

# A G E N D A

## FINANCE COMMITTEE

REGULAR MEETING  
TUESDAY, MARCH 29, 2016, AT 9:00 AM  
BOARD ROOM – GATEWAY COMPLEX

1. MEETING CALLED TO ORDER: Christopher Yahng, Chairman
2. ROLL CALL: Yahng, Autrey, Dorband, Haley, Neff, Rosenzweig, and Smith
3. APPROVAL OF REPORT OF FEBRUARY 23, 2016 (Attachment)
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

None
8. NEW BUSINESS
  - a. Discuss definition of Trust vs. Operating expenditure. (Attachment)
9. ADJOURNMENT
10. NEXT MEETING: Tuesday, April 26, 2016, at 9:00 a.m. in the Board Room at Gateway Complex

RSC/kv  
cc: GRF Board

## FINANCE COMMITTEE REPORT

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

A regular meeting of the Finance Committee was convened by the Chairman, Christopher T. Yahng, at 9:00 a.m. on Tuesday, February 23, 2016, in the Board Room at Gateway Complex.

Present, in addition to the Chairman, were Jean A. Autrey, Vice Chairman, Kenneth W. Haley, Mary K. Neff, David H. Smith, and Paul Rosenzweig. F. William Dorband was excused. Also attending were Leslie Birdsall, President, Barbara S. Jordan, Vice President, Mary Lou Delpech, Secretary, and Sue DiMaggio Adams, Melvin C. Fredlund, and Geraldine Pyle, Directors, GRF; Timothy O'Keefe, CEO; Richard S. Chakoff, CFO; Paul J. Donner, Director of Mutual and Trust Operations; Jeffrey P. Matheson, Resident Services Director; and two residents. Attendance

The Finance Committee's report of January 26, 2016, was unanimously approved. Report

Mr. O'Keefe commented on several matters. Approved/

Mr. Chakoff reviewed the monthly GRF financial reports. The Committee discussed several line items in the reports. Staff

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

At the request of the Committee, Messrs. Chakoff and Donner briefly discussed the Mutual Operations Division's preliminary financial report for the year ending December 31, 2015, and responded to questions posed by the Committee.

There being no further business to come before the Committee, the meeting was adjourned at 9:50 a.m. Adjourn-

The next meeting of the Finance Committee will be held on Tuesday, March 29, 2016, at 9:00 a.m. in the Board Room at Gateway Complex. ment  
Next Mtg.  
3/29/16

  
Christopher T. Yahng, Chairman  
Finance Committee

**YR2016 TRUST FACILITY / PROPERTY MAINTENANCE  
 COST & COMMITMENT REPORT**  
 Reporting Period: February 2016

<b>Project</b>	<b>Approved Budget</b>	<b>Reporting Period Expenditures</b>	<b>Incurred To-Date</b>	<b>Forecast To-Complete</b>	<b>Est. Final Expenditure</b>	<b>Under/(Over) Budget</b>	<b>Status</b>
<b>Gateway</b>							
Exterior Panels Replacement	25,000	0	0	25,000	25,000	0	
<b>Hillside</b>							
Women's Pool Shower Stall Inserts Installation	30,000	0	0	30,000	30,000	0	
Plumbing Improvements Study	20,000	0	0	20,000	20,000	0	
<b>Valleywide</b>							
Facilities Wood Staining And Sealing	67,000	0	0	67,000	67,000	0	
Facilities Carpet Replacements	75,000	6,400	6,400	68,600	75,000	0	
Light Pole Repainting	18,000	0	0	18,000	18,000	0	
Landscaping Rehabilitation	10,000	0	0	10,000	10,000	0	
Equipment Replacements	36,000	597	597	35,403	36,000	0	
<b>Open Space</b>							
Open Space Maintenance	21,000	0	0	21,000	21,000	0	
Defensible Space Fire Abatement	15,000	0	0	15,000	15,000	0	
Trails Maintenance	10,000	0	0	10,000	10,000	0	
<b>Public Works</b>							
Street Maintenance	441,000	0	0	441,000	441,000	0	
Sidewalk Maintenance	62,000	0	11,984	50,016	62,000	0	
Water, Drainage, Sewer Maintenance	15,000	1,530	1,530	13,470	15,000	0	
<b>Golf Course</b>							
Cart Path Repair Program	42,300	0	0	42,300	42,300	0	
<b>TOTAL</b>	<b>887,300</b>	<b>8,527</b>	<b>20,511</b>	<b>866,789</b>	<b>887,300</b>	<b>0</b>	

**CAPITAL PROJECTS  
BUDGET AND EXPENDITURE REPORT**  
Reporting Period: FEBRUARY 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		156,351	23,649	180,000	0
Gateway HVAC Replacement Phase 2	160,000		123,508	36,492	160,000	0
Gateway Multi-Purpose Rooms Improvements	185,000	12,360	12,360	172,640	185,000	0
Gateway Clubhouse Electrical Improvements	50,000		5,131	44,869	50,000	0
Drop Creek Structure Construction	550,000		14,084	535,916	550,000	0
Del Valle Fitness Complex Study	157,421		157,380	41	157,421	0
Broadband Study Phase 1 Design	67,620		67,620	(0)	67,620	0
Broadband Study Phase 2 Design	91,875	8,859	71,907	19,968	91,875	0
Hillside Clubhouse Atrium Roof Design	12,000		8,150	3,850	12,000	0
Hillside Clubhouse Atrium Roof Construction	110,000			110,000	110,000	0
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	1,860	11,049	63,951	75,000	0
Vehicle Maintenance Shop Roll Up Doors	18,000		13,936	4,064	18,000	0
<b>TOTAL</b>	<b>1,686,916</b>	<b>23,079</b>	<b>649,925</b>	<b>1,036,991</b>	<b>1,686,916</b>	<b>0</b>

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

**MACHINERY & EQUIPMENT  
BUDGET AND EXPENDITURE REPORT**  
Reporting Period: FEBRUARY 2016

<b>Project</b>	<b>Approved Budget</b>	<b>Incurred To-Date</b>	<b>Forecast To-Complete</b>	<b>Est. Final Expenditure</b>	<b>Under/(Over) Budget</b>
MOD Vehicles (4)	189,000		189,000	189,000	0
Del Valle Pools Ultra-Violet System	120,000		120,000	120,000	0
Mowers (3)	111,100		111,100	111,100	0
GRF Pick-up Trucks (3)	96,000		96,000	96,000	0
Data Storage System	92,000	91,189	811	92,000	0
Grinders (2)	51,500		51,500	51,500	0
Peacock Hall Digital Projector	30,000		30,000	30,000	0
Dollar Clubhouse AV Upgrade	30,000		30,000	30,000	0
Gateway Clubhouse Automatic Doors	27,000		27,000	27,000	0
Dog Park Patio	20,000		20,000	20,000	0
Sand Dresser	17,350		17,350	17,350	0
Dollar Clubhouse Boiler	15,000		15,000	15,000	0
Las Trampas Room Tiered Risers	15,000	12,652	2,348	15,000	0
MOD Scaffolding	12,000	10,646	1,354	12,000	0
Rossmoor Gardens Chain Link Fence	10,000		10,000	10,000	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
<b>(2) TOTAL</b>	<b>852,537</b>	<b>118,574</b>	<b>733,963</b>	<b>852,537</b>	<b>0</b>

(1) Total Expenditure	18,895	(2) Total Incurred to Date	118,574
Less Donation	<u>-14,808</u>	Plus Donation	<u>14,808</u>
Net Expenditure	<u>4,087</u>	Total Expenditure to Date	<u>133,382</u>

**6c-3**

Subject: Allocation of Revenue and Expenses

Purpose: To Establish a Policy to Differentiate Trust Revenues and Expenses From Operating Revenues and Expenses

The categories shown on the following two pages describe the types of revenues and expenses that are classified as trust or operations and list some examples in each category. These lists should not be considered exhaustive but are merely illustrative.

For purposes of this Policy, a capital expenditure is defined as a purchase of tangible property costing over \$5,000 per item wherein the property will not be consumed or converted to cash in one year. Capital assets may be purchased with Trust funds or funds from the operating budget.

**I. Trust Revenues** include:

- membership transfer fees;
- earnings on Trust assets held for investment, including interest and Medical Center rent;
- fees for capital equipment purchased for MOD; and
- gifts to the Trust (either for construction of a specific Trust asset or for general Trust activities).

**II. Trust Expenditures** include:

- construction of new facilities or major renovations to existing facilities;
- fees for work done by non-GRF employees in anticipation of a capital project, including architect fees, engineering studies and consultant fees;
- any cost of temporary facilities required due to construction; and repair of changes that occurred due to construction;
- acquisition or replacement of capital assets, including vehicles, landscape and Golf Course maintenance equipment, large computer systems, major software purchases, and major equipment items such as Fitness Center machines and video projector systems; and
- bank charges, loan fees and debt service (principal and interest) for loans associated with Trust operations.
- Tangible property costing \$5,000 or less per item comprising a set or system, with an aggregate cost of \$80,000 or greater and a useful life in excess of one year, at the discretion of the GRF Board of Directors upon approval of the annual GRF budget.

### **III. Operating Revenues** include:

- monthly fees collected from each manor for the operation of Rossmoor;
- fees collected for normal operation of Trust properties, e.g., all golf course related revenue; room rental charges; sales of advertising; Creekside restaurant, catering and bar rents and revenues; and sales of Vehicle Access Devices.
- charges for programs and activities sponsored by GRF, e.g., Recreation Department concerts or excursions.
- earnings on operating fund assets held for investment, including interest; and
- miscellaneous items such as handyman income, personal training income, RV rental fees and contractual business income from the Waterford and from vehicle maintenance.

### **IV. Operating Expenditures** include:

- normal costs of operating GRF assets, including utilities, taxes, insurance, as well as labor and materials for functions such as custodial and landscape maintenance of GRF facilities and land, including temporary facilities;
- labor and materials for programs/services such as aquatics, bus transportation, counseling, communications, fitness and public safety;
- labor and materials for administrative services such as human resources, accounting, legal and executive services;
- purchase of tangible property costing \$5,000 or less per item;
- repairs;
- maintenance of Trust assets, in accordance with the terms of the Trust; and
- banking and financial expenses related to the operating budget.

Authority: Policy

12/1/11  
5/29/14