

# A G E N D A

## FINANCE COMMITTEE

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

1. MEETING CALLED TO ORDER: Jean A. Autrey, Vice Chair
2. ROLL CALL: Dorband, Autrey, Lau, Moderacki, Neff, Thomas and Yearout
3. APPROVAL OF REPORT OF JUNE 25, 2019 (Attachment)
4. ELECTION OF VICE CHAIRMAN
5. RESIDENTS' FORUM
6. CHAIRMAN'S REPORT – ANNOUNCEMENTS
7. 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)
8. UNFINISHED BUSINESS
  - a. Review GRF Membership Transfer Fees charts and Rossmoor MLS listings charts to determine continued usefulness and content. (Attachment)
9. NEW BUSINESS
  - a. Finalize the Trust Estate Fund Projection and make a recommendation to the GRF Board as to how much Funds in Excess of Target are available for the remainder of 2019 and for 2020. (Attachment)
  - b. Consider recommending to the Board that there are funds available for an expenditure of \$96,500 in addition to the estimated expenditure of \$211,500 previously approved to pave the Lower RV Lot. (Attachment)
  - c. Consider recommending to the Board that there are funds available for an expenditure of \$7,750 to purchase a pool cover for the Hillside pool. (Attachment)
10. ADJOURNMENT
11. NEXT REGULAR MEETING: Tuesday, August 27, 2019, at 9:00 a.m. in the Board Room at Gateway Complex.

cc: GRF Board

## FINANCE COMMITTEE REPORT

REGULAR MEETING  
TUESDAY, JUNE 25, 2019, 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, June 25, 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, Deborah Thomas, and Gery Yearout. Paul Rosenzweig was excused. Also attending were Robert D. Kelso, President, Leslie Birdsall, Vice President, Barbara Coenen, Secretary, and Kenneth Anderson and Dale J. Harrington, Directors, GRF; Timothy O'Keefe, CEO; Richard S. Chakoff, CFO; Paul J. Donner, Director, Mutual and Trust Operations, Amanda Davis, Accounting Manager; Deborah Rose, Senior Administrative Assistant, Executive Services; and three residents.

Attendance

The report of the Committee's regular meeting of May 28, 2019, was approved as written.

Report  
Approved

There were no Resident Forum speakers.

Residents'  
Forum/  
Chairman's  
Report

The Chairman announced that there were five applicants who applied for the two open Committee positions. He reported that there will be a recommendation to the GRF Board to approve the reappointment of Jean Autrey and the appointment of Alice Lau to the Finance Committee at its meeting this Thursday. The Chairman went on to announce that this is Mr. Rosenzweig's last meeting as a member of the Finance Committee, and that over the years, he has been a valuable member of the Committee and the Committee owes him thanks and appreciation for his participation.

Mr. O'Keefe provided an update regarding the solar farm, which is now estimated to be up and running by September or October. He went on to report on the Redwood Room café's current delay due to an inspection and further states that the café should be open in two to three weeks after the inspection has been approved. He then reported that, at the upcoming GRF Board meeting, there will be a presentation by Dennis Bell, Public Safety Manager, and the City's EPO coordinator who will provide a status report on the GRF's Emergency Operations Plan; also, the Board will review its 2019-2020 goals, which will move away from project-oriented goals and towards visionary based goals for the community. Messers O'Keefe and Donner answered questions from members of the Committee.

Staff  
Reports

Mr. Chakoff reviewed the GRF Statement of Operations for May, provided an overview of the General Fund balance, reviewed the Trust Estate Fund balance, and answered questions from members of the Committee.

Mr. Donner then reviewed the Mutual Operations Division income statements for May.

There was no Unfinished Business.

The Chairman introduced agenda item 8a, consider recommendation that the Board approve the 2020 budget development calendar. Mr. Chakoff provided an overview of this line item. Discussion followed.

Recommendation to Approve 2020 Budget Development Calendar

A motion was made by Ms. Neff, seconded by Ms. Thomas, and CARRIED UNANIMOUSLY to recommend to the GRF Board that it approve the 2020 budget development calendar.

The Chairman introduced agenda item 8b, consider recommendation that the Board approve the FY 2020 Operations Budget Principles. Mr. Chakoff provided an overview of this line item. Discussion followed.

Recommendation to Approve FY 2020 Operations Budget Principles

A motion was made by Ms. Thomas, seconded by Ms. Neff, and CARRIED UNANIMOUSLY to recommend to the GRF Board that it approve the FY 2020 Operations Budget Principles.

The Chairman introduced agenda item 8c, review role of the GRF Finance Committee relative to the decision-making process for Trust Estate expenditures. Ms. Neff provided an overview of this line item and distributed a handout entitled "5 Steps To Creating An Ongoing Project-Portfolio-Management-Process" (copy on file) to all those in attendance. Discussion followed.

Decision Making Process for Trust Estate Expenditures

The Chairman introduced agenda item 8d, update Trust Estate Fund projection to determine estimated future revenues and ending fund balance carry forward level. Mr. O'Keefe provided an explanation of his suggestion to increase the projected annual Member Transfer Fees included in the Trust Estate Projection on page 8d-1 of the agenda packet.

After discussion, the Committee agreed to and asked that Mr. Chakoff make modifications to the Trust Estate Fund Projection report, page 8d-1 of the agenda packet, as follows: increase the estimated revenues for the membership transfer fees to \$4.2 million for the 2019 forecast and increase the projected membership fees for 2020 and beyond to \$4.7 million annually based on the lowest number of transactions generating membership fees for the past five years with no assumed increase over the current \$10,000 fee. Also, the targeted minimum fund balance was set at \$2 million.

CFO to Modify Trust Estate Fund Projection

There being no further business to come before the Committee, the meeting was adjourned at 10:56 a.m.

Adjournment

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

Next Mtg. 7/23/19

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F. William Dorband, Chairman  
Finance Committee

**YR2019 TRUST FACILITY / PROPERTY MAINTENANCE  
COST & COMMITMENT REPORT**

Reporting Period: June 2019

Project	Approved Budget	Reporting Period Expenditures	Incurred To-Date	Forecast To-Complete	Est. Final Expenditure	Under/(Over) Budget	Status
<b>Corporation Yard</b>							
Commodity Bins Repairs	15,000	0	15,000	0	15,000	0	<i>completed</i>
<b>Creekside</b>							
Social Building Interior Painting and Stain	15,000	0	14,905	0	14,905	95	<i>completed</i>
<b>Dollar</b>							
Garden Room Upgrades	10,000	0	7,317	2,683	10,000	0	
<b>Open Space</b>							
Open Space Maintenance	25,000	13,250	15,690	9,310	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	
<b>Public Works</b>							
Street Maintenance	170,000	0	26,480	143,520	170,000	0	
Sidewalk Maintenance	66,000	0	38,830	27,170	66,000	0	
Water, Drainage, Sewer Maintenance	17,000	0	3,755	13,245	17,000	0	
Street Striping	24,000	0	0	24,000	24,000	0	
<b>Valleywide</b>							
Equipment Replacements	39,000	0	2,263	36,737	39,000	0	
<b>TOTAL</b>	<b>426,000</b>	<b>13,250</b>	<b>124,476</b>	<b>301,429</b>	<b>425,905</b>	<b>95</b>	

**CAPITAL PROJECTS  
BUDGET AND EXPENDITURE REPORT**  
Reporting Period JUNE 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 Construction	520,000		417,548	102,452	520,000	0
Creek Restoration Design & Project Management	222,177	6,784	57,502	164,675	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	170,000		150,129	19,871	170,000	0
Corp Yard Fire & Domestic Water Lines Replacement	120,000			120,000	120,000	0
Gateway Workshops Renovation Design	83,000	16,155	81,043	1,957	83,000	0
Dollar Clubhouse Accessibility Improvements	105,000	21,243	59,308	45,692	105,000	0
Dollar Pool Plaster Replacement	85,000			85,000	85,000	0
Database Integration	55,000	315	10,784	44,216	55,000	0
Stanley Dollar Drive Parking	26,021		24,864	1,157	26,021	0
Golf Course Irrigation Pump Replacement	18,000		7,088	10,912	18,000	0
MOD Corporation Electrical Upgrade	16,000			16,000	16,000	0
<b>TOTAL</b>	<b>2,466,698</b>	<b>44,497</b>	<b>808,265</b>	<b>1,658,433</b>	<b>2,466,698</b>	<b>0</b>

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
<b>TOTAL</b>	<b>576,000</b>

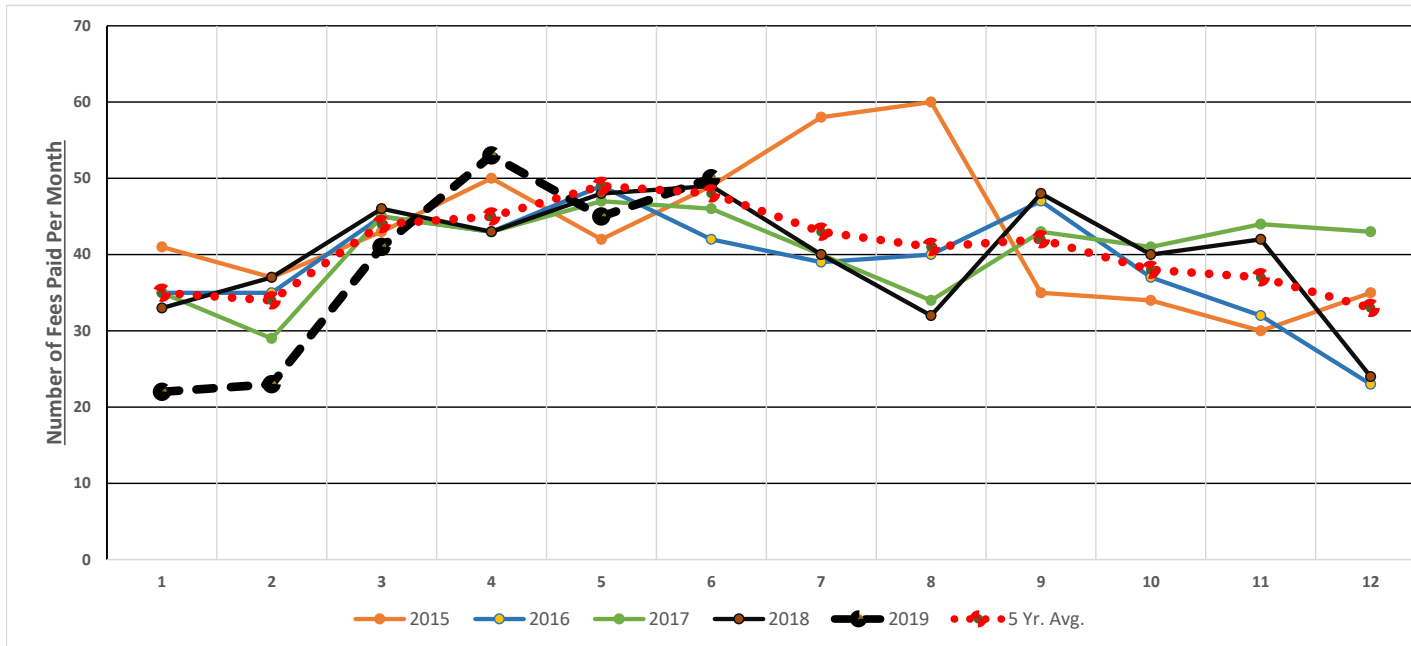
**MACHINERY & EQUIPMENT  
BUDGET AND EXPENDITURE REPORT**  
Reporting Period: JUNE 2019

<b>Project</b>	<b>Approved Budget</b>	<b>Incurred To-Date</b>	<b>Forecast To-Complete</b>	<b>Est. Final Expenditure</b>	<b>Under/(Over) Budget</b>
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	35,005	0	35,005	(5)
Utility Vehicle-Golf	32,000	31,906	0	31,906	94
Rossmoor Website Improvements	25,000	3,372	21,628	25,000	0
Vehicle Maintenance Software	16,000	15,945	0	15,945	55
Fuel Management System Upgrade <b>NOTE 1</b>	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
<b>TOTAL</b>	<b>526,690</b>	<b>196,863</b>	<b>329,683</b>	<b>526,546</b>	<b>144</b>

**NOTE 1:** Cost for a MOD fuel island repair.

MOD Expenditures	198,000		198,000	198,000	0
GRF Expenditures	328,690	196,863	131,683	328,546	144
<b>TOTAL</b>	<b>526,690</b>	<b>196,863</b>	<b>329,683</b>	<b>526,546</b>	<b>144</b>

## GRF Membership Transfer Fees

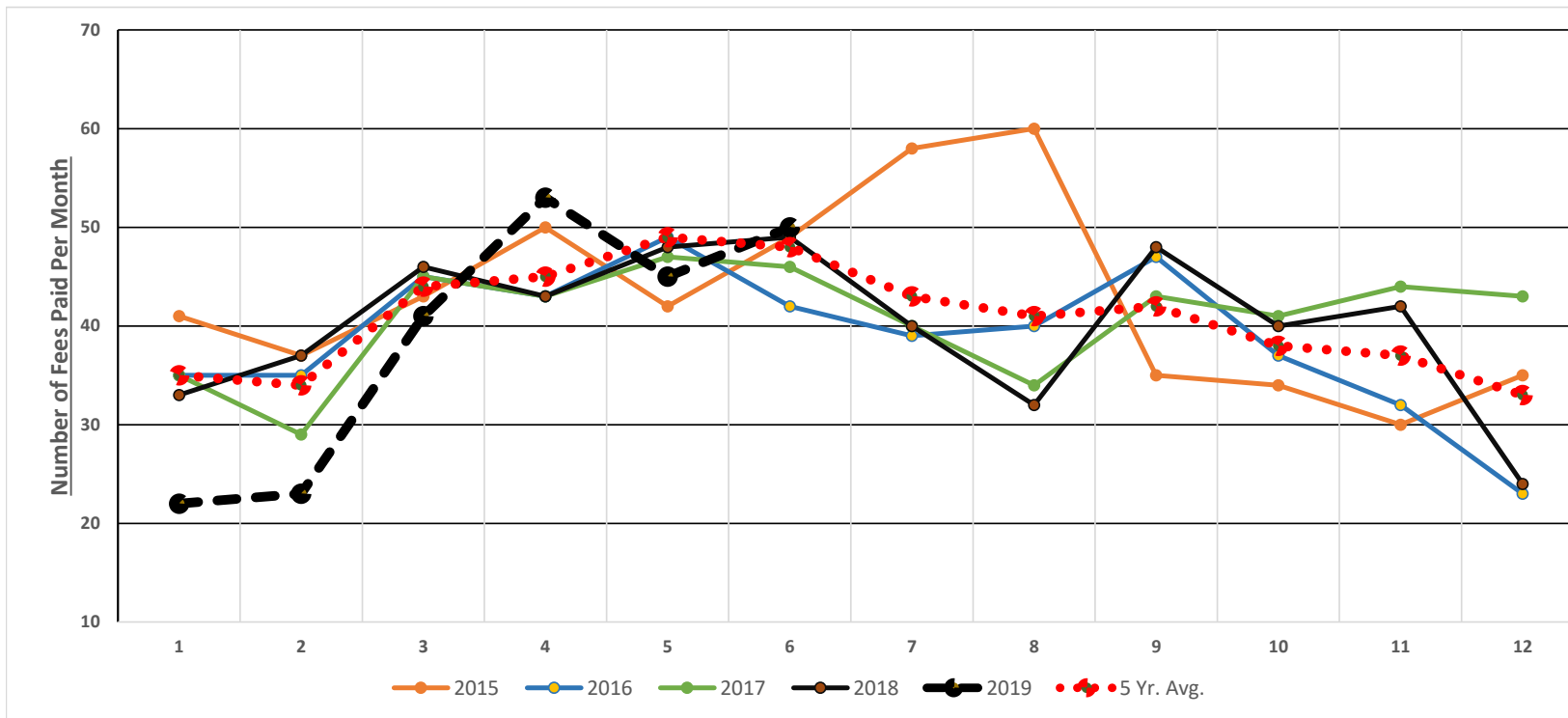


### History of Transactions Generating Membership Fees

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	53	45	50							234
5 Yr. Avg.	35	34	44	45	49	48	43	41	42	38	37	33	489

Note: The 5 year average is for the years 2014 through 2018.

# GRF Membership Transfer Fees



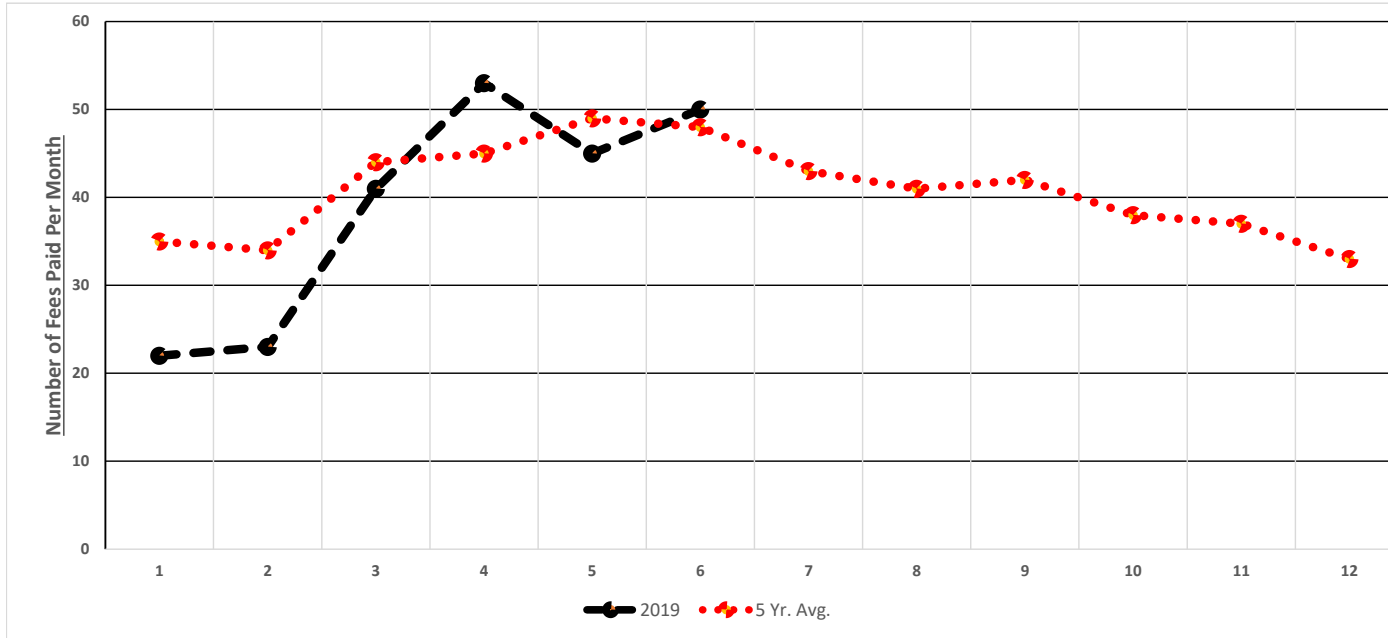
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## GRF Membership Transfer Fees Current Year vs Prior 5 Year Average

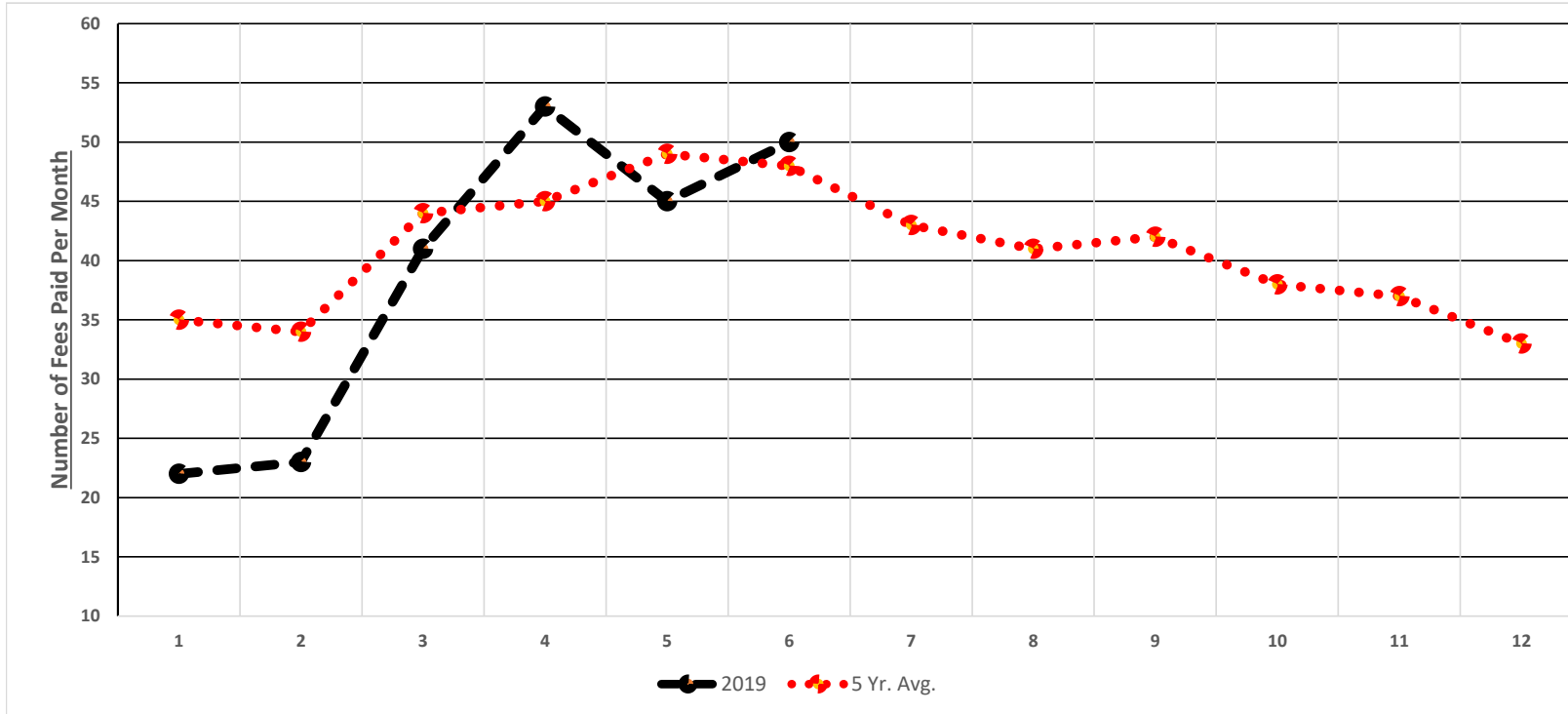


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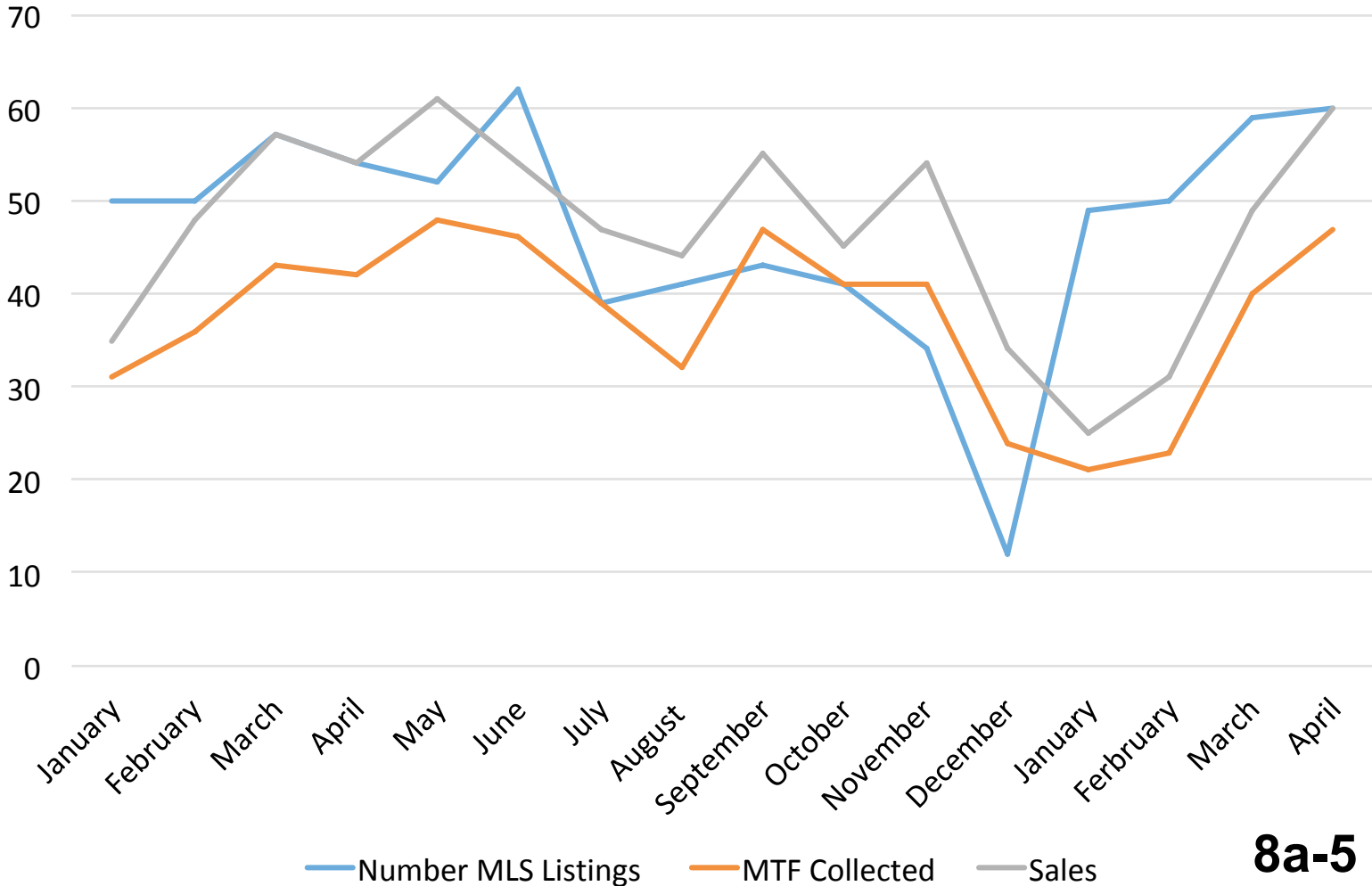


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5 Yr. Avg.	35	34	44	45	49	48	43	41	42	38	37	33	489

Note: The 5 year average is for the years 2014 through 2018.

# MLS Listing, Sales and MTF Collected



**8a-5**

**Golden Rain Foundation  
Trust Estate Fund Projection**

in thousands (000's)

	2019 (6 Months)	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029 - 2038	Total
<b>Beginning Balance 6/30/2019</b>	3,609	3,084	4,701	6,449	8,050	9,767	11,070	12,559	13,624	15,162	16,667	3,609
<b><u>Estimated Revenues:</u></b>												
Membership Transfer Fees	2,094	4,700	4,700	4,700	4,700	4,700	4,700	4,700	4,700	4,700	47,000	91,394
Medical Center Rent	341	694	711	729	747	766	785	804	825	845	9,706	16,953
<b>Total</b>	<b>2,435</b>	<b>5,394</b>	<b>5,411</b>	<b>5,429</b>	<b>5,447</b>	<b>5,466</b>	<b>5,485</b>	<b>5,504</b>	<b>5,525</b>	<b>5,545</b>	<b>56,706</b>	<b>108,347</b>
<b><u>Debt Service:</u></b>												
Mechanics Bank Loan #1-Creekside	375	749	749	749	749	749	749	749	378			5,996
Mechanics Bank Loan #2-Event	402	785	757	730	703	676	649	622	595	568	228	6,715
Mechanics Bank Loan #3-Fitness	293	586	586	586	586	586	586	586	586	586	2,637	8,204
<b><u>Estimated Expenditures</u></b>												
Machinery & Equipment	132											132
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)	1,658											1,658
Other Projects (3)	100	100	100	100	100	100	100	100	100	100	1,000	2,000
<b>Total Estimated Expenditures</b>	<b>2,960</b>	<b>3,777</b>	<b>3,663</b>	<b>3,828</b>	<b>3,730</b>	<b>4,163</b>	<b>3,996</b>	<b>4,439</b>	<b>3,987</b>	<b>4,040</b>	<b>24,659</b>	<b>63,242</b>
Revenue Minus Expense	(525)	1,617	1,748	1,601	1,717	1,303	1,489	1,065	1,538	1,505	32,047	45,105
Ending Fund Balance	3,084	4,701	6,449	8,050	9,767	11,070	12,559	13,624	15,162	16,667	48,714	48,714
Target Minimum Fund Balance	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Funds in Excess of Target	1,084	2,701	4,449	6,050	7,767	9,070	10,559	11,624	13,162	14,667	46,714	46,714

(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

Meeting Date: July 23, 2019

**SUMMARY REPORT  
GOLDEN RAIN FOUNDATION FINANCE COMMITTEE**

**REPORT PREPARED BY:**

Jeff Matheson, Director of Resident Services

**REQUESTED ACTION/RECOMMENDATION:**

Authorize the CEO to execute an agreement with Silicon Valley Paving to complete the asphalt and striping work for the Lower RV Lot and employee parking area and authorize additional funding from the Trust Estate Fund in the amount of \$96,500 for a total project budget of \$308,000, which includes a 10% contingency.

**BACKGROUND:**

The Lower RV Lot and employee parking was scheduled to be repaved with the completion of the solar project, which includes several canopies over the lot. In 2016, the Board approved a budget for the work in the amount of \$211,500. The solar project experienced significant delays in working through the regulatory process. Since the original bids were received, the price for asphalt has seen a significant increase. An updated bid was received from Silicon Valley Paving in the amount of \$280,000. With a 10% contingency, the new project budget is \$308,000. In order to complete the project, additional funding of \$96,500 is required.

On an annual basis the GRF staff prepares bid packages for paving that is approved for the valley. Bids are sought for GRF work and approved paving for the mutuals. This results in the best overall pricing. Silicon Valley Paving was the lowest bidder. The price for the RV Lot is based on the unit prices received for the valley wide paving project.

**ATTACHMENTS:**

None

<b>CRITERIA</b>	Project:
<b>Advantages/Benefits</b>	The Lower RV Lot was in very poor condition prior to the installation of the canopies for the solar project. The lot was scheduled to be paved at the conclusion of the solar project. The paving will prolong the useful life of this asset.
<b>Disadvantages/Risks</b>	None
<b>Financial Impact</b>	The original funding was approved in 2016 in the amount of \$211,500. The updated project budget is \$308,000, which includes a 10% contingency. Additional resources of \$96,500 are needed to complete the project.

<b>Operational Efficiencies</b>	NA
<b>Dependencies</b>	The paving is scheduled for completion by the end of August depending on final signoff on the construction of the solar project.
<b>Subsequent Actions</b>	Paving will be completed over a three-day period.
<b>Alternatives/Options</b>	The lot is not usable in its current state.
<b>Time-Frame</b>	The paving is scheduled to be complete by the end of August.

Meeting Date: July 23, 2019

**SUMMARY REPORT  
GOLDEN RAIN FOUNDATION FINANCE COMMITTEE**

**REPORT PREPARED BY:**

Jeff Matheson, Director of Resident Services

**REQUESTED ACTION/RECOMMENDATION:**

Authorize funding in the amount of \$7,750 from the Trust Estate Fund for the purchase of new pool covers for Hillside Pool.

The Aquatic Advisory Committee voted to unanimously support the recommendation.

**BACKGROUND:**

Pool covers for the three pool facilities need to be replaced every 3-5 years. Typically, the expense, if over \$5,000, is included in the capital project list. At the beginning of the year, it was anticipated the covers at Hillside would last one more season. Unfortunately, the covers have deteriorated to the point where they are no longer safe to use. Pieces of the covers are coming off in the water, which is a hazard to swimmers as well as harmful to the pumps.

Covers are important for the outdoor pools as an energy savings measure. Dollar pool is maintained at 88 degrees while Hillside at 84 degrees. Covers help retain heat during the evening when temperatures drop below these set points. Covers also help with the retention of chemicals as they evaporate more quickly when the water is exposed.

Covers also keep the pools clean and reduce maintenance costs.

The Aquatic Advisory Committee is recommending the Board approve the funding.

**ATTACHMENTS:**

None

<b>CRITERIA</b>	Project:
<b>Advantages/Benefits</b>	Pool covers help lower energy costs. The covers at Hillside have become a hazard to swimmers and the equipment and can no longer be used. The covers also help keep the pools clean, reducing maintenance costs.
<b>Disadvantages/Risks</b>	The covers can no longer be used. Not replacing them will result in the pools not being covered and thus the loss of energy.
<b>Financial Impact</b>	The covers cost \$7,750.

<b>Operational Efficiencies</b>	
<b>Dependencies</b>	
<b>Subsequent Actions</b>	Covers will be ordered if funding approved.
<b>Alternatives/Options</b>	Leave the pool uncovered.
<b>Time-Frame</b>	New covers will take 30 days for delivery once order is placed.