

A G E N D A

FINANCE COMMITTEE

REGULAR MEETING
TUESDAY, APRIL 23, 2019, AT 9:00 AM
BOARD ROOM – GATEWAY COMPLEX

1. MEETING CALLED TO ORDER: F. William Dorband, Chairman
2. ROLL CALL: Dorband, Autrey, Moderacki, Neff, Rosenzweig, Thomas and Yearout
3. APPROVAL OF REPORT OF MARCH 26, 2019 (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
 - a. Continue discussion of Trust Estate Fund projections. (Attachments)
8. NEW BUSINESS
9. ADJOURNMENT
10. NEXT REGULAR MEETING: Tuesday, May 28, 2019, at 9:00 a.m. in the Board Room at Gateway Complex.

cc: GRF Board

FINANCE COMMITTEE REPORT

REGULAR MEETING
TUESDAY, MARCH 26, 2019, AT 9:03 A.M.

A regular meeting of the Finance Committee was convened by F. William Dorband, Chairman, at 9:03 a.m. on Tuesday, March 26, 2019, in the Board Room at Gateway Complex.

Present, in addition to the Chairman, were Jean A. Autrey, Vice Chair, Paul J. Moderacki, Mary K. Neff, Paul Rosenzweig, Deborah Thomas, and Gery Yearout. Also attending were Robert D. Kelso, President, Leslie Birdsall, Vice President, Geraldine Pyle, Secretary, and Sue Adams, Kenneth Anderson, and Barbara Coenen, Directors, GRF; Timothy O'Keefe, CEO; Richard S. Chakoff, CFO; Paul J. Donner, Director, Mutual and Trust Operations; Amanda Davis, Senior Accountant; Deborah Rose, Senior Administrative Assistant, Executive Services; and four residents. Attendance

The report of the Committee's regular meeting of February 26, 2019, was approved as written. Report Approved

There were no Resident Forum speakers. Residents' Forum/

The Chairman announced that Deborah Thomas has been approved as a member of the Finance Committee, which was made effective at the last GRF Board meeting held on February 28 and has been an active member since her approval. Chairman's Report

Mr. O'Keefe provided an update regarding current difficulties with recruiting lifeguards, which will affect hours at the Hillside and Dollar pools. He went on to report that there is a cautiously optimistic update regarding the solar farm as the Assistant Fire Chief has given verbal approval to continue plans without the requirement of a sprinkler system and instead require a 10-foot panel separation from the nearest building. He went on to report that the water reclamation project exploration continues with the reallocating of funds that were unspent on the project to acquire a hydrologist to see if the soil is conducive to an aquifer. He announced that he had to authorize an emergency expenditure for a MOD fuel island failure, which would have allowed access to the fuel line without permission. He reported that the Board will address a recent recommendation made by the Finance Committee to increase the Membership Transfer Fee from \$9,000 to \$10,000 at its upcoming Thursday, March 28, meeting. Lastly, he noted a potential item that may come to the Committee for review, which is a plan for wildfire evacuation. Mr. O'Keefe answered questions from members of the Committee. Staff Reports

Mr. Chakoff asked the Committee how it would like to receive the Financial Statements going forward. The Committee agreed that it prefers both an electronic copy of and a printed hard copy of the Financial statements. Financial Statement Distribution

Mr. Chakoff reviewed the GRF Statement of Operations for February and provided an overview of the General Fund Balance. Lastly, he reviewed the Trust Estate Fund Staff Reports

and answered questions from members of the Committee.

Cont.

Mr. Donner reviewed the February Trust Facilities and Property Maintenance Report, the Capital Projects Budget and Expenditure Report, and the Machinery & Equipment Budget and Expenditure Report and answered questions from members of the Committee.

The Chairman asked the Committee for an agreed upon effective date for its recommendation to the Board regarding the increase of the Member Transfer Fee at its last meeting on February 26, which the Committee made a recommendation to the Board to increase the Membership Transfer Fee (MTF) from \$9,000 to \$10,000. Discussion followed.

Recommendation Effective Date for MTF Increase

A motion was made by Ms. Neff, seconded by Ms. Autrey, and CARRIED UNANIMOUSLY to recommend to the GRF Board that the increase of the Membership Transfer Fee from \$9,000 to \$10,000 be effective July 1, 2019.

The Chairman reviewed agenda item 8a, discuss capital budget planning reports. Mr. Ken Haley was invited to provide an overview of a graph showing the history of transactions generating membership transfer fees on page 8a-1 of the agenda packet. A lengthy discussion followed.

Capital Planning Budget Reports

Ms. Neff provided an update regarding the Membership Transfer Fee Task Force.

A motion was made by Ms. Neff and seconded by Ms. Yearout that the Finance Committee asks the CFO to update the 2019 Trust Fund Projection to decrease the MTF to \$3.6 million, to decrease the Capital Budget to \$1.529 million, and to keep placeholders for the three large projects, water reclamation, Gateway studio construction, and creek restoration. Following discussion, a vote on the motion was then taken and the motion CARRIED with Mr. Rosenzweig voting no.

Request for CFO to Update the Trust Estate Fund Projection

There being no further business to come before the Committee, the meeting was adjourned at 10:24 a.m.

Adjournment

The next regular meeting of the Finance Committee will be held on Tuesday, April 23, 2019, at 9:00 a.m. in the Board Room at Gateway Complex.

Next Mtg. 4/23/19

F. William Dorband, Chairman
Finance Committee

dr

**YR2019 TRUST FACILITY / PROPERTY MAINTENANCE
COST & COMMITMENT REPORT**
Reporting Period: March 2019

Project	Approved Budget	Reporting Period Expenditures	Incurred To-Date	Forecast To-Complete	Est. Final Expenditure	Under/(Over) Budget	Status
Corporation Yard							
Commodity Bins Repairs	15,000	0	15,000	0	15,000	0	<i>completed</i>
Creekside							
Social Building Interior Painting and Stain	15,000	0	14,905	0	14,905	95	<i>completed</i>
Dollar							
Garden Room Upgrades	10,000	467	7,317	2,683	10,000	0	
Open Space							
Open Space Maintenance	25,000	0	2,440	22,560	25,000	0	
Defensible Space Fire Abatement	35,000	0	0	35,000	35,000	0	
Trails Maintenance	10,000	0	237	9,763	10,000	0	
Public Works							
Street Maintenance	170,000	3,820	3,820	166,180	170,000	0	
Sidewalk Maintenance	66,000	35,436	38,830	27,170	66,000	0	
Water, Drainage, Sewer Maintenance	17,000	2,400	3,660	13,340	17,000	0	
Street Striping	24,000	0	0	24,000	24,000	0	
Valleywide							
Equipment Replacements	39,000	764	764	38,236	39,000	0	
TOTAL	426,000	42,887	86,971	338,934	425,905	95	

**CAPITAL PROJECTS
BUDGET AND EXPENDITURE REPORT**
Reporting Period March 2019

Project	Approved Budget	Reporting Period Expenditures	Incurred To-Date	Forecast To-Complete	Est. Final Expenditure	Under/(Over) Budget
Gateway HVAC Replacement	615,000			615,000	615,000	0
Valley Wide Street Maintenance	520,000			520,000	520,000	0
Creek Restoration Design & Project Management	222,177		40,167	182,010	222,177	0
Fiber Optic Cable Phase I	60,000			60,000	60,000	0
Fiber Optic Cable Phase II	160,000			160,000	160,000	0
Repave MOD Parking Lot	211,500			211,500	211,500	0
Water Reclamation Facility Study	150,000	13,455	136,404	13,596	150,000	0
Corp Yard Fire & Domestic Water Lines Replacement	120,000			120,000	120,000	0
Gateway Workshops Renovation Design	83,000		50,918	32,082	83,000	0
Dollar Clubhouse Accessibility Improvements	105,000	390	37,675	67,325	105,000	0
Dollar Pool Plaster Replacement	85,000			85,000	85,000	0
Database Integration	55,000	3,643	3,643	51,357	55,000	0
Stanley Dollar Drive Parking	26,021		24,255	1,766	26,021	0
Golf Course Irrigation Pump Replacement	18,000			18,000	18,000	0
MOD Corporation Electrical Upgrade	16,000			16,000	16,000	0
TOTAL	2,446,698	17,488	293,062	2,153,636	2,446,698	0

Project	Unapproved Budget
Gateway Generator	225,000
Vista & Las Trampas Rooms Renovation-Hillside	100,000
Dollar Clubhouse Restroom Renovation-1st Floor	80,000
Oak Room Flooring Replacement	45,000
Rossmoor Web Portal	35,000
Recreation Office Partition Replacements	30,000
Event Center Trash and Recycling Containers	25,000
Gateway Large Conference Room Upgrade	20,000
Dollar Ranch Course Design Plans-Green/Fairway 14	10,000
Buckeye Tennis Complex Ball Wall	6,000
TOTAL	576,000

**MACHINERY & EQUIPMENT
BUDGET AND EXPENDITURE REPORT**
Reporting Period: MARCH 2019

Project	Approved Budget	Incurred To-Date	Forecast To-Complete	Est. Final Expenditure	Under/(Over) Budget
MOD Vehicles	198,000		198,000	198,000	0
GRF Vehicles	114,000	100,445	13,555	114,000	0
Skid Loader	46,000		46,000	46,000	0
Tee Mower	38,000		38,000	38,000	0
Security Camera System	35,000	7,001	27,999	35,000	0
Utility Vehicle-Golf	32,000		32,000	32,000	0
Rossmoor Website Improvements	25,000		25,000	25,000	0
Vehicle Maintenance Software	16,000	15,945	0	15,945	55
Fuel Management System Upgrade NOTE 1	10,190	10,190	0	10,190	0
Heater Replacement-Dollar Clubhouse Pool	7,500		7,500	7,500	0
Ball Picker	5,000		5,000	5,000	0
TOTAL	526,690	133,581	393,054	526,635	55

NOTE 1: Cost for a MOD fuel island repair.

MOD Expenditures	198,000		198,000	198,000	0
GRF Expenditures	328,690	133,581	195,054	328,635	55
TOTAL	526,690	133,581	393,054	526,635	55

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

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029 - 2038	Total
Beginning Balance 3/31/2019	3,271	1,080	337	1,201	2,202	3,419	4,222	5,211	5,776	6,814	7,819	3,271
Estimated Revenues:												
Membership transfer fees	2,826	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	42,000	82,626
Medical Center rent	509	694	711	729	747	766	785	804	825	845	9,706	17,121
Total	3,335	4,894	4,911	4,929	4,947	4,966	4,985	5,004	5,025	5,045	51,706	99,747
Estimated Expenditures												
Machinery & Equipment	195											195
Total per Long Range Plan(1)		1,557	1,471	1,663	1,592	2,052	1,912	2,382	2,328	2,786	20,794	38,537
Approved Projects (2)	2,154											2,154
Other Projects (3)	100	100	100	100	100	100	100	100	100	100	1,000	2,000
Unapproved Projects												
Water Reclamation	170	560	384	100								1,214
Gateway Studio Construction	800	800										1,600
Creek Restoration	500	500										1,000
Debt Service:												
Mechanics Bank loan #1-Creekside	562	749	749	749	749	749	749	749	378			6,183
Mechanics Bank loan #2-Event	606	785	757	730	703	676	649	622	595	568	228	6,919
Mechanics Bank loan #3-Fitness	439	586	586	586	586	586	586	586	586	586	2,637	8,350
Total Estimated Expenditures	5,526	5,637	4,047	3,928	3,730	4,163	3,996	4,439	3,987	4,040	24,659	68,152
Revenue minus expense	(2,191)	(743)	864	1,001	1,217	803	989	565	1,038	1,005	27,047	31,595
Ending Fund Balance	1,080	337	1,201	2,202	3,419	4,222	5,211	5,776	6,814	7,819	34,866	34,866

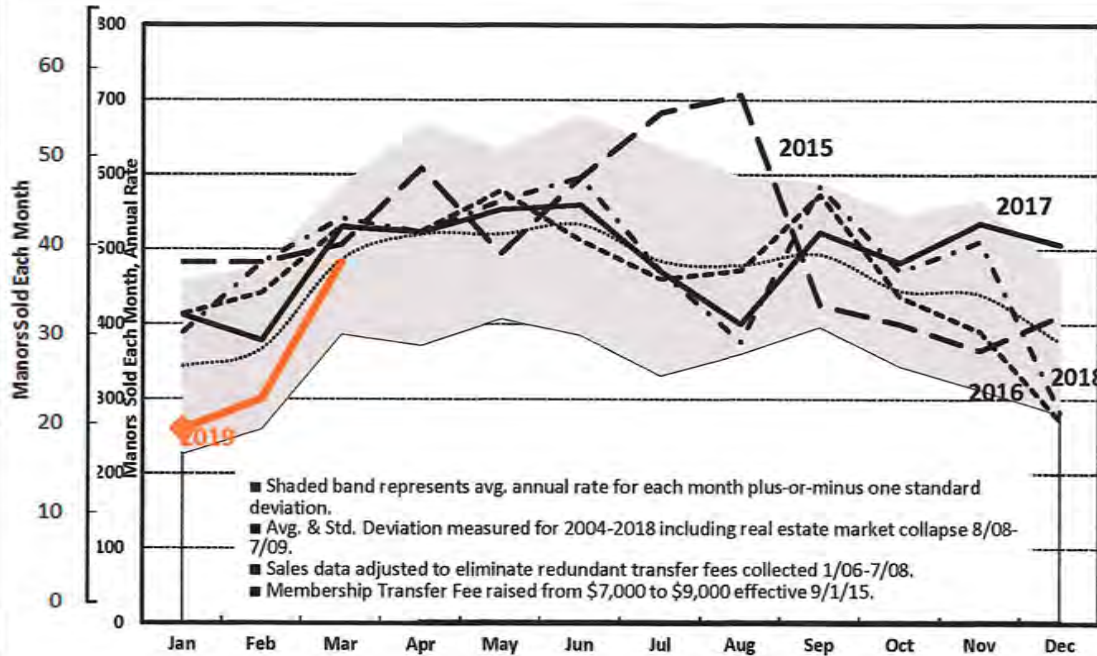
(1) Includes expenditures from long-range capital plan excluding water reclamation, Gateway studios and creek restoration

(2) Forecast to complete capital projects previously approved in process

(3) To account for various projects not currently planned that occur during the year

ROSSMOOR 2019 MEMBERSHIP TRANSFER FEES

Membership Transfer Fees					Percent Chg. vs. Prev. Yr.		% of Total Manor Sales	
March 2019		March 2018						
	Month	YTD	Month	YTD	Month	YTD	Month	YTD
Total Fees	41	86	46	116	-11%	-26%	82%	80%
\$ Collected	369,000	774,000	414,000	1,044,000	-11%	-26%	Excludes non-sale transfers	



History of Transactions Generating Membership Fees

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2004	28	43	49	63	45	72	58	62	60	36	58	33	607
2005	38	26	42	41	36	34	27	34	32	29	32	28	399
2006	13	13	41	24	32	42	12	38	32	24	37	21	329
2007	33	23	33	30	38	28	36	32	35	36	23	18	365
2008	15	14	32	32	38	35	42	30	33	23	17	31	342
2009	17	23	24	26	28	27	35	43	42	49	39	38	391
2010	23	25	33	37	44	33	40	31	33	38	27	34	398
2011	15	24	38	45	42	47	39	47	40	52	34	46	469
2012	36	33	59	65	50	57	51	48	45	50	50	35	579
2013	42	32	46	55	63	40	64	42	46	42	41	30	543
2014	32	32	43	44	61	56	36	37	37	36	36	40	490
2015	41	37	43	50	42	49	58	60	35	34	30	35	514
2016	35	35	45	43	49	42	39	40	47	37	32	23	467
2017	35	29	45	43	47	46	40	34	43	41	44	43	490
2018	33	37	46	43	48	49	40	32	48	40	42	24	482
2019	22	23	41										86
Prev Yr YTD	33	70	116	159	207	256	296	328	376	416	458	482	

ROSSMOOR MLS LISTINGS

(SOURCE: CONTRA COSTA ASSOCIATION OF REALTORS STATISTICAL REPORT)

<u>MONTH</u>	<u>ROSSMOOR LISTINGS</u>
<u>2018</u>	
JANUARY	50
FEBRUARY	50
MARCH	57
APRIL	54
MAY	52
JUNE	62
JULY	39
AUGUST	41
SEPTEMBER	43
OCTOBER	41
NOVEMBER	34
DECEMBER	12
<u>2019</u>	
JANUARY	49
FEBRUARY	40
MARCH	59

MLS/MTF Collections by Month 2018-2019

	Number MLS Listings	MTF Collected
January	50	31
February	50	36
March	57	43
April	54	42
May	52	48
June	62	46
July	39	39
August	41	32
September	43	47
October	41	41
November	34	41
December	12	24
January	49	21
February	50	23
March	59	43

