

A G E N D A

FINANCE COMMITTEE

REGULAR MEETING
TUESDAY, MARCH 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, Thomas and Yearout
3. APPROVAL OF REPORT OF FEBRUARY 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
8. NEW BUSINESS
 - a. Discuss capital budget planning reports. (Attachments)
9. ADJOURNMENT
10. NEXT REGULAR MEETING: Tuesday, April 23, 2019, at 9:00 a.m. in the Board Room at Gateway Complex.

cc: GRF Board

FINANCE COMMITTEE REPORT

REGULAR MEETING
TUESDAY, FEBRUARY 26, 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, February 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, and Gery Yearout. Also attending were Robert D. Kelso, President, Leslie Birdsall, Vice President, Geraldine Pyle, Secretary, and Sue Adams, 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 of Resident Services; Amanda Davis, Senior Accountant; Deborah Rose, Senior Administrative Assistant, Executive Services; and three residents. Attendance

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

There were no Resident Forum speakers. Residents' Forum/

The Chairman announced that Deborah Thomas is willing to be nominated as a new member of the Finance Committee and her nomination to replace Della Temple, who resigned, is subject to review and approval at the Thursday, February 28, GRF Board meeting. Chairman's Report

Mr. O'Keefe provided an update regarding the Redwood Room renovations to accommodate the new café operator. He then reported that the Planning Committee has requested GRF staff to review the Ad Hoc Technology Committee recommendations and provide their report in April. Lastly, he provided an update on the solar farm, which is delayed as the Fire Department is now requiring a sprinkler system for the canopy area over the RV parking lot. Mr. O'Keefe answered questions from Committee members. Staff Reports

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

Mr. Chakoff then reviewed the preliminary Trust Estate Fund report for January and answered questions from Committee members.

The Committee requested that the Financial reports the CFO provides be included on the Rossmoor website at the same time the agenda packet is posted, so that the residents can view both items together. Mr. Chakoff confirmed that this would be done going forward. Financial Reports Posted on Rossmoor Website/

Mr. Donner reviewed the January Trust Facilities and Property Maintenance Report, the Capital Projects Budget and Expenditure Report, and the Machinery & Staff Reports

Equipment Budget and Expenditure Report. Messrs. Chakoff and Donner and Ms. Cont. Davis answered questions from Committee members.

The Chairman reviewed agenda item 7a, continued discussion about increasing the Membership Transfer Fee. During discussion, Mr. Rosenzweig reviewed a previously distributed packet of historical data regarding the Membership Transfer Fee with members of the Committee (copy on file).

A motion made by Ms. Yearout and seconded by Ms. Neff to recommend to the Board that the membership transfer fee be increased from \$9,000 to \$10,000. After a lengthy discussion, a vote on the motion was then taken and the motion CARRIED UNANIMOUSLY.

Recommendation to Increase the Membership Transfer Fee

The Chairman reviewed agenda item 8a, consider recommending amount available to spend on Capital Projects from the Trust Estate Fund. Mr. Chakoff then reviewed pages 8a-1 through 8a-5 of the agenda packet. A lengthy discussion followed.

A motion made by Ms. Neff, seconded by Ms. Autrey, and CARRIED UNANIMOUSLY to recommend to the Board that the total estimated expenditures for 2019 be limited to \$6,200,000 and that the Committee will revisit and perhaps increase that number at the July Finance Committee meeting.

Recommendation of Available Trust Estate Funds for Capital Projects

The Committee agreed to do a quarterly review of the capital project Trust Estate Fund projections. The Committee also agreed that for the next review to use an estimated \$3.6 million in Membership Transfer Fees for 2019 and \$4.2 million thereafter.

Quarterly Review of Capital Projects

There being no further business to come before the Committee, the meeting was adjourned at 10:43 a.m.

Adjournment

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

Next Mtg. 3/26/19

F. William Dorband, Chairman
Finance Committee

CAPITAL PROJECTS
BUDGET AND EXPENDITURE REPORT
Reporting Period FEBRUARY 2019

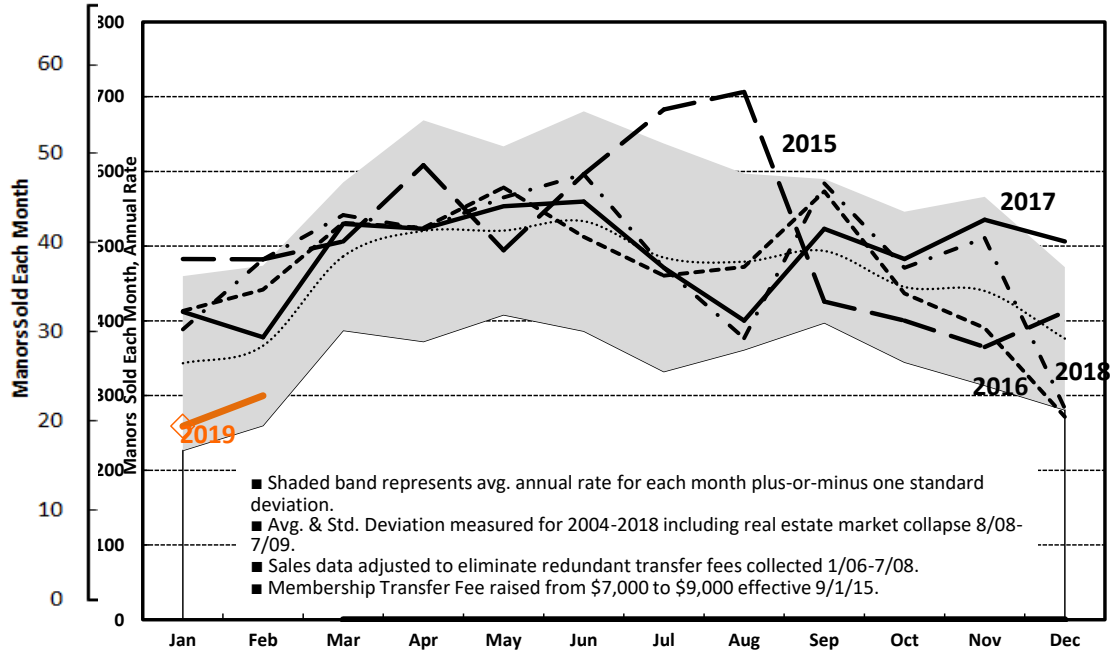
Project	Approved Budget	Reporting Period Expenditures	Incurred To-Date	Forecast To-Complete	Est. Final Expenditure	Under/(Over) Budget
Gateway HVAC Replacement	615,000			615,000	615,000	0
Valley Wide Street Maintenance	520,000			520,000	520,000	0
Creek Restoration Design & Project Management NOTE 1	222,177	15,188	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	21,222	122,949	27,051	150,000	0
Corp Yard Fire & Domestic Water Lines Replacement	120,000			120,000	120,000	0
Gateway Workshops Renovation Design	83,000	7,550	50,918	32,082	83,000	0
Dollar Clubhouse Accessibility Improvements	105,000		37,285	67,715	105,000	0
Dollar Pool Plaster Replacement	85,000			85,000	85,000	0
Database Integration	55,000			55,000	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	43,960	275,574	2,171,124	2,446,698	0

**MACHINERY & EQUIPMENT
BUDGET AND EXPENDITURE REPORT**
Reporting Period: FEBRUARY 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	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	55	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	123,391	393,109	516,500	0

ROSSMOOR 2019 MEMBERSHIP TRANSFER FEES

Membership Transfer Fees					Percent Chg. vs. Prev. Yr.		% of Total Manor Sales	
February 2019		February 2018						
	Month	YTD	Month	YTD	Month	YTD	Month	YTD
Total Fees	23	45	37	70	-38%	-36%	74%	79%
\$ Collected	207,000	405,000	333,000	630,000	-38%	-36%	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											45
Prev Yr YTD	33	70	116	159	207	256	296	328	376	416	458	482	

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

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

GRF Trust Estate 20 Year Cash Forecast

