



FINANCE COMMITTEE MEETING
REPORT OF THE REGULAR OPEN SESSION

Wednesday, February 15, 2023 – 1:30 p.m.
Hybrid Meeting

DIRECTORS PRESENT: James Hopkins – Chair, Elsie Addington, Donna Rane-Szostak, Andy Ginocchio, Azar Asgari, Alison Bok (Substitute for Thomas Tuning), Margaret Bennett

DIRECTORS ABSENT: Thomas Tuning

ADVISORS PRESENT: None.

STAFF PRESENT: Steve Hormuth, Jose Campos, Erika Hernandez

OTHERS PRESENT: GRF – Bunny Carpenter, Juanita Skillman, Yvonne Horton, Joan Milliman, Reza Karimi, Egon Garthoffner

Third – Ira Lewis, Jim Cook, Cush Bhada, S.K. Park, Moon Yun

United – Lenny Ross, Reza Karimi

VMS – Cynthia Rupert, Debbie Allen

Call to Order

Director James Hopkins chaired the meeting and was called to order at 1:36 p.m.

Acknowledgement of Media

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

Approval of Meeting Agenda

A motion was made to approve the agenda as presented. Director Donna Rane-Szostak moved to amend the agenda and add the following agenda item:

- Agenda Item # 8b – GRF Investments

Director Asgari seconded the motion. Hearing no objection, the motion to amend the agenda was passed unanimously.

Approval of the Regular Meeting Report of December 21, 2022

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

Chair Remarks

Director Hopkins shared that he looked forward to discussing finances and investments.

Member Comments (Items Not on the Agenda)

None.

Department Head Update

Steve Hormuth, Director of Financial Services, briefly shared details regarding the 2022 Audit performed by KPMG and shared that the 2024 Budget timeline is available to view on the Laguna Woods Website Team Up calendar.

Review Preliminary Financial Statements dated December 31, 2022

The committee reviewed the financial statements dated December 31, 2022. Questions were addressed and noted by staff.

GRF Investments

Director Rane-Szostak commented on the current portfolio GRF Investments, discussed anticipated rate increases and possible future investment strategies. Director Hopkins elaborated on the GRF investments in the previous years.

A motion was made by Director Asgari to sell off discretionary Bond Funds and purchase US backed Treasury Bills and ladder investments into equal parts starting with 3-months, 6-months, 9-months, and 12-months. Director Alison Bok seconded. Discussion ensued.

The motion failed to pass by a vote of 2-5 (Director Hopkins, Director Addington, Director Rane-Szostak, Director Ginocchio, Director Bennett all opposed).

Employee Retention Credit

Steve Hormuth presented a staff report discussing the Employee Retention Credit (ERC) made available by the Internal Revenue Service (IRS) as a refundable tax credit for businesses that continued to compensate employees during the COVID-19 shutdown. Staff worked with a third-party consultant to determine eligibility for the corporation to receive the ERC. Based on the analysis performed by the third-party, the corporation did not meet the qualification requirements for the ERC.

ERP Update

Chuck Holland, Director of Information and Resident Services, presented on the new ERP Microsoft Dynamics 365 cloud-based software program that will be utilized to optimize business practices which is scheduled to roll-out in 3 phases. Multiple comments and questions were made and noted by staff.

Endorsement from Standing Committees

None.

Future Agenda Items

None.

Committee Member Comments


None.

Date of Next Meeting

Wednesday, April 19, 2023 at 1:30 p.m.

Recess to Closed Session

The meeting recessed to closed session at 3:50 p.m.


[James Hopkins \(Feb 28, 2023 19:52 PST\)](#)

James Hopkins, Chair

GRF Finance Report 2023-02-15 OPEN (Draft)

Final Audit Report

2023-03-01

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