



OPEN MEETING

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

Tuesday, May 28, 2019 – 2:00 p.m.

Laguna Woods Village Community Center Sycamore Room, 24351 El Toro Road

**MEMBERS PRESENT:** Gary Morrison – Chair, Juanita Skillman, Carl Randazzo, Sue Margolis, Elsie Addington

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

**MEMBERS ABSENT:** None

**STAFF PRESENT:** Betty Parker, Steve Hormuth

**Call to Order**

Director Morrison 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 March 26, 2019**

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

**Member Comments (Items Not on the Agenda)**

Director Armendariz distributed a handout to all attendees titled Status of Compliance by United Laguna Woods Mutual and its Directors With the 2019 Changes in Davis-Stirling Act Regarding Finances and Accounting as of May 28, 2019. Director Armendariz verbally summarized the handout stating that his concerns over civil code section 5500 had been addressed with the exception of the cash account being reported entirely as an Operating Fund. A motion was made and carried by a vote of 4-0-1 (Director Addington abstained), to ask legal counsel to write an opinion letter regarding civil code section 5500 and the intent of the law.

**Review Preliminary Financial Statements dated April 30, 2019**

The Committee reviewed Financial Statements for April 30, 2019. Discussion ensued and questions were addressed.

### **Investment Policy**

The Committee discussed the current investment policy that is approved by the United Board via resolution 01-17-38. Director Morrison asked for input on the Investment Policy and the potential adjustment of risk tolerance. Opinions ranged from status-quo to expanding the portfolio to include some equity exposure.

Director Randazzo left the meeting at 3:20 p.m.

### **Bank Reconciliation Procedures**

Steve Hormuth, Controller, provided a verbal update on the process used to reconcile the Mutual Cash Account to the month-end bank statement. Director Torng commented on standard operating procedures utilized by staff and the need for documentation. Director Armendariz commented on the bank reconciliation process confirming that staff was following industry practices.

### **EZ Pay Service**

The Committee discussed the EZ Pay Service utilization by the residents for payments of monthly assessments and requested follow up with legal counsel to determine if auto debit enrollment can be made mandatory for new members, or if an additional fee can be charged to those members who are not enrolled.

### **2019 Reserve Study Update**

The Committee discussed the results of the 2019 Reserve Study. A motion was made to increase reserve contributions for the 2020 business plan by \$7.50 as a basis for discussions. The motion failed for a lack of a second. Director Skillman commented on reviewing reserve contributions amounts after the Special Landscape and M&C meetings occurring on May 30, 2019 and May 31, 2019 respectively. Staff will prepare 2020 Version 1 Budgets with the recommendations provided by the Reserve Study Specialist of increasing reserve contribution by \$7.78 per manor per month.

### **Member Comments**

Director Beldner commented on upcoming 2020 budget meetings and ideas for reductions.

### **Date of Next Meeting**

Tuesday, July 30, 2019 at 2:00 p.m.

### **Recess to Closed Session**

The meeting recessed to closed session at 3:55 p.m.

  
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Gary Morrison, Chair