

A G E N D A

FINANCE COMMITTEE

REGULAR MEETING
TUESDAY, JANUARY 24, 2017, AT 9:00 AM
BOARD ROOM – GATEWAY COMPLEX

1. MEETING CALLED TO ORDER: Mary K. Neff, Vice Chairman
2. ROLL CALL: Smith, Autrey, Dorband, Haley, Neff, Rosenzweig, and Yahng
3. APPROVAL OF REPORT OF NOVEMBER 29, 2016 (Attachment)
4. RESIDENTS' FORUM
5. VICE 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

None
9. ADJOURNMENT
10. NEXT MEETING: Tuesday, February 21, 2017, at 9:00 a.m. in the Board Room at Gateway Complex

RSC/kv
cc: GRF Board

FINANCE COMMITTEE REPORT

REGULAR MEETING
TUESDAY, NOVEMBER 29, 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, November 29, 2016, in the Board Room at Gateway Complex.

Present, in addition to the Chairman, were Mary K. Neff, Vice Chairman, F. William Dorband, Kenneth W. Haley, Paul Rosenzweig, and Christopher T. Yahng. Jean A. Autrey was excused. 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; Jeffrey P. Matheson, Director of Resident Services; Joseph Bruzdinski, Information Technology Manager; Gail Denzon, Insurance Coordinator; John Tastor, Area Executive Vice President, Arthur J. Gallagher & Company; Larry Fountain, Executive Vice President, and Gary Staring, Senior Vice President, Mechanics Bank; and one resident. Attendance

The Finance Committee's report of October 25, 2016, was unanimously approved as written. Report Approved

During the Residents' Forum, Ralph E. Myers gave a presentation on earthquake insurance and offered his reasons why the Golden Rain Foundation should not buy it. Residents' Forum

Mr. O'Keefe commented on the status of several matters, including the solar farm project, construction bids for the Fitness Center renovation, and Comcast's installation of internet service in manors previously without the service. CEO's Report

The Chairman moved the discussion on earthquake insurance (agenda item 7a) up on the agenda and called on Mr. Chakoff, who introduced Mr. Tastor from Arthur J. Gallagher & Company. Mr. Tastor reviewed the Earthquake Insurance Proposal in the agenda packet and answered questions posed by the Committee. Earthquake Insurance Proposal

Mr. Tastor left the meeting at 10:10 a.m.

The Chairman then called on Messrs. Fountain and Staring from Mechanics Bank, who presented loan proposals for financing the Fitness Center renovation project and answered questions from Committee members. Mechanics Bank Loan Proposals

Messrs. Fountain and Staring left the meeting at 10:28 a.m.

The meeting was recessed at 10:29 a.m. for a break and was reconvened at 10:38 a.m.

Mr. Chakoff reviewed the monthly GRF Financials.

Staff
Reports

Mr. Donner reviewed the Trust Facilities and Property Maintenance, Projects, and Machinery/Equipment Acquisition Reports. Discussion followed, with Mr. Donner and Mr. Chakoff answering questions from Committee members.

The Committee then discussed earthquake insurance and Mr. Tastor's presentation.

Discussion
re.
Earthquake
Insurance

A motion was made by Mr. Yahng and seconded by Mr. Dorband to recommend to the GRF Board that the Golden Rain Foundation purchase earthquake insurance for GRF facilities in the amount of \$25M.

Recommen-
dation to
GRF Board
re.
Earthquake
Insurance

Following additional discussion regarding the cost of the insurance, Mr. Yahng amended his original motion, which was seconded by Mr. Dorband, to recommend to the GRF Board that it purchase earthquake insurance for GRF facilities. The vote on the motion was taken, and the motion CARRIED, with Ms. Neff and Messrs. Smith, Dorband and Yahng voting "yes" and Messrs. Haley and Rosenzweig voting "no".

Motion
FAILED to
Recommend
Insurance
Dollar Amt.
to GRF
Board/
Discussion
re.

A motion was then made by Mr. Yahng and seconded by Mr. Dorband to recommend to the GRF Board that it purchase earthquake insurance for GRF properties in the amount of \$25M at a cost of \$173,413. There was a tie vote and the motion FAILED, with Messrs. Smith, Haley and Yahng voting "yes" and Ms. Neff and Messrs. Dorband and Haley voting "no".

The Committee then discussed financing options for the Fitness Center renovation project. The Committee agreed to defer this discussion to its next meeting scheduled for January 24, 2017.

Financing
Options for
Fitness
Center

Mr. Chakoff presented the machinery and equipment budget for 2017. He then called on Mr. Bruzdinski, who explained the data storage project included in the list and answered questions from Committee members.

Discussion
and
Recommen-
dation to
GRF Board
re. 2017
Machinery &
Equipment
and Capital
Expenditures
Budgets

A motion was made by Mr. Smith and seconded by Mr. Dorband to recommend to the GRF Board that it approve the proposed 2017 machinery and equipment and capital expenditure budgets totaling \$1,569,500 to be paid from the Trust Estate Fund. Mr. Chakoff then discussed the capital expenditures budget and called on Mr. Matheson, who presented additional information for some of the items on the list. Both Mr. Chakoff and Mr. Matheson answered questions from Committee members. Following the discussion, the vote on the motion was taken, and the motion CARRIED, with Ms. Neff and Messrs. Smith, Haley, Dorband and Yahng voting "yes" and Mr. Rosenzweig abstaining.

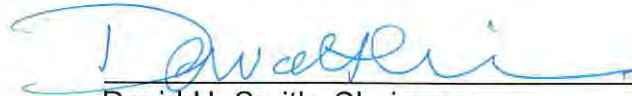
Finance Committee
Regular Meeting

-3-

November 29, 2016

There being no further business to come before the Committee, the meeting was Adjourn-
adjourned at 12:02 p.m. ment

The Committee's next regular meeting will be held on January 24, 2017, at 9:00 a.m. Next Mtg.
in the Board Room at Gateway Complex. 1/24/17



David H. Smith, Chairman
Finance Committee

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

Project	Approved Budget	Reporting Period Expenditures	Incurred To-Date	Forecast To-Complete	Est. Final Expenditure	Under/(Over) Budget	Status
Gateway							
Exterior Panels Replacement	25,000	0	3,700	0	3,700	21,300	
Hillside							
Women's Pool Shower Stall Inserts Installation	30,000	4,000	15,128	0	15,128	14,872	
Plumbing Improvements Study	20,000	0	18,821	0	18,821	1,180	
Valleywide							
Facilities Wood Staining And Sealing	67,000	0	45,385	0	45,385	21,615	
Facilities Carpet Replacements	75,000	0	69,792	0	69,792	5,208	
Light Pole Repainting	18,000	11,825	11,825	0	11,825	6,175	
Landscaping Rehabilitation	10,000	0	0	0	0	10,000	
Equipment Replacements	36,000	0	22,730	0	22,730	13,270	
Open Space							
Open Space Maintenance	21,000	0	12,429	0	12,429	8,571	
Defensible Space Fire Abatement	15,000	5,400	6,750	0	6,750	8,250	
Trails Maintenance	10,000	0	9,883	0	9,883	117	
Public Works							
Street Maintenance	441,000	6,992	403,085	0	403,085	37,915	
Sidewalk Maintenance	62,000	0	59,489	0	59,489	2,511	
Water, Drainage, Sewer Maintenance	15,000	398	9,158	0	9,158	5,842	
Golf Course							
Cart Path Repair Program	42,300	0	42,300	0	42,300	0	
TOTAL	887,300	28,615	730,474	0	730,474	156,826	

**CAPITAL PROJECTS
BUDGET AND EXPENDITURE REPORT**
Reporting Period DECEMBER 2016

Project	Approved Budget	Reporting Period Expenditures	Incurred To-Date	Forecast To-Complete	Est. Final Expenditure	Under/(Over) Budget
Gateway Clubhouse Electrical Improvements	25,000		5,131	19,869	25,000	0
Gateway Studios Space Study	25,000	4,355	16,500	8,500	25,000	0
Drop Creek Structure Construction	550,000		19,577	530,423	550,000	0
Del Valle Fitness Complex Study	157,421		157,380	0	157,380	41
Solar Energy Consultant Phase 2	75,000	240	27,297	47,703	75,000	0
Del Valle Renovation Project	1,182,500	72,124	664,589	517,911	1,182,500	0
Traffic and Pedestrian Safety Study	33,400		1,156	32,244	33,400	0
Dollar Clubhouse Accessibility Study	6,000		4,875	1,125	6,000	0
Pickleball Courts	25,000	25,000	25,000	0	25,000	0
TOTAL	2,079,321	101,719	921,505	1,157,775	2,079,280	41

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

**MACHINERY & EQUIPMENT
BUDGET AND EXPENDITURE REPORT**

Reporting Period: DECEMBER 2016

Project	Approved Budget	Incurred To-Date	Forecast To-Complete	Est. Final Expenditure	Under/(Over) Budget
MOD Vehicles	189,000	158,312	0	158,312	30,688
Del Valle Pools Ultra-Violet System	120,000		120,000	120,000	0
Mowers	111,100	109,784	0	109,784	1,316
Digital Telephone System	140,000	39,806	100,194	140,000	0
GRF Pick-up Trucks	96,000	97,499	0	97,499	(1,499)
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	28,555	0	28,555	1,445
Gateway Clubhouse Automatic Doors	27,000		27,000	27,000	0
Digital Video Surveillance System	24,800	24,779	0	24,779	21
Dog Park Patio	20,000	19,360	0	19,360	640
Sand Dresser	17,350	17,193	0	17,193	157
Dollar Clubhouse Boiler	15,000	14,750	0	14,750	250
Las Trampas Room Tiered Risers	15,000	12,652	0	12,652	2,348
MOD Scaffolding	12,000	11,765	0	11,765	235
Rossmoor Gardens Chain Link Fence	10,000	8,708	0	8,708	1,292
Computer Room AC Replacement (3)	8,000	8,000	0	8,000	0
Counseling Services Automatic Doors	6,500		6,500	6,500	0
Dollar Clubhouse Pool Heater	6,000	5,996	0	5,996	4
Event Center Acoustic Shell (1)	4,087	4,087	(0)	4,087	0
(2) TOTAL	1,025,337	733,130	253,695	986,825	38,512

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

(2) Total Incurred to Date 733,130
 Plus Donation 14,808
 Total Expenditure to Date 747,938