

# A G E N D A

## FINANCE COMMITTEE

### REGULAR MEETING

TUESDAY, AUGUST 23, 2016, AT 9:00 AM  
BOARD ROOM – GATEWAY COMPLEX

1. MEETING CALLED TO ORDER: Mary Neff, Vice Chairman
2. ROLL CALL: Smith, Autrey, Dorband, Haley, Neff, Rosenzweig, and Yahng
3. APPROVAL OF REPORT OF JULY 26, 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
8. NEW BUSINESS

Discussion of Marin Clean Energy options. (Attachment)
9. ADJOURNMENT
10. **SPECIAL MEETINGS:**

Tuesday, September 13, 2016, at 9:00 a.m., and Wednesday, September 14, 2016, at 9:00 a.m. in the Fireside Room at Gateway Complex. Joint meeting with the GRF Board to review the draft 2017 GRF Operating Budget.
11. **NEXT REGULAR MEETING:**

Tuesday, September 27, 2016, at 9:00 a.m. in the Board Room at Gateway Complex.

RSC/kv

cc: GRF Board

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



**CAPITAL PROJECTS  
BUDGET AND EXPENDITURE REPORT**  
Reporting Period: JULY 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		105,145	79,855	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	2,989	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	1,975	84,964	6,911	91,875	0
Hillside Clubhouse Atrium Roof Design	12,000		8,150	3,850	12,000	0
Hillside Clubhouse Atrium Roof Construction	110,000	53,367	89,592	50,408	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	3,528	22,917	52,083	75,000	0
Vehicle Maintenance Shop Roll Up Doors	18,000		13,936	4,064	18,000	0
Del Valle Renovation Project	965,000		241,970	723,030	965,000	0
Traffic and Pedestrian Safety Study	33,400			33,400	33,400	0
Dollar Clubhouse Accessibility Study	6,000	1,000	1,000	5,000	6,000	0
<b>TOTAL</b>	<b>2,691,316</b>	<b>62,858</b>	<b>1,170,253</b>	<b>1,555,297</b>	<b>2,725,550</b>	<b>(34,234)</b>

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

**MACHINERY & EQUIPMENT  
BUDGET AND EXPENDITURE REPORT**

Reporting Period: JULY 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	76,189	34,911	111,100	0
Digital Telephone System	140,000		140,000	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	26,112	3,888	30,000	0
Gateway Clubhouse Automatic Doors	27,000		27,000	27,000	0
Digital Video Surveillance System	24,800	4,561	20,239	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
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>1,017,337</b>	<b>364,658</b>	<b>647,267</b>	<b>1,011,925</b>	<b>5,412</b>

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

(2) Total Incurred to Date	364,658
Plus Donation	<u>14,808</u>
Total Expenditure to Date	<u>379,466</u>

**SUMMARY REPORT  
GOLDEN RAIN FOUNDATION FINANCE COMMITTEE**

**REPORT PREPARED BY:**

Rick Chakoff, CFO

**REQUESTED ACTION:**

Recommend to the GRF Board whether to purchase electricity from PG&E (30% renewable energy) or Marin Clean Energy at either MCE Light Green (52% renewable energy) or MCE Deep Green (100% renewable energy).

**BACKGROUND:**

PG&E is offering its Walnut Creek customers the option to buy cleaner power through Marin Clean Energy (MCE).

MCE would replace PG&E's sources of power generation. PG&E will continue to deliver power and provide gas service. In addition, all billing will come through PG&E.

There are three alternatives available.

1. MCE Light Green
  - This option provides energy that is 52% renewable and 63% carbon free. The customer is automatically enrolled in this option if no action is taken.
2. MCE Deep Green
  - This option provides pollution free 100% renewable energy.
3. PG&E
  - With this option the customer opts out and keeps PG&E's 30% renewable generation service.

**RECOMMENDATION:**

Staff has analyzed the cost of the various options and has found that the MCE Light Green option is approximately the same as the PG&E option whereas the MCE Deep Green was approximately 5% more expensive.

If the solar project is completed, it will provide about 60% of the total energy used. Adding this to the Light Green option will result in 80% clean energy overall.

Based on this information staff recommends the MCE Light Green option.

**SUBSEQUENT ACTIONS:**

Dependent on the option chosen.

**FINANCIAL IMPACT:**

If the MCE Deep Green option is chosen the additional cost is estimated to be \$33,000 annually.