



**FINANCE COMMITTEE MEETING
REPORT OF THE REGULAR OPEN SESSION**

Tuesday, January 7, 2020 – 1:30 p.m.
Laguna Woods Village Community Center Board Room, 24351 El Toro Road

MEMBERS PRESENT: Jon Pearlstone – Chair, Steve Parsons, Annie McCary, Lynn Jarrett, John Frankel, Cush Bhada, Robert Mutchnick, Ralph Engdahl, Craig Wayne, Advisor: Wei-Ming Tao

MEMBERS ABSENT: Reza Karimi, Advisor: John Hess

STAFF PRESENT: Betty Parker, Steve Hormuth, Christopher Swanson

Call to Order

Director Jon Pearlstone, Treasurer, chaired the meeting and called it to order at 1:32 p.m.

Approval of Meeting Agenda

A motion was made and carried unanimously to approve the agenda as presented.

Approval of Meeting Report for December 3, 2019

A motion was made and carried unanimously to approve the committee report as presented.

Department Head Update

Betty Parker, Chief Financial Officer, provided updates on the 2020 Budget, Insurance and Investments. Director Pearlstone requested that the Request for Proposal for a property appraisal include an actuarial analysis of recommended insurance coverage. Advisor Tao requested additional information on the impact of the 8.5% Funding Rehabilitation Plan for Union retirement.

Preliminary Financial Statements dated November 30, 2019

The committee reviewed financials and questions were addressed. The committee requested a more detailed compensation variance report at the next finance committee meeting.

Investment Update

A handout was provided from SageView regarding the targeted allocations of investments between seven different funds. Semi-annual portfolio reviews will be scheduled.

Transfer of Funds to Discretionary Investments

The committee reviewed a staff report regarding the transfer of funds to discretionary investments, representing cash that is not needed for near-term operations.

Director Bhada made a motion and was seconded by Director Mutchnick to transfer \$10,000,000 to the discretionary investment account held by Fidelity Investments. Discussion ensued.

Director Parsons made a motion and was seconded by Director Bhada to amend the original motion from \$10,000,000 to \$8,000,000, consistent with staff's recommendation. Discussion ensued and both the amendment and the motion passed unanimously.

Staff was directed to follow up with mid-year cash projections based to determine if any further funds are available for the discretionary account.

Committee Member Comments

Director Pearlstone encouraged committee member participation and discussion.

Advisor Tao provided compliments about the continuous improvements in financial reporting.

Future Agenda Items

Chargeable Services Report – Q4 (February)

Overtime/Temp Help/ Turnover – Q4 (February)

Solar System Update – Q4 (February)

Date of Next Meeting

Tuesday, February 4, 2020 at 1:30 p.m. in the Board Room.

Recess to Closed Session

The meeting recessed at 2:37 p.m.



Jon Pearlstone, Chair