



FINANCE COMMITTEE MINUTES

July 19, 2016

The regular meeting of the Finance Committee was called to order at 10:00 a.m. by Chair Hood and was held on Tuesday, July 19, 2016, in the Conference Room B, Building Five, followed by the Pledge of Allegiance.

ROLL CALL

Present:	Mr. P. Hood, Chair	Mr. R. Stone
	Ms. L. Stone, Vice Chair	Mrs. H. Tran
	Ms. S. Hopewell	Mrs. C. Damoci, Ex-Officio
	Ms. Paula Snowden	

Absent: Mr. B. Lukoff

Also Present: Mr. R. Ankeny, Executive Director
Ms. C. Miller, Director of Finance
Ms. Julie Rodgers, Purchasing Manager
Mrs. J. Reed, GRF Representative, Mutual Four
Mrs. L. Perrotti, GRF Representative, Mutual One
Mr. B. Scheuermann, GRF Representative, Mutual Ten
Mrs. M. Greer, GRF Representative, Mutual Eleven
Mr. P. Moore, GRF Representative, Mutual Seventeen
Mrs. L. Whitlock, Administrative Secretary
Ms. K. Lukina, Recording Secretary
Hon. S. Massa-Lavitt, Mayor of Seal Beach
Seven Shareholders/Foundation Members

CHAIR'S ANNOUNCEMENTS

There being no objections, Chair Hood declared the reading of the Quorum Notification be dispensed with by unanimous consent.

The Chair stated that 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 4th 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 three 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, 2016.

ELECTION OF VICE CHAIR

Ms. Hopewell nominated Ms. Stone for Vice Chair. Mr. Stone nominated Ms. Snowden for Vice Chair. Chair Hood asked Director of Finance to count the votes and announce the new Vice Chair. Director of Finance announced Ms. Stone had been voted Vice Chair of the Finance Committee.

FINANCE COMMITTEE CHARTER, 5115-31

The Finance Director stated that in the Finance Committee Charter 5115-31, the word "practices" should be replaced with the word "principles" in Items 3.d and 3.e. It is the consensus of the Committee to forward this Charter back to the Policy Rewrite Committee for corrections.

APPOINTMENT OF SUB COMMITTEES

Chair Hood formed the following Sub Committees and appointments:

Lease/Contract Sub Committee

Phil Hood, Chair
Barry Lukoff
Paul Pratt
Paula Snowden
Linda Stone

Investment Sub Committee

Phil Hood, Chair
Perry Moore
Helen Tran

Liaison to the CFO Council

Helen Tran

APPROVAL OF MINUTES

The minutes of the June 1, 2016, meeting were approved as presented.

FINANCIALS

It is the consensus of the Committee to accept the Financial Statement for Audit for the Month of May and June 2016.

OLD BUSINESS

NSBN Management Letter dated February 23, 2016

Ms. Snowden MOTIONED and seconded by Mr. Stone –

TO recommend to the Board the acceptance of the management letter written by NSBN as a result of the assessment of internal controls during the 2015 annual financial statement audit.

The motion was unanimously carried by Committee members present.

NEW BUSINESS

Sewer Pump Lift Station at Clubhouse Two

Chair Hood MOTIONED and seconded by Ms. Snowden –

TO approve the acknowledgement and ratification of the emergency actions taken by the Executive Director and recommend to the Board for approval non-scheduled Reserve funding, not to exceed \$30,000, for the replacement of components of the sewer lift station at Clubhouse 2. GRF Officers are to execute and have oversight of the contract, once approved.

The motion was unanimously carried by Committee members present.

Swimming Pool Electrical Panel

The Executive Director reported that repairs were done and completed for under \$2,000 and replacement is not necessary at this time. No action taken.

Air Conditioner Replacement

Ms. Stone MOTIONED, seconded by Ms. Hopewell –

TO approve the ratification of the emergency actions taken by the Executive Director and recommend to the Board for approval non-scheduled Reserve funding, not to exceed \$7,000, for the replacement of air conditioner in the Administration Building.

The motion was unanimously carried by Committee members present.

Patio Furniture at Sales Office

Ms. Stone MOTIONED, seconded by Ms. Hopewell –

TO approve Capital Funding for the purchase of patio furniture at the Sales Office consisting of one (1) table, four (4) chairs, one (1) umbrella and base and one (1) trash can. The cost not exceed \$2,500.

The motion was unanimously carried by Committee members present.

Konica Contract – OCR Software Addition

Ms. Snowden MOTIONED, seconded by Ms. Stone –

TO approve the purchase of OCR software to be installed on Konica BIZHUB 423 (Finance Dept.), Konica C554 (Administration) and other needed departments; and to increase Director of Finance requested amount from \$1,900 per year, not to exceed \$4,000. Funds to be charged against the Operating Budget.

Motion passed unanimously by Committee members present.

Committee also directed staff to research software needs for all departments.

Expiring Lease – Trailer Club

It is the consensus of the Committee to forward the item of the Expiring Lease for the Trailer Club to the Lease/Contract Management Sub-Committee for discussion and review at a future meeting.

Purchasing Services

It is the consensus of the Committee to forward Non-GRF/Non-Mutual Related Policies to the Policy Rewrite Committee to reflect the purchasing of standard items only for GRF and Mutual supplies.

2017 Budget for Cost Centers 31, 32, 39, 60 and 65

Director of Finance noted amount listed for #GL 8161000-65 will be changed to reflect \$1,000,000 and not \$1,200,000.

Corporate Tax Status Review

It is the consensus of the Committee to direct staff to reach out to NSBN to look into the viability of obtaining a Non-Profit Status for Leisure World and provide a professional recommendation.

Executive Director will provide formal action request to the Committee at its next scheduled meeting.

Paving Project

It is the consensus of the Committee to move the Paving Project item to the Special Finance Committee scheduled for Thursday, July 28, 2016, 1:00 p.m. in Conference Room, Building 5.

Replacement of Ping Pong Tables

Ms. Stone MOTIONED, seconded by Ms. Hopewell –

TO approve the recommendation for the non-scheduled replacement of Ping Pong tables (pre-owned tables), asset ID 0809, not to exceed \$10,500, which includes tax and shipping. Funds to be charged against Reserve Funding.

Motion passed unanimously by Committee members present.

POLICIESRescind SRO Labor Rate Policy 2291-31

Ms. Stone MOTIONED, seconded by Mr. Stone –

TO rescind Policy 2291-31, Service Repair Order Labor Rates and forward to the Board for review and recommendation.

Motion passed unanimously by Committee members present.

STAFF REPORTS**Director of Finance**

Ms. Stone MOTIONED, seconded by Ms. Hopewell –

TO approve adding \$500,000 to the investment ladder and authorize the Director of Finance to purchase a 52-week CDAR at .45% for the month of July.

Motion passed unanimously by Committee members present.

It is also the consensus of the Committee to direct the Investment Sub Committee to explore other investment options, in addition to the 52-week CDAR, for the future.

Purchasing Manager

Purchasing Manager presented her report as submitted to the Committee.

Executive Director

The Executive Director provided information and updates throughout the meeting.

PRESIDENT'S COMMENTS

The President had no comments, at this time.

SHAREHOLDER COMMENTS

Three shareholders/members spoke on various items pertaining to the Committee's area of purview.

COMMITTEE MEMBERS COMMENTS

Five Committee members spoke on the proceedings and accomplishments of today's committee meeting.

Chair's Comments

Chair Hood thanked the Committee members, shareholders, and staff present for attending and participating in today's the meeting.

ADJOURNMENT

Chair Hood adjourned the meeting at 12:08 p.m.



Phil Hood, Chair

FINANCE COMMITTEE

RECAP OF MOTIONS AND ACTIONS TAKEN AT THE FINANCE COMMITTEEMEETING

MOTIONS

- There being no objections, Chair Hood declared the reading of the Quorum Notification be dispensed with by unanimous consent.
- Ms. Hopewell nominated Ms. Stone for Vice Chair. Mr. Stone nominated Ms. Snowden for Vice Chair. Chair Hood asked Director of Finance to count the votes and announce the new Vice Chair. Director of Finance announced Ms. Stone had been voted Vice Chair of the Finance Committee.
- The Finance Director stated that in the Finance Committee Charter 5115-31, the word “practices” should be replaced with the word “principles” in Items 3.d and 3.e. It is the consensus of the Committee to forward this Charter back to the Policy Rewrite Committee for corrections.
- Chair Hood formed the following Sub Committees and appointments:

<u>Lease/Contract Sub Committee</u>	<u>Investment Sub Committee</u>
Phil Hood, Chair	Phil Hood, Chair
Barry Lukoff	Perry Moore
Paul Pratt	Helen Tran
Paula Snowden	
Linda Stone	<u>Liaison to the CFO Council</u>
	Helen Tran

- The minutes of the June 1, 2016, meeting were approved as presented.
- It is the consensus of the Committee to accept the Financial Statement for Audit for the Month of May and June 2016.
- **TO** recommend to the Board the acceptance of the management letter written by NSBN as a result of the assessment of internal controls during the 2015 annual financial statement audit.
- **TO** approve the acknowledgement and ratification of the emergency actions taken by the Executive Director and recommend to the Board for approval non-scheduled Reserve funding, not to exceed \$30,000, for the replacement of components of the sewer lift station at Clubhouse 2. GRF Officers are to execute and have oversight of the contract, once approved.

- **TO** approve the ratification of the emergency actions taken by the Executive Director and recommend to the Board for approval non-scheduled Reserve funding, not to exceed \$7,000, for the replacement of air conditioner in the Administration Building.
- **TO** approve Capital Funding for the purchase of patio furniture at the Sales Office consisting of one (1) table, four (4) chairs, one (1) umbrella and base and one (1) trash can. The cost not exceed \$2,500.
- **TO** approve the purchase of OCR software to be installed on Konica BIZHUB 423 (Finance Dept.), Konica C554 (Administration) and other needed departments; and to increase Director of Finance requested amount from \$1,900 per year, not to exceed \$4,000. Funds to be charged against the Operating Budget.
- **TO** approve the recommendation for the non-scheduled replacement of Ping Pong tables (pre-owned tables), asset ID 0809, not to exceed \$10,500, which includes tax and shipping. Funds to be charged against Reserve Funding.
- **TO** rescind Policy 2291-31, Service Repair Order Labor Rates and forward to the Board for review and recommendation.
- **TO** approve adding \$500,000 to the investment ladder and authorize the Director of Finance to purchase a 52-week CDAR at .45% for the month of July.

ACTIONS

- The Executive Director reported that repairs to the swimming pool electrical panel were done and completed for under \$2,000 and replacement is not necessary at this time. No action taken.
- Director of Finance and fellow staff members reviewed the draft 2017 Budget Assumptions. Any changes and/or edits may be presented at a future meeting.
- Committee directed staff to research OCR (Optical Character Recognition) software needs for all departments.
- It is the consensus of the Committee to forward the item of the Expiring Lease for the Trailer Club to the Lease/Contract Management Sub-Committee for discussion and review at a future meeting.
- It is the consensus of the Committee to forward Non-GRF/Non-Mutual Related Policies to the Policy Rewrite Committee to reflect the purchasing of standard items only for GRF and Mutual supplies.

- Director of Finance noted amount listed for #GL 8161000-65 will be changed to reflect \$1,000,000 and not \$1,200,000.
- It is the consensus of the Committee to direct staff to reach out to NSBN to look into the viability of obtaining a Non-Profit Status for Leisure World and provide a professional recommendation.
- It is the consensus of the Committee to move the Paving Project item to the Special Finance Committee scheduled for Thursday, July 28, 2016, 1:00 p.m. in Conference Room, Building 5.
- It is also the consensus of the Committee to direct the Investment Sub Committee to explore other investment options, in addition to the 52-week CDAR, for the future.
- Chair Hood reminded everyone of the Special Finance Meeting scheduled for Thursday, July 28, 2016, 1:00 p.m. in Conference Room B, Building 5 and adjourned the meeting at 12:08 p.m.