850	12,000	0
Hillside Clubhouse Atrium Roof Construction	110,000	23,693	113,284	26,716	140,000	(30,000)
Hillside Shady Glen Park Concrete Pads	20,000			20,000	20,000	0
Solar Energy Consultant Phase 1	10,000		8,449	1,551	10,000	0
Solar Energy Consultant Phase 2	75,000	3,120	26,037	48,963	75,000	0
Vehicle Maintenance Shop Roll Up Doors	18,000		13,936	4,064	18,000	0
Del Valle Renovation Project	965,000	95,348	337,318	627,682	965,000	0
Traffic and Pedestrian Safety Study	33,400			33,400	33,400	0
Dollar Clubhouse Accessibility Study	6,000	2,563	3,563	2,438	6,000	0
TOTAL	2,691,316	152,900	1,323,153	1,402,397	2,725,550	(34,234)

Major Projects	Total Contingency	Contingency Reserved	Contingency Expended
Drop Creek Structure	70,000	0	0

**MACHINERY & EQUIPMENT
BUDGET AND EXPENDITURE REPORT**

Reporting Period: AUGUST 2016

Project	Approved Budget	Incurred To-Date	Forecast To-Complete	Est. Final Expenditure	Under/(Over) Budget
MOD Vehicles	189,000	32,326	156,674	189,000	0
Del Valle Pools Ultra-Violet System	120,000		120,000	120,000	0
Mowers	111,100	109,784	1,316	111,100	0
Digital Telephone System	140,000	39,806	100,194	140,000	0
GRF Pick-up Trucks	96,000		96,000	96,000	0
Data Storage System	92,000	91,889	0	91,889	111
Grinders	51,500	49,997	0	49,997	1,503
Peacock Hall Digital Projector	30,000	29,999	0	29,999	1
Dollar Clubhouse AV Upgrade	30,000	28,555	1,445	30,000	0
Gateway Clubhouse Automatic Doors	27,000		27,000	27,000	0
Digital Video Surveillance System	24,800	23,454	1,346	24,800	0
Dog Park Patio	20,000		20,000	20,000	0
Sand Dresser	17,350	17,193	0	17,193	157
Dollar Clubhouse Boiler	15,000		15,000	15,000	0
Las Trampas Room Tiered Risers	15,000	12,652	0	12,652	2,348
MOD Scaffolding	12,000	10,945	1,055	12,000	0
Rossmoor Gardens Chain Link Fence	10,000	8,708	0	8,708	1,292
Computer Room AC Replacement (3)	8,000	8,000	0	8,000	0
Counseling Services Automatic Doors	6,500		6,500	6,500	0
Dollar Clubhouse Pool Heater	6,000		6,000	6,000	0
Event Center Acoustic Shell (1)	4,087	4,087	(0)	4,087	0
(2) TOTAL	1,025,337	467,394	552,530	1,019,925	5,412

(1) Total Expenditure	18,895
Less Donation	<u>-14,808</u>
Net Expenditure	<u>4,087</u>

(2) Total Incurred to Date	467,394
Plus Donation	<u>14,808</u>
Total Expenditure to Date	<u>482,202</u>

Golden Rain Foundation
Operating Cash Forecast
Prepared as of August 31, 2016

Cash balance 8/31/2016	2,225,000	
Remaining 2016 operating budget	(350,000)	Note 1
Amortization of prepaid expenses	176,000	Note 2
Forecasted surplus August through December 2016	112,000	Note 3
Total cash forecasted at 12/31/16	<u>2,163,000</u>	
Less: maintenance reserve	(250,000)	
Forecasted operating cash at year-end	<u><u>1,913,000</u></u>	

Notes:

- (1) Total year budgeted operating revenue minus expenses (550,000)
Less: YTD budget at 8/31/2016 (200,000)
Budget Aug - Dec (350,000)
- (2) Certain expenses, including insurance and pension are prepaid during the year and the expense is recognized through the entire year. Since the cash has already been expended, there is no ongoing cash effect.
- (3) Forecast is based on YTD August 2016 results