

FINANCE COMMITTEE REPORT
REGULAR MEETING
TUESDAY, JUNE 27, 2017, AT 9:01 A.M.

A regular meeting of the Finance Committee was convened by the Chairman, David H. Smith, at 9:01 a.m. on Tuesday, June 27, 2017, in the Board Room at Gateway Complex.

Present, in addition to the Chairman, were Jean A. Autrey, F. William Dorband, Mary K. Neff, and Christopher T. Yahng. Paul Rosenzweig was excused. Also attending were Geraldine Pyle, President, Stephen D. Roath, Vice President, Robert D. Kelso, Secretary, and Leslie Birdsall and Melvin C. Fredlund, Directors, GRF; Timothy O'Keefe, CEO; Richard S. Chakoff, CFO; Paul J. Donner, Director of Mutual and Trust Operations; Jeffrey P. Matheson, Director of Resident Services; and two residents.

The report of the Committee's regular meeting of May 23, 2017, was approved as written. Report Approved

Mr. O'Keefe commented on several matters and answered questions from the Committee, along with Messrs. Matheson and Donner. Staff Reports

Mr. Chakoff reviewed the GRF Financials for May and answered questions from Committee members.

Mr. Donner reviewed the May Trust Facilities and Property Maintenance Report, Capital Projects Report, and Machinery/Equipment Acquisition Report.

The Chairman called on Mr. Chakoff, who opened discussion on the proposed draft 2018 Budget Calendar. 2018 Budget Calendar and Recommendation to GRF Board

A motion was made by Mr. Dorband, seconded by Ms. Autrey, and CARRIED UNANIMOUSLY to recommend to the GRF Board that it approve the draft 2018 Budget Calendar.

The Chairman then called on Mr. Chakoff, who opened discussion on the proposed draft FY 2018 Operations Budget Principles and answered questions from the Committee. Regarding Budget Principle #13.1, the Committee asked staff to include the CPI-U percentage of 3.8% as of April 30th, which figure was not available to the GRF Board when it approved the Compensation Committee's recommendations to establish a new budget principle for the 2018 budget at its regular meeting in May. 2018 Operations Budget Principles and Recommendation to GRF Board

Following further discussion, a motion was made by Ms. Autrey, seconded by Mr. Dorband, and CARRIED UNANIMOUSLY to recommend to the GRF Board that it approve the draft FY 2018 Operations Budget Principles, with the addition of the 3.8% CPI-U percentage.

The Committee then discussed the Trust Estate Fund Projection. It was the consensus of the Committee members that the Trust Fund is approaching its limit on the ability to borrow additional funds. Currently there is the capacity in the current line of credit to borrow an additional amount of about \$2.4 million, but without raising the Membership Transfer Fee or gaining a new source of revenue, the Trust will not be in a position to pay for additional major capital projects in the near term. The Chairman was directed to communicate this to the Board of Directors at its next meeting.

Trust Estate
Fund
Projection
Discussion

The Chairman called on Mr. Donner, who provided information on the Hillside Clubhouse overhead piping system project. Messrs. Donner and Matheson answered questions from the Committee.

Hillside
Clubhouse
Overhead
Piping

A motion was made by Ms. Autrey and seconded by Ms. Neff to recommend to the GRF Board that the Trust Estate Fund is capable of funding a new overhead piping system in the Hillside Clubhouse up to \$90,000. Following further discussion, the vote on the motion was taken, and the motion CARRIED UNANIMOUSLY.

System and
Recommendation to
GRF Board

Mr. Yahng announced that this was his last meeting as a member of the Finance Committee and he has enjoyed serving on the Committee for the past six years. On behalf of the Committee, the Chairman thanked Mr. Yahng for his dedicated service.

Thank
You to
C. Yahng

Before adjourning, the Chairman announced that the next regular meeting of the Finance Committee will be held on Tuesday, July 25, 2017, at 9:00 a.m. in the Board Room at Gateway Complex.

Next
Meeting:
7/25/17

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

Adjournment


David H. Smith, Chairman
Finance Committee