



## **FINANCE COMMITTEE**

**July 17, 2017**

The meeting of the Finance Committee was held on Monday, July 17, 2017 and was called to order at 10:00 a.m. by Chair Lukoff in the Administration Conference Room, followed by the Pledge of Allegiance.

### **ROLL CALL**

Present:	Mr. B. Lukoff, Chair	Ms. K. Rapp
	Mrs. C. Damoci, Vice Chair	Ms. P. Snowden
	Mr. S. McGuigan	Ms. R. Winkler
	Ms. S. Hopewell	Ms. L. Stone, Ex-Officio

Also Present:

- Mr. R. Ankeny, Executive Director
- Ms. C. Miller, Director of Finance
- Mr. P. Bristow, Security Services Director
- Ms. J. Rodgers, Purchasing Manager
- Mrs. L. Whitlock, Recording Secretary
- Mrs. C. Mancilla, A/Recording Secretary
- Mr. R. Stone, GRF Representative, Mutual One
- Mrs. J. Reed, GRF Representative, Mutual Four
- Hon. S. Massa-Lavitt, Mayor of Seal Beach
- Four Shareholders/Members

Chair Lukoff greeted and welcomed everyone to the Finance Committee meeting and introduced Foundation members, guests and staff.

By unanimous consent, the Chair declared the reading of the quorum notification be dispensed with.

In accordance with California Civil Code Section 4090, please be advised that a quorum of the GRF Board of Directors is present at today's posted meeting. The business of the Finance Committee will be conducted in accordance with the agenda. As a quorum of the Board is present, this meeting will be conducted as a committee meeting and a Board meeting. The agenda actions of the committee will be limited only to the members of the committee and will only constitute such actions in accordance with stated committee policy and/or provide recommendations to the GRF Board of Directors at its regular Board

meeting on the 4<sup>th</sup> Tuesday of the month. GRF Board members who are not committee members will be allowed to comment when recognized by the Chair and only during the proscribed Foundation member comment period, not to exceed four minutes, as set forth in Policy 5610, Participation by Foundation Members. The minutes of today's Board meeting will be presented to the Board for approval following the approval of the committee meeting minutes in August 2017.

### **CHAIR'S ANNOUNCEMENTS**

Chair Lukoff welcomed the Committee members, guests and staff, including GRF President, Linda Stone; Mayor of Seal Beach, Hon. Massa-Lavitt; Executive Director, Randy Ankeny; Director of Finance, Carolyn Miller, Security Services Director, Paul Bristow; Julie Rodgers, Purchasing Manager and Administrative Secretary, Laura Whitlock.

### **APPOINTMENT OF VICE CHAIR**

Ms. Hopewell nominated Mrs. Damoci for Vice Chair. There being no further nominations, Mrs. Damoci was declared Vice Chair of the Finance Committee, by acclamation.

### **APPROVAL OF MINUTES**

The meeting minutes of the May 16, 2017 meeting were approved as presented.

### **FINANCIALS**

Finance Director reviewed the Financials for months May and June 2017. After a brief discussion, Vice Chair Damoci MOTIONED, seconded by Ms. Hopewell and unanimously carried –

**TO** approve and forward to the Board the Financial Statements for months May and June 2017, as presented by the Director of Finance.

### **OLD BUSINESS**

#### **Reserve Study - Update**

The Director of Finance provided a brief update and status of the Reserve Study. No action taken.

**NEW BUSINESS****Server Upgrades and Enhancements**

The IT Systems Analyst reported that on Thursday, July 13, 2017, the Communications Committee approved server upgrades and computer enhancements and have forwarded the item to the Finance Committee for financial review and approval.

After a brief discussion by staff and the Committee members, Mr. McGuigan MOTIONED, seconded by Ms. Rapp and unanimously carried –

**TO** approve and forward to the Board the non-budgeted operating expense for the update of VMware, expand server storage, and update to Windows Server 2016, at a total of \$36,050, which will be charged to the IT operating budget 6481000-34 (Computer Maintenance & Software) as a non-budgeted expense.

(ITS Systems Analyst excused at 10:35 a.m.)

**2018 Budget Proposal**

The Finance Director reviewed and discussed the proposed budgets for Cost Centers 31, 32, 39, 60 and 65. No action taken.

**2018 Budget Assumptions – Property & Liability Insurance**

After a brief discussion, it is the consensus of the Committee to accept the 2018 budget assumptions as presented by the Director of Finance for the Property & Liability Insurance premiums.

**Lease of New Color Konica Copier/Printer**

The Finance Director reported that due to an increase demand on color copy services and the overuse of our existing smaller copiers, a new multi-functional color copier, with the capabilities to perform other printing projects that are currently outsourced, would be beneficial and cost effective to have in our new Distribution Center, which will be relocated from the Stock Transfer office to a larger area within Building Five.

The Finance Director proposed establishing a new lease agreement with Konica containing only the BizHub C2060 would be more economical than to add the new machine to the existing lease that expires in February 2019. The monthly amount for the new lease would be \$1,261 and \$15,132 on an annual basis.

After a brief discussion, Ms. Rapp MOTIONED, seconded by Ms. Hopewell and unanimously carried –

**TO** approve and recommend to the Board the non-budgeted Operating request for the lease of a new AccurioPress (BizHub) C2060 with square-back attachment from Konica, having monthly payments of \$1,261 or an annual expense of \$15,132.

#### Coin Counter Replacement

The Security Services Director reported that on July 12, 2017 the Security, Bus and Traffic Committee discussed the replacement of the current De La Rue, Model 6800 Coin Counter, as the equipment appears to be miscounting and has become extremely noisy.

The Security Services Director is seeking the approval of a non-budgeted Reserves request for the purchase of new Mach 6 Coin Counter from Glory Global Solutions at a cost not to exceed \$7,000.

After a brief discussion, Ms. Snowden MOTIONED, seconded by Vice Chair Damoci and unanimously carried –

**TO** approve and forward to the Board the non-budgeted Reserves request for the purchase of a new Coin Counter, at a cost not to exceed \$7,000, from Glory Global Solutions.

#### Trailer for Kubota

The Executive Director reported that the current hydraulic trailer (559) that is used by the Recreation and Service Maintenance departments performs adequately for their use; however, it is not able to transport the Kubota from job-to-job within our community.

At the Physical Property Committee meeting on June 30, 2017, the Committee approved the Capital purchase of a trailer to use with the Kubota from Big Tex Trailers at a cost not to exceed \$2,693.74 and to forward to the Finance Committee and Board for final approval.

After a brief discussion, Ms. Snowden MOTIONED, seconded by Vice Chair Damoci and unanimously carried -

**TO** approve and forward to the Board the non-budgeted Capital funding request for the purchase of a trailer to use with the Kubota from Big Tex Trailers for a cost not to exceed \$2,693.74.

#### Request for Legal Opinion

After a brief discussion, it is the consensus of the Committee for Chair Lukoff to put into writing his question to the Foundation Attorney as it relates to Investments and to bring the item of Legal Opinion and Chair Lukoff's written question back to the Committee for review at its scheduled meeting in August 2017.

#### Woodshop Equipment Replacement

The Executive Director reported that the Recreation Committee respectfully request the consideration of a non-budgeted funding in amount totaling \$4,000 (\$2,000 to CC51 and \$2,000 to CC52) for the required replacement of the aged band-saws.

After a brief discussion, Ms. Hopewell MOTIONED, seconded by Vice Chair Damoci and unanimously carried –

**TO** approve and recommend to the Board, the allocation of non-budgeted Reserve funds in the amount of \$4,000 for the replacement of band saws located in the Woodshops in Clubhouse 1 and 2.

#### NuVision Credit Union – Lease Agreement

The Executive Director reported that the current lease agreement with NuVision Credit Union will expire on November 7, 2017, and presented two options regarding the lease agreement for the Committee to consider: A) Renew at same terms and conditions or B) Negotiate new terms and conditions.

After a brief discussion, it is the consensus of the Committee to schedule a Work Study session to review the current Lease Agreement for NuVision Credit Union. Chair Lukoff, Vice Chair Damoci and Ms. Snowden, volunteered to participate in the Work Study session. They will provide an update at the next scheduled Finance Committee meeting.

#### Strategic Planning Ad Hoc Committee (SPAH) – Clubhouse Revitalization Project

The Executive Director reported that at the SPAH meetings that took place in May 2017, it was made clear to of the existing and present need to replace key components of the Clubhouses, for the mutual benefit of all members. He further gave an overview of the general scope of work for Clubhouses 1, 2, 3, and 6.

SPAH would like to request and recommend to the Board, the allocation of Reserve Funds in the amount of \$1,000,000 for the sole purpose of revitalization of Trust Property amenities, as presented in the Clubhouse Revitalization Project.

After a brief discussion, Vice Chair Damoci MOTIONED, seconded by Ms. Rapp and unanimously carried –



**TO** approve and recommend to the Board the allocation of Reserve Funds in the amount of \$1,000,000 for the sole purpose of revitalization of Trust Property amenities, as presented in the Clubhouse Revitalization Project.

### **STAFF REPORTS**

#### **Purchasing Manager**

The Purchasing Manager provided her monthly report as presented in the agenda packet.

#### **Finance Director**

The Finance Director provided her monthly financial reports and discussed investment options.

After a brief discussion, Vice Chair Damoci MOTIONED, seconded by Ms. Hopewell and unanimously carried –

**TO** approve adding \$500,000 to the investment ladder and authorize the Director of Finance to purchase a 52-week CDAR for the month of July.

#### **Executive Director**

The Executive Director provided information and updates throughout the meeting.

### **PRESIDENT'S COMMENTS**

President Stone thanked everyone who helped with the ID Cards Replacement project. She also congratulated new Chair Lukoff for a job well done.

### **COMMITTEE MEMBERS COMMENTS**

Six Committee members spoke on the proceedings of the Committee meeting.

**ADJOURNMENT**

Chair Lukoff adjourned the meeting at 11:55 a.m.

  
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Barry Lukoff, Chair  
FINANCE COMMITTEE

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## RECAP OF MOTIONS AND ACTIONS TAKEN AT THE FINANCE COMMITTEE MEETING

### MOTIONS

- Ms. Hopewell nominated Mrs. Damoci for Vice Chair. There being no further nominations, Mrs. Damoci was declared Vice Chair of the Finance Committee, by acclamation.
- The meeting minutes of the May 16, 2017 meeting, were approved as presented.
- **TO** approve and forward to the Board the Financial Statements for months May and June 2017, as presented by the Director of Finance.
- **TO** approve and forward to the Board the non-budgeted operating expense for the update of VMware, expand server storage, and update to Windows Server 2016, at a total of \$36,050, which will be charged to the IT operating budget 6481000-34 (Computer Maintenance & Software) as a non-budgeted expense.
- **TO** approve and recommend to the Board the non-budgeted Operating request for the lease of a new AccurioPress (BizHub) C2060 with square-back attachment from Konica, having monthly payments of \$1,261 or an annual expense of \$15,132.
- **TO** approve and forward to the Board the non-budgeted Reserves request for the purchase of a new Coin Counter, at a cost not to exceed \$7,000, from Glory Global Solutions.
- **TO** approve and forward to the Board the non-budgeted Capital funding request for the purchase of a trailer to use with the Kubota from Big Tex Trailers for a cost not to exceed \$2,693.74.
- **TO** approve and recommend to the Board, the allocation of non-budgeted Reserve funds in the amount of \$4,000 for the replacement of band saws located in the Woodshops in Clubhouse 1 and 2.
- **TO** approve and recommend to the Board the allocation of Reserve Funds in the amount of \$1,000,000 for the sole purpose of revitalization of Trust Property amenities, as presented in the Clubhouse Revitalization Project.



- **TO** approve adding \$500,000 to the investment ladder and authorize the Director of Finance to purchase a 52-week CDAR for the month of July.

### **ACTIONS**

- It is the consensus of the Committee to accept the 2018 budget assumptions as presented by the Director of Finance for the Property & Liability Insurance premiums.
- It is the consensus of the Committee for Chair Lukoff to put into writing his question to the Foundation Attorney as it relates to Investments and to bring the item of Legal Opinion and Chair Lukoff's written question back to the Committee for review at its scheduled meeting in August 2017.
- It is the consensus of the Committee to schedule a Work Study session to review the current Lease Agreement for NuVision Credit Union. Chair Lukoff, Vice Chair Damoci and Ms. Snowden, volunteered to participate in the Work Study session. They will provide an update at the next scheduled Finance Committee meeting.
- Meeting adjourned at 11:55 a.m.