



FINANCE COMMITTEE MEETING
REPORT OF THE REGULAR OPEN SESSION

Wednesday, February 19, 2020 – 1:30 p.m.
Laguna Woods Village Community Center Board Room, 24351 El Toro Road

MEMBERS PRESENT: Pat English, Chair; Judith Troutman, Annette Soule, Steve Parsons, Robert Mutchnick (for Pearlstone), Sue Margolis, Brian Gilmore, Alfred Amado

MEMBERS ABSENT: Jon Pearlstone

STAFF PRESENT: Betty Parker, Jeff Parker, Chuck Holland, Steve Hormuth, Christopher Swanson

OTHERS: GRF – Bunny Carpenter, Yvonne Horton
UNITED – Manuel Armendariz, Andre Torng
VMS – Dick Rader

Call to Order

Director English chaired the meeting and called it to order at 1:41 p.m.

Approval of Meeting Agenda

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

Approval of the Regular Meeting Report of December 18, 2019

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

Chair Remarks

Director English thanked Director Soule for chairing the last GRF Finance Meeting.

Member Comments (Items Not on the Agenda)

Director Torng commented about the passing of Barbara Copley.

Director Armendariz handed out a document comparing 2019 budget-vs-actual legal expenses for all three corporations. Members of the committee commented accordingly.

Department Head Update

Betty Parker, CFO, provided a verbal update on the recent investment portfolio review and the 2019 pre-audit communications from KPMG.

Review Preliminary Financial Statements dated January 31, 2020

The committee reviewed the financial statements dated January 31, 2020, issued at the meeting, and questions were addressed.

Jeff Parker, CEO, left the meeting at 2:17pm.

Section 5500 Operating and Reserve Accounts

The committee reviewed staff report California Civil Code Section 5500 regarding Operating and Reserve Accounts.

A motion was made and carried unanimously to recommend the Board approve a supplemental appropriation and award a contract not to exceed \$25,000 for the customizations to Microsoft Dynamics AX 2012 for enhanced reporting functionality.

Insurance Program Update

Staff provided a verbal update on the insurance program, indicating that bids are due next week for the property valuation update.

2019 Audit Update

KPMG presented the audit plan and required communications at a special audit task force meeting held immediately preceding this meeting. The audit is expected to last 6 weeks with a draft report presented to all boards on Tuesday, March 31 at 9:30 a.m.

Investment Update

It was noted that SageView held a special portfolio review meeting for all boards last week on Thursday, February 13 that was well attended by interested board members. The Committee requested a reconciliation of transfer activity to Fidelity and liquidation of BlackRock holdings.

Future Agenda Items

- Civil Code 5510(a) requirements
- Financials Transfers over \$10,000

Committee Member Comments

Director Gilmore commented on fixed cost software development contracts.

Director Margolis commented on the need for fiscal responsibility.

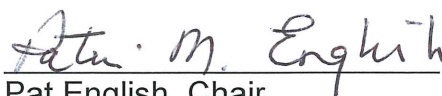
Director Parsons commented on the handouts prepared by Director Armendariz, who is not authorized to represent Third Mutual, and requested that Third Mutual legal expenditures be removed from his reporting.

Date of Next Meeting

Wednesday, April 22, 2020 at 1:30 p.m.

Recess to Closed Session

The meeting recessed to closed session at 2:55 p.m.


Pat English, Chair