



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

Tuesday, June 28, 2022 – 1:30 p.m.
Hybrid Meeting

DIRECTORS PRESENT: Azar Asgari – Chair, Anthony Liberatore, Lenny Ross, Reza Bastani
DIRECTORS ABSENT: Pat English
ADVISORS PRESENT: Dick Rader
STAFF PRESENT: Siobhan Foster, Steve Hormuth, Jose Campos, Erika Hernandez
OTHERS PRESENT: United – Diane Casey, Maggie Blackwell, Cash Achrekar
GRF – Juanita Skillman, Elsie Addington
VMS – Norman Kahn

Call to Order

Director Azar Asgari, Treasurer, chaired the meeting and called it to order at 1:30 p.m.

Acknowledgment of Media

The meeting was recorded via Granicus and made available via Zoom for members of the community to participate virtually.

Approval of Agenda

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

Approval of the Regular Meeting Report of June 28, 2022

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

Chair Remarks

Director Asgari stated the following: “In any corporation, finance is the most watched department and Laguna Woods Village is not an exception. As you all know, United has two accounts for covering all its incomes and expenses: Operating account, and reserve account. Under the reserve account there was \$14.8 million in October 2019, at the time Sage view took over to invest for us. We hoped the money grows for years to come to cover our future expenses. The growth was \$603,955 by 2020. Since that gain was never cashed by last month in June 2022, after almost two years, we lost \$832,433 and back to the less than original money means \$14.3 million. To not take the same roller coaster road again United must take some action in our investment with more stable plan to create cash and be prepared for the future expenses of our community”

Member Comments (Items Not on the Agenda)

None.

Department Head Update

Steve Hormuth, Director of Financial Services, provided a brief summary of the changes made to the 2023 Business Plan and the discretionary investment change.

Review Preliminary Financial Statements dated June 30, 2022

The committee reviewed financial statements for June 30, 2022 and questions were addressed and noted by staff.

A member commented on the maturity duration of the holdings presented in the Sageview/Fidelity report. Comments were noted by staff. No further actions.

Compensation and Outside Services

The committee reviewed the report. No actions were requested or taken.

Collections and Lien Policy and Notice of Assessments and Foreclosure

Steve Hormuth presented the current 2022 Collections and Lien Policy recommending to send it to legal counsel for review. Director Asgari made a motion to approve the recommendation. The motion was passed unanimously.

2021 Operating Surplus/Deficit

Steve Hormuth presented a staff report recommending the board to approve a \$241,238 transfer from the Contingency Fund to the Operating Fund due to the 2021 operating deficit and further avoid depletion of operating cash. Director Asgari made a motion to approve the recommendation. The motion passed by unanimous decision to accept this recommendation and present at the next Board meeting.

Discretionary Investments Update

Steve Hormuth summarized the action taken by the Board during the July meeting approving the sell-off of the current investments with Fidelity and reinvest into 6-month T-Bills, 25% into 1-year T-Bills, 25% into 18-month T-Bills, and the remaining 25% into 24-month T-Bills. Discussion ensued amongst the committee and members.

A member reminded the committee that the vote was preliminary and required ratification at the upcoming Board meeting.

A member stated via email that the vote should be stricken down in order to allow more review on this recommendation.

A couple members suggested that the committee seek advice from a third-party Financial Advisor before finalizing the decision.

A member commented on the variation of the market and inability to foretell the future in investments.

A member expressed that the community is not seeking to make money quickly as possible for they are a non-profit organization and the Board should reconsider the action taken.

Questions and comments were noted by staff.

Endorsements from Standing Committees

None.

Future Agenda Items

Member Education - Supplemental Tax

Committee Member Comments

None.

Date of Next Meeting

Tuesday, August 30, 2022 at 1:30 p.m.

Recess to Closed Session

The meeting recessed to closed session at 4:05 p.m.



[Azar Asgari \(Aug 23, 2022 17:51 EDT\)](#)

Azar Asgari, Chair

United Finance Report 2022-07-26 Open

Final Audit Report


2022-08-23

Created:	2022-08-23
By:	Erika Hernandez (erika.hernandez@vmsinc.org)
Status:	Signed
Transaction ID:	CBJCHBCAABAAxNi_B7lajyG13itYpVOv9hgYzw9ke43S

"United Finance Report 2022-07-26 Open" History

 Document created by Erika Hernandez (erika.hernandez@vmsinc.org)


2022-08-23 - 4:33:27 PM GMT

 Document emailed to azar1022@hotmail.com for signature


2022-08-23 - 4:34:04 PM GMT

 Email viewed by azar1022@hotmail.com

2022-08-23 - 9:49:10 PM GMT

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2022-08-23 - 9:51:28 PM GMT

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