

FINANCE COMMITTEE REPORT

REGULAR MEETING
TUESDAY, MARCH 27, 2018, AT 9:00 A.M.

A regular meeting of the Finance Committee was convened by David H. Smith, Chairman, at 9:00 a.m. on Tuesday, March 20, 2018, in the Board Room at Gateway Complex.

Present, in addition to the Chairman, were F. William Dorband, Vice Chairman, Jean A. Autrey, Mary K. Neff, Paul Rosenzweig, Della C. Temple, and Gery Yearout. Also attending were Geraldine Pyle, President, Stephen D. Roath, Vice President, Robert D. Kelso, Secretary, and Leslie Birdsall, Director, GRF; Timothy O'Keefe, CEO; Richard S. Chakoff, CFO; Paul J. Donner, Director of Mutual and Trust Operations; Deborah Rose, Senior Administrative Assistant, Executive Services; and three residents.

The report of the Committee's regular meeting of February 20, 2018, was approved as written. Report Approved

A motion was made by Mrs. Temple and seconded by Ms. Autrey, that the main motion found on page 2 of the report from its meeting on February 20, 2018, to recommend to the GRF Board that Policy 102.3, Trust Revenues, Section I, read as, "membership transfer fees; earnings on Trust assets held for investment, including interest and Medical Center rent; fees for capital equipment purchased for MOD Reimbursement by MOD for capital equipment purchased by the trust on their behalf; gifts to the Trust (either for construction of a specific Trust asset or for general Trust activities). Resale Community Facilities Fee (policy 102.1.2)." be amended to read as follows: "membership transfer fees; earnings on Trust assets held for investment, including interest and Medical Center rent; Reimbursement by MOD for capital equipment purchased by the trust on their behalf; gifts to the Trust (either for construction of a specific Trust asset or for general Trust activities). Resale Community Facilities Fee (policy 102.1.2)" and in addition, amend page 3 of the same report regarding its recommendation to the GRF Board on Policy 102.3, Allocation of Revenue and Expenses, Section II, read as, "Tangible property costing \$5,000 or less per item comprising a set or system, with an aggregate cost of \$80,000 or greater and a useful life in excess of one year, at the discretion of the GRF Board of Directors upon approval of the annual GRF budget. Pooled Assets - tangible property costing \$5,000 or less per item but capitalized when part of a set." be amended to read as follows, "Pooled Assets - tangible property costing \$5,000 or less per item but capitalized when part of a set." The vote was taken on the amended motion, and the motion, as amended, CARRIED, with Mr. Rosenzweig abstaining.

Motion to Amend Recommendations re. Policy 102.3, Sections I and II

During the Residents' Forum, Mr. Kelso asked if the Committee was going to discuss a line item that was discussed at the last GRF Board meeting. The Chairman addressed Mr. Kelso's question and confirmed that the Committee would be discussing the matter in question. Residents' Forum

Mr. O'Keefe provided an update regarding the Stanley Dollar bathroom and announced Staff Reports that the City has given its approval to open the bathroom. Mr. Donner confirmed that the bathroom is in fact open and operational. Mr. O'Keefe went on to share items that were passed by the GRF Board at its last meeting, noting the approval of the filing for a grant application for Measure J line 20(a) grant funds for the implementation of a pilot on demand transit program. Also, to begin the process for the Gateway Studio renovation by having staff obtain architectural bids for design. He then provided an update regarding the Solar Farm Project, noting that the project is now moving forward with an estimated completion in early Fall. Discussion followed.

Mr. Chakoff began his review of the GRF financial statements for February. Following discussion, Mrs. Temple asked for a progress update regarding Green Earthology, which Mr. Donner addressed by providing a detailed update on Green Earthology. Discussion followed.

Mr. Chakoff then completed his review of the GRF financial statements for February. Further discussion ensued.

Mr. Donner then reviewed the February Trust Facilities and Property Maintenance Report, the Capital Projects Budget and Expenditure Report, and the Machinery & Equipment Budget and Expenditure Report.

The Chairman introduced agenda line item 8a, with a discussion regarding the Mechanics Bank Loan Mechanics Bank loan following.

Mr. Chakoff reviewed agenda attachments 8a-1, Trust Estate Fund Project – Base Case, 8a-2, Trust Estate Fund Project – Potential Projects, 8a-3, Trust Estate Fund Projection - \$8 Million Loan, and 8a-4, Debt Capacity. Discussion followed.

The Committee held a discussion regarding the calculation of projected receipts from Discussion re. MTF member transfer fees and made a decision on a base figure going forward. The Base Figure Committee agreed to update the figure to read as \$4.2 million annually, up from \$3.6 million annually.

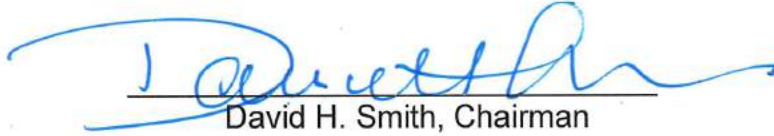
A motion was made by Mr. Dorband to recommend to the GRF Board that the total borrowing, including the \$5 Million that is currently committed, should be increased up to \$6.1 Million, Mrs. Neff seconded the motion.

Recom-
mendation
to GRB re.
Loan Amount

Following discussion, a motion was made by Mr. Dorband to amend the main motion as follows: recommend to the GRF Board that it could safely borrow up to \$6.1 Million to insure the liquidity of the Trust in the near term. The vote was then taken on the amended motion, and the motion, as amended, CARRIED UNANIMOUSLY.

There being no further business to come before the Committee, the meeting was Adjourn-
ment adjourned at 10:51 a.m.

The next regular meeting of the Finance Committee will be held on Tuesday, April 24, Next Mtg.
2018, at 9:00 a.m. in the Board Room at Gateway Complex. 4/24/18



David H. Smith, Chairman
Finance Committee

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