

A G E N D A

FINANCE COMMITTEE

REGULAR MEETING
TUESDAY, DECEMBER 5, 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 October 24, 2017 (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

None
8. NEW BUSINESS
 - a. Discuss Trust Estate's ability to fund Machinery & Equipment and Capital Projects budgets. (Attachments)
9. ADJOURNMENT
10. NEXT MEETING: Tuesday, January 23, 2018, at 9:00 a.m. in the Board Room at Gateway Complex.

RSC/dr
cc: GRF Board

FINANCE COMMITTEE REPORT

REGULAR MEETING
TUESDAY, OCTOBER 24, 2017, AT 9:02 A.M.

A regular meeting of the Finance Committee was convened by David H. Smith, Chairman, at 9:02 a.m. on Tuesday, October 24, 2017, in the Board Room at Gateway Complex.

Present, in addition to the Chairman, were William Dorband, Vice Chairman, Jean A. Attendance Autrey, 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, and Mary Lou Delpech, Directors, GRF; Timothy O'Keefe, CEO; Richard S. Chakoff, CFO; Jeffrey P. Matheson, Director of Resident Services; and Paulette L. Jones, Senior Manager, and Deborah Rose, Senior Administrative Assistant, Executive Services.

The report of the Committee's regular meeting of September 26, 2017, was Report approved as written. Approved

Mr. O'Keefe began his report by introducing Deborah Rose, the new Senior Staff Administrative Assistant, who replaced Kim Von Striver and who will be preparing Reports the reports of the Committee's meetings. He then commented on several matters and answered questions from members of the Committee.

Mr. Chakoff reviewed the GRF Statement of Operations for September and answered questions from the Committee members.

Mr. Chakoff also reviewed the September Trust Facilities and Property Maintenance Report, and the Capital Projects Report discussion followed. Mr. Chakoff then finished reviewing the Capital Projects Report, and Messrs. O'Keefe, Chakoff, and Matheson answered questions from Committee members.

Mr. O'Keefe provided background information on a Facilities Usage Fee. He Facilities discussed the proposed fee of \$50.00, which would be charged to lessees upon Usage registration at Member Records. This fee would cover the estimated costs for Fee staffing attributed to the access control system at \$40,000-\$50,000 and the cost for the access devices at \$16,000 for 10,000 RFID key tags. A discussion by the Committee followed, with questions answered by Messrs. Chakoff, Matheson, and O'Keefe.

A motion was made by Ms. Autrey and seconded by Mrs. Yearout to recommend to the GRF Board that it implement a Facilities Usage Fee, starting January 1, 2018, with the initial amount to be \$30.

Motion re.
Facilities
Usage Fee

A motion was made by Mrs. Neff and seconded, that the main motion to recommend to the GRF Board that it implement a Facilities Usage Fee, starting January 1, 2018, with the initial amount to be \$30, be amended to include a provision for grandfathering any existing registered lessees as of December 31, 2017, through the term of their current lease. The vote was then taken on the amended motion, and the motion, as amended, FAILED, with Ms. Temple and Messrs.

Motion
Failed

Dorband, Rosenzweig, and Smith voting no.

A motion was made by Mr. Rosenzweig, seconded by Mr. Dorband, and CARRIED, with Ms. Autrey abstaining, to recommend to the GRF Board it implement a Facilities Usage Fee, starting January 1, 2018, with the initial amount to be \$50 and include a provision for grandfathering any existing registered lessees as of December 31, 2017, through the term of their current lease.

Recom-
mendation
to GRF
Board re.
Facilities
Usage Fee

There being no further business to come before the Committee, the meeting was adjourned at 10:20 a.m.

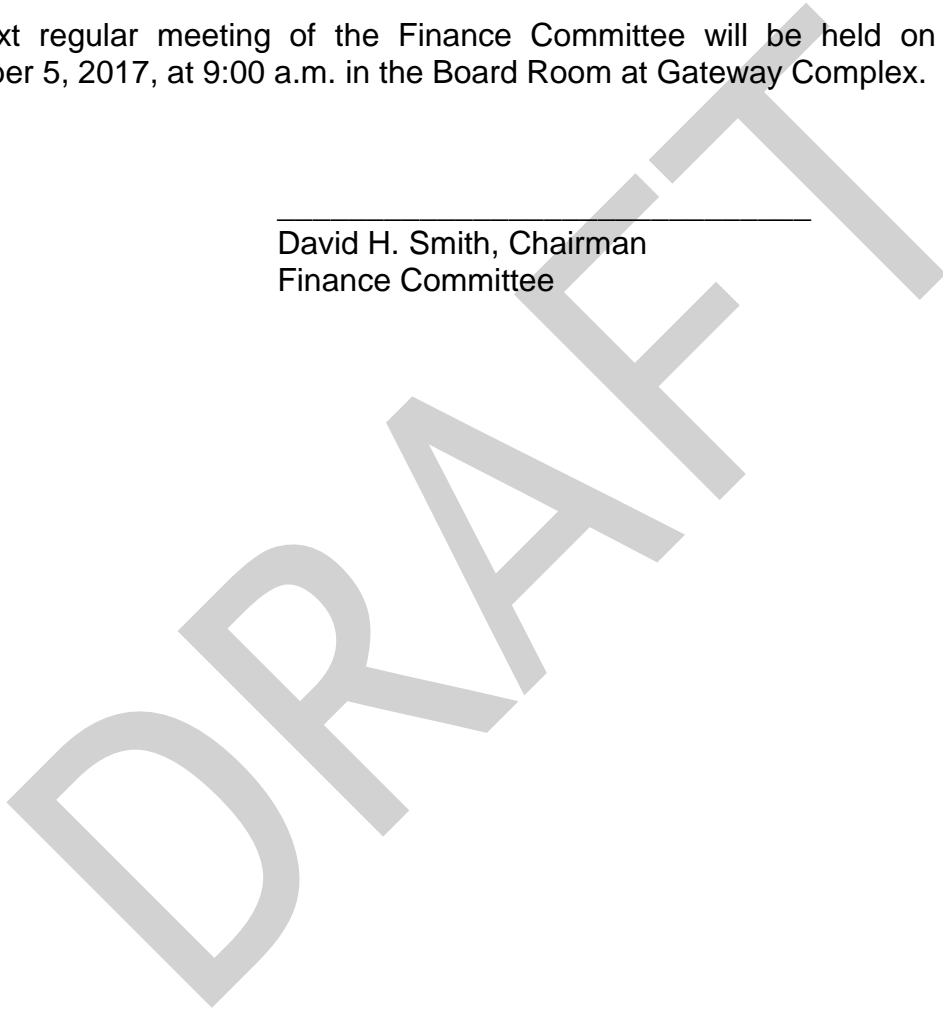
Adjourn-
ment

The next regular meeting of the Finance Committee will be held on Tuesday, December 5, 2017, at 9:00 a.m. in the Board Room at Gateway Complex.

Next Mtg.
12/5/17

David H. Smith, Chairman
Finance Committee

dr



**CAPITAL PROJECTS
BUDGET AND EXPENDITURE REPORT**
Reporting Period OCTOBER 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	992,748	5,512,120	4,099,680	9,611,800	0
Drop Creek Structure Construction	950,000	283,185	668,856	281,144	950,000	0
Valley-Wide Paving	510,000		483,350	26,650	510,000	0
Del Valle Pools Project	520,000	116,950	506,628	13,372	520,000	0
Repave MOD Parking Lot	211,500			211,500	211,500	0
Hillside Clubhouse Improvements	130,000	6,003	16,239	113,761	130,000	0
Hillside Overhead Piping Project	90,000	33,616	33,616	56,384	90,000	0
Rossmoor Gardens Restroom	88,000		3,033	84,967	88,000	0
Gateway Multi-Purpose Rooms Improvements	50,000			50,000	50,000	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	1,365	1,365	15,135	16,500	0
Dollar Clubhouse Ramp	8,400		2,657	5,743	8,400	0
TOTAL	12,279,200	1,433,866	7,251,160	5,028,040	12,279,200	0

Major Projects	Total Contingency	Contingency Reserved	Contingency Expended
Del Valle Renovation Project	805,000	330,390	474,610
Drop Creek Structure	70,000	5,500	64,500

**MACHINERY & EQUIPMENT
BUDGET AND EXPENDITURE REPORT**
Reporting Period: OCTOBER 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	154,798	5,202	160,000	0
Data Storage Project	97,000	70,468	26,532	97,000	0
Fairway Mower	62,000	61,080	0	61,080	920
Fireside Audio/Visual Equipment Upgrade	26,500	26,050	450	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)
Fleet Maintenance Software	10,000		10,000	10,000	0
Dollar Clubhouse Pool Heater	6,500		6,500	6,500	0
			0		0
			0		0
TOTAL	603,500	535,516	66,062	601,578	1,922

**Golden Rain Foundation
Capital Projects Budget
2018**

Back-up		
Page	Description	Cost
1	Valley-Wide Paving	460,000
2	Corporation Yard Fire and Domestic Water Lines Replacement	120,000
3	Dollar Clubhouse Accessibility Improvements	80,000
4	Storm Water Filtration System	70,000
5	Rossmoor and Cactus Gardens Perimeter Fencing Replacement	65,000
6	Dollar Ranch Ninth Green Reconstruction Project	60,000
	Grand Total	\$ 855,000

**Golden Rain Foundation
Capital Project Budget
2018**

1. For 2018 the proposal is to remove and replace the pavement on Avenida Sevilla, Ptarmigan Drive (between Terra Granada Drive and Tice Creek Drive), Stanley Dollar Drive (between Leisure Lane and Tice Creek Drive) and on Saklan Indian Drive to replace 2 whip snake crossings.
2. The fire and domestic water lines between the water meters near the recycling station and the pump house at the vendor staging area have experienced several leaks the last couple of years. With more repairs necessary the proposal is to replace the lines. In conjunction with this project, a conduit will be installed between the MOD offices and the vendor staging area to allow for future cabling for video monitoring of the vendor staging area. Both projects require trenching and all lines can run alongside each other.
3. For 2018 accessibility improvements are needed to the entry of Dollar Clubhouse. In 2017 the Board authorized a study of the front entry and the back patio for accessibility code compliance. At this time the recommendation is to complete the work on the front entry. The cost estimate is \$80,000 for the addition of a ramp, replacement of entry door, addition of accessible entry hardware, relocation of accessible parking spaces.
4. The two sand filters near the vendor staging area were built in 2010. Installed to comply with storm water regulations, they serve to filter out contaminants in storm water runoff. The sand is saturated with contaminants and needs to be replaced.
5. The perimeter fence between the Rossmoor gardens and Cactus gardens is a 6 foot high chain link fence in various states of disrepair. The proposal is to replace approximately 1,700 lineal feet of fence with 6 foot high chain link fence with a higher gauge wire and barbed wire on top.
6. The golf course is one of the most important assets to the Rossmoor community. It acts as a natural “open space” between the homes so that residents are offered beautiful vista views that include the green fairways, trees, creek and hills. Much of our wonderful wildlife thrives because of the golf courses too. It is also a fun, competitive space for our residents and their guests. It is important to value this asset, maintain it and improve upon it when we have the opportunity. The golf community has long wished to see a change in the ninth green. When playing the course this green has such a severe slope from back to front that during many times of the year it can be far too difficult to play. We have the ability to change this and make it one of the best greens on the course.

The Director of Golf, Golf Course Superintendent, local golf course designer and local golf course construction engineer have partnered to provide a solution to the ninth green. By recreating the same process that led to the reconstruction of the ninth green on the Creekside Course when the Creekside Complex was built, we can fix this problem green. We would reuse the turf on the green and much of the substructure and surrounding soil. The project would take only 7-10 days. This work would be done by a combination of our own golf course crew and the outside contractor. We would be back to playing on the green in 4-6 weeks.

**Golden Rain Foundation
Machinery and Equipment Budget
2018**

Back-up Page	Dept	Description	Cost
<u>GRF Operations</u>			
<u>Vehicles</u>			
1		Pickup truck	28,000
2		Utility vehicle-Golf	14,500
3		Trailer	13,000
4		Vehicle diagnostic unit upgrade	8,000
<u>Golf/Lawn Bowling</u>			
5		Traction mower	54,000
6		Sprayer	45,000
7		Tractor/Loader	30,000
8		Greens Mower-Lawn Bowling	23,000
9		Sod cutter	5,500
<u>Information Technology-General</u>			
10		Barracuda cloud backup system	20,000
<u>Information Technology-Business Resumption</u>			
11		Backup generators for servers and phone system	93,000
12		Nimble data storage system addition	58,600
13		Controlling backup network server	11,100
14		Secondary phone system controller	10,350
15		Battery back-up at Gateway	9,000
<u>Clubhouse & Facilities</u>			
16		Windscreens replacement at Buckeye tennis courts	30,000
17		Heater replacement at Hillside Clubhouse pool	28,000
18		Commercial 80" flat screen television replacement at the Event Center	8,000
19		Scrubber for floor cleaning at Hillside Clubhouse	7,900
20		Heater replacement at Dollar Clubhouse pool	7,000
<u>Rossmoor Channel 28</u>			
21		Rossmoor website redesign	49,000
22		NewTek TriCaster 8000 streaming system and recorder	45,000
Total GRF Operations			597,950
<u>MOD</u>			
23		Box truck	42,000
24		Service body truck	42,000
25		Service body truck	42,000
26		Service body truck	42,000
27		Pickup truck	28,000
28		Pickup truck	28,000
29		Pickup truck	28,000
30		Pickup truck	28,000
31		Pickup truck	28,000
Total MOD			308,000
Grand Total			\$ 905,950

**Golden Rain Foundation
Machinery & Equipment Budget
2018**

GRF

Vehicles

1. To replace a 1981 vehicle
2. To replace a 2008 golf utility vehicle
3. To replace a 1991 vehicle
4. To upgrade vehicle diagnostic unit

Golf/Lawn Bowling

5. To replace 2 mowers purchased in 1998 and 2000.
6. To replace a 2004 sprayer
7. To replace a 1991 tractor
8. To replace a 2008 electric walk behind greens mower
9. To replace a 2007 sod cutter

Information Technology-General

10. The current cloud backup system is limited to 2 Terabytes of onsite and cloud based storage. As data usage has grown, the 2-terabyte limitation has become a problem for the amount of data we can back up to the cloud. Additionally our storage needs are increasing due to the scanning project and file retention requirements.

The new cloud backup system from Barracuda Networks would incorporate an in house storage capacity of 16 terabytes and unlimited cloud storage.

Information Technology-Business Resumption

11. A backup generator for the critical systems at MOD would provide backup power to the servers and phone systems at MOD in the event of a power loss.
12. As our needs increase for data storage as well as disaster preparedness, we propose to increase the storage capabilities of the Nimble storage arrays at MOD and Gateway to 30 terabytes at Gateway and 15 terabytes at MOD. This would increase our overall storage from 36 terabytes to over 80 terabytes. These storage arrays house all of our servers including Jenark, Entrance Control, Transportation, Maintenance, ClubSoft, Rossmoor file server and the storage for the scanning project. This also would be an integral part of the disaster preparedness plan.
13. The purchase of an additional controlling server for the network would be a backup for the primary controlling server for the Nimble arrays. This would give us redundant capability should the primary controlling server fail at MOD. This would also give us the added ability to divide the server load between the 2 servers giving greater performance during high demands.
14. Currently all phone communications are routed through the computer room at MOD. To be better prepared we would like to put a secondary phone system controller at Gateway. In the event of an equipment failure, the redundant controller would provide phone communications for GRF and all of the unaffected buildings.
15. We are proposing to install a larger battery backup for Gateway. The Gateway building is the backup site for the Nimble and phone systems. It is also the center location for all of our fiber optics. If we lose power to Gateway we lose phones and computers systems for the front gate as well as Tice Creek Fitness Center, Creekside and the Event Center.

Clubhouse & Facilities

16. Most of the windscreens at the tennis courts were installed in 2011. Due to sun and wind damage they are in need of replacement.
17. The Hillside pool heater, installed in 2010, is at the end of its useful life. To prevent a mid-year failure, replacement is recommended.
18. To replace the 60" flat screen in the Donner Room at the Event Center with an 80" flat screen. Many residents have complained that information on the 60" screen is too difficult to see. The 60" screen would be moved to the conference room at MOD.
19. The addition of an automatic scrubber will help custodial with maintenance of the floors and reduce the staff time needed to mop the floors on a daily basis.
20. Historically, one of the 2 pool heaters at Dollar pool gets replaced every year due to complete failure. The pool heaters at Dollar have a shorter lifespan due to the high temperature of the pool.

Rossmoor Channel 28

21. The Rossmoor website redesign will update the home page design, expand the amount of space devoted to content, and modify the home page to include a login portal where residents can see information pertaining to them that would not be of interest to non-residents. Additional design changes will include updating the sliders, information boxes, breaking news, and video graphic. The redesign also includes streamlining site size and performance through elimination of outdated technologies, updating and rebuilding the Wordpress installation and administrative portal, converting to https encryption and optimizing responsiveness for mobile viewing and usage.
22. Channel 28's studio is used in varied ways, from editing, preparing titles and creating graphics to broadcasting live bingo. Taping a production in the studio at this time requires staff to work with many different pieces of equipment that are old, pieced together and not always reliable. Using our green screen means to forgo our production system and to shoot separately, downloading to an external editing system. We do this because our present production system's software cannot handle the graphics without

freezing, these extra steps requires more staff time and delays in post-production. NewTek no longer supports the current NewTek Video Toaster-5 system. It is considered obsolete equipment, has not been updated in several years and the company does not provide any maintenance or repairs.

Ch28's staff has been researching replacement equipment for several years in order to replace the NewTek Video Toaster-5 system. We've narrowed the search to NewTek TriCaster 8000. It fits the studio and broadcasting requirements better than any other product. The TriCaster will replace 12 equipment pieces we presently merge to form a studio production system. Most important, it fits the Comcast requirement of broadcasting in Standard Definition (SD). (Another feature is that should Comcast change the requirements for broadcasting limitations, this new system also offers transcoding in High Definition (HD).)

Note: In our search, we found that most companies are phasing out the SD inputs, these inputs are very important to Channel 28's studio, not only to broadcasting with Comcast requirements, but using the outlets for our camera signals.

NewTek's TriCaster system will allow CH28 to continue to use the same cameras and cables.

NewTek is a stable company, well known in the industry and we've been using their products at Rossmoor Television for 21 years. The NewTek TriCaster 8000 is an all-in – one live production switcher, streaming system and recorder. It provides the extensive set of multi-camera production capabilities integrated into a single live video production system. In February of this year we went to a Technology Industry Equipment Show to view the assorted broadcast equipment. Reviewing and seeing the system in action confirmed our research and the decision to recommend purchasing the TriCaster 8000.

MOD

23. To replace a 1984 vehicle
24. To replace a 1999 vehicle
25. To replace a 2000 vehicle
26. Vehicle for approved additional staff
27. To replace a 1991 vehicle

- 28. To replace a 1998 vehicle
- 29. To replace a 2001 vehicle
- 30. To replace a 2001 vehicle
- 31. Vehicle for approved additional staff

**Golden Rain Foundation
Trust Estate Fund Projection**
in thousands (000's)

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028 - 2034	Total
Beginning Balance 10/31/17	192	109	483	1,057	2,086	3,139	3,625	4,995	5,777	6,783	7,870		192
<u>Estimated Revenues:</u>													
Membership transfer fees	495	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	25,200	61,695
Medical Center rent	109	660	677	694	711	729	747	766	785	804	825	6,378	13,885
Credit line	2,700	1,500										-	4,200
Total	3,304	5,760	4,277	4,294	4,311	4,329	4,347	4,366	4,385	4,404	4,425	31,578	79,780
<u>Estimated Expenditures</u>													
Approved Expenditures	994											-	994
Total per Long Range Plan			1,696	1,285	1,306	1,918	1,081	1,715	1,537	1,502	1,660	10,897	24,597
Del Valle Renovation	2,100	2,000										-	4,100
Draft Capital Budget (1)		1,453										-	1,453
												-	
												-	
Debt Service:													
Mechanics Bank loan-Creekside- Loan #1	125	749	749	749	749	749	749	749	749	749	378	-	7,244
Mechanics Bank loan-Event Ctr- Loan #2	143	839	812	785	757	730	701	674	647	620	593	794	8,095
Mechanics Bank loan-Fitness-Loan #3		260	446	446	446	446	446	446	446	446	446	2,416	6,690
Credit line interest	25	85										-	110
Total Estimated Expenditures	3,387	5,386	3,703	3,265	3,258	3,843	2,977	3,584	3,379	3,317	3,077	14,107	53,283
Revenue minus expense	(83)	374	574	1,029	1,053	486	1,370	782	1,006	1,087	1,348	17,471	26,497
Ending Fund Balance	109	483	1,057	2,086	3,139	3,625	4,995	5,777	6,783	7,870	9,218	17,471	26,689

Mechanics Bank Credit Line Activity

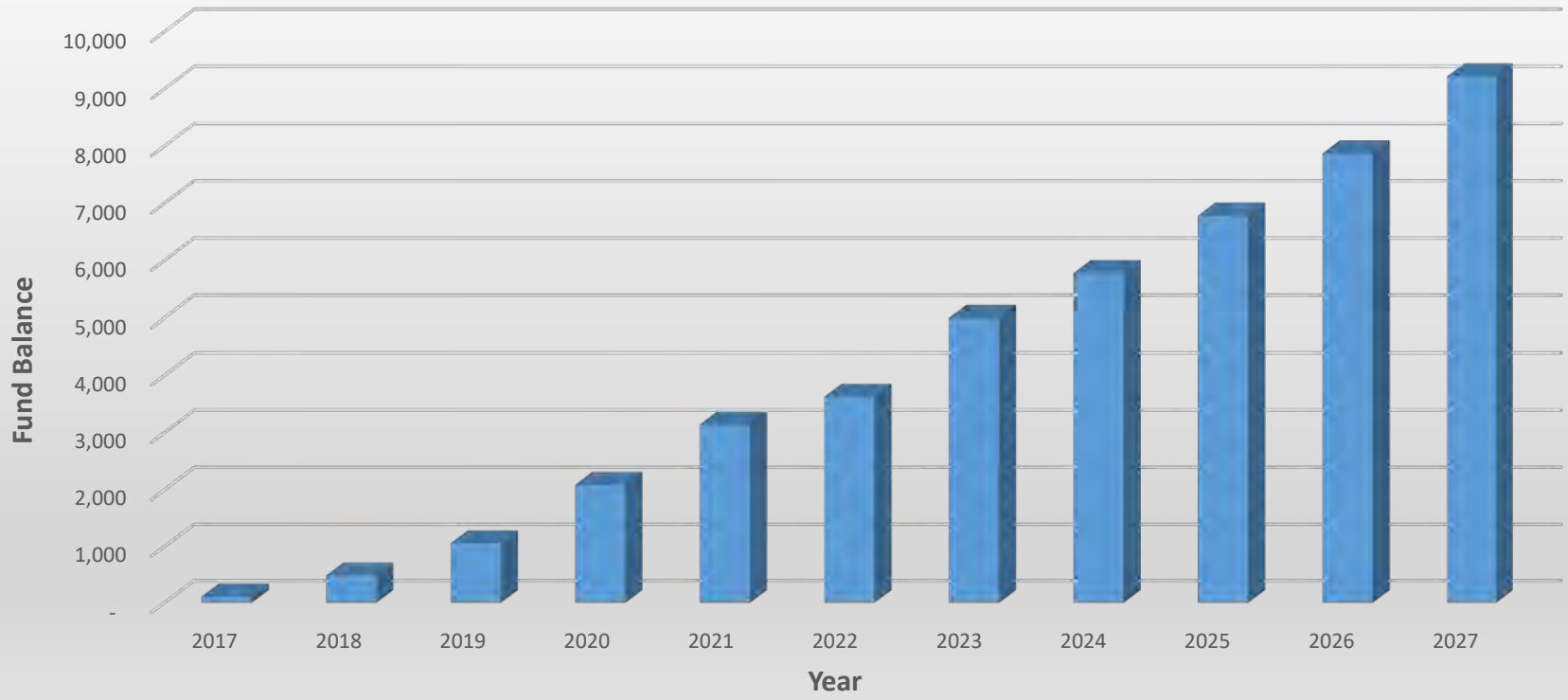
Beginning Credit Line Balance	500	3,200
Borrowing	2,700	1,500
Convert to fixed loan		(4,700)
Ending Credit Line Balance	3,200	-

(1) Excludes MOD expenditures reimbursed to the Trust via a use fee = to depreciation expense on the assets purchased

Note - This forecast does not include projected expenditure for Gateway remodel included in the GRF Board goals

In addition, an IT expenditure for projected for 2019 in the amount of \$260,000 may be recommended to be completed in 2018

Trust Estate Fund Projection



Trust Expenditures
Long-Range Comprehensive Capital Improvement Program
Trust Estate Fund

Location	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028 - 2037
Creekside Total	-	-	-	-	-	-	-	442,244	140,599	77,681	422,472
Del Valle Total	-	-	-	-	140,716	16,561	-	68,921	29,291	59,755	540,658
Gateway Total	-	525,000	-	143,263	-	33,122	247,756	126,355	140,599	250,969	1,938,987
Hillside Total	35,900	-	87,394	68,979	10,824	31,533	11,262	11,487	85,531	-	790,893
Dollar Total	87,000	7,283	111,468	62,760	166,847	7,883	19,303	8,202	137,249	8,533	380,898
F-Event Center Total	8,000	-	-	-	-	-	-	12,636	-	-	151,740
MOD Office Total	-	-	71,788	13,796	156,953	71,765	520,287	-	77,330	45,414	38,580
Corp Yard Total	190,000	15,300	10,404	-	-	77,286	16,892	17,230	-	35,853	231,978
Gatehouse Total	-	-	-	-	-	-	-	13,784	-	41,828	-
Parks Total	65,000	-	-	-	54,122	-	-	51,691	-	-	118,542
Golf Dollar Ranch Total	60,000	153,000	-	213,303	136,386	-	-	-	-	155,362	980,808
Golf Creekside Total	-	-	197,676	10,612	70,358	38,643	-	-	76,158	95,607	325,455
Golf Misc Equipment Total	-	100,000	100,000	116,979	100,000	116,561	100,000	100,000	117,575	177,681	1,000,000
Golf Practice Facilities Total	-	20,400	-	-	-	-	11,262	-	-	-	285,887
Golf Cart Bridges Total	-	-	46,818	79,591	108,243	33,122	101,355	-	-	-	-
Golf Equipment Total	157,500	-	-	-	-	-	-	-	-	-	-
Rossmoor News Total	94,000	27,000	-	-	-	80,000	-	-	-	-	-
Buckeye Grove Total	30,000	-	-	-	-	-	-	-	-	-	-
Valley-Wide Total	-	-	-	-	-	-	-	-	-	-	-
Vehicles Total	63,500	83,450	139,590	65,800	432,500	22,421	124,267	110,942	112,400	113,888	793,068
Paving Total	460,000	510,000	520,200	530,604	541,216	552,040	563,081	574,343	585,830	597,546	6,688,393
IT Total	202,050	255,000	-	-	-	-	-	-	-	-	-
Grand Total	1,452,950	1,696,433	1,285,337	1,305,686	1,918,165	1,080,939	1,715,464	1,537,835	1,502,562	1,660,118	14,688,359

Trust Expenditures by Year

