

A G E N D A

FINANCE COMMITTEE

REGULAR MEETING
TUESDAY, APRIL 25, 2017, AT 9:00 AM
BOARD ROOM – GATEWAY COMPLEX

1. MEETING CALLED TO ORDER: David H. Smith, Chairman
2. ROLL CALL: Smith, Autrey, Dorband, Haley, Neff, Rosenzweig, and Yahng
3. APPROVAL OF REPORT: Regular meeting of March 28, 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. Consider recommending \$140,000 MOD refund to the GRF Board. (Attachment)
9. ADJOURNMENT
10. NEXT MEETING: Tuesday, May 23, 2017, at 9:00 a.m. in the Board Room at Gateway Complex

RSC/kv
cc: GRF Board

FINANCE COMMITTEE REPORT

REGULAR MEETING
TUESDAY, MARCH 28, 2017, 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, March 28, 2017, in the Board Room at Gateway Complex.

Present, in addition to the Chairman, were Jean A. Autrey, Kenneth W. Haley, Mary K. Neff, Paul Rosenzweig, and Christopher T. Yahng. F. William Dorband was absent. 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; and two residents. Attendance

The report of the Committee's regular meeting of February 21, 2017, was unanimously approved as written. Report Approved

Mr. O'Keefe commented on several matters, including staff's evaluations of storm damage to the creek banks close to the pickleball and Buckeye tennis courts. CEO's Report

Mr. Chakoff reviewed the preliminary GRF Financials for February and answered questions from Committee members. Staff Reports

Mr. Donner reviewed the February Trust Facilities and Property Maintenance and Capital Projects Reports, and both he and Mr. Chakoff answered questions from Committee members. Future expenditures for the solar energy project, included in the Capital Projects Report, were discussed by the Committee.

A motion was made by Mr. Rosenzweig, seconded by Ms. Neff, and CARRIED UNANIMOUSLY to recommend to the GRF Board that all future expenditures on the solar project be moved to Operations from the Trust. Recommendation to GRF Board re. Future Expenditures for Solar Project/

Mr. Donner then reviewed the Machinery/Equipment Acquisition Report, and both he and Mr. Chakoff answered questions from Committee members. Rossmoor Gardens

Mr. O'Keefe provided background information on the staff report regarding the proposed purchase and installation of a bathroom structure at the Rossmoor Gardens. Discussion followed. Rossmoor Gardens

On a motion made by Mr. Haley, seconded by Ms. Autrey, and CARRIED UNANIMOUSLY, it was RESOLVED that the Finance Committee advise the GRF Board that should it decide to build the bathroom structure at the Rossmoor Gardens, there would be approximately \$88,000 available from the Trust Estate Fund to pay for it. Recommendation to GRF Board re. Rossmoor Gardens

Mr. O’Keefe provided background information on the staff report regarding the Del Valle Pools proposed expenditure to complete work on the Del Valle pools to include replacing the three heaters, replacing the pumps, adding the previously approved Ultra Violet Sanitation system, and re-plastering the pools. Discussion followed.

On a motion made by Mr. Yahng, seconded by Mr. Rosenzweig, and CARRIED UNANIMOUSLY, it was RESOLVED that the Finance Committee recommends to the GRF Board that it expend an additional \$347,500 to complete work on the Del Valle pools to include replacing the three heaters, replacing the pumps, adding the previously approved Ultra Violet Sanitation system, and re-plastering the two pools and spa. The cost of re-plastering the two pools and spa should be considered an expense item, and the cost of the remaining items should be considered capital items to come from the Trust Estate Fund.

Recom-
mendation
to GRF
Board re.
Del Valle
Pools

Mr. O’Keefe opened discussion on the proposed expenditure of \$8,400 from the Trust Estate Fund to complete the conceptual design plans for an accessible ramp to be added to the main and back entrances of the Dollar Clubhouse. The Committee asked staff to provide more information regarding the estimated total cost of the project and deferred this item to the Committee’s April meeting.

Recom-
mendation
to GRF
Board
re. Dollar
Clubhouse
Deferred/

There being no further business to come before the Committee, the meeting was adjourned at 10:09 a.m.

Adjourn-
ment

The next regular meeting of the Finance Committee will be held on Tuesday, April 25, 2017, at 9:00 a.m. in the Board Room at Gateway Complex.

Next
Meeting:
4/25/17


David H. Smith, Chairman
Finance Committee

**CAPITAL PROJECTS
BUDGET AND EXPENDITURE REPORT**
Reporting Period MARCH 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	119,803	866,567	8,745,233	9,611,800	0
Drop Creek Structure Construction	550,000		19,998	530,002	550,000	0
Valley-Wide Paving	510,000			510,000	510,000	0
Del Valle Pools Ultra-Violet System	302,500			302,500	302,500	0
Repave MOD Parking Lot	211,500			211,500	211,500	0
Replaster Del Valle Pools and Spa	165,000			165,000	165,000	0
Digital Phone System	140,000		140,000	0	140,000	0
Hillside Clubhouse Improvements	130,000			130,000	130,000	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		10,519	22,881	33,400	0
Gateway Clubhouse Automatic Doors	27,000			27,000	27,000	0
Rossmoor Gardens Chain Link Fence	26,500			26,500	26,500	0
Gateway Clubhouse Electrical Improvements	25,000		5,131	19,869	25,000	0
Gateway Studios Space Study	25,000		17,290	7,710	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
Fireside Room Automatic Shades	15,000	7,271	7,271	7,729	15,000	0
Dollar Clubhouse Ramp	8,400			8,400	8,400	0
Counseling Services Automatic Doors	6,500	800	5,918	0	5,918	582
TOTAL	11,985,100	127,874	1,072,694	10,911,824	11,984,518	582

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

**MACHINERY & EQUIPMENT
BUDGET AND EXPENDITURE REPORT**

Reporting Period: MARCH 2017

Project	Approved Budget	Incurred To-Date	Forecast To-Complete	Est. Final Expenditure	Under/(Over) Budget
MOD Vehicles (6)	199,000	134,973	64,027	199,000	0
GRF Vehicles (4)	160,000		160,000	160,000	0
Data Storage Project	97,000	47,721	49,279	97,000	0
Fairway Mower	62,000		62,000	62,000	0
Bunker Rake	19,500		19,500	19,500	0
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	567,000	204,818	361,306	566,124	876

**SUMMARY REPORT
GOLDEN RAIN FOUNDATION FINANCE COMMITTEE**

REPORT PREPARED BY:

Rick Chakoff, CFO

REQUESTED ACTION:

Recommend to the GRF Board a refund of operating surplus from the Mutual Operations Division of GRF (MOD) in the amount of \$140,000 to be distributed on a per manor basis to the Mutuals managed by MOD.

BACKGROUND:

MOD operates on a break-even basis and has historically returned any surplus to the managed Mutuals. For the year ended December 31, 2016 there was an operating surplus of \$145,000 with a cash balance on hand of \$367,000. The recommendation takes into account the amount of cash to keep available for seasonal fluctuations in operations.

ALTERNATIVES AND OPTIONS:

The Committee may recommend all, some or none of the amount recommended by staff.

SUBSEQUENT ACTIONS:

Once approved, funds would be distributed to the Mutuals managed by MOD (all except Mutual 58, Waterford).

FINANCIAL IMPACT:

The refund would reduce the cash balance of MOD by \$140,000.

ATTACHMENTS:

The December 31, 2016 Statement of Revenues & Expenses and Balance Sheet for MOD

800 ROCKVIEW DRIVE
WALNUT CREEK CA 94595

GOLDEN RAIN FOUNDATION
1001 GOLDEN RAIN ROAD
WALNUT CREEK CA 94595

Revenue

Management Fees & Contracted Services	4,692,172
Billable Services	4,624,942
Other Revenue	109,355

Total Revenue	9,426,469

Expenses:

Labor	7,651,540
Materials	795,166
Vehicle Expense	217,888
Small Tools and Equipment	21,677
Other Operating Expense	103,106
Office Supplies and Equipment	340,931
Postage and Printing	40,047
Other Administrative Expenses	35,099
Utilities	74,722
Depreciation & Amortization Expense	1,380

Total Expenses	9,281,555
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Surplus/(Deficit)	144,914
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Add Back Depreciation & Amortization Exp	1,380
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Cash Surplus/(Deficit)	146,295
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800 ROCKVIEW DRIVE
WALNUT CREEK CA 94595

GOLDEN RAIN FOUNDATION
1001 GOLDEN RAIN ROAD
WALNUT CREEK CA 94595

	December 2016	2016 Year End
Current Assets		
Cash	367,119	493,657
Accounts Receivable	366,396	413,049
Prepays	16,192	18,121
Inventory	296,918	276,458
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Total Current Assets	1,046,625	1,201,285
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Property, Plant & Equipment		
Building Improvements	27,606	27,606
Furniture and Fixtures	36,991	36,991
Computer Equipment	32,378	32,378
Less:		
Accumulated Depreciatio	(95,825)	(94,445)
	-----	-----
Net Property,Plant & Equi	1,150	2,531
	-----	-----
TOTAL ASSETS	1,047,775	1,203,815
	=====	=====
 LIABILITIES & EQUITY		
Liabilities:		
Accounts Payable	89,389	177,335
Payroll	758,962	771,970
	-----	-----
Total Liabilities	848,351	949,306
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Equity		
Retained Earnings	2,990,082	2,990,082
Dividends Paid	(2,935,572)	(2,735,572)
Accumulated Surplus/(Defici	144,914	0
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Total Equity	199,424	254,510
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TOTAL LIABILITIES & EQUITY	1,047,775	1,203,815
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