

## **FINANCE COMMITTEE MINUTES**

### **August 19, 2014**

The regular meeting of the Finance Committee held on Tuesday, August 19, 2014, was called to order by Chair Stone at 9:30 a.m. in the Administration Conference Room, followed by the Pledge of Allegiance.

#### **ROLL CALL**

Present:	Ms. L. Stone, Chair	Mr. S. McGuigan
	Mr. D. Craig	Ms. P. Snowden
	Mrs. C. Damoci	Mrs. M. Wood
	Mr. J. DeMarco	Ms. R. Winkler, Ex Officio
Staff:	Mr. R. Ankeny, Executive Director	
	Ms. C. Miller, Controller	
	Mrs. J. Reed, GRF Representative, Mutual Four	
	Mr. P. Hood, GRF Representative, Mutual Five	
	Ms. K. Rapp, GRF Representative, Mutual Seven	
	Five Foundation Members	

#### **INTRODUCTION OF STAFF AND GUESTS**

The Chair introduced and welcomed Foundation members and Staff.

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 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 September.

#### **COMMITTEE RULES**

The Chair reviewed the meeting rules and asked that courtesy and respectfulness be acknowledged at all time.

#### **APPROVAL OF REGULAR MEETING MINUTES OF JULY 15, 2014**

The Chair called for the approval of the regular meeting minutes of July 15, 2014.

Mrs. Wood MOVED, seconded by Mrs. Damoci and carried unanimously–

TO approve the Minutes of the regular meeting of July 15, 2014

**APPROVAL OF REGULAR MEETING MINUTES OF JULY 31, 2014**

The Chair called for the approval of the special meeting minutes of July 31, 2014.

Mr. McGuigan MOVED, seconded by Mrs. Damoci and carried unanimously–

TO approve the Minutes of the special meeting of July 31, 2014

**UNFINISHED BUSINESS**

**RESERVE STUDY**

The Executive Director reported that the Reserve Study Survey is completed. The Finance Committee will have a special meeting to review and discuss the Reserve Study in detail.

**NEW BUSINESS**

**2015 Proposed Budget for Cost Centers 31, Finance, 32, Purchasing, 39, Resales Office, and 60, Health Care Center**

The Controller, Purchasing Supervisor, Executive Director, Mutual Administration Director reviewed the proposed 2015 budget for Cost Centers 31, Finance, 32, Purchasing, 39, Resales Office, and 60, Health Care Center.

**Cost Center 31, Finance**

The members discussed the 2015 budget for Cost Center 31, Finance. After discussion, Mr. Craig MOVED, seconded by Mr. McGuigan –

TO accept the 2015 budget, excluding wages and benefits, for Cost Center 31, Finance Department.

Mrs. Damoci asked the main motion to be amended, seconded by Mrs. Wood –

TO accept 2015 operating budget and remove the planned capital acquisitions for Cost Center 31, Finance Department.

The amended motion passed with one abstention (Mr. DeMarco)

Cost Center 32, Purchasing

The members discussed the 2015 budget for Cost Center 32, Purchasing. After discussion, Mr. DeMarco MOVED, seconded by Mrs. Damoci and carried unanimously -

**TO** accept the 2015 operating budget, excluding wages and benefits, and the capital request for Cost Center 32, Purchasing Department.

Cost Center 39, Onsite Sales Office

Mr. Craig MOVED, seconded by Mrs. Damoci and carried unanimously –

**TO** accept the 2015 operating budget for Cost Center 39, Onsite Sales Office.

Cost Center 60, Health Care Center

Mr. Craig MOVED, seconded by Mrs. Wood and carried unanimously –

**TO** accept the 2015 operating budget for Cost Center 60, Health Care Center.

Establish Resales Sub-Committee

The Chair requested a Resales Sub-Committee to be established to oversee the contract between the Golden Rain Foundation and the Resales office. Ms. Rapp MOVED, seconded by Ms. Stone and carried unanimously –

**TO** establish a Resales Sub-Committee.

Members of the committee are Mrs. Damoci as Chair, Mr. Moore, Mr. Craig, Ms. Snowden, and Ms. Stone.

Rescind Policy 5061, Membership Fee

The members discussed rescinding Policy 5061, Membership Fee. After discussion, the committee concurred to hold a special meeting to discuss policy 5061, Membership fee and to place on the September agenda.

Rescind Policy 5062, Transfer Fee – In Escrow

The members discussed rescinding Policy 5062, Transfer Fee – In Escrow. After discussion, the committee concurred to hold a special meeting to discuss policy 5062, Transfer Fee – In Escrow and to place on the September agenda.

The Chair called for a break and the meeting resumed at 11:08 a.m.

Amend Regulation 5061.1, Initiation Fee

The members discussed Regulation 5061.1, Initiation Fee. After discussion the committee concurred to hold a special meeting of the Finance Committee.

Amend Policy 5115, Finance Committee and rescind Policies 2220, 2222, and 2223

Policy 5115, Finance Committee, sets forth the functions, duties and limitations of the Finance Committee. Recently, the Committee members have reviewed finance-related policies to look for content that is no longer applicable, needs clarification, or could be consolidated into other policies.

Policies 2220, Chart of Accounts; 2221, Cost Center Numbers; 2222, Chart of Accounts – GRF; and 2223, Chart of Accounts – Mutuals; set forth information on cost centers and the GRF and Mutuals chart of accounts. A chart of accounts is a list of general ledger account numbers used to record financial transactions and maintain account balances. In the past, this information was developed based on the requirements of the Department of Housing and Urban Development's (HUD) auditing office. The Foundation and the Mutuals no longer have a requirement to report to HUD. As such, the policies relating to the chart of accounts are no longer current. Further, any revisions to the cost center numbering or to the chart of accounts would require a revision of the policy and Board approval. As the accounting needs of the community vary, often requiring additions and/or modifications to both cost centers and general ledger numbering, flexibility is required.

It is recommended that Policies 2220 - 2223 be rescinded and that Policy 5115 be amended to include the following information:

- One of the Finance Committee's functions is to develop and control all cost centers and general ledger account numbers as necessitated in the Foundation's accounting operations.

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

**TO** recommend the Board amend Policy 5115, Finance Committee, to add as one of the Committee's functions the development and control of all cost centers and general ledger account numbers as necessitated in the accounting operations of the Foundation, and rescind Policies 2220, Chart of Accounts; 2221 Cost Center Numbers; 2222, Chart of Accounts – GRF; and 2223, Chart of Accounts – Mutuals; as these policies are no longer current.

Policy 1801, Qualified Permanent Residents and Co-Occupant Agreements

Policy 1801, Qualified Permanent Residents and Co-Occupant Agreements, was established in 1995 to comply with Section 51.3 of the California Civil Code, which sets forth the manner in which senior communities operate with respect to age qualifications and

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permitted residency by persons under 55 years of age who reside with a shareholder/member. It is recommended that the Policy be updated to be in compliance with changes to Section 51.3 and the Foundation's operating practices.

After discussion, the committee concurred to forward Policy 1801, Qualified Permanent Residents and Co-Occupant Agreements to Presidents Council for further discussion.

### **Desk for Security Assistant**

In review of the Security office, the Assistant to the Security Chief has a work station that is not conducive for productivity and work ergonomics. After discussion, Mr. McGuigan MOVED, seconded by Mrs. Damoci –

**TO** accept the non-budget capital request not to exceed \$2000

The motion passed with one no vote (Mrs. Wood) and one abstention (Ms. Snowden).

## **STAFF REPORTS**

### **Controller – Financial Report Review**

The Controller reviewed the July 2014 financial reports, variance summaries, balance sheet, capital budget and cash flow activity.

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

### **Accept July Financial Statements**

Mrs. Damoci, MOVED, seconded by Ms. Snowden and carried unanimously –

**TO** recommend the Board accept the July 2014 Financial Statements for audit.

### **Executive Director**

The Executive Director reported that the Finance Committee will have a special meeting to review and approve the 2015 budget and to forward to the Board for final approval.

### **Purchasing Supervisor**

The Purchasing Supervisor provided a list of surplus equipment to be disposed. Mr. Craig MOVED, seconded by Mrs. Damoci and carried unanimously –

**TO** accept the list of disposals.

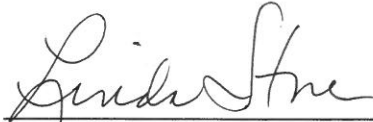
The detailed list of the items that will be disposed of is attached at the end of the minutes.

**COMMITTEE MEMBER COMMENTS**

Members spoke on the process of finalizing the 2015 budget. The Chair reported there will be additional meetings of the Finance Committee to approve the 2015 budget.

**ADJOURNMENT**

The Chair adjourned the meeting at 12:09 p.m.

A handwritten signature in cursive script, appearing to read "Linda Stone", is written over a horizontal line.

Linda Stone, Chair  
FINANCE COMMITTEE  
mg 9.12.14

## MOTIONS

- **TO** recommend the Board accept the July 2014 Financial Statements for audit.
- **TO** accept the 2015 budget, excluding wages and benefits, for Cost Center 31, Finance Department.
- **TO** accept 2015 operating budget and remove the planned capital acquisitions for Cost Center 31, Finance Department.
- **TO** accept the 2015 operating budget, excluding wages and benefits, and the capital request for Cost Center 32, Purchasing Department.
- **TO** accept the 2015 operating budget for Cost Center 39, Onsite Sales Office.
- **TO** accept the 2015 operating budget for Cost Center 60, Health Care Center.
- **TO** establish a Resales Sub-Committee. Members of the committee are Mrs. Damoci as Chair, Mr. Moore, Mr. Craig, Ms. Snowden, and Ms. Stone.
- **TO** recommend the Board amend Policy 5115, Finance Committee, to add as one of the Committee's functions the development and control of all cost centers and general ledger account numbers as necessitated in the accounting operations of the Foundation, and rescind Policies 2220, Chart of Accounts; 2221, Cost Center Numbers; 2222, Chart of Accounts – GRF; and 2223, Chart of Accounts – Mutuals; as these policies are no longer current.
- **TO** accept the non-budget capital request not to exceed \$2000.

The motion passed with one no vote (Mrs. Wood) and one abstention (Ms. Snowden).

## ACTIONS

- Policy 5061, Member Fee; Regulation 5061.1, Initiation Fee; and Policy 5062, Transfer Fee – In Escrow and was tabled until next meeting.
- The committee concurred to forward Policy 1801, Qualified Permanent Residents and Co-Occupant Agreements to Presidents Council for further discussion.
- There will be a Special meeting of the Finance Committee to review the Reserve Study.



<b>Description</b>	<b>Price - OBO</b>
2 drawer metal filing cabinet	\$ 20.00
3pc sectional - Gray fabric	\$ 10.00
Charcoal BBQ	\$ 50.00
Charcoal BBQ	\$ 50.00
Desk Chair w/arms, Black Leather	\$ 30.00
Desk w/right return	\$ 50.00
Electric Typewriter	\$ 20.00
Electric Typewriter	\$ 20.00
Executive Chair - Blue Fabric	\$ 50.00
Filing System, Plastic	\$ 5.00
Large Metal Storage Case	\$ 25.00
Large Metal Storage Case	\$ 25.00
Large Metal Storage Case	\$ 25.00
LIGHTING BOARD	\$ 50.00
Oven	\$ 10.00
Single Seat	\$ 5.00
Single Seat	\$ 5.00
Stove	\$ 10.00
Used Epson WP-4020 Printer	\$ 25.00
Wood Desk	\$ 75.00
Wood Tables for adjoining chairs	\$ 5.00
Desk Chair w/arms - Red Fabric	\$ 30.00
Desk Chair w/arms-Gray Fabric	\$ 30.00
Executive Chair - Red Leather	\$ 50.00
Executive Chair, Red Fabric	\$ 50.00
Drafting Table	\$ 200.00
KONICA 7020 COPIER	\$ 200.00
KONICA 7135 COPIER	\$ 200.00
KONICA BIZHUB D12010 COPIER	\$ 200.00
2 drawer wood filing cabinet	\$ 100.00
2 drawer wood filing cabinet	\$ 100.00
Large White Book/Storage Case	\$ 50.00
Large White Book/Storage Case	\$ 50.00
Large White Book/Storage Case	\$ 50.00
Panasonic Electronic White Board w/Printer	\$ 200.00
Pottery Wheel, Lockerbie	\$ 200.00



Pottery Wheel, Lockerbie	\$	200.00
4 drawer metal filing cabinet	\$	40.00
Barstool Height Desk Chair - Gray Fabric	\$	25.00
Bookcase	\$	10.00
Desk Chair w/arms, Red Fabric, Black Arms	\$	30.00
Desk Lamp	\$	5.00
Desk Task Chair - Dk Blue Fabric	\$	25.00
Desk Task Chair - Lt Blue Fabric	\$	25.00
End table	\$	10.00
Executive Chair - Mauve fabric	\$	50.00
Metal Basket	\$	5.00
Piano w/bench	\$	100.00
Sewing Table	\$	50.00
White Table	\$	15.00
White Table	\$	10.00
Wooden Shelf/Bookcase	\$	20.00