

FINANCE COMMITTEE REPORT

REGULAR MEETING
MONDAY, SEPTEMBER 22, 2014, AT 12:30 P.M.

A regular meeting of the Finance Committee was convened by the Vice Chairman, Jean A. Autrey, at 12:30 p.m. on Monday, September 22, 2014, in Multi-Purpose Room #2 at the Gateway Complex.

Present, in addition to the Vice Chairman, were F. William Dorband, Kenneth W. Haley, Richard M. Locke, Mary K. Neff, and Paul Rosenzweig. Christopher T. Yahng was excused. Also attending were Diane C. Guilfooy, President, and Les Birdsall, Mary Lou Delpech, Richard E. Hurley, and Alice S. Lau, Directors, GRF; Warren T. Salmons, CEO; Richard S. Chakoff, CFO; Paul J. Donner, Director, Mutual and Trust Operations; Anthony W. Grafals, General Counsel and Director of Confidential Services; Mark K. Heptig, Director, Golf Courses/Golf Professional; Jeffrey P. Matheson, Director, Resident Services; Paulette Jones, Senior Manager, Executive Services; Dennis Bell, Public Safety Manager; Tess Haskett, Assistant Controller, Masha Henzel, Fitness Supervisor and several residents.

Attendance

The reports of the regular meetings of the Committee held on August 26, September 9 and September 10, 2014, were approved as written.

Reports
Approved

Residents Richard E. Hurley – fitness fees, Duke Robinson – event technician, Diane C. Guilfooy – Mac users and technical support, and Mary Kay McClure – Buckeye parking.

Residents'
Forum

Mr. Chakoff discussed the August 2014 financials and responded to questions posed by members of the Committee.

Staff
Reports

The August 2014 Trust Facility/Property Maintenance Cost & Commitment Report and Capital Projects Report, and Machinery and Equipment Report were introduced by Mr. Chakoff and Mr. Donner.

The Committee discussed the proposed 2015 GRF Operations Budget and made the following recommendations:

Recommen-
dations re.
2015 GRF
Operating
Budget

Item 8-1 (Main Motion)

A motion was made by Mr. Haley and seconded by Mr. Dorband to recommend approval of the proposed 2015 GRF Operations Budget in the aggregate amount of \$19,012,247, a coupon amount of \$237.26 including cable TV, as presented by staff. The vote was deferred until after all motions to amend were considered.

Item 8-2-viii-1 (Operating Cash)

After discussion, a motion was made by Mr. Haley and seconded by Mr. Locke to amend the main motion to approve the proposed 2015 GRF Operations Budget as presented by staff, and recommend increasing the use of operating cash by \$250,000 to a total of \$728,000. A vote on the motion was taken, and the motion CARRIED UNANIMOUSLY.

Item 8-2-i-1 (New Programs/Augmentation)

After discussion, a motion was made by Mr. Dorband and seconded by Mr. Haley to amend the main motion to approve the proposed 2015 GRF Operations Budget as presented by staff, and recommend funding of Fitness Center front desk staffing at an additional cost of \$45,000. A vote on the motion was taken, and the motion FAILED, with six members voting "no" and no members voting "aye."

Item 8-2-i-2

After discussion, a motion was made by Mr. Haley and seconded by Mr. Locke to amend the main motion to approve the proposed 2015 GRF Operations Budget as presented by staff, and recommend funding of the requested Fitness Center floor and class coverage at an additional cost of \$41,000. A vote on the motion was taken, and the motion CARRIED, with five members voting "aye" and one member voting "no."

Item 8-2-i-3

After discussion, a motion was made by Mr. Dorband and seconded by Mr. Haley to amend the main motion to approve the proposed 2015 GRF Operations Budget as presented by staff, and recommend funding the event sound/lighting technician position at an additional cost of \$58,500. A vote on the motion was taken, and the motion CARRIED UNANIMOUSLY.

Item 8-2-i-4

After discussion, a motion was made by Mr. Haley and seconded by Ms. Autrey to amend the main motion to approve the proposed 2015 GRF Operations Budget as presented by staff, and recommend that the Recreation Assistant additional hours be funded at a cost of

\$8,500. A vote on the motion was taken, and the motion CARRIED UNANIMOUSLY.

Item 8-2-i-5

After discussion, a motion was made by Mr. Rosenzweig and seconded by Mr. Dorband to amend the main motion to approve the proposed 2015 GRF Operations Budget as presented by staff, and recommend funding of the requested garden area/operating expenses at a cost of \$11,600. A vote on the motion was taken, and the motion CARRIED UNANIMOUSLY.

Item 8-2-i-6

After discussion, a motion was made by Mr. Haley and seconded by Mr. Locke to amend the main motion to approve the proposed 2015 GRF Operations Budget as presented by staff, and recommend approval of funds for the CEO recruitment at a cost of \$50,000. A vote on the motion was taken, and the motion CARRIED UNANIMOUSLY.

Item 8-2-ii-1 (Program Modifications)

After discussion, a motion was made by Mr. Dorband and seconded by Mr. Haley to amend the main motion to approve the proposed 2015 GRF Operations Budget as presented by staff, and recommend approval of GRF landscape/irrigation modifications at a gross cost of \$74,000 and net cost of \$31,500. A vote on the motion was taken, and the motion CARRIED UNANIMOUSLY.

Item 8-2-ii-2

After discussion, a motion was made by Mr. Rosenzweig and seconded by Mr. Dorband to amend the main motion to approve the proposed 2015 GRF Operations Budget as presented by staff, and recommend approval of the golf turf/irrigation modifications at a gross cost of \$78,000 and net cost of \$67,000. A vote on the motion was taken, and the motion CARRIED UNANIMOUSLY.

(New Revenue)

Item 8-2-iii-1

After discussion, a motion was made by Mr. Haley and seconded by Mr. Locke to amend the main motion to approve the proposed 2015 GRF Operations Budget as presented by staff, and recommend approval of the ticketed event sound/lighting fee with an aggregate revenue of \$24,000. A vote on the motion was taken, and the motion CARRIED UNANIMOUSLY.

Item 8-2-iii-2

After discussion, a motion was made by Mr. Haley and seconded by Mr. Dorband to amend the main motion to approve the proposed 2015 GRF Operations Budget as presented by staff, and recommend approval of the Del Valle guest access fee with an aggregate revenue of \$22,000. A vote on the motion was taken, and the motion FAILED, with six members voting "no" and no members voting "aye".

(Increased Revenue)

Item 8-2-iii-1

After discussion, a motion was made by Mr. Haley and seconded by Mr. Rosenzweig to amend the main motion to approve the proposed 2015 Operations Budget as presented by staff, and recommend approval of the Rossmoor News advertising fee increase with an aggregate revenue of \$20,000. A vote on the motion was taken, and the motion CARRIED UNANIMOUSLY.

Item 8-2-iii-2

After discussion, a motion was made by Mr. Haley and seconded by Mr. Locke to amend the main motion to approve the proposed 2015 Operations Budget as presented by staff, and recommend approval of Fitness Center personal trainer fee increase with an aggregate revenue of \$18,000. A vote on the motion was taken, and the motion CARRIED UNANIMOUSLY.

Item 8-2-iii-3

After discussion, a motion was made by Mr. Locke and seconded by Mr. Dorband to amend the main motion to approve the proposed 2015 Operations Budget as presented by staff, and recommend approval of the Fitness Center independent instructor facility use fee with an aggregate revenue of \$3,500. A vote on the motion was taken, and the motion CARRIED UNANIMOUSLY.

Item 8-2-iv-1 (Trust Maintenance)

After discussion, a motion was made by Mr. Rosenzweig and seconded by Mr. Dorband to amend the main motion to approve the proposed 2015 Operations Budget as presented by staff recommending approval of Trust facility/property maintenance projects and purchases of tangible property.

After discussion, a motion was made by Mr. Locke and seconded by Mr. Dorband to amend the motion amending the main motion to approve the proposed 2015 Operations Budget as presented by staff, and recommend approval of Trust facility/property maintenance projects and purchases of tangible property excluding items 4 (Hillside Clubhouse atrium re-roof design \$12,000) and 5 (Gateway Clubhouse – lapidary studio floor covering replacement \$10,000). A vote on the motion was taken, and the motion CARRIED UNANIMOUSLY.

The vote was then taken on the motion to amend the main motion to approve the proposed 2015 Operations Budget as presented by staff recommending approval of Trust facility/property maintenance projects and purchases of tangible and recommend approval of Trust facility/property maintenance projects and purchases of tangible property excluding items 4 (Hillside Clubhouse atrium re-roof design \$12,000, and 5 (Gateway Clubhouse – lapidary studio floor covering replacement \$10,000, and the motion, as amended CARRIED UNANIMOUSLY.

Item 8-2-v-1

After discussion, a motion was made by Mr. Haley and seconded by Mr. Dorband to amend the main motion to approve the proposed 2015 GRF Operations Budget as presented by staff, and recommend approval of Departments 100 Executive through 502 Rossmoor Channel, amended as follows: increasing line 5409 in the Recreation Department by \$125,000, and line 6463 by \$120,000 yielding a net

increase in revenue of \$5,000. A vote on the motion was taken, and the motion CARRIED UNANIMOUSLY.

After discussion, a motion was made by Mr. Haley and seconded by Mr. Rosenzweig to amend the main motion to approve the proposed 2015 GRF Operations Budget as presented by staff, and recommend approval of Departments 100 Executive through 502 Rossmoor Channel amended as follows: increasing lines 5404 and 5405 in the Golf Course Operations Department by an aggregate amount of \$15,000. A vote on the motion was taken, and the motion CARRIED with four members voting "aye" and two members voting "no".

Item 8-2-v-2

The Committee took no action on this matter.

Item 8-2-vi-1

The Committee took no action on this matter.

Item 8-2-vii (Other Recommendations)

After discussion, a motion was made by Mr. Haley and seconded by Mr. Dorband to recommend to the GRF Board expending \$16,000 from the Trust Estate Fund to construct four additional parking spaces at the Buckeye parking lot at the time the lot is repaved in 2015. A vote on the motion was taken, and the motion CARRIED, with five members voting "aye" and one member voting "no".

After discussion, a motion was made by Mr. Haley and seconded by Mr. Locke to recommend to the GRF Board expending \$12,000 from the Trust Estate Fund for the design work for the Hillside Clubhouse atrium roof replacement. A vote on the motion was taken, and the motion CARRIED, with five members voting "aye" and one member voting "no".

Item 8-1 (Main Motion)

The vote was then taken on the motion to recommend approval of the proposed 2015 GRF Operations Budget, and the motion, as amended, CARRIED UNANIMOUSLY.

Summary

The Committee recommendations itemized above combined to the following totals:

Decreases	- \$ 357,500
Increases	+ \$ 268,100
Net	\$ 89,400

The result of the recommendations would be a 2015 GRF coupon of \$236.14, reducing the draft budget's increase (over 2014) from \$2.14 to \$1.02.

The meeting was adjourned at 2:25 p.m.

Adjournment

The next meeting of the Committee will be on October 28, 2014, at 9:00 a.m. in the Board Room at Gateway Complex.

Next Mtg.
10/28/14



Jean A. Autrey, Vice Chairman
Finance Committee

JAA/kv