



OPEN MEETING

REPORT OF THE REGULAR MEETING OF THE
UNITED LAGUNA WOODS MUTUAL FINANCE COMMITTEE

Tuesday, March 26, 2019 – 2:00 p.m.
Laguna Woods Village Community Center Sycamore Room, 24351 El Toro Road

MEMBERS PRESENT: Juanita Skillman - Chair, Carl Randazzo, Sue Margolis, Elsie Addington

OTHERS PRESENT: Manuel Armendariz, Andre Torng, Dick Rader (VMS)

MEMBERS ABSENT: Gary Morrison

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

Call to Order

Director Skillman chaired the meeting and called it to order at 2:00 p.m.

Approval of Agenda

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

Approval of the Regular Meeting Report of January 29, 2019

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

Member Comments (Items Not on the Agenda)

Dick Rader commented on the prior year deficit.

Director Torng commented on bank reconciliation procedures. The Committee agreed to add this item to a future agenda for discussion.

Department Head Update

Betty Parker, Chief Financial Officer, provided a summary of the special Board workshop held on Friday, March 22, 2019 to review financials and noted that Staff is compiling additional information that will become part of the procedural review for Civil Code Section 5500.

Review Preliminary Financial Statements dated February 28, 2019

The Committee reviewed Financial Statements for February 28, 2019. Discussion ensued and questions were addressed.

Payment Plan Form for Delinquent Assessments

The Committee reviewed a collection of recommendations made during prior meetings of the Governing Documents Review and Finance Committees, which resulted in wording changes to the Payment Plan Agreement Form for Assessments and the introduction of a new setup fee of \$50 for approved payment plans.

A motion was made and carried unanimously to recommend the Board adopt a proposed Payment Plan Agreement – Assessments form and policy resolution, as presented. The Committee requested that Members receive a projected amortization schedule of charges for all approved payment plans.

Discuss EZ Pay Service

The Committee reviewed a staff report [handout] describing several electronic payment methods used for assessment payments, including EZ Pay, Lockbox, and check scanning services. The Committee agreed to discuss on a future agenda the potential of making auto-debit payments mandatory for assessments.

Discuss Recognition Agreement

Pamela Bashline, Community Services Manager, provided a verbal update regarding the history and use of a Recognition Agreement, which is a contract between the Mutual and a lender that allows members to obtain mortgages for units purchased in United Mutual. While other lenders have shown an interest in working with members, NCB is the only authorized lender currently operating under an executed agreement.

A motion was made and carried by a vote of 2-1 (Addington opposed), to recommend the Board bring the current Recognition Agreement to legal counsel for review and determine the process for vetting other interested lenders.

Financial Qualification Policy

The Committee reviewed a revised Financial Qualification Policy that includes new language pertaining to Community Property, Rental Income, Capitals Gains, and Guarantors.

The Committee noted that reinstatement of Guarantors is currently under 28-day notice requirements and will be presented for approval at the next Board meeting on April 9, 2019. Should this item be adopted, the Financial Qualification Policy would be updated to reflect the reinstatement of Guarantors.

A motion was made and carried unanimously to recommend Board approval of the Financial Qualification Policy as revised by the United Governing Documents Committee, with no change in Guarantor wording until a policy is approved by the Board. The Committee further recommended that an effective date for Guarantor policy change be sufficiently in the future to allow for a coordinated Financial Qualifications Policy update.

Golf Cart Charging Violations Fees

A motion was made and carried unanimously to recommend the Board approve the amended Golf Cart Policy and Procedures to include a separate fine for golf carts cited using Mutual electricity without an Annual Electric Golf Cart decal.

Future Agenda Items

- Bank Reconciliation Procedures
- EZ Pay Discussion

Date of Next Meeting

Tuesday, May 28, 2019 at 2:00 p.m.

Recess to Closed Session

The meeting recessed to closed session at 4:10 p.m.

DRAFT

Juanita Skillman, Chair