



FINANCE COMMITTEE MINUTES

November 17, 2015

The regular Finance Committee meeting held on Tuesday, November 17, 2015, was called to order by Chair Stone at 10:00 a.m. in the Administration Conference Room, followed by the Pledge of Allegiance.

ROLL CALL

Present:	Ms. L. Stone, Chair	Mr. P. Hood
	Mrs. C. Damoci	Ms. P. Snowden
	Mrs. M. Dodero	Mr. R. Stone
	Mr. P. Friedman	Ms. R. Winkler, Ex Officio

Staff:

- Mr. R. Ankeny, Executive Director
- Ms. C. Miller, Controller
- Mrs. J. Rodgers, Purchasing Manager
- Mrs. M. McAuley, Recording Secretary
- Mrs. J. Reed, GRF Representative, Mutual Four
- One Foundation Member

INTRODUCTION OF STAFF AND GUESTS

The Chair introduced and welcomed Foundation members, Golden Rain Foundation (GRF) Board of Directors (BOD) and Staff.

COMMITTEE RULES

The Chair reviewed the meeting rules and asked that courtesy and respectfulness be acknowledged at all times. Please remember to turn off your cell phones.

APPROVAL OF MINUTES

The Chair declared the Special Meeting Minutes of October 30, 2015, approved as written.

The Chair reported the Regular Minutes of October 20, 2015 and the Special Minutes of November 5, 2015, will be placed on the December agenda for approval.

ACCEPT OCTOBER 2015 FINANCIAL STATEMENTS

The Controller reviewed the October 2015 financial reports.

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

TO recommend the GRF BOD accept the October 2015 Financial Statements for audit.

UNFINISHED BUSINESS

Investment Update

The Controller provided an update on investments and inviting financial advisors to speak with the Finance Committee members.

NEW BUSINESS

Approve Surplus 2015 Operational Funds (Policy 5528-31, Refund of Excess Income)

Policy 5528-31 – Refund of Excess Income provides the guidelines to follow for the distribution of surplus operational funds at the close of the year. Per the October 2015 Financial Statements and anticipated expenses in the months of November and December, there is a clear indication that the 2015 operational budget will close with a surplus.

In accordance with Policy 5528-31, a recommendation of the Finance Committee to the Board is requested.

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

TO recommend to the GRF BOD to distribute 2015 surplus operational funds, upon the acceptance of the 2015 audited statements as follows:

1. Retain funds to be transferred to the contingency operating fund in an amount necessary to bring the fund balance to equal to five (5%) percent of the average of the operating costs for the previous five-year period. Operating costs for 2015 will be determined upon finalizing the 2015 financial statement audit.
2. Retain all remaining excess funds to be transferred to the Reserve fund account.

News Accounts Receivables Write-offs

The Controller reviewed the Aged Receivable in Cost Center 36, *News*. She asked the Committee to authorize the write-off of \$175.00.

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

TO write-off the past due *News* Receivables in the amount of \$175.00.

Accelerate 2016 Capital Request – Physical Properties Workstations

Mr. Hood MOVED, seconded by Mrs. Dodero and carried unanimously –

TO approve the acceleration of the 2016 Capital purchase of the Workstations for the Physical Properties department in 2015, in the amount of \$9,135.16.

Request from Physical Properties Committee - Purchase Outdoor Furniture – Eleven Sets

At the November 4, 2015 meeting of the Physical Properties Committee, the Committee reviewed the request from the Architectural Design Review Committee (ADRC) to purchase new outdoor furniture for the Administration building, Health Care Center building (Centennial Brick Area), Clubhouse Three / Library patio and Clubhouse Six patio.

Mr. Hood MOVED, seconded by Mr. Stone –

TO recommend the GRF BOD approve in the amount of \$35,000 from the Capital Funds, for the purchase of eleven sets of outdoor furniture as noted above.

The motion passed with two no votes (Damoci and Snowden).

Request from Recreation Committee - Purchase of Nustep Machine – Fitness Clubhouse Six

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

TO approve the funding from the Capital Funds from Cost Center 56, Clubhouse Six in the amount of \$4,442.04.

Mutual 9 Building 218 Fire Cost

The Executive Director and Assistant to the Executive Director gave an update on fees incurred on the Mutual Nine Building 218 Fire. All expenses related to the fire will be expensed to Cost Center 74, Service Maintenance.

POLICIES

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

TO rescind Procedure 3320.1-31, Receiving; Procedure 3321.1-31, Basic Purchasing Procedures & Responsibility; Procedure 3321.2-31, General Purchasing Procedure; Procedure 3321.3-31, Requisitioning, Purchasing & Receiving Procedures; Procedure 3321.4-31 and Purchase Requisitions.

STAFF REPORTS

Purchasing Manager

The Purchasing Manager's report is attached at the end of the minutes.

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

TO approve the Surplus Equipment as indicated in her report for processing.

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

TO approve the donation of the excess pool billiards equipment from Clubhouse Three and to look into the following Organizations for acceptance:

- Armed Forces Base
- Veterans Home
- Local Schools
- VA Hospital

The last resort would be to sell them.

Controller

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

The Controller reported there was a mistake printed in the newspaper on the insurance disclosures. The disclosure indicated no flood insurance was provided. Flood insurance is provided and a correction in the paper will be published.

Executive Director

The Executive Director provided a report regarding the power outage that occurred on Monday, November 16, 2015.

Emergency Action, Storm Drain Cleaning

Due to the possibility of rain fall exceeding that of previous "El Nino" associated events, additional storm drain cleaning and preventive maintenance is prudent.

Mr. Hood MOVED, seconded by Mr. Stone -

TO recommend the GRF BOD approve the non-budgeted funding, in an amount not to exceed \$50,000, from Cost Center 79, Community Facilities.

PRESIDENT'S COMMENTS

The President commented on the accomplishments of the Committee and the Controller's detailed report.

FOUNDATION MEMBER COMMENTS

One Foundation member commented on various items pertaining to the Committee's area of purview.

COMMITTEE MEMBER COMMENTS

Committee members commented on the Chair's leadership.

The Chair thanked the Committee members and Controller for all their hard work. She reported the Vice Chair, Mrs. Damoci will conduct the next regular monthly meeting as she will be on vacation.

ADJOURNMENT

The next regular monthly meeting will be held on Tuesday, December 15, 2015 at 10:00 a.m. in the Administration Conference Room.

The Chair adjourned the meeting at 11:48 a.m.



Linda Stone, Chair

FINANCE COMMITTEE
mm 12.11.15

**RECAP OF MOTIONS AND ACTIONS TAKEN AT THE SPECIAL FINANCE COMMITTEE
MEETING ON NOVEMBER 17, 2015**

MOTIONS

- The Chair declared the Special Meeting Minutes of October 30, 2015, approved as written;
- **TO** recommend the GRF BOD accept the October 2015 Financial Statements for audit;
- **TO** recommend to the GRF BOD to distribute 2015 surplus operational funds, upon the acceptance of the 2015 audited statements as follows: Retain funds to be transferred to the contingency operating fund in an amount necessary to bring the fund balance to equal to five (5%) percent of the average of the operating costs for the previous five-year period. Operating costs for 2015 will be determined upon finalizing the 2015 financial statement audit. Retain all remaining excess funds to be transferred to the Reserve fund account;
- **TO** write-off the past due *News* Receivables in the amount of \$175.00;
- **TO** approve the acceleration of the 2016 Capital purchase of the Workstations for the Physical Properties department in 2015, in the amount of \$9,135.16;
- **TO** recommend the GRF BOD approve in the amount of \$35,000 from the Capital Funds, for the purchase of eleven sets of outdoor furniture as noted above;
- **TO** approve the funding from the Capital Funds from Cost Center 56, Clubhouse Six in the amount of \$4,442.04;
- **TO** rescind Procedure 3320.1-31, Receiving; Procedure 3321.1-31, Basic Purchasing Procedures & Responsibility; Procedure 3321.2-31, General Purchasing Procedure; Procedure 3321.3-31, Requisitioning, Purchasing & Receiving Procedures; Procedure 3321.4-31 and Purchase Requisitions;

- **TO** approve the Surplus Equipment as indicated in her report for processing.
- **TO** approve the donation of the excess pool billiards equipment from Clubhouse Three and to look into the following Organizations for acceptance: Armed Forces Base, Veterans Home, Local Schools and the VA Hospital. The last resort would be to sell them;
- **TO** recommend the GRF BOD approve the non-budgeted funding, in an amount not to exceed \$50,000, from Cost Center 79, Community Facilities.

ACTIONS

- The Chair reported the Regular Minutes of October 20, 2015 and the Special Minutes of November 5, 2015, will be placed on the December agenda for approval;
- The Controller provided an update on investments and inviting financial advisors to speak with the Finance Committee members;
- The Controller reported there was a mistake printed in the newspaper on the insurance disclosures. The disclosure indicated no flood insurance was provided. Flood insurance is provided and a correction in the paper will be published;
- Vice Chair, Mrs. Damoci will conduct the next regular monthly meeting as the Chair will be on vacation.

Golden Rain Foundation
November 17, 2015 Meeting of the Finance Committee
Purchasing Manager's Report

October 2015:

Acct #	Description	Y-T-D Actual	Y-T-D Budget	Budget Variance
Expenses - Purchasing				
6100000 32	Salaries & Wages - Purchasing	135,395	149,294	13,899
6140000 32	Employment Taxes - Purchasing	10,681	11,917	1,236
6142000 32	Workers' Compensation - Purchasing	8,963	13,333	4,370
6143000 32	Group Insurance - Medical - Purchasing	20,172	14,053	(6,119)
6143300 32	Group Insurance - Dental - Purchasing	521	330	(191)
6143500 32	Group Insurance - Vision - Purchasing	307	196	(111)
6144000 32	401(k) Match - Purchasing	3,160	4,486	1,326
6145000 32	Group Insurance - Life - Purchasing	628	679	51
6146000 32	Long Term Disability Insurance - Purchas	501	792	291
6211000 32	Continuing Education - Purchasing	0	500	500
6213100 32	Temporary Agency Fees - Purchasing	29,021	0	(29,021)
6214000 32	Meals & Special Events - Purchasing	(4)	0	4
6215000 32	Mileage - Purchasing	13	100	87
6217000 32	Uniforms & Laundry - Purchasing	1,342	1,625	283
6410000 32	Office Supplies - Purchasing	732	1,000	268
6410005 32	Building Supplies - Purchasing	163	1,000	837
6410010 32	Hospitality - Purchasing	366	416	50
6410015 32	Computer Supplies - Purchasing	0	600	600
6410020 32	Equipment Expense - Purchasing	259	1,250	991
6410030 32	Printer / Copier Supplies - Purchasing	490	666	176
6411000 32	Freight & Handling - Purchasing	9,032	8,330	(702)
6435100 32	Bank Service Fees - Purchasing	526	0	(526)
6444000 32	Equipment Rental - Purchasing	1,116	1,125	9
6471000 32	Building Repair & Maintenance - Purchasi	76	500	424
6472000 32	Equipment Repair & Maintenance - Purchas	805	500	(305)
6478000 32	Service Contracts - Purchasing	174	125	(49)
6482000 32	Dues, Memberships & Books - Purchasing	481	200	(281)
6483000 32	Propane - Purchasing	472	1,400	928
6911500 32	Inventory Over / Short-Purchasing - Purc	(10,055)	1,668	11,721
6911505 32	Obsolete Inventory Adjustment - Purchasi	3,330	3,330	0
	Total Expenses	218,670	219,413	743
Other Cost Recovery				
5380320 32	Shipping & Processing Recovery - Purchas	(2,218)	8,334	(10,552)
5385000 32	Other Income - Purchasing	120	0	120
5540000 32	Discounts Earned - Purchasing	1,995	0	1,995
	Total Other Cost Recovery	(102)	8,334	(8,436)
5330000 32	Income / Refund from Mutuals - Purchasin	210,015	210,014	1
	Total Cost Recovery	209,913	218,348	(8,435)
Off Budget Items				
5990000 32	Materials Recovery - Purchasing	(50,881)	0	50,881
6415000 32	Materials Pass-Thru - Purchasing	50,881	0	(50,881)
	Total Off Budget Items	0	0	0
	Net Income / (Expense)	(8,757)	(1,065)	(7,692)

Golden Rain Foundation
November 17, 2015 Meeting of the Finance Committee
Purchasing Manager's Report

Budget Variance:

Cost center 32 is over budget a total of \$8,435 YTD. Notable variances are:

Budget Variance Report - October 2015
Purchasing - CC#32

<u>GL Code</u>	<u>Account Description</u>	<u>YTD Variance</u>	<u>Explanation</u>
6100000	Salaries & Wages	13,899.00	Open Position
6140000	Employment Taxes	1,236.00	Open Position
6142000	Worker's Compensation	4,370.00	2014 Refund dollars allocated to CC32
6143000	Group Insurance - Medical	(6,119.00)	Additional participation not budgeted
6144000	401 (k) Match - Purch	1,326.00	Participation below planned budget
6213100	Temporary Agency Fees	(29,021.00)	Temp hired to fill key vacant position
6911500	Inventory Over/Short	11,721.00	Inventory adjustments
5380320	Shipping & Proc. Recoveries	(10,552.00)	YTD recoveries of \$35,121 offset by a 2014 correction of \$25,098
5540000	Discounts Earned Purchasing	1,995.00	Unbudgeted discounts earned
Total Explained Variances		<u>(11,145.00)</u>	

Golden Rain Foundation
November 17, 2015 Meeting of the Finance Committee
Purchasing Manager's Report

Project Report:

1. Axserion program training and testing in progress.
2. Warehouse Reorganization (ongoing):
 - a. Warehouse racking approved, to be installed prior to year-end.
3. Surplus Equipment – Seeking approval to process the following received surplus equipment:

Description	Price OBO
Tall Bookcase (2)	\$ 20.00
Short Bookcase (3)	\$ 20.00
Desk (5)	\$ 20.00
Round Table	\$ 5.00
Picture Frames (5)	\$ 1.00
Chairs (2)	\$ 5.00
Wooden Filing Cabinets (2)	\$ 20.00
Rolling Printer Desk	\$ 5.00

4. 2014/2015 Capital Project Status:
 - Bar Code Printer Label: Pending.

Golden Rain Foundation
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Purchasing Manager's Report

Purchasing Services Report, Month Ending October 2015:

2015 Total Purchasing Services Report

Month	Days	Purch Cash Sales	Mat'l Reqs Processed	Receipt Trans Processed	Walk-In Sales	CC Trans	Purchase Orders	Total Services
January	21	\$ 5,238.88	549	157	199	0	192	1097
February	19	\$ 3,838.58	682	180	250	0	250	1362
March	22	\$ 7,446.17	638	249	232	0	214	1333
April	22	\$ 5,388.73	701	187	282	0	281	1451
May	20	\$ 4,925.90	643	170	195	0	201	1209
June	22	\$ 3,987.39	722	183	225	29	243	1402
July	22	\$ 4,952.19	719	193	244	57	200	1413
August	21	\$ 5,513.49	671	151	215	64	211	1312
September	21	\$ 5,658.00	674	145	223	63	204	1309
October	22	\$ 6,502.46	762	171	282	73	146	1434
November								0
December								0
Total	212	\$ 53,451.79	6761	1786	2347	286	2142	13322
Daily Avg		\$ 252.13	32	8	11	7	10	63

5. Obsolete Inventory (GL 1163000-00)

Item Number	U Of M	Item Description	TRX QTY	Unit Cost	Extended Cost	Document Date	Reason
21-2602	BX	PAPER FAX THERMAL 6/CS	-5	\$15.54	\$77.70	10/2/2015	Organization utilizes E-fax, Fax machine ink replacement cartridges no longer needed
21-9002	EA	CARTRIDGE BROTHER FAX PC-101	-5	\$35.98	\$179.90	10/2/2015	Organization utilizes E-fax, Fax machine ink replacement cartridges no longer needed
21-9006	EA	DWO CARTRIDGE BROTHER FAX PC-201	-4	\$23.99	\$95.96	10/2/2015	Organization utilizes E-fax, Fax machine ink replacement cartridges no longer needed
21-9011	EA	TONER -BROTHER INTELLIFAX (TN430) #4750E	-1	\$51.29	\$51.29	10/2/2015	Organization utilizes E-fax, Fax machine ink replacement cartridges no longer needed
					\$404.85		

Golden Rain Foundation
November 17, 2015 Meeting of the Finance Committee
Controller's Report


Acct #	Description	Y-T-D Actual	Y-T-D Budget	Budget Variance
Expenses - Finance				
610000 31	Salaries & Wages - Finance	458,054	454,309	(3,745)
614000 31	Employment Taxes - Finance	36,223	35,803	(420)
614200 31	Workers' Compensation - Finance	9,889	14,709	4,820
614300 31	Group Insurance - Medical - Finance	37,474	45,685	8,211
614330 31	Group Insurance - Dental - Finance	749	1,093	344
614350 31	Group Insurance - Vision - Finance	652	699	48
614400 31	401(k) Match - Finance	9,075	12,422	3,347
614500 31	Group Insurance - Life - Finance	1,912	1,940	28
614600 31	Long Term Disability Insurance - Finance	1,588	2,264	676
621000 31	Payroll Processing Fees - Finance	26,240	24,626	(1,614)
621100 31	Continuing Education - Finance	0	0	0
621310 31	Temporary Agency Fees - Finance	4,043	0	(4,043)
621400 31	Meals & Special Events - Finance	32	0	(32)
621500 31	Mileage - Finance	0	50	50
641000 31	Office Supplies - Finance	1,471	4,834	3,363
641005 31	Building Supplies - Finance	0	250	250
641010 31	Hospitality - Finance	604	784	180
641015 31	Computer Supplies - Finance	1,238	250	(988)
641025 31	Lunch Room Supplies - Finance	91	166	75
641030 31	Printer / Copier Supplies - Finance	3,512	5,834	2,322
643210 31	Audit Fees - Finance	109,670	96,670	(13,000)
643510 31	Bank Service Fees - Finance	3,445	3,400	(45)
644400 31	Equipment Rental - Finance	2,568	2,563	(5)
647800 31	Service Contracts - Finance	1,854	1,650	(204)
648200 31	Dues, Memberships & Books - Finance	139	170	31
648301 31	Mailouts - Periodic - Finance	8,199	7,050	(1,149)
648302 31	Mailouts - Pymt Coupons - Finance	8,303	0	(8,303)
649100 31	Miscellaneous Writeoffs - Finance	(86)	0	86
672100 31	State & Federal Taxes - Finance	42,255	13,750	(28,505)
691000 31	Uncollectible Customer Receivables - Fin	1	0	(1)
695100 31	Non-Budgeted Exp for Committee - Finance	107	834	727
Total Expenses		769,301	731,805	(37,496)

Budget Variance Report - October 2015
Dept Name - CC 31

GL Code	Account Description	Variance	Explanation
614200	Workers' Compensation	4,820	2014 Refund \$1,576 allocated to CC31; reduction in premiums effective August
614300	Group Insurance	8,603	Lower participation & reduced 2015 premiums than budgeted
614400	401(k) Match	3,347	Lower participation than budgeted
621310	Temporary Agency Fees	(4,043)	Three weeks LOA (AP) required temp - unbudgeted
643210	Audit Fees	(13,000)	Add'l fees for 2014 tax filings - unbudgeted
648302	Mailouts - Pymt Coupons	(8,303)	\$5,162 second coupon mailing in Feb - unbudgeted
672100	State & Federal Taxes	(28,505)	2015 Est taxes exceed annual budget by \$31,300
Total Explained Variances		(37,081)	

Golden Rain Foundation
November 17, 2015 Meeting of the Finance Committee
Controller's Report

Budget Timeline

		GRF Budget Timeline
5/18/2015		Distribute staffing plans and capital acquisition surveys to managers & supervisors.
6/12/2015		Distribute operating budget input sheets to managers & supervisors.
July 2015		Initial draft budgets presented to committees
August		Second iteration of draft budgets presented to committees
9/15/2015		Final draft budget reviewed by Finance Committee
9/22/2015		Final draft budget presented to the GRF board.
10/28/2015 to 10/30/2015		Copy the approved budgets for distribution in November. All budgets to <i>The News</i> by October 30 th .
11/12/2015		Distribute approved budgets in <i>The News</i> .

Golden Rain Foundation
November 17, 2015 Meeting of the Finance Committee
Controller's Report

Investments

- Purchased in October
 - \$350,000 for 52 weeks @ .5% from reserve funds
- To be purchased in November
 - Reinvest matured CDAR of \$350,000 plus \$250,000 from US Bank (Reserve funds) in a 52-week CDAR @ .5% per committee action approved on November 5, 2015.
- Pending Action Item: Invite financial advisors to speak with the Finance Committee members
 - BNY Mellon – Awaiting for Erez Kabaker to return to the office.
 - First Foundation Bank – Change in relationship managers and have not been able to contact the new relationship manager.
 - Merrill Lynch – need to find a financial advisor – no relationship established yet.
 - Morgan Stanley – need to find a financial advisor – no relationship established yet.

Superwire

1. Monthly payments of \$1,600 are received each month on past due amounts for 2009 – 2012 until arrears have been paid in full. See schedule below.
2. Monthly estimated payments of 850.35 for current extra service revenue through May.
3. Per Mike Heil, effective September, GRF is to collect \$1,100 for estimated current extra service revenue.
4. Third quarter 2015 true-up amount will be deducted from the December settlement payment to Superwire.

Golden Rain Foundation
November 17, 2015 Meeting of the Finance Committee
Controller's Report

Superwire		
Due From	Amount	
2009	2,248.24	
2010	10,100.97	
Jan - Apr 2011	\$3,693.30	
Subtotal	16,042.51	
May - Dec 2011	\$1,197.20	
2012	\$1,795.60	
2013	-	Paid in full Mar '15
2014	-	Paid in full Mar '15
1st Qtr 2015	-	Paid in full Jul '15
2nd Qtr 2015	-	Paid in full Sep '15
Subtotal	\$2,993.00	
Total	<u>19,035.51</u>	
Payments:	(\$12,800.00) 4/1/2015 - 11/1/2015	
Bal Due:	<u>6,235.51</u>	

Aged Receivables (GRF - Quarterly Review)

- News Receivables – Request to write off \$175.00 (Handout)

Contract Renewal Report (Quarterly Review)

Mutual Seventeen Lease Income

1. All annual lease fees have been collected
2. Collected YTD: \$7,784.00

Golden Rain Foundation
November 17, 2015 Meeting of the Finance Committee
Controller's Report

M17 Lease Fees Collected in October 2015

			Month	YTD
	336		Total	Total
	0		-	
	-		-	24

			Month	YTD
	336		Total	Total
	0		-	
			-	
Total M17 Lease Fees Collected October 2015			-	7,784

Policy 5061-33 Distribution:

		Month	YTD
Capital Improvement Fund	67%	-	5,214
Reserve Fund	33%	-	2,570
Total Membership Fees		-	7,784

Golden Rain Foundation
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Controller's Report

SRO Aging Recap:

Month	Last Month	This Month
Feb-15	1	1
Mar-15	1	1
Apr-15	47	35
May-15	84	67
Jun-15	47	30
Jul-15	58	26
Aug-15	167	52
Sep-15	1,212	267
Oct-15	-	1,174
Total	1,617	1,653

Pending Action Items:

None