



FINANCE COMMITTEE

SUMMARY REPORT Monday, November 16, 2020 9:00 a.m.

Action/Request	Person Resp.	Cmte. Referral	F C	B O D	Comments
1. STAFF REPORTS: Finance Director The Committee moved to authorize the Finance Director, write off \$2,518.20 of uncollectible news receivables.	Director of Finance				
2. FINANCIALS The Committee moved and recommended the GRF Board accept for audit and forward to the GRF Board the financial statements for period ending October 31, 2020, as presented by the Director of Finance and as reviewed by the Finance Committee.	Director of Finance			✓	
3. UNFINISHED BUSINESS: Fixed Assets Annuities – Discussion Only The Committee discussed Fixed Assets and Annuities. No action was taken pending requested proposals from US Bank and the Shadden Group.	Director of Finance				
4. NEW BUSINESS: Investment Ladder RESERVE FUNDS INVESTMENT PURCHASE The Committee moved and recommended the GRF Board authorize the purchase of brokered CDs through Morgan Stanley totaling \$1.5 Million of reserve funds, with terms of 12 months, at the prevailing interest rates at the time of purchase and at the discretion of the financial advisors.	Director of Finance			✓	
5. NEW BUSINESS: Approve 2020/2021 Master Insurance Policy Renewal The Committee moved and recommended the GRF Board approve the insurance proposal dated November 1, 2020, as submitted, in the amount of \$2,527,381, for the policy period of December 1, 2020 to November 30, 2021 and authorize the President to sign the required renewal documents, per the insurance proposal dated November 1, 2020, as prepared and submitted by DLD Insurance Brokers, Inc.	Executive Director			✓	

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SUPPLEMENTAL COVERAGES

The Committee moved to hire an Insurance Advisor, to discuss the additional supplemental coverages for the Master Insurance policy, pending recommendations from the proposed Insurance Advisor.

After further discussion, the Committee moved to decline the following supplemental coverages for the Master Insurance Policy:

1. Additional Liability Coverage:

Currently Leisure World Seal Beach buys excess liability limits of \$40,000,000 over the primary \$1,000,000 per occurrence/\$2,000,000 policy aggregate limits through Philadelphia. We could secure \$5,000,000 more in excess limits for an additional premium of \$10,000 or \$10,000,000 more for an additional premium of \$20,000. Please let us know if you would be interested in purchasing either one of these additional limit options.

2. Additional D&O Coverage:

Currently the Foundation carries \$10M D&O/EPL Limits and the Mutuals carry \$10M D&O/EPL Limits. This year we have procured an additional \$5M option for the Foundation as well as an additional \$5M option for the Mutuals.

3. Excess Property (excluding Flood and Earthquake)

The current Property program with Philadelphia has a \$200,000,000 policy limit for Buildings, Business Personal Property and Business Interruption; this excludes Earthquake and is subject to various sublimit (i.e., \$5,000,000 Flood). If Leisure World Seal Beach desires higher limits, we can obtain various options. Initial pricing indications for \$100,000,000 excess of the current \$200,000,000 would be \$75,000 to \$125,000 additional premium.

4. Excess Flood:

A prior excess Flood placement that provided additional limits of \$5,000,000 per occurrence/Policy Aggregate for the perils of Flood has not been purchased by GRF/Mutuals since 2016. If this coverage were requested again, premium indications range from \$150,000 to \$210,000. Please let us know if you want to pursue this option or consider higher limits and we will obtain firm quotes for your consideration.

Executive
Director

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<p>5. Earthquake Coverage:</p> <p>Few companies can offer Earthquake coverage to encompass the entire community of Leisure World due to the concentration of values. That said, we have received rough indications of \$375,000 to \$600,000 for a \$5,000,000 primary limit with deductibles ranging from 5% to 10% per unit (\$50,000 minimum).</p> <p>6. Active Shooter / Workplace Violence Coverage:</p> <p>As a result of increasing active shooter attacks in our society, we wanted to present you with a quote for Active Shooter / Workplace Violence coverage. In brief, this coverage is triggered by violent attacks and/or threats and provides supplemental liability and extra expense coverage to insureds. Additionally, it provides death benefits and medical, rehabilitation, psychiatric and funeral expense coverage to victims. Detailed terms, conditions, and exclusions of this coverage are included with the actual quote. The carrier has agreed to amend the insured definition to include residents, although it will not include any events inside the resident's unit. Premium ranges from \$8,000 to \$18,000 plus taxes and fees with limits varying from \$1,000,000 to \$5,000,000.</p>					
<p>6. NEW BUSINESS: Exclusive Use of Trust Property - Lease Agreements</p> <p>The Committee moved and recommended the GRF Board the approval for a one-year term commencing on January 1, 2021 and expiring on December 31, 2021, at the annual rent of one dollar (\$1.00), per the terms and conditions, the following lease agreements for the exclusive use of Trust property:</p> <ul style="list-style-type: none"> • Friends of the Library Club • Genealogy Club • Golden Age Foundation • Historical Society Club • Radio Club • Rolling Thunder Club • Theater Club • Video Producers Club • Mutual Eight • Leisure World Trailer Club 	<p>Recreation Director</p>			<p style="text-align: center;">✓</p>	

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<p>7. NEW BUSINESS: Exclusive Use of Trust Property, Conceptual Review The Committee moved and recommended the GRF Board conceptual approval to renovate a section of Building 5 and develop a policy for the commercial use of approximately 248 square feet of Trust Property.</p>	Executive Director			✓	
<p>8. NEW BUSINESS: Capital Funding Request – Information Stalker Trailer The Committee moved to inform the Board, the Finance Committee has determined Capital funding in the amount of \$21,945.04, are available and have placed a temporary hold on these funds, pending Board Action.</p>	Executive Director			✓	
<p>9. NEW BUSINESS: Reserve Funding Request – Trust Property – RV Lot Entrance The Committee moved to inform the Board, the Finance Committee has determined Reserve Funding in the amount of \$23,600, are available and have placed a temporary hold on these funds, pending Board action on the proposed (to replace and/or extend the useful life of a Trust Property asset and/or component of the asset), to replace the existing asphalt entrance at the RV Lot as being recommended to the Board by the Physical Property Committee, per the Committees action request of November 10, 2020, Trust Property – RV Lot Entrance.</p>	Facilities Director			✓	
<p style="text-align: center;">FUTURE AGENDA ITEMS: The Committee concurred not to add future agenda items</p> <ul style="list-style-type: none"> • Fixed Asset Annuities • Evaluate Property Appraiser • Discussion on Insurance Supplemental coverages 					Recording Secretary