

FINANCE COMMITTEE REPORT
REGULAR MEETING
TUESDAY, AUGUST 29, 2017, AT 8:59 A.M.

A regular meeting of the Finance Committee was convened by the Chairman, David H. Smith, at 8:59 a.m. on Tuesday, August 29, 2017, in the Board Room at Gateway Complex.

Present, in addition to the Chairman, were Jean A. Autrey, F. William Dorband, Mary K. Neff, Paul Rosenzweig, Della Temple, and Gery Yearout. Also attending were Geraldine Pyle, President, Stephen D. Roath, Vice President, Robert D. Kelso, Secretary, and Sue DiMaggio Adams, Leslie Birdsall, Carl W. Brown, Mary Lou Delpech, 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; John Tastor, Area Executive Vice President, Arthur J. Gallagher & Company; and four residents. Attendance

The report of the Committee's regular meeting of July 25, 2017, was approved as written. Report
Approved

The Chairman asked for nominations for Vice Chairman. Ms. Neff nominated Mr. Dorband, who accepted the nomination. As no other nominations were offered, Mr. Dorband was elected Vice Chairman of the Finance Committee by unanimous consent. Vice
Chairman
Elected

During Residents' Forum, Mary A. England said she was interested in the selection process for the contractor recommended by staff to provide the software for the access control system matter on today's agenda. Richard M. Locke expressed his objection to Operations lending money to the Trust. Resident's
Forum

The Chairman passed out the Conflict of Interest forms, GRF Policy 201.2, and asked the Committee to complete them. Conflict of
Interest
Forms

The Chairman then introduced Mr. Tastor from Arthur J. Gallagher & Company, and as a courtesy to Mr. Tastor, announced that he is moving part of item 9a up on the agenda: the presentation on earthquake insurance. Following introductory remarks, Mr. Tastor, gave a presentation on earthquake insurance for buildings owned by the Golden Rain Foundation. Discussion followed, with Mr. Tastor answering questions posed by Committee members and residents. Earthquake
Insurance
Presentation

Mr. Tastor left the meeting. The Chairman announced that the Committee would discuss the earthquake insurance matter later on in the meeting.

Mr. O'Keefe commented on several matters and answered questions from Committee members. Staff
Reports

Mr. Chakoff reviewed the monthly GRF financial reports and answered questions posed by Committee members.

Mr. Donner reviewed the Trust Facilities and Property Maintenance, Capital Projects, and Machinery/Equipment Acquisition Reports, and Messrs. Donner, Chakoff, and Matheson answered questions from Committee members.

Mr. Donner left the meeting.

The Committee continued its discussion of earthquake insurance and agreed that a Discussion of EQ Insurance Deferred to September/ thorough discussion involving this matter would take place in September during the Finance Committee's joint budget meetings with the GRF Board.

The Chairman then called on Mr. Chakoff, who opened discussion on agenda item 9b: GRF loaning money to the Trust while the Del Valle Complex is under construction. Messrs. Chakoff and Matheson answered questions from the GRF Loans To Trust Committee. Following discussion, the Chairman asked for a motion on this matter and none was offered.

The Chairman called on Mr. Matheson, who provided background information on the Additional Funding for DV Pools Project status of the renovation of the Del Valle pools. He said that the additional funding staff is asking the Committee to recommend to the GRF Board is in addition to the funds already approved for this project. Mr. Matheson then answered questions from Committee members.

Following discussion, a motion was made by Ms. Neff and seconded by Ms. Autrey that the Finance Committee recommend to the GRF Board that it approve 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.

Recom-
mendation
to GRF
Board for
Additional
Funding for
DV Pools
Project

A motion was made by Mr. Rosenzweig to amend the main motion as follows: that the Finance Committee recommend to the GRF Board that it approve additional funding in the amount of \$52,500 for the Del Valle pool plastering and pump equipment upgrade project to be paid from the Operating Fund. The motion DIED for lack of a second.

After additional discussion, the vote on the motion was taken and the motion CARRIED, with Mr. Rosenzweig voting "no".

The Chairman then called on Mr. Matheson, who provided an overview of the Discussion of Access Control System Software Package access control system software package as described in the staff report included in the agenda packet. Discussion followed, with Messrs. Matheson and O'Keefe answering questions from Committee members.

A motion was made by Ms. Neff and seconded by Mr. Dorband that the Finance Committee recommend to the GRF Board that it authorize 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.

A motion was made by Mr. Rosenzweig to amend the main motion to recommend to the GRF Board that it authorize 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, \$16,000 for the cost of 10,000 access cards to be paid from the Operating Fund and the remaining \$22,000 to be paid from the Trust Estate Fund. Ms. Neff and Mr. Dorband agreed to the amended motion which then replaced the original motion.

The vote on the amended motion was then taken and the motion CARRIED, with Ms. Autrey abstaining.

Mr. Dorband asked the Committee to address a matter that was discussed during Mutual 68's Board of Directors meeting on August 28th. During yesterday's meeting, a resolution was passed by the Mutual's Board requesting that because of the permanent deconstruction of two manors located on Grey Eagle Drive, the Golden Rain Foundation recognize that the number of manors in Mutual 68 has been permanently reduced from 235 manors to 233 manors, and that as of November 1, 2017, any fees, costs, or other obligations owed to the Golden Rain Foundation on the number of manors be reduced accordingly. Mr. Dorband made this request of the Committee in light of the fact that the 2018 budget discussions will be held next month.

Following discussion, a motion was made by Mr. Dorband and seconded by Ms. Yearout that the Finance Committee recommend to the GRF Board that the Resolution passed by the Mutual 68 Board of Directors on August 28, 2017, be recognized and approved, reducing the number of manors from 235 to 233, as of the time of deconstruction, and that any fees, costs, or other obligations owed to the Golden Rain Foundation on the number of manors be reduced accordingly as of November 1, 2017. The vote on the motion was taken and the motion CARRIED, with Ms. Temple voting "no" and Mr. Dorband abstaining.

The Chairman announced that the Committee's budget meetings with the GRF Board are scheduled for September 12th and 13th, and confirmed that the draft 2018 budget will be available for review on September 5th. The Committee's next regular meeting will be held on September 26th at 9:00 a.m. in the Board Room at Gateway Complex.

Amendment
to Motion
Accepted

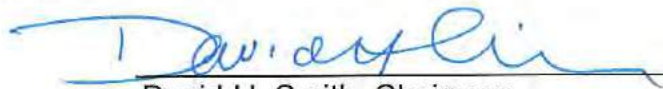
Recom-
mendation
to GRF
Board re.
Purchase
of Access
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Mutual 68
Board of
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Resolution
to Request
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Recognition
of Reduced
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Recom-
mendation
to GRF
Board re.
Mutual 68
BOD
Resolution

Next
Meetings:
9/12/17,
9/13/17 and
9/26/17

There being no further business to come before the Committee, the meeting was Adjourn-
adjourned at 11:20 a.m. ment



David H. Smith, Chairman
Finance Committee

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