

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


F. William Dorband, Chairman
Finance Committee