

A G E N D A

FINANCE COMMITTEE

REGULAR MEETING
TUESDAY, FEBRUARY 26, 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, and Yearout
3. APPROVAL OF REPORT OF JANUARY 29, 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 about increasing the Membership Transfer Fee.
8. NEW BUSINESS
 - a. Consider recommending amount available to spend on Capital Projects from the Trust Estate Fund. (Attachments)
9. ADJOURNMENT
10. NEXT REGULAR MEETING: Tuesday, March 26, 2019, at 9:00 a.m. in the Board Room at Gateway Complex.

cc: GRF Board

FINANCE COMMITTEE REPORT

REGULAR MEETING
TUESDAY, JANUARY 29, 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, January 29, 2019, in the Board Room at Gateway Complex.

Present, in addition to the Chairman, were Jean A. Autrey, Vice Chair, Paul J. Moderacki, Paul Rosenzweig, Della C. Temple, and Gery Yearout. Mary K. Neff was excused. Also attending were Robert D. Kelso, President, Geraldine Pyle, Secretary, and Sue Adams, Kenneth Anderson, Barbara Coenen, and Carl W. Brown, Directors, GRF; Timothy O'Keefe, CEO; Richard S. Chakoff, CFO; Paul J. Donner, Director, Mutual and Trust Operations; Jeffrey P. Matheson, Director of Resident Services; Dennis Bell, Public Safety Manager; Amanda Davis, Senior Accountant; Deborah Rose, Senior Administrative Assistant, Executive Services; and two residents.

The report of the Committee's regular meeting of December 4, 2018, was approved as written. Report Approved

There were no Resident Forum speakers.

Residents' Forum/
D. Temple Resigned

The Chairman announced that Committee member Della Temple has resigned from the Committee. On behalf of the Committee, he thanked Ms. Temple for all her efforts and her due diligence. Ms. Temple in turn thanked the Committee and said that she will miss everyone.

Mr. O'Keefe provided an update regarding the solar project, which still has not been permitted as it is under review by the Fire Department. He went on to say that a number of RV's have been moved back into the parking lot due to vandalization and the lot completion is estimated for late April. He then reported that there was a fire early this morning, a unit under construction; and Mr. Donner provided an update that the fire was minor and taken care of by a Securitas staff member who kicked the door of the unit in and extinguished the fire. Mr. O'Keefe then reminded the Committee that the Capital Project List was split up into two sections, the first section was covered last month, and the second section will be covered in February along with estimate updates for the Water Reclamation Project, creek repair, and the Capital Needs Analysis. Messrs. O'Keefe and Matheson answered questions from Committee members.

Staff Reports

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

Mr. Chakoff then reviewed the preliminary MOD financial statements for December and Messrs. Chakoff and Donner answered questions from Committee members.

Mr. Donner reviewed the December 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 Committee members.

The Chairman reviewed agenda item 7b, consider recommending that the Board approve and authorize the CEO to execute a contract with the firm Ellen Lopez & Associates Inc. in an amount not to exceed \$40,000, which includes a \$5,000 contingency fund, to update the Foundation's Emergency Operations Plan for wildfire, disaster, and evacuation planning, to be paid from the operating budget, but the project was not funded during the 2019 budget process. Mr. O'Keefe provided an overview of this item. Messrs. Bell and Chakoff answered questions from the Committee members and a lengthy discussion followed.

Emergency
Operations
Plan

A motion made by Ms. Yearout and seconded by Mr. Rosenzweig to recommend to the Board that there are sufficient funds should the Board wish to proceed. After discussion the vote on the motion was taken, and the motion CARRIED, with Ms. Autrey abstaining.

Funds
Available for
Emergency
Operations
Plan

The Chairman then reviewed agenda item 7a, discuss increase in membership fee. The Chairman invited Ms. Adams to share her perspective as a Real Estate agent for Rossmoor on increasing the Membership Transfer Fee. Mr. O'Keefe then provided an overview of the Membership Transfer Fee Task Force. A lengthy discussion followed.

Increase in
Membership
Transfer Fee

The Committee then discussed a number of factors that need to be considered in determining the level of Membership Transfer Fee to be recommended to the Board. The Chairman announced that the Committee would vote on a recommendation to the Board at its next meeting on February 26.

There being no further business to come before the Committee, the meeting was adjourned at 10:41 a.m.

Adjourn-
ment

The next regular meeting of the Finance Committee will be held on Tuesday, February 26, 2019, at 9:00 a.m. in the Board Room at Gateway Complex.

Next Mtg.
2/26/19

F. William Dorband, Chairman
Finance Committee

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

Project	Approved Budget	Reporting Period Expenditures	Incurred To-Date	Forecast To-Complete	Est. Final Expenditure	Under/(Over) Budget
Creek Restoration Design & Project Management NOTE 1	222,177		24,979	197,198	222,177	0
Repave MOD Parking Lot	211,500			211,500	211,500	0
Water Reclamation Facility Study	150,000		101,727	48,273	150,000	0
Corp Yard Fire & Domestic Water Lines Replacement	120,000			120,000	120,000	0
Gateway Workshops Renovation Design	83,000		43,368	39,632	83,000	0
Dollar Clubhouse Accessibility Improvements	80,000	16,864	37,285	42,715	80,000	0
Stanley Dollar Drive Parking	26,021		24,255	1,766	26,021	0
TOTAL	892,698	16,864	231,614	661,084	892,698	0

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

Project	Approved Budget	Incurred To-Date	Forecast To-Complete	Est. Final Expenditure	Under/(Over) Budget
MOD Vehicles (4)	198,000		198,000	198,000	0
GRF Vehicles (3)	114,000	99,469	14,531	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		35,000	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	6,345	9,655	16,000	0
Heater Replacement-Dollar Clubhouse Pool	7,500		7,500	7,500	0
Ball Picker	5,000		5,000	5,000	0
TOTAL	516,500	105,814	410,686	516,500	0

**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 12/31/2018	3,306	1,353	610	1,474	2,475	3,692	4,495	5,484	6,049	7,087	8,092	3,306
<u>Estimated Revenues:</u>												
Membership transfer fees	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	42,000	84,000
Medical Center rent	677	694	711	729	747	766	785	804	825	845	9,706	17,289
Total	4,877	4,894	4,911	4,929	4,947	4,966	4,985	5,004	5,025	5,045	51,706	101,289
<u>Estimated Expenditures</u>												
Draft Capital Budget (1)	2,105											2,105
Machinery & Equipment	319											319
Total per Long Range Plan(3)		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)	689											689
Other Projects (4)	100	100	100	100	100	100	100	100	100	100	1,000	2,000
Water Reclamation	170	560	384	100								1,214
Gateway Studio Construction	800	800										1,600
Creek Restoration	500	500										1,000
<u>Debt Service:</u>												
Mechanics Bank loan #1-Creekside	749	749	749	749	749	749	749	749	378			6,370
Mechanics Bank loan #2-Event	812	785	757	730	703	676	649	622	595	568	228	7,125
Mechanics Bank loan #3-Fitness	586	586	586	586	586	586	586	586	586	586	2,637	8,497
Total Estimated Expenditures	6,830	5,637	4,047	3,928	3,730	4,163	3,996	4,439	3,987	4,040	24,659	69,456
Revenue minus expense	(1,953)	(743)	864	1,001	1,217	803	989	565	1,038	1,005	27,047	31,833
Ending Fund Balance	1,353	610	1,474	2,475	3,692	4,495	5,484	6,049	7,087	8,092	35,139	35,139

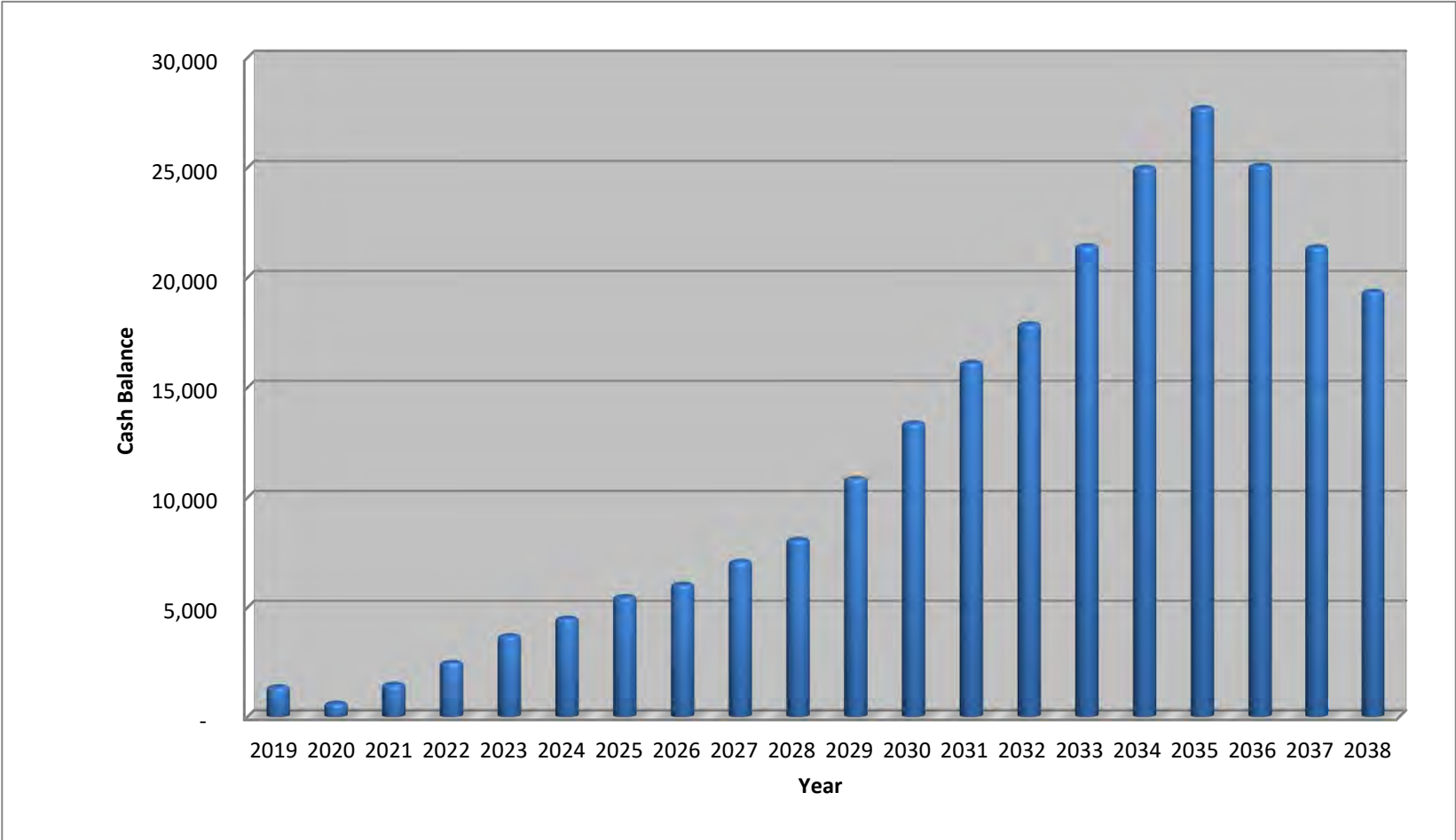
(1) Draft 2019 capital budget is subject to change as it's not yet approved by the GRF Board

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

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

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

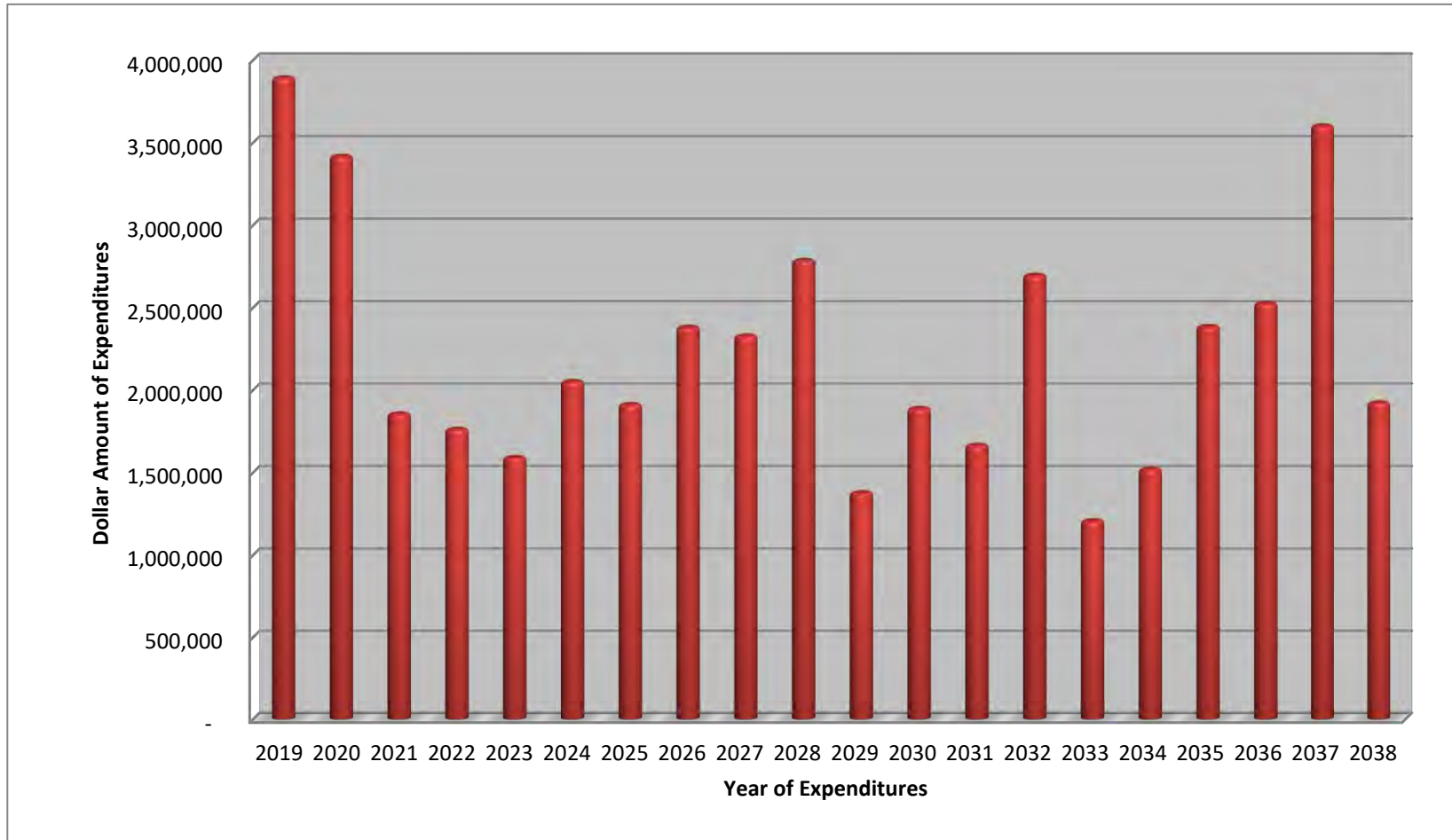
**GRF Trust Estate
20 Year Cash Forecast**



**TRUST EXPENDITURES
LONG-RANGE COMPREHENSIVE CAPITAL PROGRAM
TRUST ESTATE FUND**

Location	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029-2038
Buckeye Tennis Total	6,000	-	-	-	-	-	-	-	-	-	-
Corp Yard Total	-	10,453	-	-	-	-	18,177	-	38,569	-	59,792
Creekside Total	-	-	16,150	-	-	-	466,555	149,782	83,566	-	1,340,934
Del Valle Total	-	-	-	11,090	17,134	22,354	193,893	31,205	59,872	-	1,465,115
Dollar Total	172,500	41,813	88,289	163,023	-	19,413	-	137,300	-	-	585,095
F-Event Center Total	25,000	-	-	-	-	12,942	-	-	-	-	-
Gatehouse Total	-	-	-	-	-	-	14,542	-	44,997	-	60,472
Gateway Total	935,000	-	53,835	44,360	308,412	258,838	133,301	224,673	278,339	993,150	1,941,377
Golf Total	149,000	452,267	448,820	325,000	304,206	295,592	100,000	723,541	503,566	520,000	2,657,832
Hillside Total	100,000	216,032	69,985	177,439	177,772	11,765	178,468	91,118	199,273	260,867	1,517,545
IT Total	370,000	50,000	51,500	53,045	54,636	56,275	57,964	59,703	61,494	63,339	849,570
MOD Office Total	32,000	66,902	124,897	49,905	74,247	543,559	-	82,380	320,765	13,242	257,897
Parks Total	-	-	-	55,450	-	-	54,532	-	-	-	34,098
Paving Total	520,000	500,000	515,000	530,450	546,364	562,754	579,637	597,026	614,937	633,385	7,478,881
Vehicles Total	114,000	220,000	103,000	253,143	109,273	268,559	115,927	284,915	122,987	302,266	2,547,755
Water Reclamation Total	170,000	560,000	384,000	100,000	-	-	-	-	-	-	-
Gateway Studio Const. Total	800,000	800,000	-	-	-	-	-	-	-	-	-
Creek Restoration Total	500,000	500,000	-	-	-	-	-	-	-	-	-
Grand Total	3,893,500	3,417,467	1,855,476	1,762,905	1,592,044	2,052,052	1,912,997	2,381,643	2,328,365	2,786,249	20,796,364

GRF Trust Estate Capital Expenditures



**Golden Rain Foundation
Capital Projects Budget
2019**

1 Gateway HVAC replacement	615,000
2 Valley Wide street maintenance	520,000
3 Gateway Generator	225,000
4 Complete interior renovation of Vista and Las Trampas rooms-Hillside	100,000
5 Replace the plaster at Dollar Pool	85,000
6 Renovate the Dollar Clubhouse restrooms on the first floor	80,000
7 Fiber Optic Cable Phase I	60,000
7 Fiber Optic Cable Phase II	160,000
8 Database Integration	55,000
9 Replace flooring in the Oak Room	45,000
10 Rossmoor Web Portal	35,000
11 Replace Office Partitions in Recreation	30,000
12 New trash & recycling containers for Event Center	25,000
13 Gateway large conference room upgrade	20,000
14 Replace existing golf course irrigation pump	18,000
Architectural Plans to reconstruct the fairway and green for	
16 the 14 tee on Dollar Ranch Course	10,000
17 Ball Wall-Buckeye Tennis Complex	6,000
15 Electrical Upgrade at MOD Corporation	16,000
Grand Total	<u><u>\$ 2,105,000</u></u>

**Golden Rain Foundation
Capital Project List
2019**

Gateway HVAC replacement buildings A, B and C:

The chiller and boiler servicing buildings A (Fireside Room), B (Admin and Board Offices) and C (Clubhouse) need to be replaced. Installed respectively in 1990 and 1999 they are at the end of their useful life. The air handlers in all 3 buildings were installed in 2002/2003 and close to the end of their useful life. Rather than replacing like for like, staff recommends the installation of a more efficient HVAC system, in line with the shops and multi-purpose rooms HVAC replacement in 2015. The estimated cost for building A is \$175,000, for building B \$215,000, and for building C \$225,000.

The requested budget is \$615,000.

Valley-wide Street maintenance:

Full depth pavement replacement is proposed for the following sections of deteriorated pavement: Lower Golden Rain Road between entry 27 and Skycrest Drive (estimated at \$170,000), and Ptarmigan Drive between Terra Granada Drive and the cul-de-sac (estimated at \$350,000).

The requested budget is \$520,000.

Standby generator for Gateway Complex:

The proposal is to have a standby generator for the Gateway Complex that could provide power in the case of a power outage. The proposed expenditure includes the estimated cost of the generator, installation and a 10% contingency.

The requested budget is \$225,000

Complete interior renovation of Vista and Las Trampas rooms at Hillside Clubhouse:

In 2018 the Diablo Room was improved with new flooring, acoustic panels, paint, and blinds. This project will continue this effort in the Vista and Las Trampas Rooms. In addition, lighting will be up-graded and new chairs purchased.

The requested budget is \$100,000

Replace the plaster at Dollar Pool:

The pool plaster at Dollar is showing signs of failure. The plaster as well as the coping stones, waterline tile, entry stairs, hand rails, etc. are in need of replacement and updating to current accessibility code.

The requested budget is \$85,000

Renovate the Dollar Clubhouse restrooms on the first floor:

The restrooms on the first floor are very dated and simple improvements such as replacing broken tiles or replacing water closet fixtures on an individual basis is extremely difficult. Flooring joists, plumbing, and all the fixtures are in need of replacement. The restrooms cannot be brought up to accessibility code based on available space so the gender neutral restroom on the first floor must be brought up to current code as well.

The requested budget is \$80,000

Fiber Optic Cable:

The Fiber optic cable is the backbone of the Rossmoor corporate network. It provides connectivity for our computer data as well as the telecommunications, access control for the security gate and video surveillance. It connects Mutual Operations “MOD”, Gateway, Creekside, the fitness center and the Security Gate.

The existing fiber optic allows for data transmission speeds of 100 Mbps per strand. We are currently at the limit of the amount of data that we can pass on our network and with the increasing demands of computer, telecommunications and video surveillance our current bandwidth is insufficient. The new fiber optic cable will allow for data speeds in excess of 10 Gbps per strand. In addition, the current fiber optic is over 20 years old and several strands have failed.

Phase one: This would involve an inspection of the conduit in which the existing fiber optic cable resides and the installation of a “Pull Tape” that would be used to install the new cable. The existing cable will remain operational while this process is being performed.

The requested budget is \$60,000

Phase two: If the inspection determines that the conduit is in good condition, the new cable would be installed using the “Pull Tape.”

The requested budget is \$160,000

Note: If in phase one it is determined that all or part of the conduit needs to be replaced there would be an additional cost. This would need to be determined and presented to the Board.

Database integration:

In August 2018 the GRF Board approved an expenditure to engage a consultant to evaluate software integration. The consultant provided a proposal to integrate GRF’s six databases. The proposed expenditure includes the cost of the consultant’s labor, a SQL server and an approximate \$9,000 contingency.

The requested budget is \$55,000

Replace flooring in the Oak Room at Gateway:

The carpeting in the Oak Room is badly stained and requires frequent professional cleaning. The cost per cleaning is \$900.00. This project will replace the carpet with a laminate flooring similar to the new flooring in the Diablo Room. This new flooring will be much easier and cheaper to maintain.

The requested budget is \$45,000

Web Portal:

New resident portal will be created to link to the proposed central database and to provide direct access and log in to secure Rossmoor application such as golf, recreation, ticketing, Fitness, etc.

The requested budget is \$35,000

Replace office partitions in Recreation at Gateway:

The existing office partitions are in poor condition and in need of replacement. New partitions will be better configured to maximize available space for existing staff plus the addition of the new Application Specialist position.

The requested budget is \$30,000

Purchase new trash and recycling containers for Event Center:

The current trash and recycle containers are not combo units and the distinction between trash and recycling is not very evident. This results in contaminated recycling. This project would add 10 trash and recycling combo units at the Event Center.

The requested budget is \$25,000

Gateway large conference room upgrade:

We propose to upgrade the Gateway large conference room with audio video conferencing equipment. This upgrade would allow with greater ease to have people join meetings that were not available to attend in person. This would also make presentations such as Microsoft PowerPoint, Excel and other applications much easier and clearer to view. We would be adding a large screen display monitor as well as a camera and audio video conferencing equipment. We would also be adding a dedicated microcomputer that would replace the need to hook up a notebook computer every time a presentation is required. We would still have the availability to connect a notebook or tablet if needed.

The requested budget is \$20,000

Replace existing Golf irrigation pump

To replace failing fully depreciated piece of equipment

The requested budget is \$18,000

Hire Architect to complete Plans to reconstruct the fairway and green for the 14 tee on the Dollar Ranch Course

The 14th hole on the Dollar Ranch Course is poorly configured and on the priority list for reconstruction. An architect would need to complete the plans for the fairway improvements and relocation of the green. Actual construction would be planned for 2020.

The requested budget is \$10,000

Ball Wall at Buckeye Tennis Complex:

Add a ball wall to the Buckeye complex –

The Tennis Club has requested the installation of a ball wall for practice purposes. The wall would be added to one of the existing courts. The Club has offered to pay 1/3 of the cost to install the wall.

The requested budget is \$6,000

Electrical Upgrade at MOD Corporation

Upgrade the main electrical panel in the pump house to include a 50 amp sub panel. The purpose of the upgrade is supply power for multiple charging stations that will charge electric leaf blowers. This will facilitate the gradual transition from gas blowers to electric blowers throughout Rossmoor. ***The requested budget is \$16,000***