



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

Tuesday, August 4, 2020 – 1:30 p.m.
Virtual Meeting

MEMBERS PRESENT: Robert Mutchnick – Chair, Steve Parsons, Cush Bhada, Lynn Jarrett, John Frankel, Ralph Engdahl, Doug Gibson, Reza Karimi
Advisors: Wei-Ming Tao

MEMBERS ABSENT: Annie McCary, Craig Wayne, Advisor: John Hess

STAFF PRESENT: Betty Parker, Steve Hormuth, Pamela Bashline, Christopher Swanson

Call to Order

Director Robert Mutchnick, 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 June 2, 2020

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

Member Comments

None.

Department Head Update

Betty Parker, Chief Financial Officer, provided updates on Civil Code 5500 reporting, insurance and investments and the 2021 Budget. A meeting will be scheduled for the review the 2019 Audit adjusting entries after the conclusion of the closed session meeting. Additionally, the committee was given the option to direct staff for Version 2 of the 2021 Business Plan to increase the current paint cycle from a 10 year cycle to 15 year cycle. This increase would reduce the paint and prior to paint programs in 2021 by \$400,000 and \$300,000 respectively. Advisor Tao commented about the status of the paint trim cycle. Director Mutchnick stated that he would speak with Ernesto about this. By consensus, the committee agreed to a 15 year paint cycle for the basis of the 2021 Business Plan for Version 2.

Guidelines for Financial Qualification Annual Income Requirement for Guarantors

The committee reviewed a staff report and endorsement from the Resident Policy and Compliance committee to increase the annual income requirement for guarantors.

A motion was made and carried unanimously to recommend the board follow staff's recommendation to increase the annual income requirement for guarantors to \$150,000.

Preliminary Financial Statements dated June 30, 2020

The committee reviewed financials and questions were addressed. The committee requested additional information on the following items:

- What caused the \$151,000 loss in Operating for June 30, 2020
- Provide a follow up on Net Loss or Net Gain and the process of KPMG's tax estimate process.
- Provide the location on the GL of the \$59,000 rebate from El Toro Water District for Landscape Modernization
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Comment [SC1]: Note: This question was addressed at the Third Special Board Meeting on Aug. 20, 2020 under slide 15.

Future Agenda Items

Solar System Update – Q2 (Late 2020)
Chargeable Services Analysis (Semi-Annual)

Committee Member Comments

Betty Parker provided an update about the coin shortage and the plans that are currently in place for a soft opening on have coins distributed by staff back to the resident via payment.

No other comments were made.

Date of Next Meeting

Tuesday, September 1, 2020 at 1:30 p.m.

Recess to Closed Session

The meeting recessed at 2:37 p.m.

Robert Mutchnick, Chair