

FINANCE COMMITTEE MINUTES

July 15, 2014

The regular Finance Committee meeting held on Tuesday, July 15, 2014, was called to order by Chair Stone at 9:00 a.m. in the Administration Conference Room, followed by the Pledge of Allegiance.

ROLL CALL

Present:	Ms. L. Stone, Chair	Ms. S. McGuigan
	Mr. D. Craig	Ms. P. Snowden
	Mrs. C Damoci	Mrs. M. Wood
	Mr. J. DeMarco	Ms. R. Winkler, Ex-Officio

Staff and	Mr. R. Ankeny, Executive Director
Guests:	Ms. C. Miller, Controller
	Ms. J. Rodgers, Purchasing Supervisor
	Mr. S. Perez, ITS Manager
	Mrs. J. Reed, GRF Director, Mutual Four
	Ms. K. Rapp, GRF Director, Mutual Seven
	Mr. P. Moore, GRF Director, Mutual Seventeen
	Four Foundation Members

INTRODUCTION OF STAFF

The Chair introduced the staff members present.

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 Executive 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 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.

COMMITTEE RULES

The Chair reviewed meeting protocol.

MINUTES

The Chair approved the Minutes of the regular meeting of May 20, 2014, as printed.

ELECTION OF VICE CHAIR

The Chair called for nominations of Vice Chair for the 2014-2015 term. Mrs. Damoci nominated Mr. Craig. With no further nominations, Mr. Craig was declared Vice Chair of the Finance Committee for the 2014-2015 term by acclamation.

CHAIRS ANNOUNCEMENTS

The Chair announced that today's meeting was an early start time due to the lengthy agenda.

Future agendas will have a place held for the Recreation and Physical Property Committees should any request come from either Committee that requires the Finance Committee's action or approval.

UNFINISHED BUSINESS

Amend Procedure 3323, Disposition of Surplus Funds

Procedure 3323, Disposition of Surplus Equipment sets forth parameters regarding the disposition of property and equipment.

It is recommended that Procedure 3323 be amended to combine addendums 3323.1 and 3323.2, as well as outline updated steps to be taken to properly dispose of surplus equipment so as to maximize potential financial return or incur the lowest possible cost for disposal of non-sellable items. It is also recommended the procedure be established as a policy for better understanding and transparency. Updating the procession of steps through final disposal is outlined as follows: disposal by internal transfer; disposal by sale to shareholders; disposal by donation; and disposal as waste.

After discussion, Mr. Craig MOVED, seconded by Ms. Snowden and carried unanimously –

TO recommend the GRF Board of Directors amend Procedure 3323, Disposition of Surplus Equipment.

Each month the Purchasing Supervisor will present a list with photographs of the items to date that are deemed surplus and their projected disposition.

Rescind Addendums 3323.1, Disposition of Surplus Equipment and 3323.2, Disposition of Surplus Equipment - Mutuals

Addendums 3323.1, Disposition of Surplus Equipment and 3323.2, Disposition of Surplus Equipment – Mutuals outline separate steps for the GRF and Mutuals. It is recommended that both policies be incorporated into Policy 3323, Disposition of Surplus Equipment.

Mr. Craig MOVED, seconded by Mr. DeMarco and carried unanimously –

TO recommend the GRF Board of Directors to rescind Addendums 3323.1, Disposition of Surplus Equipment and 3323.2, Disposition of Surplus Equipment – Mutuals.

Credit Cards - Update

Members were given an update from the ITS Manager on the NCR Silver Point-of-Sale credit card program. News Department sales staff has been provided with the mobile version of the solution, which includes two iPads and card readers to be used while out in the field, meeting with potential advertisers. Based on activity reported by News Department staff, more than \$5,000 in transactions has been received. The majority of transactions are collections on delinquent accounts. Phase Two of the pilot program will be instituted in the Physical Properties Department.

NEW BUSINESS

Establish Investment Sub-Committee

The Chair requested an Investment Sub-Committee be established to determine the investment protocol for 2014. Members of the Sub-Committee are Mr. Craig as Chair, Mrs. Wood, Mr. DeMarco, and Ms. Stone as members. Shareholders with investment experience who wish to be considered for the committee please contact Mr. Craig. The Controller will attend meetings for assistance.

Establish Audit Sub-Committee

The Chair requested an Audit Sub-Committee be established to interview Audit firms for the Golden Rain Foundation and the Mutuals 2014 audit. Members of the Sub-Committee are Mr. McGuigan as Chair, Mrs. Damoci, and Ms. Snowden. President Winkler will also attend meetings.

Establish Cost Center for Emergency Preparedness Sub-Committee

The Chair requested a cost center be established for the Emergency Preparedness Sub-Committee as there will be donations and incurred expenses affiliated with the Sub-Committee. Members of the Sub-Committee are Ms. Rapp as Chair, Mr. Clairmont, Mr. Lukoff, Mr. McGuigan, Mr. O'Neil, Ms. Pepper, and Ms. Potepan. Staff members are the

Emergency/Coordinator, Security Chief, Community Facilities Manager, and Transportation Supervisor.

Additional Funding Request for Document Scanning

In December 2013, the GRF Board of Directors voted unanimously to award a contract to Digital Archive Technology for the scanning of approximately 1,000,000 documents or 400 boxes of Foundation and Mutual records, at a cost of \$47,000, using available funds from the 2013 budget.

The scanning project of the Foundation's records requires additional funds to complete. Digital Archive Technologies (DAT), the vendor used to scan the Foundation's records has completed 283 of 386 boxes, or 73% of the total boxes that were located in Foundation storage rooms. Although the Board approved the expenditure of \$47,000 for this project, two invoices for a total of \$50,266 have been received. DAT provided an estimate of \$20,766 to scan the remaining 103 boxes.

The processing of the records has revealed two main reasons for project costs running over initial estimates. The industry standard of 2,500 pages per box was used to calculate the anticipated number of scans, which was one million. DAT is finding that our records are yielding 3,300 scans per box, a 32% increase, or 1.33 million documents. Secondly, an extensive amount of document preparation is required by DAT prior to scanning. For example, a majority of our stock transfer records included folders that contained many staples, receipts, post-it note attachments, folds, multi-part forms, loose papers, onion skin paper, various colors of paper, etc., all of which requires special handling in order to properly scan each piece of paper. As a result, many of our boxes required eight hours of extensive prep work. This additional cost for prep work accounted for almost 18% of the costs.

Through negotiations, DAT has offered a number of concessions as a gesture of goodwill to keep costs down for this project. The total of both invoices was originally \$58,037. DAT provided adjustments to their invoices with the following: 1) They will charge at the 200 dpi rate of 0.047/scan instead of 0.057/scan for image quality and resolution. This reduced the two invoices by a total of \$7,777, or \$50,266 total. 2) They will scan the remaining boxes at the reduced rate of 0.047 per scan while still scanning at the 300 dpi resolution. This is an additional \$3,173 in anticipated savings. 3) DAT noted they are not charging \$0.01 per page for optical character recognition which allows for record search capability, a savings of \$13,000. In all, a total of approximately \$24,000 in concessions has been offered.

In response to these concessions, DAT has requested that as a gesture of good will, GRF guarantee DAT will complete the processing of the remaining boxes. A factor to consider is it would be in both of GRF and DAT's interests to resume processing in August rather than in 2015, since there would be set-up time incurred once again if we opted to go with the latter. This will ensure that the same team experienced with the Foundation's documents will continue the processing.

Funding for this project is requested to come from the Contingency Operating Fund.

In September of 2013, the Finance Committee removed \$100,000 that was planned for the 2014 Capital Budget and added it to the 2014 Operating Budget. However, before the 2014 budget was approved, the Finance Committee made the decision to remove the project from the 2014 Operating Budget and use excess funds that were available from the 2013 Operating Budget.

At its meeting on July 8, 2014, the ITS Committee unanimously recommended the Finance Committee to use up to \$80,000 of the Contingency Operating Fund to pay for this project.

The members reviewed the matter and after discussion Mr. DeMarco MOVED, seconded by Mr. Craig and carried unanimously –

TO recommend the Board approve the funding of an addendum to the Digital Archives Technologies contract up to \$80,000, using monies from the Contingency Operating Fund, and authorize the President to sign the addendum.

Budget Timeline

The Controller reviewed the timeline for the proposed 2015 Budget. The detailed timeline is attached at the end of the minutes.

The Chair called for a five minute recess. The meeting was resumed at 10:22 a.m.

Review Proposed 2015 Budget for 31, Finance; 32, Purchasing; 60, Health Care Center; and 39, On-Site Sales Office Cost Centers

The members reviewed the 2015 Budget for Cost Center 31, Finance; 32, Purchasing; 39, Sales Office; and 60, Health Care Center. The Controller answered members' questions and stated she would be present at the next meeting. The Committee and staff reviewed specific line items for the cost centers. When reviewing the estimated rental income from the Sales Office, the Committee requested the original budget assumption of \$385,460 to be reduced to \$355,000.

NSBN Management Letter

The members reviewed the NSBN Management Letter. After discussion, the committee concurred to schedule a special meeting of the Finance Committee for an in-depth study and discussion of the NSBN Management Letter.

Review Proposed 2015 Budget Planning Criteria – Hazard & Liability Insurance Assumptions

As the Foundation's "broker of record," DLD Insurance Brokers, Inc., the Controller shared that DLD provided low range and high range estimates. The Controller asked for input and

suggestions from the Committee. The Executive Director recommended using the high range estimates provided. After discussion, the Committee concurred to use the high range estimate for budget purposes.

Approve Funding for Assistant Mutual Administration Manager Position

At its meeting on June 25, 2014, the Executive Committee unanimously voted to establish Position Description 3190, Assistant Mutual Administration Manager. The Executive Committee also recommended the Finance Committee approve the non-budgeted 2014 expense of \$28,000 - \$32,000 for the funding of this position.

Mr. DeMarco MOVED and Mr. Craig seconded –

TO recommend the Board approve the non-budgeted 2014 expense of \$28,000 - \$32,000 for the funding of the Assistant Mutual Administration Manager.

Three members spoke on the motion.

Mr. Craig MOVED and Mr. McGuigan seconded –

TO amend the motion to increase the budget amount by 50%.

The motion to amend failed with four no votes and three yes votes (Craig, DeMarco, and McGuigan).

The original main motion passed unanimously.

The projected salary range for the 2015 budget is \$45,000 - \$65,000.

Capital Expense for Administration Second Floor

The second floor of the Administration Building contains the offices of the GRF President, Administration, Human Resources, and Mutual Administration departments.

With recent staffing changes and revisions, plus the present need to provide additional support to the Mutual Administration Department, it is suggested that the second floor of the Administration Building be remodeled to accomplish the following:

- Enhance the lobby and receptionist station;
- Provide required additional office space for the new Assistant Mutual Administration Manager;
- Group all Mutual Administration offices into a central location and expand available office space; and
- Group the Executive offices and provide a common corridor between the offices of the GRF President and the Executive Director.

Further information is attached at the end of the minutes.

The Executive Committee reviewed a general scope of work and proposed office plans at its meeting on July 7, 2014. The Committee reviewed the projected funds needed for the remodel.

Mr. Craig MOVED, seconded by Mr. DeMarco and carried unanimously –

TO recommend the Board approve the proposed renovations to the second floor of the Administration Conference Room at a cost not to exceed \$70,000.

Recording Secretary Note: If the Board approves the remodel concept, the Physical Property Committee will begin the bidding process. Once the scope of work and renovations have been finalized and bids have been reviewed, the Board will make the final selection and award a contract for work.

REPORTS

The Executive Director

The Executive Director provided an update on the 2014 capital projects. A detailed summary is attached at the end the minutes. He provided an update on the current reserve study being conducted. The detailed summary of the Reserve Study is attached at the end of the minutes.

Controller

The Controller presented the 2014 May and June year-to-date financial statements and answered questions from Committee members.

The Controller asked to transfer funds of \$400,000 from BNY Mellon to First Foundation Bank. After discussion, Mr. Craig MOVED, seconded by Ms. Snowden –

TO transfer funds of \$400,00 from BNY Mellon to First Foundation Bank.

The motion passed with one no vote (DeMarco).

The Controller detailed report is attached at the end of the minutes.

Mutual Self-Insurance Fund

The Controller provided an update on the Mutual Self-Insurance Fund (MSIF). She reported the balance is \$70,000.

After discussion Mr. DeMarco MOVED, seconded by Mrs. Wood and carried unanimously –

TO disburse \$50,000 from the MSIF to the Mutuals with the remaining \$20,000 to be held for the finalization of pending expenses.

Accept May and June Financial Statements

The Chair accepted the May and June financial statements for audit as presented.

Purchasing Supervisor

The Purchasing Supervisor announced the Purchasing Coordinator has resigned and she is in the process of looking for a replacement. The Purchasing Assistant position was filled this week.

With thanks, the Purchasing Supervisor was excused at 9:39 a.m.

FOUNDATION MEMBER COMMENTS

Foundation members spoke on journal entries, the NSBN Management Letter, increasing the salary of the Mutual Administration Manager position, and expressing thanks to the committee members for all the work they do.

COMMITTEE MEMBER COMMENTS

Committee members spoke on the Controller's willingness to always assist and the detailed financial statements she presents.

ADJOURNMENT

The Chair adjourned the meeting at 11:53 a.m.



Linda Stone, Chair
FINANCE COMMITTEE
Mmm 7.29.14

2014 Budget Approval Timeline

In accordance with California Civil Code Section 5300 (a), a copy of the operating budget must be distributed no less than **30 or more than 90 days before the end of the association's fiscal year.**

May	Executive Director and Controller provide timelines and general instructions to staff.
June	Initial staff budgetary planning (Staff plans, prepares and compiles cost center budget information) Controller to supply 5 months of actual to budget information Initial staff budgets to be ready to move forward to committees in July
July	Initial staff working budget drafts to be provided to committee Committees to begin consideration of 2015 Capital
August	1st presentations of draft budgets to committees Committee discussions, revisions to finalize Committee recommendations to approve and recommend respective cost centers to the Finance Committee
September	Deadline - Committee recommendations to approve and recommend respective cost centers to the Finance Committee Finance Committee review of draft budget (second monthly meeting may be required). Annual disclosure statements to be sent to corporate legal counsel for review and possible amendment to be fully compliant with civil code. Possible joint study session with Finance Committee and Board to solidify budget.
October	Final Finance Committee review and recommendation to the Board. Additional study session to finalize budget prior to October 29th Board Meeting. Receipt of disclosure documents from legal counsel. Board Approval (Deadline) 2015 budget and disclosure statements to printer (Special B section of the Golden Rain News).
November	November 13th distribution of 2015 budget and disclosure statements in the Golden Rain News.



Administration Building 2nd Floor, Proposed Modifications

There is a clear and present need to provide additional support to the Mutual Administration Department, combined with recent staffing changes and revision of the role of the Assistant to the President which will now become Executive Coordinator. The following are the proposed modifications to the 2nd floor of the Administration building which are intended to accomplish the following:

- Enhance the receptionist station and lobby
- Provide required additional office space for the new position of Assistant Mutual Administration Manager.
- Group all Mutual Administration offices into a central location and expand available office space.
- Group the Executive Offices and provide a common corridor between the Office of the President and Executive Director

See Attached Plans sheets 1 through 3.

General Scope of Work

1. Remove and relocate doors per attached plans.
2. Close doorways, drywall and texture as required
3. Add electrical and ITS as need per the office reconfiguration and to support relocation of the copy machine.
4. Remove and install storage cabinets as needed (copy room)
5. Paint all wall and ceiling surfaces (colors to match conference room)
6. Replace Carpeting (including stairway)
 - a. Add vinyl or other suitable floor covering in area directly under the copy machine (approximately 3' x 5').
 - b. Carpet "new" recording secretaries office area (cover vinyl flooring)
7. Remove and replace window coverings (match conference room)
8. Scope of work includes Board work room.

Optional

1. Remove walls (structure and budget allowing)
 - a. Wall A – Open office concept Mutual Administration)

b. Wall B – Open office concept Administration)

Office Furniture Requirements

1. Reception desk/work station
2. Social Services
3. Copy room storage cabinets and/or shelving

Funding

\$71,000 is available through 2014 Capital Projects which will not be preformed (see attachment 2014 Capital Project Update)

Estimated Costs

Item	Low Estimate	High Estimate	Notes
Carpet	15000	20000	Based upon worked preformed at CH5 and Conference Room
Paint	7500	12000	Based upon worked preformed at CH5
Window Coverings	3400	4600	
General Reno	6000	11000	General Estimate to R & R Doors and Walls
Electrical & ITS	2000	4000	General Estimate, electrical & ITS needs
Furniture	6000	8000	1 Reception Desk, 3 Work Stations
Sub Total	39900	59600	
Allocated Labor	3600	5400	100 to 150 hours at \$36 per hour
Contingency	2500	5000	
Total	\$46,000	\$70,000	Estimated Costs

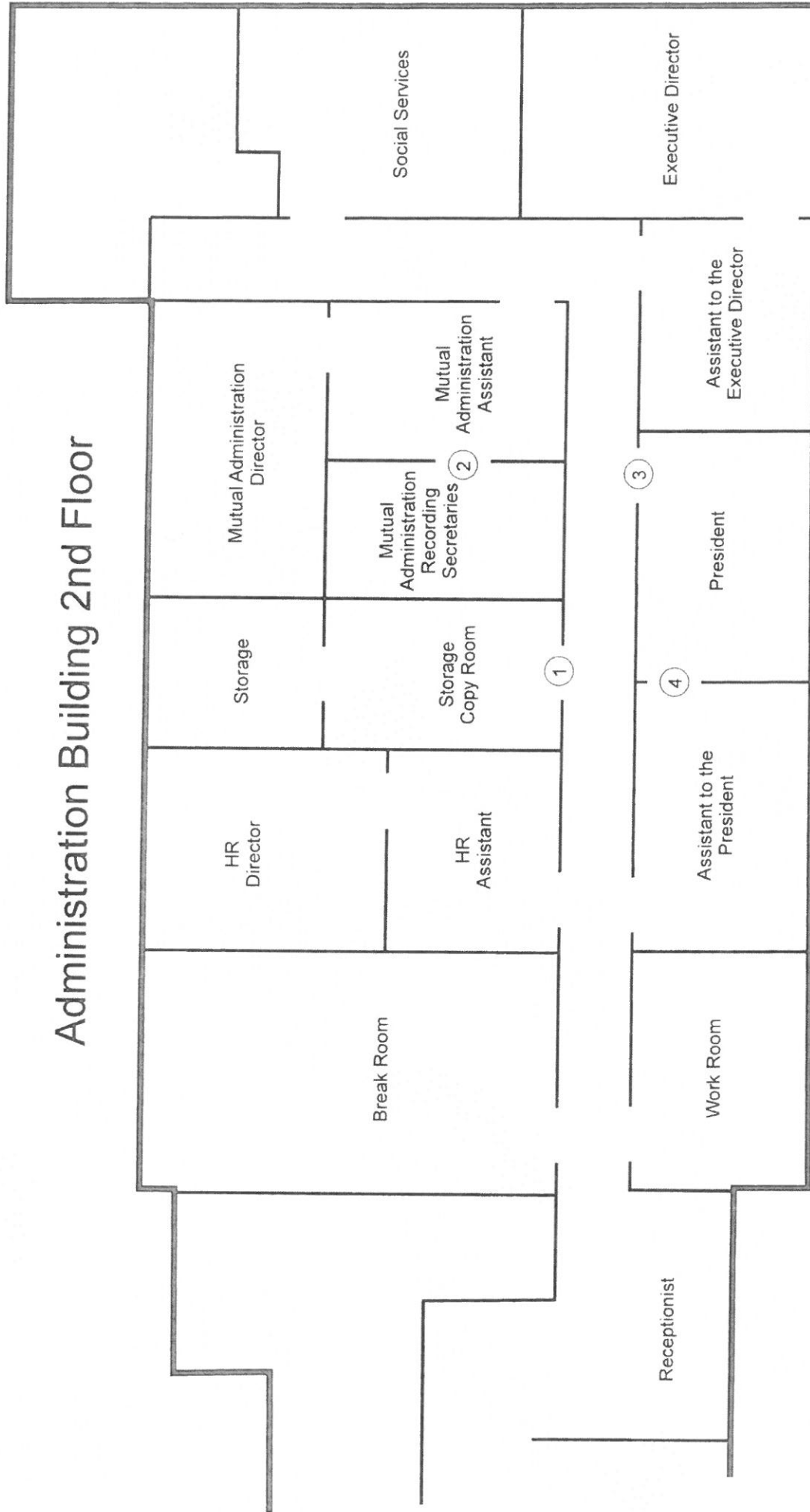
Project Flow/Management

Maintaining a fully operational work environment throughout the full scope of the project is a requirement. As such the proposed project would have to be completed in phases and will require the services of contractors after hours or on weekends. Further it is suggested that GRF Physical Properties not perform the noted construction work (doors relocation, wall openings and closures) due to current mutual work load.

Recommended review process

1. Executive Committee – Project general review
2. Board -Conceptual approval
3. Finance Committee – recommendation to reallocated approved Capital Funds
4. Physical Properties Committee – Proposals and Bid review
5. Approval – Board

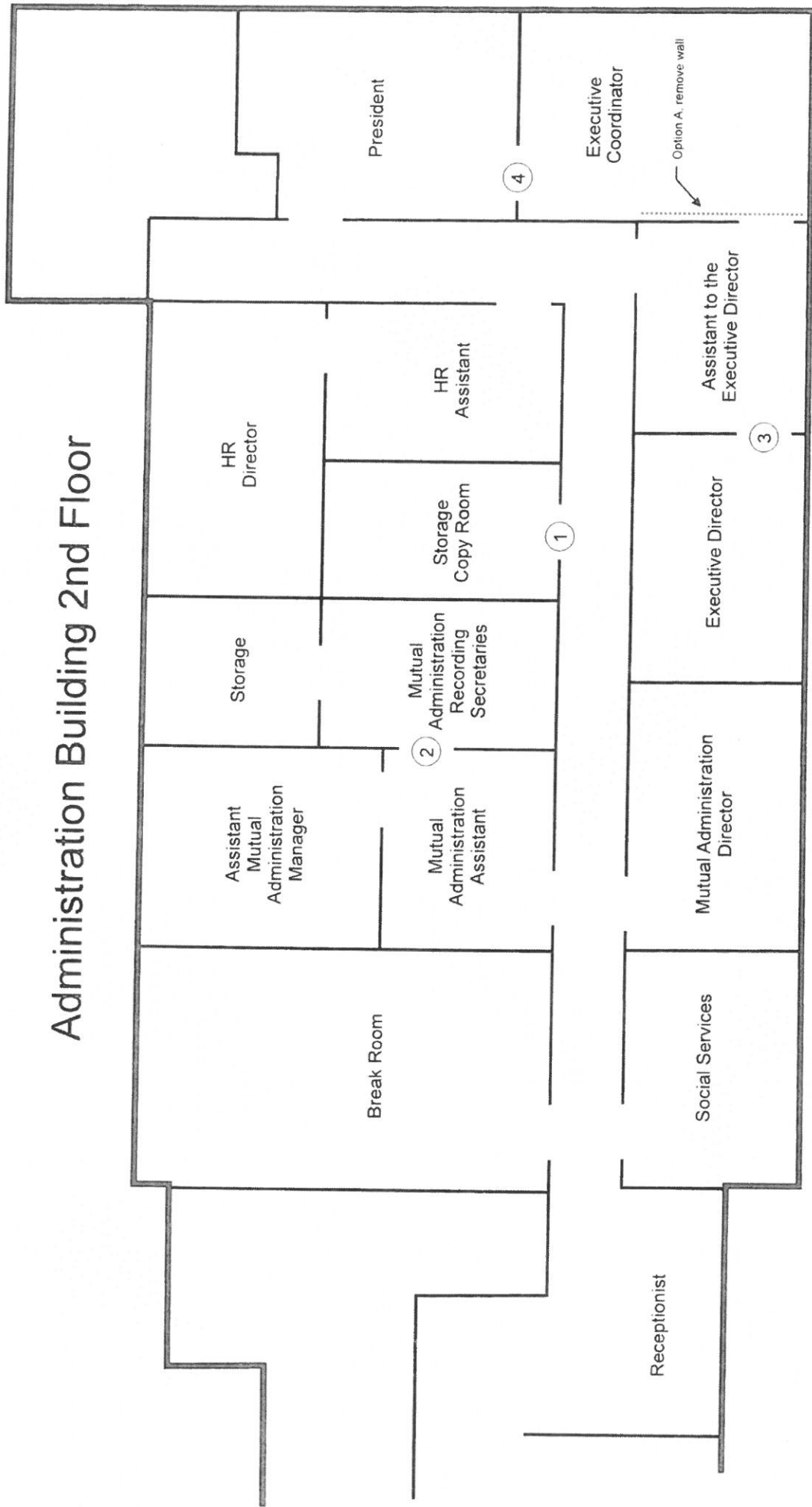
Administration Building 2nd Floor



○ = Doors to be removed and relocated

Existing Office Plan

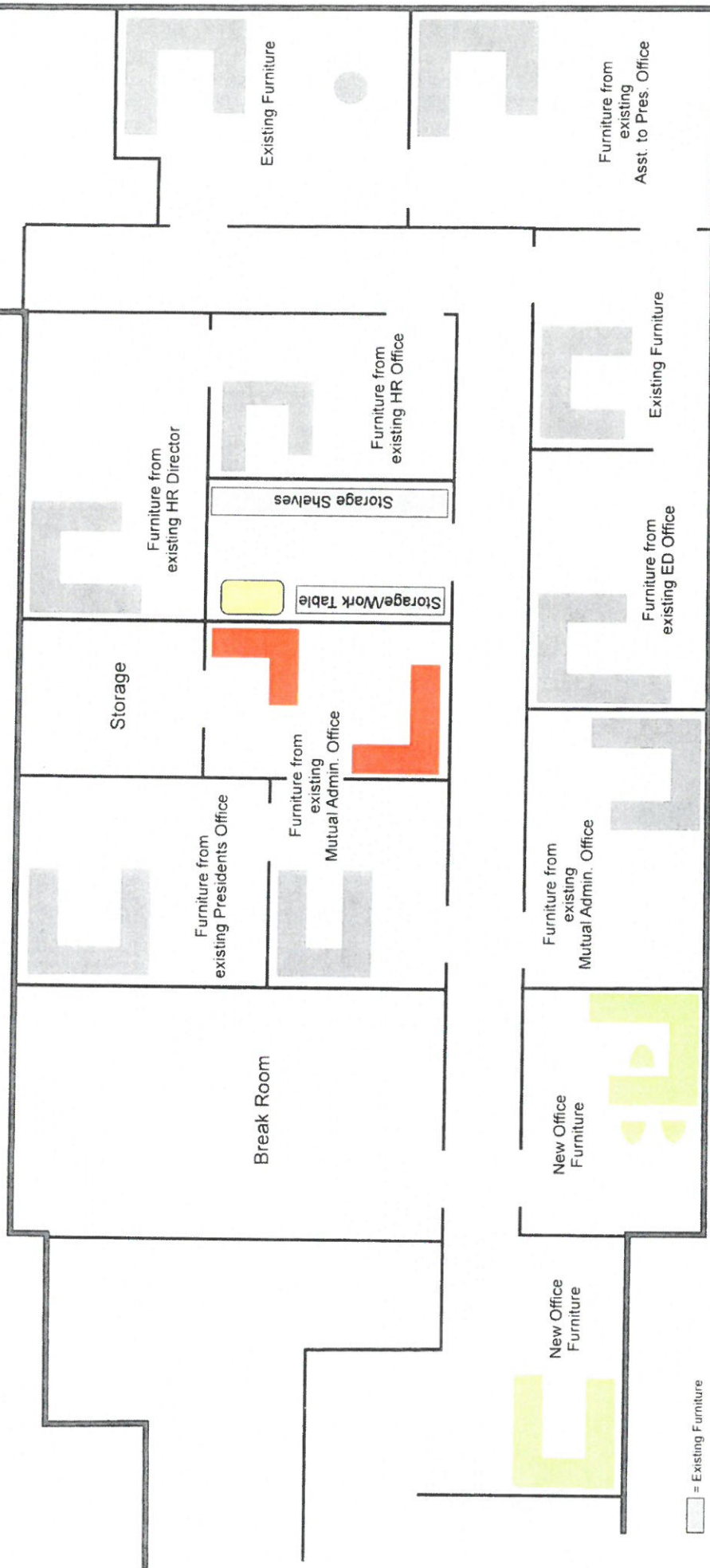
Administration Building 2nd Floor



○ = Doors to be added

Proposed Office Plan

Administration Building 2nd Floor



Proposed Office Plan General Furniture Layout

- = Existing Furniture
- = Recording Secretaries, may require new workstations
- = New Furniture, Receptionists and Social Services

MEMO

TO: FINANCE COMMITTEE
FROM: RANDY ANKENY
SUBJECT: MUTUAL ADMINISTRATION – PROPOSED STAFFING MODIFICATIONS
DATE: JUNE 24, 2014
CC: FILE

The community is undergoing a transition which is having a dynamic effect on the role of the Mutual Administration Department: Davis Stirling and the requirements of the code, enforcement, resales, major modifications to the apartments, age and maintenance requirements of the mutual's, and requests by the Mutual Boards. Combine this with changes in the role of the Department by Mutual 8 and a number of Mutuals now establishing Architectural Committee the current ability of available staff to fully, adequately and lawfully provide due service to the mutual's is at risk.

Per the review and subsequent approval by the Executive Committee on June 25, 2014, a clear and present need exists to provide additional staff to serve the growing needs of the department: Approved the addition of a non budgeted staff Full Time Exempt in the newly created position of Assistant Mutual Administration Manager.

Suggested funding request:

Approval of a non budgeted expense for direct employment expenses estimated to be \$29,792.

2014 Cost (Assuming August 1st Hire Date)

Annual Salary estimated at \$55,000 / 12 * 5 months = \$22,917 (Salary)

Employer related expenses (taxes and benefits) \$16,500 / 12 * 5 months = \$6,875 (ERE)

\$22,917 (salary) + \$6,875 (ERE) = \$29,792

Note: Non budgeted and allocated income in the amount of \$41,809 (2013 Workers Compensation Refund) was received in the 2nd quarter.

Note:

There is 251 business days in 2014 which equals 2008 hours (8 hours a day).

There is 379 scheduled mutual board meeting for 2014 and at an average of 3 hours per board meeting this equals 1137 hours.

This leaves only 871 hours to get the Mutual work done

Divide this by the 16 Mutuals and 52 weeks this leaves 1.04 hours per week for the business needs of each Mutual

Now add to the normal flow of work:

In 2013 a total of 749 violation and enforcement letters were sent. To date we are at 749

Add to this we are involved with:

- 82 Occupancy matters
- 7 insulated related matters
- 7 litigation issues
- 25 collections

The above does not take into consideration the time required to also supervise Stock Transfer.

GOLDEN RAIN
foundation
SEAL BEACH

2014 Capital Projects

(Update, June to December 2014)

June

- \$500 File Maker Pro, News (CC & ITS)
- \$1,200 4 File Maker Pro Licenses (CC & ITS)
- \$3,000 Misc Sound System Replacement (RC)
 - General replacement of sound equipment as required
 - Projects will be completed as proposed

July

- \$2,500 Work Station Replacements, Misc (ITS)
 - Ongoing to replace workstations (Window 7 Migration) and other computer hardware as needed throughout the year.
 - Project will be completed as proposed
- \$40,000 Campus WiFi (ITS)
 - Original plans to deploy a campus wifi umbrella are likely to be postponed until further study is performed, and committee/board decides that this is a need for the Foundation and community. Discussion will be held with the ITS committee in July to determine if this is a need and if these funds can be used for an initial campus WiFi feasibility study.
 - Project has been canceled and funds may be reallocated
- \$10,000 AC Replacements, general (PPC)
 - Budgeted for general replacements as needed
 - Project will be completed as proposed on a as needed basis

August

- \$5,600 Tablets for Phy. Prop. (8) (PPC & ITS)
 - New acquisition budgeted for the physical properties inspectors to use while working out in the field. Scheduled for August deployment, contingent on Jenark/MicroMain implementation.
 - Project will be completed as proposed
- \$3,000 Portable Security Cameras (SBTC)
 - Project to be reviewed by the Committee in August for approval. The project will provide the Security Department with capability to deploy cameras where and as needed.
 - Project will be completed as proposed

September

- \$2,500 Work Station Replacements, Misc (ITS)

- Ongoing to replace workstations (Window 7 Migration) and other computer hardware as needed throughout the year
- **Project will be completed as proposed**
- \$24,685.44 Surveillance Cameras Expansion (SBTC & ITS)
 - In progress, deployments throughout year.
 - Reserve and new acquisition budgeted to increase security surveillance throughout GRF organization. Completed deployments include new Café and Purchasing areas. Additional deployments will include specific community intersections and cross-walks, and door ways of community facilities. Funds will also be used to replace existing equipment that requires replacements.
 - Areas for committee review and consideration
 - St Andrew Cross walk
 - St Andrews and Tam O'Shanter
 - Pool and Spa
 - Interiors – CH1,2,3,4 and 6
 - **Project will be completed as proposed**
- \$10,000 Case Management Software (SBTC & ITS)
 - This project has been placed on hold pending the implementation of the new Jenark software system that may provide the services of a case management software system. The system is intended to document security department activity and citation management.
 - **Project has been canceled and funds may be reallocated**

October

- \$10,000 Server Memory Upgrade (ITS)
 - New acquisition budgeted to increase server memory to implement virtual workstation technology, and any other necessary server system upgrades.
 - **Project will be completed as proposed**
- \$2,000 Window 7 License (ITS)
 - New acquisition budgeted to purchase additional Windows 7 Licenses as needed.
 - **Project will be completed as proposed**
- \$4,000 Visitors Admission Printers (SBTC)
 - This project has been placed on hold pending the implementation of the new Jenark software system. Printers will be purchased once Jenark is implemented and functioning at all gates. These printers will be used to print out daily parking passes for guests at the gates
 - **Project will be completed as proposed**

November

- \$21,000 Tablets for Ser. Maint. (30) (PPC & ITS)
 - New acquisition budgeted for Service Maintenance staff to use while working out in the field. Scheduled for November deployment, contingent on Jenark/MicroMain implementation.

- Project has been canceled and funds may be reallocated
- \$2,605.63 Work Station Replacements, Misc (ITS)
 - Ongoing to replace workstations (Window 7 Migration) and other computer hardware as needed throughout the year
 - Project will be completed as proposed

December

- \$5,000 IP Phone & Conference Phone (ITS)
 - Budgeted as a contingency for IP Phones to be purchased throughout the year as needed.
 - Project will be completed as proposed

Large Projects

\$1,200,000 Perimeter wall replacement (PPC)

- Project originally proposed for wall sections M & L (2,910 linear feet)
 - South wall, Westminster
 - Committee approval of soils testing - \$7,850
 - Soils testing scheduled for early July
- PPC currently in review of wall sections J & H for replacement - \$560,000
 - May require survey to verify property line.
 - May require engineering for grade and drainage
- Possible consideration to completing section A - \$390,000
 - Work will have impact to the landscape which will require remedial actions
- 1.2 million budgeted and allowing for a 10% contingency (\$95,000) estimated project cost \$1,045,000

\$1,000,000 Paving Project Phase 2 (PPC)

- Current project approved
 - Installation of 3 way Stop at Interlachen - \$3,500
 - Improvements at St Andrews Gate - \$25,000
- Various projects currently under review by PPC
 - Tam O'Shanter Intersection improvements - \$50,000
 - Installation of lighted cross walk at St. Andrews and Pool - \$45,000
 - Replacement of all street markings - \$300,000
 - Repairs and/or replacement of Del Monte – TBD
 - Patch and crack fill
 - Plans for center Island replacement (Landscape) along St. Andrews - TBD
 - Street Signage improvements as noted by the Anderson Penna report.- \$2,000

Miscellaneous Projects Pending

\$50,000 Professional Services Master Planning

- No actions to date

\$4,000 Hot Tub Pool Shade

- To be re reviewed by Recreation Committee

Note:

1. \$71,000 in funds may be subject to relocation
2. See attached recap of current work in progress
3. All costs are estimated and are for the purpose of planning and review only



Reserves

Committee Review	Committee Approval	Board Approval	25%	50%	75%	95%	Final Review	Completed

- 2014 Reserve Study
 - Performance of a stage 1 reserve study as require by state statue
 - March
 - Finance Committee recommendation to the Board
 - Action item on the Boards March 25th agenda
 - Contract awarded to Reserve Studies Inc.
 - Initial work in progress.
 - Filed work being scheduled for late May through June
 - Work currently in progress
 - March – June
 - Field work
 - Data impute
 - July
 - Draft presentation (Mid July)
 - Review and finalization of Data
 - August
 - Presentation to Finance Committee
 - Funding Review
 - September
 - Final Finance Committee Review
 - Presentation to Board

Controller's Financial Recap – June 2014

As of the six-month period ended June, 2014 the financial reports indicate that GRF is in favorable financial position with a surplus of \$539,581.

Major variances are:

Salaries, Wages & Benefits	381,566	YTD FTEs are below budget by 5; \$42K workers comp refund from 2013; Temp used to fill key positions.
Temp EEs / Recruitment	(13,108)	
Net positive variance	368,458	
Depreciation	85,809	Capitalization of the paving project of \$1.9M was deferred for 4 months; \$910K carryover from 2013 not yet used.
Other Income	52,745	YTD donations of \$16K; Guest passes \$6K; Building permits \$29K
Other Professional Fees	29,814	\$45K budgeted for Reserve Study; Actual cost \$25K
State & Federal Taxes	25,598	Although \$51,200 was budgeted for the year, the current tax liability is sufficient for the year. YTD accrual was reversed.
Computer Maintenance & Software	23,092	Payroll processing costs were budgeted greater than actual expenses.
Stock Transfer Fees	(28,948)	Decrease in internal transfers.
News Advertising Income	(42,002)	Revenues < budgeted
SRO Labor Cost Recovery	(67,139)	Lag in labor recognition due to pending open work orders.

Controller's Financial Recap – June 2014

Capital Budget expenditures for the year are \$221,173 with a budget of 3M.

Funds totaling \$2.9M were carried over from the 2013 capital budget. Projects totaling \$2M have been completed and capitalized from these funds. The remaining \$910K are assigned to projects that have not yet been completed.

2014 CAPITAL ACQUISITION BUDGET

Center	Description	Budget Amount	EXPENDITURES						Total	Balance	Labor	Variance
			Jan	Feb	Mar	Apr	May	Jun				
30	45 Chairs for Admin Conference Room	\$ 9,880				9,880.00		9,880.00	0.00		0.00	
30	Lobby Area Chairs outside Conference Room	\$ -				1,594.32		1,594.32	(1,594.32)		(1,594.32)	
30	Admin Lunch Room- Conference Table and Mid Back chairs	\$ -				3,178.15		3,178.15	(3,178.15)		(3,178.15)	
32	Cantilever Rack for Wood Storage	\$ 3,000			1,708.99			1,708.99	1,290.01		1,290.01	
32	Barcode label printer	\$ 1,000						0.00	1,000.00		1,000.00	
32	Showroom remodel (from 2013 but not carried forward)	\$ -			1,555.78		29.14		(1,584.92)		(1,584.92)	
34	IP Phones (8@500, plus conference phone \$1k)	\$ 5,000						356.40	4,643.60		4,643.60	
34	Tablet Devices for Physical Properties (8@ \$700)	\$ 5,600							5,600.00		5,600.00	
34	Tablet Devices for Managers (5@ \$700)	\$ 3,500		3,186.72				316.28			313.28	
34	Tablet Devices for Service Maintenance (30 @ \$700)	\$ 21,000						0.00	21,000.00		21,000.00	
34	Library Patron/Print Management System	\$ 10,000						0.00	10,000.00		10,000.00	
34	Workstation Replacements, Peripherals, Misc Hardware	\$ 15,000			840.75			7,394.37	7,605.63		7,605.63	
34	Dell R710 Server Memory Upgrade	\$ 10,000						0.00	10,000.00		10,000.00	
34	Windows 7 Licenses	\$ 2,000						0.00	2,000.00		2,000.00	
34	Time and Attendance Hardware	\$ 6,385		2,354.34				2,354.34	4,040.66		4,040.66	
34	Surveillance Camera Expansion	\$ 30,000						1,533.06	28,466.94	60.00	28,406.94	
34	Campus Wifi for GAF staff & directors	\$ 40,000						0.00	40,000.00		40,000.00	
34	Jenark One time Fee	\$ 145,000						0.00	145,000.00		145,000.00	
34	IPads for Directors and IT (from 2013 but not carried forward)	\$ -		2,379.60				-366.75	2,012.85		(2,012.85)	
35	Jamex 6557 Multi Copy bill and coin unit- Delivery Charge	\$ -			29.00			29.00	(29.00)		(29.00)	
35	8 Computers Patron use	\$ 6,500						6,145.89	354.11		354.11	
35	Security & Catalog Software	\$ -		14,110.66				14,110.66	(14,110.66)		(14,110.66)	
36	6 Mini Mac Computers @ \$600 each	\$ 3,600						0.00	3,600.00		3,600.00	
36	6 Computer monitors @ \$300 each	\$ 1,800						0.00	1,800.00		1,800.00	
36	Filmaker Pro 12 Advanced	\$ 500						0.00	500.00		500.00	
36	4 Filmaker Pro Licenses @ \$300 each	\$ 1,200						0.00	1,200.00		1,200.00	
36	4 Pad Mini Wi-Fi Cell 16GB (Phase 1 Credit Card Solution)	\$ -				913.20		913.20	(913.20)		(913.20)	
37	Case Management Software	\$ 10,000						0.00	10,000.00		10,000.00	
37	4 Visitor Admissions Printers	\$ 4,000						0.00	4,000.00		4,000.00	
37	4 Replacement Security Patrol vehicles	\$ 120,000					104,334.48	104,334.48	15,665.52		15,665.52	
37	Overhead lights, spotlight, and siren for new patrol vehicles	\$ 5,000						0.00	5,000.00		5,000.00	
37	Portable security cameras for outdoor use	\$ 3,000						0.00	3,000.00		3,000.00	
37	License plate recognition system (one at each gate)	\$ 20,000			15,127.58		3,714.92	18,842.48	1,157.52		1,157.52	
40	Clubhouse Air conditioner Replacements	\$ 20,000						0.00	20,000.00		20,000.00	
40	Miscellaneous Sound Equipment	\$ 5,000						0.00	5,000.00		5,000.00	
40	Professional services for master planning	\$ 50,000				1,409.50		0.00	50,000.00		50,000.00	
45	Amphitheater- Replace console	\$ -						0.00	4,000.00		4,000.00	
48	Hot pool shade	\$ 4,000							0.00			
48	Raypack Pool Pump	\$ -							0.00			
51	Clubhouse 1 - Ice Machine (donated by GAF)	\$ -	191.52					191.52	(191.52)	681.00	(872.52)	
51	Clubhouse 1 - Blue Chairs	\$ 5,000						4,975.34	24.66		24.66	
52	Clubhouse 2 - Blue Chairs	\$ 5,000						4,975.34	24.66		24.66	
53	Clubhouse 3 - Blue Chairs	\$ 5,000						4,975.34	24.66	182.00	(137.34)	
53	Clubhouse 3 - Microphones- Audio Technica Pro	\$ -						323.94	(323.94)		(323.94)	
53	Clubhouse 3 - Recover Sound Panels in Room 1-9	\$ -						7,550.00	(7,550.00)		(7,550.00)	
54	Clubhouse 4 - Blue Chairs	\$ 5,000						4,975.34	24.66		24.66	
54	Clubhouse 4 - Entry Way concrete replacement	\$ 9,000						0.00	9,000.00		9,000.00	
54	Clubhouse 4 - Ice Machine (donated by GAF)	\$ -	191.52					191.52	(191.52)			
54	Clubhouse 4 - Art Room Heat Pump	\$ -						4,600.00	(4,600.00)	723.00	(4,600.00)	
56	Excavate Equipment (Use Tax) (from 2013 but not carried forward)	\$ -						303.60	(303.60)		(303.60)	
74	2 Portable Air Compressor	\$ 0.00						645.84	(645.84)		(645.84)	
74	Compactor WP- 1150AW Asphalt	\$ 0.00						2,111.00	(2,111.00)		(2,111.00)	
76	Lanscaping at Trailer Park	\$ 0.00						3,675.00	(3,675.00)		(3,675.00)	
76	Perimeter wall sections M & L	\$ 1,200,000						0.00	1,200,000.00		1,200,000.00	
76	Perimeter wall Engineering	\$ 30,000						0.00	30,000.00		30,000.00	
76	Landscape Improvement	\$ 40,000						0.00	40,000.00		40,000.00	
79	Trust Street Paving Project	\$ 1,000,000						0.00	1,000,000.00		1,000,000.00	
79	Trust Street Landscape Improvements	\$ 52,000						0.00	52,000.00		52,000.00	
79	Re-roof community facilities buildings- Clubhouse One	\$ 90,000						0.00	90,000.00		90,000.00	
79	Paint Main Gate Areas	\$ 20,000						0.00	20,000.00		20,000.00	
Total Planned Capital Acquisitions			437.03	24,256.19	19,263.08	177,216.89	122,242.05	(10.35)	221,173.19	2,801,601.81	1,788.00	2,799,813.81

2013 CAPITAL ACQUISITION BUDGET CARRYOVER TO 2014

Center	Description	Carryover Balance	EXPENDITURES						Total	Remaining Balance	Labor	Variance
			January	February	March	April	May	June				
30	Sound and Projection System - Admin. Conference Room	33,031.00	26.62			37,088.49			37,115.11	(4,084.11)	20,448.30	(24,532.41)
32	Relocate Warehouse heating unit (Proj. 3338-13P)	2,000.00						2,132.00	2,132.00	(132.00)		(132.00)
33	Stock Transfer Mail Folder Insert Machine	19,029.44	19,029.44						19,029.44	0.00	180.00	(180.00)
33	Stock Transfer 10 lb Scale Postage Machine	13,961.72	13,961.72						13,961.72	0.00		0.00
34	31 Computers & laptops	27,185.00	18,266.19	5,566.89					23,833.08	3,351.92		3,351.92
34	Server Rack and Network Infrastructure Improvements (sales tax)	56.40	56.40						56.40	0.00		0.00
34	Jenark / MicroMain	115,000.00							0.00	115,000.00		115,000.00
37	Radio repeaters for Security & Service Maintenance	5,872.10	5,825.20				408.24		6,233.44	(361.34)		(361.34)
37	St. Andrews Gate carpet replacement	2,500.00							0.00	2,500.00		2,500.00
37	Automated Pedestrian Gate	5,000.00							0.00	5,000.00		5,000.00
51	Clubhouse 1 - Lobby Furniture	15,000.00					5,063.30		6,939.66	8,060.34		8,060.34
52	Clubhouse 2 - 52 Long Tables (sales tax)	549.87	549.87						549.87	0.00		0.00
53	Clubhouse 3 - Heat pump	4,500.00						1,876.36	6,376.36	0.00		0.00
54	Clubhouse 4 - Heat pump	3,890.00				5,000.00			5,000.00	(500.00)		(500.00)
54	Clubhouse 4 - Replace All Tiles	40,000.00			4,100.00				4,100.00	(410.00)		(410.00)
55	Video Producers Equipment (sales tax)	62.32	62.32						62.32	0.00		0.00
55	Cafe Project	11,040.00							0.00	40,000.00		40,000.00
56	Various Exercise Equipment	7,042.53				8,240.32	1,888.00		10,128.32	911.68	6,587.00	(5,685.32)
70	Carpeting - downstairs	10,000.00	7,042.53						7,042.53	0.00	72.00	(72.00)
70	Interior Painting (1st & 2nd Floors)	16,000.00						20,200.00	20,200.00	(10,200.00)		(10,200.00)
70	Exterior Painting	10,000.00							0.00	16,000.00		16,000.00
74	Gas Welding Machine with Torch	9,000.00							0.00	10,000.00		10,000.00
74	2 Portable generators (sales tax)	127.84	127.84	8,066.48					8,066.48	933.52		933.52
74	Chairs for Lunch Room (sales tax)	78.72	78.72						78.72	0.00		0.00
79	Perimeter Wall Replace - A & B (Chgd to R) (Proj. 591-01B)	500,000.00							0.00	500,000.00		500,000.00
79	Main Gate Beautification (Proj. 683-12A)	200,000.00							0.00	200,000.00		200,000.00
79	Landscape Improvement	24,136.10							0.00	24,136.10		24,136.10
79	Trust Street Paving Projects	1,898,895.00				1,898,895.85			1,898,895.85	0.15		0.15
Total Planned Capital Acquisitions Carryover from 2013			2,973,759.04	65,026.85	13,633.37	-	1,953,324.66	7,359.54	24,208.36	2,063,552.78	27,297.30	882,908.96

2,961,919.00 Per Capital Budget Variance Report - December 31, 2013
 4,788.00 Add back Ice Machines deducted from 2013 budget (donated by GAF)
 5,000.00 Add overall unused funds to CC 34 for Jenark / MicroMain
 2,106.03 Misc variance with paving project & added sales tax for 2013 purchases
 (53.99) Adjustment to CH3 - Microphones

2,973,759.04
 0.00

Golden Rain Foundation
Cash Flow Activity - All Reserves
For the Month of June 2014

	Contingency Operating Fund	Trust Improvement Fund	Capital Improvement Fund	Liability Insurance Fund	Self-Insurance Fund	Mutuals' Fund	Other Restricted	Nonrestricted Funds	Total
Balance 05/31/2014	685,047	349	5,858,621	1,020,052	156,917		390,402	187,835	8,299,223
Funded: Trust Asset Dep'n		67,919							67,919
Funded: Non-Trust Asset Dep'n			1,223						1,223
Funded: Membership Fees collected (55)			60,005						60,005
Progress Payments on CIP		(8,883)							(8,883)
New Capital Purchases		(1,866)							(1,866)
Net Monthly Claims									45,916
Disbursement to Mutuals					45,916				(131,939)
Replenish fund for Item Donations					(131,939)				
Transfers between funds									
Net Monthly Activity							130,612	(110,796)	19,816
Balance 06/30/2014	685,047	57,518	5,919,848	1,020,052	70,894		521,014	77,039	8,351,413
Net Activity	-	57,169	61,228	-	(86,023)		130,612	(110,796)	52,190

SRO Labor Trend

<u>Month</u>	<u>Year</u>	<u>Labor</u>		<u>Minutes</u>	<u>Bill Code</u>	<u>Minutes</u>	<u>Total</u>	<u>Dollars</u>	<u>Recover/</u>	<u>Labor</u>
		<u>Recovery</u>	<u>59600-74</u>							
		<u>Minutes</u>			<u>02</u>			<u>Total</u>	<u>Total Mins</u>	<u>Rate/Min.</u>
January	2012	100,365	60,219.00	10,775	6,465.00	111,140	66,684	90.31%	0.60	
February	2012	127,030	76,218.00	42,885	25,731.00	169,915	101,949	74.76%	0.60	
March	2012	178,570	107,142.00	36,945	22,167.00	215,515	129,309	82.86%	0.60	
April	2012	195,360	117,216.00	50,145	30,069.00	245,505	147,285	79.57%	0.60	
May	2012	193,915	116,376.00	43,915	26,349.00	237,830	142,725	81.54%	0.60	
June	2012	180,700	108,420.00	47,765	28,659.00	228,465	137,079	79.09%	0.60	
July	2012	171,945	103,086.00	56,190	33,714.00	228,135	136,800	75.37%	0.60	
August	2012	191,515	114,864.00	41,135	24,681.00	232,650	139,545	82.32%	0.60	
September	2012	159,406	95,580.60	33,000	19,800.00	192,406	115,381	82.85%	0.60	
October	2012	294,155	176,493.00	60,390	36,234.00	354,545	212,727	82.97%	0.60	
November	2012	146,135	87,681.00	51,650	30,990.00	197,785	118,671	73.89%	0.60	
December	2012	253,590	152,154.00	63,075	37,845.00	316,665	189,999	80.08%	0.60	
Total	2012	2,192,686	1,315,450	537,870	322,704	2,730,556	1,638,154	80.30%		
January	2013	99,620	59,754.00	44,245	26,547.00	143,865	86,301	69.25%	0.60	
February	2013	128,640	77,184.00	40,620	24,372.00	169,260	101,556	76.00%	0.60	
March	2013	150,760	90,456.00	47,475	28,485.00	198,235	118,941	76.05%	0.60	
April	2013	217,030	130,170.00	49,020	27,738.07	266,050	157,908	81.57%	0.59	
May	2013	172,055	103,221.00	43,465	26,079.00	215,520	129,300	79.83%	0.60	
June	2013	149,210	89,526.00	40,065	24,039.00	189,275	113,565	78.83%	0.60	
July	2013	244,160	146,496.00	49,600	29,760.00	293,760	176,256	83.12%	0.60	
August	2013	156,455	93,873.00	35,845	21,507.00	192,300	115,380	81.36%	0.60	
September	2013	152,180	91,320.15	38,340	23,004.00	190,520	114,324	79.88%	0.60	
October	2013	171,036	103,644.75	53,240	31,836.00	224,276	135,481	76.26%	0.60	
November	2013	158,560	96,228.15	34,395	20,637.00	192,955	116,865	82.17%	0.61	
December	2013	276,280	168,072.30	175,820	105,492.00	452,100	273,564	61.11%	0.61	
Total	2013	2,075,986	1,249,945	652,130	389,496	2,728,116	1,639,441	76.10%		

SRO Labor Trend

<u>Month</u>	<u>Year</u>	<u>Labor Recovery</u> 59600-74		<u>Minutes</u>	<u>Bill Code</u> 02	<u>Minutes Total</u>	<u>Dollars Total</u>	<u>Recover/ Total Mins</u>	<u>Labor Rate/Min.</u>
		<u>Minutes</u>	<u>Minutes</u>						
January	2014	75,575	45,895.35	16,985	10,191.00	92,560	56,086	81.65%	0.61
February	2014	117,505	71,110.65	42,085	25,251.00	159,590	96,362	73.63%	0.60
March	2014	137,785	84,262.65	33,190	19,914.00	170,975	104,177	80.59%	0.61
April	2014	239,785	145,499.10	93,025	55,815.00	332,810	201,314	72.05%	0.60
May	2014	112,156	67,293.75	46,710	28,026.00	158,866	95,320	70.60%	0.60
June	2014								
July	2014								
August	2014								
September	2014								
October	2014								
November	2014								
December	2014								
Total	2014	682,806	414,062	231,995	139,197	914,801	553,259	74.64%	

Average 1,585,181
75%
1,188,886