

A G E N D A

FINANCE COMMITTEE

REGULAR MEETING

TUESDAY, JANUARY 28, 2020, AT 9:00 AM
BOARD ROOM – GATEWAY COMPLEX

1. MEETING CALLED TO ORDER: F. William Dorband, Chairman
2. ROLL CALL: Dorband, Autrey, Lau, Moderacki, Neff, Thomas and Yearout
3. APPROVAL OF REPORT: Regular meeting of December 3, 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) Review 2020 Trust Estate Capital Budget expenditures and recommend to the GRF Board the status of available funds for 2020 based on an updated Trust Estate Fund Projection. (Attachments)
8. NEW BUSINESS
9. ADJOURNMENT
10. NEXT REGULAR MEETING: Tuesday, February 25, 2020, at 9:00 a.m. in the Board Room at Gateway Complex.

cc: GRF Board

FINANCE COMMITTEE REPORT

REGULAR MEETING
TUESDAY, DECEMBER 3, 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, December 3, 2019, in the Board Room at Gateway Complex.

Present, in addition to the Chairman, were Jean A. Autrey, Vice Chair, Alice Lau, Paul J. Moderacki, Mary K. Neff, and Gery Yearout. Deborah Thomas was excused. Also attending were Robert D. Kelso, President, Leslie Birdsall, Vice President, Barbara Coenen, Secretary, and Kenneth Anderson, Sue DiMaggio Adams; Dale J. Harrington, and Kathleen Stumpf, Directors, GRF; Timothy O'Keefe, CEO; Richard S. Chakoff, CFO; Paul J. Donner, Director of Mutual Operations; Jeffrey P. Matheson, Director of Resident Services; Amanda Davis, Accounting Manager; Deborah Rose, Executive Services Manager; and one resident. Attendance

The report of the Committee's regular meeting of October 29, 2019, was approved as written. Report Approved

There were no Resident Forum speakers. Residents' Forum/

The Chairman made an announcement that he has distributed a calendar listing the 2020 Finance Committee meeting dates and then reviewed several key meeting dates for members to take note. He asked the Committee to submit any ideas or suggestions for future meetings. Chairman's Report

Mr. O'Keefe reported that the Capital Budget has been broken up into two sections, with the non-discretionary items on today's agenda for the Committee's recommendation of the available funds for the December Board meeting. He went on to report that the second half containing the discretionary capital budget items will be considered by the Board in January 2020. Lastly, he reported that the solar farm has been completed and answered questions from members of the Committee. Staff Reports

Mr. Chakoff reviewed the GRF Statement of Operations for October, provided an overview of the General Fund balance, and reviewed the Trust Estate Fund balance.

Mr. Donner reviewed the October 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.

There being no objections, the Chairman deviated from the published agenda and proceeded to agenda item 8a, Review 2020 Trust Estate Capital Budget expenditures and recommend to the GRF Board the status of available funds for 2020 based on an updated Trust Estate Fund Projection. Mr. Chakoff provided an overview of the non-discretionary items and available funds. Discussion followed.

A motion was made by Ms. Neff, seconded by Ms. Autrey, and CARRIED UNANIMOUSLY to recommend to the Board that there are sufficient funds in the Capital Budget to approve the \$1,002,300 Capital Budget as proposed.

Recomm-
endation of
Sufficient
Funds

The Chairman then introduced agenda item 7a, Review the Trust Estate Fund projection. He then distributed an MTF document for the month of October (copy on file), and reviewed page 8a-1 of the agenda packet. The Committee agreed to revise the Membership Transfer Fees projection on page 8a-1 of the agenda packet to reflect \$4.2 million going forward. Discussion followed.

A motion was made by Ms. Neff, seconded by Ms. Yearout, and CARRIED UNANIMOUSLY to present to the GRF Board and updated Fund projection for 2019-2020 that incorporates the changes discussed today.

Updates to
the Trust
Fund
Projection

Lastly, the Chairman introduced agenda item 8b, Review Section 6 Finance from the Golden Rain Foundation General Plan 2024, and the GRF Finance Committee Charter to plan committee activities for 2020. Discussion followed.

General Plan
2024

There being no further business to come before the Committee, the meeting was adjourned at 10:17 a.m.

Adjourn-
ment

The next regular meeting of the Finance Committee will be held on Tuesday, January 28, 2020, at 9:00 a.m. in the Board Room at Gateway Complex.

Next Mtg.
1/28/20

dr

F. William Dorband, Chairman
Finance Committee

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

Project	Approved Budget	Reporting Period Expenditures	Incurred To-Date	Forecast To-Complete	Est. Final Expenditure	Under/(Over) Budget	Status
Gateway HVAC Replacement	615,000			615,000	615,000	0	Not started
Valley Wide Street Construction	520,000		430,488	89,512	520,000	0	In process
Hillside Restroom Renovation	230,000		1,205	228,795	230,000		In process
Creek Restoration Design & Project Management	222,177		96,843	125,334	222,177	0	In process
Fiber Optic Cable Phase I	60,000	12,112	60,000	0	60,000	0	Complete
Fiber Optic Cable Phase II	160,000	16,818	160,201	(0)	160,201	(201)	Complete
Repave MOD Parking Lot	308,000		300,900	0	300,900	7,100	Complete
Water Reclamation Facility Study	170,000	4,499	167,866	2,134	170,000	0	In process
Corp Yard Fire & Domestic Water Lines Replacement	120,000		120,216	0	120,216	(216)	Completed
Gateway Workshops Renovation Design NOTE 1	83,000		107,319	0	107,319	(24,319)	Completed
Dollar Clubhouse Accessibility Improvements	105,000		98,908	6,092	105,000	0	In process
Dollar Pool Plaster Replacement	85,000		43,860	41,140	85,000	0	In process
Database Integration	55,000		15,919	39,081	55,000	0	In process
Rossmoor Web Portal	50,000		12,168	37,833	50,000	0	In process
Stanley Dollar Drive Parking	26,021		24,864	1,157	26,021	0	In process
Event Center Trash and Recycling Containers	25,000		24,902	0	24,902	98	Completed
Golf Course Irrigation Pump Replacement	18,000		14,176	0	14,176	3,824	Completed
MOD Corporation Electrical Upgrade	16,000			16,000	16,000	0	Not started
Hillside Pool Covers	7,750		7,465	0	7,465	285	Completed
TOTAL	2,875,948	33,429	1,687,300	1,202,077	2,889,376	(13,428)	

NOTE 1: The plan check/permit process for this project was initiated in anticipation of the renovation construction phase going out to bid in Fall 2019. Related incurred fees of \$26K were not included in the budget. This amount would typically go to the construction phase budget which has not been approved as of yet.

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

Project	Approved Budget	Incurred To-Date	Forecast To-Complete	Est. Final Expenditure	Under/(Over) Budget
MOD Vehicles	198,000	194,019	0	194,019	3,981
GRF Vehicles	114,000	100,445	0	100,445	13,555
Skid Loader	46,000	45,389	0	45,389	611
Tee Mower	38,000	37,433	0	37,433	567
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	5,772	0	5,772	19,228
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	6,992	0	6,992	508
Ball Picker	5,000		0	0	5,000
TOTAL	526,690	483,096	0	483,096	43,594

NOTE 1: Cost for a MOD fuel island repair.

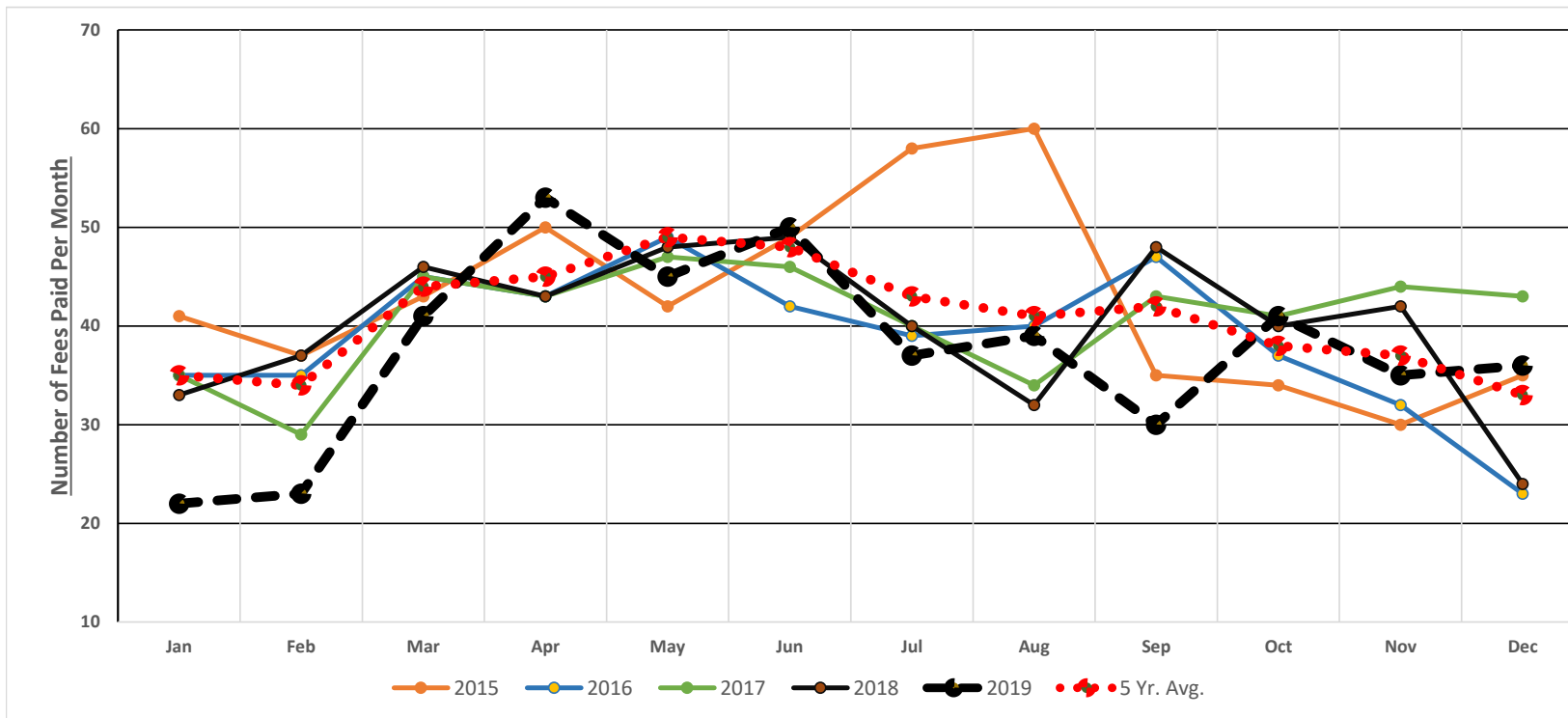
MOD Expenditures	198,000	194,019	0	198,000	0
GRF Expenditures	328,690	282,085	0	289,077	39,613
TOTAL	526,690	476,104	0	487,077	39,613

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

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030 - 2038	Total
Beginning Balance 12/31/2019	3,947	3,427	4,675	5,776	6,993	7,796	8,785	9,350	10,388	11,393	14,167	3,947
Estimated Revenues:												
Membership Transfer Fees	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	37,800	79,800
Medical Center Rent (1)	694	711	729	747	766	785	804	825	845	866	8,840	16,612
Total	4,894	4,911	4,929	4,947	4,966	4,985	5,004	5,025	5,045	5,066	46,640	96,412
Debt Service:												
Mechanics Bank Loan #1-Creekside	749	749	749	749	749	749	749	378				5,621
Mechanics Bank Loan #2-Event	785	757	730	703	676	649	622	595	568	228		6,313
Mechanics Bank Loan #3-Fitness	586	586	586	586	586	586	586	586	586	586	2,051	7,911
Estimated Expenditures												
Total per Long Range Plan(2)		1,471	1,663	1,592	2,052	1,912	2,382	2,328	2,786	1,378	19,416	36,980
Non Discretionary Capital Expenditures 2020 (3)	992											992
Approved Projects (4)	1,202											1,202
Contingency(5)	100	100	100	100	100	100	100	100	100	100	900	1,900
Encumbered Funds												
Creek Repair	1,000											1,000
Total Estimated Expenditures	5,414	3,663	3,828	3,730	4,163	3,996	4,439	3,987	4,040	2,292	22,367	61,919
Revenue Minus Expense	(520)	1,248	1,101	1,217	803	989	565	1,038	1,005	2,774	24,273	34,493
Amount due from GRF Operating Fund (6)	-											-
Ending Fund Balance	3,427	4,675	5,776	6,993	7,796	8,785	9,350	10,388	11,393	14,167	38,440	38,440
Target Minimum Fund Balance	2,250	2,500	2,750	3,000	3,250	3,500	3,750	4,000	4,000	4,000	4,000	4,000
Funds in Excess of Target	1,177	2,175	3,026	3,993	4,546	5,285	5,600	6,388	7,393	10,167	34,440	34,440

- (1) The lease with John Muir expires in Jan. 2021 and the building will be either sold or leased to another entity. This includes lease payments at the current lease terms.
(2) Includes expenditures from long-range capital plan excluding water reclamation, Gateway studios and creek restoration
(3) Expenditures approved at the December 2019 GRF Board meeting. Excludes MOD expenditures
(4) Forecast to complete capital projects previously approved in process
(5) To account for various projects not currently planned that occur during the year
(6) Membership fees recorded at the end of the month not yet deposited in the Trust account

GRF Membership Transfer Fees

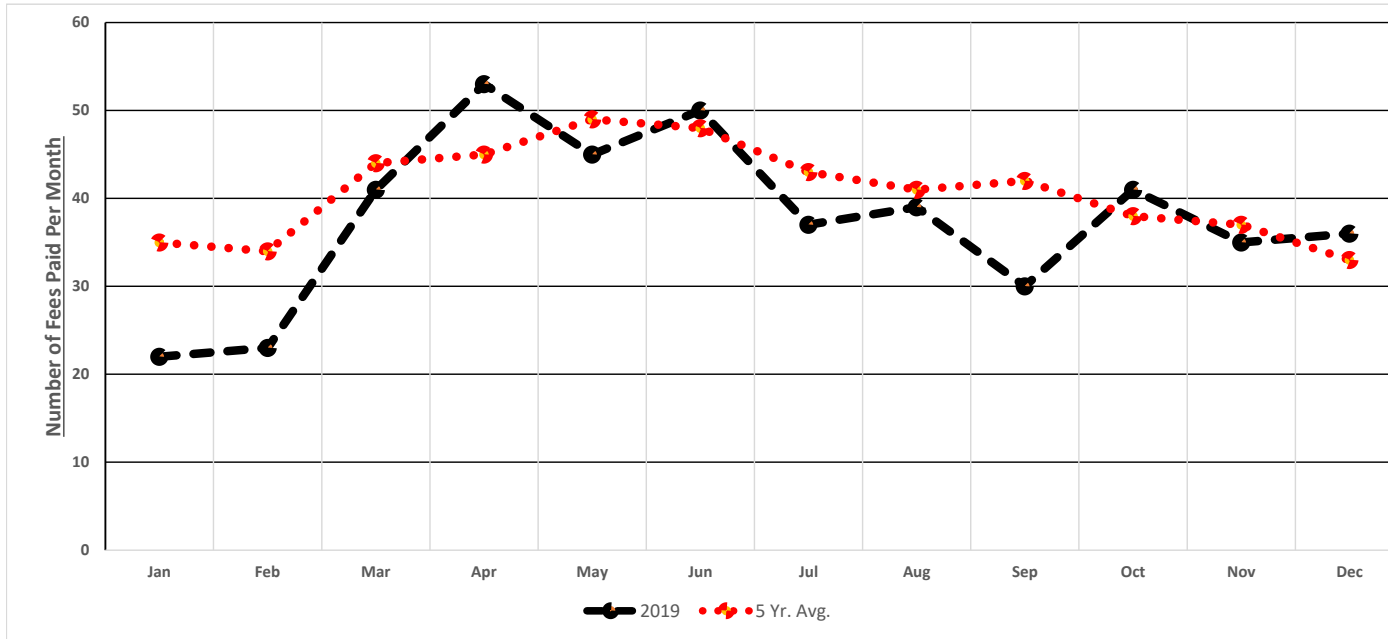


History of Transactions Generating Membership Fees

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
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	37	39	30	41	35	36	452
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 Current Year vs Prior 5 Year Average



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	37	39	30	41	35	36	452
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.

Sales/Transfers and GRF Membership Transfer Fees Collected
December 2019

7a-4

2019	Sales Fees %			Transfers Fees %			Other ¹	Fees Total	Fees \$
January	25	21	84.0%	14	1	7.1%	0	22	\$ 198,000
February	31	23	74.2%	9	0	0.0%	0	23	\$ 207,000
March	49	40	81.6%	8	1	12.5%	0	41	\$ 369,000
April	60	47	78.3%	17	5	29.4%	1	53	\$ 477,000
May	52	42	80.8%	13	2	15.4%	1	45	\$ 405,000
June	56	47	83.9%	16	4	25.0%	-1	50	\$ 450,000
July ²	49	37	75.5%	16	0	0.0%	0	37	\$ 370,000
August	48	39	81.3%	18	0	0.0%	0	39	\$ 390,000
September	33	29	87.9%	11	1	9.1%	0	30	\$ 300,000
October	46	41	89.1%	12	0	0.0%	0	41	\$ 410,000
November	42	33	78.6%	8	2	25.0%	0	35	\$ 350,000
December	44	36	81.8%	8	0	0.0%	0	36	\$ 360,000
YTD	535	435	81.3%	150	16	10.7%	1	452	\$ 4,286,000

2018	Sales Fees %			Transfers Fees %			Other ¹	Fees Total	Fees \$
January	35	31	88.6%	14	1	7.1%	1	33	\$ 297,000
February	48	36	75.0%	9	1	11.1%	0	37	\$ 333,000
March	57	43	75.4%	9	2	22.2%	1	46	\$ 414,000
April	54	42	77.8%	16	1	6.3%	0	43	\$ 387,000
May	61	48	78.7%	16	0	0.0%	0	48	\$ 432,000
June	54	46	85.2%	17	3	17.6%	0	49	\$ 441,000
July	47	39	83.0%	13	1	7.7%	0	40	\$ 360,000
August	44	32	72.7%	7	0	0.0%	0	32	\$ 288,000
September	55	47	85.5%	12	1	8.3%	0	48	\$ 432,000
October	45	41	91.1%	15	0	0.0%	-1	40	\$ 360,000
November	54	41	75.9%	10	0	0.0%	1	42	\$ 378,000
December	34	24	70.6%	17	0	0.0%	0	24	\$ 216,000
YTD	588	470	79.9%	155	10	6.5%	2	482	\$ 4,338,000

CHANGE	Sales Fees %			Transfers Fees %			Other ¹	Fees Total	Fees \$
January	-10	-10	-4.6%	0	0	0.0%	-1	-11	\$ (99,000)
February	-17	-13	-0.8%	0	-1	-11.1%	0	-14	\$ (126,000)
March	-8	-3	6.2%	-1	-1	-9.7%	-1	-5	\$ (45,000)
April	6	5	0.6%	1	4	23.2%	1	10	\$ 90,000
May	-9	-6	2.1%	-3	2	15.4%	1	-3	\$ (27,000)
June	2	1	-1.3%	-1	1	7.4%	-1	1	\$ 9,000
July	2	-2	-7.5%	3	-1	-7.7%	0	-3	\$ 10,000
August	4	7	8.5%	11	0	0.0%	0	7	\$ 102,000
September	-22	-18	2.4%	-1	0	0.8%	0	-18	\$ (132,000)
October	1	0	-2.0%	-3	0	0.0%	1	1	\$ 50,000
November	-12	-8	2.6%	-2	2	25.0%	-1	-7	\$ (28,000)
December	10	12	11.2%	-9	0	0.0%	0	12	\$ 144,000
YTD	-53	-35	1.4%	-5	6	4.2%	-1	-30	\$ (52,000)

GRF Membership Transfer Fee Exemptions per Policy 102.1.4					
1 (CMR): 8				6 (TST): 5	
<u>New</u>	<u>Previously Paid</u>	<u>New</u>	<u>Previously Paid</u>		
01-001-021	01-003-221	28-028-065	01-004-261		
01-001-124	39-039-039	39-039-045	02-002-163		
01-006-058	03-054-015	58-058-1341	04-024-009		
02-002-196	01-005-321	70-070-120	02-014-122		
				Other/Non-applicable: 3	

¹ MTF collected without property transfer, or refunded

² MTF increased to \$10,000 July 1, 2019