

FINANCE COMMITTEE REPORT

REGULAR MEETING
TUESDAY, SEPTEMBER 25, 2018, AT 9:00 A.M.

A regular meeting of the Finance Committee was convened by F. William Dorband, Chairman, at 9:00 a.m. on Tuesday, September 25, 2018, in the Board Room at Gateway Complex.

Present, in addition to the Chairman, were Jean A. Autrey, Mary K. Neff, Paul Attendance Moderacki, Della C. Temple, and Gery Yearout. Paul Rosenzweig was excused. Also attending were Leslie Birdsall, Vice President, Geraldine Pyle, Secretary, and Kenneth Anderson, Barbara Coenen, and Stephen D. Roath, Directors, GRF; Timothy O'Keefe, CEO; Richard S. Chakoff, CFO; Paul J. Donner, Director, Mutual and Trust Operations; Jeffrey P. Matheson, Director, Resident Services; Judith A. Perkins, Senior Manager, Human Resources; Amanda Davis, Senior Accountant; Deborah Rose, Senior Administrative Assistant, Executive Services; and one resident.

The reports of the Committee's regular meeting of August 28, 2018, and its joint Reports meeting with the GRB on September 12 and 13, 2018, were approved with a correction Approved to the report of August 28 changing the spelling of Jean Autrey's name in the section regarding the election of the Committee's Vice Chairman from Jean Autry to Jean Autrey.

There were no Resident Forum speakers.

Residents'
Forum/
Staff
Reports

Mr. O'Keefe began his report by updating the Committee regarding the Solar Farm construction, which is getting closer to completion. He then noted that the RVs have been moved from the lot for repaving, which will take approximately three months if the weather is good and may take longer if the weather is not good. He secondly noted that a possible discussion may be had at next month's Finance Committee regarding the change in the RV rates, which hasn't changed in several years. Thirdly, he noted that the EV chargers at Gateway are working and that the Event Center and Tice Creek chargers are pending PG&E hookup and are on hold until PG&E completes this portion of the project. Lastly, he reported that the traffic and pedestrian safety improvements are mostly finished. There will be one modification to the Oakmont intersection, which will be an update to the flashing signage as the company sent an incorrect model.

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

Mr. Donner reviewed the August Trust Facilities and Property Maintenance Report, the Capital Projects Budget and Expenditure Report, and the Machinery & Equipment Budget and Expenditure Report. Messrs. Chakoff and Donner answered questions from the Committee.

The Chairman explained the purpose of today's meeting is to make recommendations Purpose of to the GRF Board regarding the 2019 Operations Budget for its meeting on Thursday, Meeting September 27.

The Committee then discussed the proposed 2019 GRF Operations Budget and made the following recommendations:

Item 8-1 (Main Motion)

A motion was made by Ms. Temple and seconded by Ms. Neff to recommend approval of the proposed 2019 GRF Operations Budget in the aggregate amount of \$22,692,957, a coupon amount of \$283.27 per manor, per month, including cable TV.

Recommen-
dations re.
2019 GRF
Operating
Budget

Item 8i-1 (New Programs/Augmentation)

Item 8i1-1 (Fitness Center - Custodial Contract)

A motion was made by Ms. Neff and seconded by Ms. Autrey to amend the main motion to approve the 2019 GRF Operations Budget and recommend approval of the Custodial Contract for the Fitness Center at a cost of \$45,000. Following discussion, the vote on the motion was taken, and the motion CARRIED UNANIMOUSLY.

Item 8i2-1 (Fitness Center - Fitness Specialist)

A motion was made by Ms. Neff to amend the main motion to approve the 2019 GRF Operations Budget and recommend approval of a new Fitness Specialist at the Fitness Center at a cost of \$53,000. The motion DIED for lack of a second.

Item 8ii-1 (Defined Benefit Pension Plan)

The Committee did not need to take action on this matter, and no action was taken.

Item 8iii-1 (Trust Facility/Property Maintenance Projects)

A request was made to correct the wording in item #10 of the 2019 Trust Facility and Property Maintenance Project list under tab 6 in the 2019 Budget Binder, from "Upgrade the Garden Room at Dollar Clubhouse" to read as "Additional New Materials for the Ivy Room at Dollar Clubhouse". An additional request was made to change the wording of item #10 listed on the first page within tab 6 of the 2019 Budget Binder from "Hillside Clubhouse" to "Dollar Clubhouse".

Item 8iii1-1 (Items totaling \$426,000)

The Committee did not need to take action on this matter, and no action was taken.

Item 8iv-1 (Department Budgets)

A motion was made by Ms. Neff and seconded by Mr. Moderacki to amend the main motion to approve the proposed 2019 GRF Operations

Budget and recommend approval of budgets for the Operating Departments except for decreases in health insurance expenses of \$86,680. A vote on the motion was taken, and the motion CARRIED UNANIMOUSLY.

Item 8v-1 (Budget Reduction in Cable TV/Internet)

A motion was made by Ms. Neff and seconded by Ms. Autrey to amend the main motion to approve the proposed 2019 GRF Operations Budget and recommend approval of a budget reduction of -\$176,401 in Cable TV/Internet from amount previously projected. A vote on the motion was taken, and the motion CARRIED UNANIMOUSLY.

Item 8vi-1 (Other Recommendations)

A motion was made by Ms. Neff and seconded by Ms. Autrey to amend the main motion to approve the proposed 2019 GRF Operations Budget and recommend a reduction in media revenue by \$80,000 in 2019 rather than the \$50,000 as proposed. A vote on the motion was taken, and the motion CARRIED, with Ms. Temple voting no.

Item 8-1 (Main Motion)

The vote was then taken on the motion to recommend approval of the proposed 2019 GRF Operations Budget in the amount of \$22,504,876, and the motion, as amended, CARRIED UNANIMOUSLY.

Summary

The Committee recommendations itemized above resulted in the following total change:

Net Decrease \$188,061

The recommendations resulted in a 2019 GRF coupon of \$280.92 per manor, per month including cable TV, decreasing the 2019 GRF coupon (over 2018) from \$6.81 to \$4.46.

There being no further business to come before the Committee, the meeting was adjourned at 9:44 a.m.

Adjournment

The next regular meeting of the Finance Committee will be held on Tuesday, October 23, 2018, at 9:00 a.m. in the Board Room at Gateway Complex.

Next Mtg. 10/23/18



F. William Dorband, Chairman
Finance Committee

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