

A G E N D A

FINANCE COMMITTEE

REGULAR MEETING
TUESDAY, AUGUST 29, 2017, AT 9:00 AM
BOARD ROOM – GATEWAY COMPLEX

1. MEETING CALLED TO ORDER: David H. Smith, Chairman
2. ROLL CALL: Smith, Autrey, Dorband, Neff, Rosenzweig, Temple, and Yearout
3. APPROVAL OF REPORT: Regular meeting of July 25, 2017 (Attachment)
4. ELECTION OF VICE CHAIRMAN
5. RESIDENTS' FORUM
6. CHAIRMAN'S REPORT – ANNOUNCEMENTS
7. 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)
8. UNFINISHED BUSINESS

None
9. NEW BUSINESS
 - a. Discussion regarding earthquake insurance. Presentation by John Tastor, Arthur J. Gallagher & Co.
 - b. Discussion regarding GRF loaning money to the Trust while the Del Valle Complex is under construction.
 - c. Discuss additional funding for the Del Valle pool project. (Attachment)
 - d. Discuss funding to purchase an access control system. (Attachment)
10. ADJOURNMENT
11. SPECIAL MEETINGS:

Tuesday, September 12, 2017, at 9:00 a.m., and Wednesday, September 13, 2017, at 9:00 a.m. in the Fireside Room at Gateway Complex. Joint meeting with the GRF Board to review the draft 2018 GRF Operating Budget.

12. **NEXT REGULAR MEETING:**

Tuesday, September 26, 2017, at 9:00 a.m. in the Board Room at Gateway Complex.

RSC/kv
cc: GRF Board

FINANCE COMMITTEE REPORT

REGULAR MEETING
TUESDAY, JULY 25, 2017, AT 9:01 A.M.

A regular meeting of the Finance Committee was convened by Jean A. Autrey, Committee member, at 9:01 a.m. on Tuesday, July 25, 2017, in the Board Room at Gateway Complex.

Present, in addition to Ms. Autrey, were F. William Dorband, Mary K. Neff, Paul Rosenzweig, Della Temple (by conference telephone), and Gery Yearout. David H. Smith was excused. Also attending were Stephen D. Roath, Vice President, Robert D. Kelso, Secretary, and Leslie Birdsall, Mary Lou Delpech, and Melvin C. Fredlund, Directors, GRF; Richard S. Chakoff, CFO; Paul J. Donner, Director of Mutual and Trust Operations; Jeffrey P. Matheson, Director of Resident Services; Christopher Preminger, Business Operations Manager; and three residents. Attendance

Following roll call, Ms. Autrey welcomed the new members, Mesdames Temple and Yearout, to the Finance Committee, and asked them to give a brief summary of their background and experience. New Members Introduced

The report of the Committee's regular meeting of June 27, 2017, was approved as written. Report Approved

Ms. Autrey proposed that item 8a on today's agenda, discussion of the Membership Transfer Fee report, be discussed as the first order of business. The Committee concurred. Ms. Neff then opened the discussion and called on Mr. Preminger, who gave a presentation on the Membership Transfer Fee report, which is distributed monthly to the GRF Board and Finance Committee. Discussion followed. Membership Transfer Fee Report Presentation and Discussion

Mr. Preminger left the meeting at 9:35 a.m.

Mr. Chakoff reviewed the GRF Financials for June and answered a question from Ms. Autrey. He then reviewed the quarterly MOD financials as of June 30, 2017, and Mr. Donner answered a question posed by Mr. Dorband. Staff Reports

Mr. Donner reviewed the June Trust Facilities and Property Maintenance Report, and the Capital Projects Report. He reported that the Drop Creek Structure project, included in the Capital Projects Report, was also on the GRF Board's agenda for the July 27th meeting. The GRF Board will be asked to approve a contract in the amount of \$663,000 to replace the structure, and approve a total expenditure of up to \$950,000 for additional costs required to complete the project, including contingencies. Discussion followed. Discussion of Drop Creek Structure Project and Recommendation to GRF Board Re. Available Funding

A motion was made by Mr. Rosenzweig, seconded by Ms. Neff, and CARRIED UNANIMOUSLY to recommend to the GRF Board that funding is available to finish the Drop Creek Structure project for a total expenditure of up to \$950,000, including contingencies.

Mr. Donner then finished reviewing the Capital Projects Report, and Messrs. Donner, Chakoff, and Matheson answered questions from Committee members. Staff Reports (continued)

Mr. Donner concluded his report with a review of the Machinery/Equipment Acquisition Report.

Ms. Autrey called on Mr. Chakoff, who opened discussion on the December 31, 2017 operating cash forecast.

Operating
Cash
Forecast/

Ms. Neff announced that there will be an insurance presentation on August 2, 2017, in the Fireside Room at Gateway. Mr. Chakoff added that GRF's insurance broker, Arthur J. Gallagher & Co., will give the presentation and answer residents' questions with respect to personal homeowner's insurance coverage, etc. Channel 28 will record the program.

Announce-
ment re.
Insurance
Present-
ation

There being no further business to come before the Committee, the meeting was adjourned at 10:18 a.m.

Adjourn-
ment

The next regular meeting of the Finance Committee will be held on Tuesday, August 29, 2017, at 9:00 a.m. in the Board Room at Gateway Complex.

Next
Meeting:
8/29/17

Jean A. Autrey, Member
Finance Committee

kv

**CAPITAL PROJECTS
BUDGET AND EXPENDITURE REPORT**
Reporting Period JULY 2017

Project	Approved Budget	Reporting Period Expenditures	Incurred To-Date	Forecast To-Complete	Est. Final Expenditure	Under/(Over) Budget
Del Valle Renovation Project	9,611,800	564,651	2,417,156	7,194,644	9,611,800	0
Drop Creek Structure Construction	950,000	42,629	72,016	877,984	950,000	0
Valley-Wide Paving	510,000	48,335	483,350	26,650	510,000	0
Del Valle Pools Ultra-Violet System	302,500	159,884	159,884	142,616	302,500	0
Repave MOD Parking Lot	211,500			211,500	211,500	0
Replaster Del Valle Pools and Spa	165,000	28,885	28,885	136,115	165,000	0
Digital Phone System	140,000		139,914	86	140,000	0
Hillside Clubhouse Improvements	130,000	4,818	5,753	124,247	130,000	0
Hillside Overhead Piping Project	90,000			90,000	90,000	0
Rossmoor Gardens Restroom	88,000			88,000	88,000	0
Gateway Multi-Purpose Rooms Improvements	50,000			50,000	50,000	0
Traffic and Pedestrian Safety Study	33,400	3,921	33,237	163	33,400	0
Gateway Clubhouse Automatic Doors	27,000			27,000	27,000	0
Gateway Clubhouse Electrical Improvements	25,000		5,131	19,869	25,000	0
Gateway Studios Space Study	25,000		18,165	6,835	25,000	0
Landscape Median Renovation	25,000			25,000	25,000	0
Sportsman's Park Pergola	18,000			18,000	18,000	0
MOD Conference Room Remodel	16,500			16,500	16,500	0
Dollar Clubhouse Ramp	8,400		2,657	5,743	8,400	0
TOTAL	12,427,100	853,124	3,366,149	9,060,951	12,427,100	0

Major Projects	Total Contingency	Contingency Reserved	Contingency Expended
Del Valle Renovation Project	805,000	330,390	474,610
Drop Creek Structure	77,000	0	0

**MACHINERY & EQUIPMENT
BUDGET AND EXPENDITURE REPORT**

Reporting Period: JUL 2017

Project	Approved Budget	Incurred To-Date	Forecast To-Complete	Est. Final Expenditure	Under/(Over) Budget
MOD Vehicles (6)	199,000	181,622	17,378	199,000	0
GRF Vehicles (4)	160,000	104,413	55,587	160,000	0
Data Storage Project	97,000	47,721	49,279	97,000	0
Fairway Mower	62,000	61,080	0	61,080	920
Fireside Audio/Visual Equipment	26,500		26,500	26,500	0
Bunker Rake	19,500	19,374	(0)	19,374	126
Gateway Clubhouse Fiber Switch	12,000	10,958	0	10,958	1,042
Mail Inserter Machine	11,000	11,166	0	11,166	(166)
Dollar Clubhouse Pool Heater	6,500		6,500	6,500	0
			0		0
			0		0
TOTAL	593,500	436,334	155,244	591,578	1,922

**SUMMARY REPORT
GOLDEN RAIN FOUNDATION BOARD OF DIRECTORS**

REPORT PREPARED BY:

Jeff Matheson, Director of Resident Services

REQUESTED ACTION/RECOMMENDATION:

Consider approving additional funding in the amount of \$52,500 for the Del Valle pool plastering and pump equipment upgrade project to be paid from the Trust Estate Fund.

BACKGROUND:

The Board originally approved two contracts for the completion of the pool plastering and the pump equipment renovations at Del Valle. The combined authorized budget totaled \$467,500. This amount included an overall contingency of \$72,715. The current project total is estimated at \$520,000 creating the need for an additional authorization of \$52,500.

The first contract scope included the re-plastering of the two pools and spa, along with new tile and perimeter coping. The other contract involved the replacement of heaters, pumps and controllers. A new ultra violet secondary sanitation system that serves all three bodies of water was also approved.

When the scope of work is limited to plaster and pump equipment replacement, permits are typically obtained only from the County Health Department who has jurisdiction over the operation of public pools. For the original authorized scope of work, County Health permits were obtained. Because of the full renovation on the adjacent portion of the fitness center building, the City's Building Inspector is onsite regularly. After learning that the pool was to be re-opened prior to the completion of the fitness center and because of the fact that the fitness center and pool share utilities and a wall, the Building Inspector halted the pool project and informed GRF that a City building permit would also be required.

Applying for a building permit is much more involved due to the level of detail the plans require. As preparation began on the permit drawings, it was determined that current building codes require accessibility issues to be addressed.

The dollar value of the original scope of work exceeded Code-mandated thresholds, which requires that the entire facility be brought up to current accessibility codes.

To ensure that all current codes were being met, an inspection from a Certified Access Specialist was needed. The specialist noted that in several locations, the cross slope/path-of-travel of the pool deck circulation was out of compliance with the current building code. Existing door hardware needed to be replaced and new hardware added. The handrails into each pool do not meet current codes and additional exit signage is needed. It was also determined that one of the accessible lifts required replacement. It should be noted that all these items met code when they were originally installed.

The county fire department also reviewed the plans and concluded that additional alarms and strobe lights were required throughout the space. These are all additional expenses generated by the need to obtain a city building permit.

Some unforeseen additional project expenses were also incurred, such as the repair of four leaks that were discovered from a leak detection test. Also, exhaust vent flues for the gas-fired pool heaters were found to be deteriorated at their roof penetrations. Finally, new LED lights were ordered for each pool to save energy and long-term power costs.

The complexity of this additional work required the services of a licensed architect and multiple contractor coordination by our project manager. The advantage of investing in this work now is that it may significantly reduce exposure from future accessibility claims.

The combination of the code required work and normal contingency-related issues have caused the need for an additional allocation of \$52,500.

As a separate issue, the pool building has 17 dual pane windows that have fogged due to leaky seals or breakage. Replacement of these windows was accounted for in the Trust Facility and Property Maintenance budget for 2017. Staff sought bids from several vendors with very little response. The result of this difficult bidding environment is that the actual cost for the window replacement is \$14,000 over the original estimate. No action is required by the Board for this operating expense overage in the Trust Facility and Property Maintenance budget.

FINANCIAL IMPACT:

The overall project budget for the work at the Del Valle pools will be increased by \$52,500 with funding coming from the Trust Estate Fund. The additional \$14,000 for the window replacement will come from the Operating Fund.

ATTACHMENTS:

None

**SUMMARY REPORT
GOLDEN RAIN FOUNDATION
GOLDEN RAIN FOUNDATION BOARD OF DIRECTORS**

REPORT PREPARED BY:

Jeff Matheson, Resident Services Director

REQUESTED ACTION/RECOMMENDATION:

Consider authorizing the CEO to execute an agreement with Siemens for the purchase of an access control software package in an amount not to exceed \$38,000, which includes a 10% contingency to be paid from the Trust Estate Fund.

BACKGROUND:

Staff has previously met with the Board to discuss Access Control for GRF facilities. At the May 9 meeting, the Board agreed to move forward with the concept of access control. It was discussed that the renovated fitness center would be the first facility to implement access control. Staff pledged to investigate use of existing systems as well as bring back any items that had financial implications.

Over the past few months staff has investigated two systems currently being used by GRF for member management and access control. These systems included AmanoNet and Active Network. After extensive review it was determined that neither system was appropriate as a short or long term solution for implementing access control at the fitness center. AmanoNet is programed to focus on vehicles rather than members and integration with Jenark is limited. The Active Network system is more focused on member management and has limited focus on the operating needs of a fitness center.

Included in the base construction bid for the fitness renovation project is the installation of armless turnstiles. Siemens is the company that installs and programs the turnstiles that have been specified. Siemens offers an access control software system, called SiPass, which has the ability to control the specified turnstiles. The SiPass system can be expanded in the future to provide access control at additional facilities and amenities including the front entry gates should there be a desire to expand.

One of the Board goals for the current Board year is to work on integrating or consolidating the various databases used by GRF. Siemens has worked with staff to demonstrate the ability for SiPass to integrate with Jenark in order to maintain the member database for access control. New or amended member records in Jenark will be uploaded into SiPass on a nightly basis.

HOW IT WILL ALL WORK:

- Residents will register with Manor Records upon becoming a new member or when a manor is leased.
- The GRF member file is created in Jenark (as it is today)
- SiPass access control system will be updated with any new, expired, or amended member records entered in Jenark.
- Members will then come to the fitness center to obtain their RFID membership keytag. This process will require the member to have their picture taken and to submit the appropriate waiver for use of the fitness center.
- Once the member has obtained their membership keytag they can access the fitness center by waving the keytag in front of the readers on the turnstiles. The Access Control system will validate the member and, if valid, the turnstile will turn green and, if declined, the turnstile will turn red. The member's picture and profile will be displayed on a monitor for the front desk staff to confirm identity.
- Members can then use their membership keytag to access their account on the cardio equipment console; they can register for classes or personal training, etc.
- If a member's file has expired or been suspended in Jenark then their membership keytag will become inactive until their membership is updated in Jenark with Manor Records.
- The access control system can also track guest access associated with individual members. This will allow each member to be granted a set number of free guest passes per year. Once a member uses all their free guest passes, staff can sell additional guest passes on a per visit basis or in incremental groups.

MEMBER MANAGEMENT SYSTEM:

All GRF Members or lessees entered into Jenark will have a profile set-up in the SiPass access control system. Only members that come to the fitness center and obtain a keytag will be granted access to the fitness center. Those members that have been assigned a keytag will automatically have a profile created in the new member management system for the fitness center called MindBody. SiPass will integrate with MindBody so both systems have the same member information. The MindBody system allows for class registration, personal training appointments, sales of merchandise, class check-in, and use of a mobile APP or personal computer for viewing schedules and available appointments and completing registration online. The system also allows for communication via text message or email with members to remind them of an appointment or to communicate such changes in schedule as class cancellations.

ALTERNATIVE OPTIONS:

The Board can decide not to implement access control at the fitness center.

FINANCIAL IMPACT:

The cost of implementing the SiPass system, including 10,000 RFID keytags, is \$38,000. This expense includes all hardware, software, and training. There are no

annual subscription fees associated with SiPass. The cost of the system would be paid from the Trust Estate Fund.

The cost for the MindBody membership management system is \$290/month with no additional fees for set-up and training. MindBody has a credit card processing feature with transaction fees that range from 1.79-3.45%. Staff is still reviewing this feature. The monthly fees for MindBody will be paid from the existing fitness center operating budget. Approval of new funding for the MindBody system is not required.

ATTACHMENTS:

None