



FINANCE COMMITTEE MEETING REPORT OF THE REGULAR OPEN SESSION

Tuesday, June 2, 2020 – 1:30 p.m.
Virtual Meeting

MEMBERS PRESENT: Jon Pearlstone – Chair, Steve Parsons, Annie McCary, Cush Bhada, Lynn Jarrett, John Frankel, Robert Mutchnick, Ralph Engdahl, Doug Gibson, Reza Karimi
Advisors: Wei-Ming Tao, John Hess

MEMBERS ABSENT: Craig Wayne

STAFF PRESENT: Betty Parker, Steve Hormuth, Christopher Swanson

Call to Order

Director Jon Pearlstone, Treasurer, chaired the meeting and called it to order at 1:32 p.m.

Approval of Meeting Agenda

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

Approval of Meeting Report for May 5, 2020

Director Pearlstone commented on the May 5, 2020 committee report and the status of the requested items from the prior meeting. A motion was made and carried unanimously to approve the committee report as presented.

Member Comments

None.

Chair Remarks

Director Pearlstone mentioned that he received comments from members of the community at the GRF Board meeting, praising Third for its efforts for fiscal responsibility.

Department Head Update

Betty Parker, Chief Financial Officer, provided updates on 2020 budget carryovers, Civil Code 5500 reporting, insurance and investments. A meeting will be scheduled for the review the 2019 Audit adjusting entries with Directors Pearlstone, Parsons and both committee advisors.

Preliminary Financial Statements dated April 30, 2020

The committee reviewed financials and questions were addressed. The committee requested additional information on the following items:

- Sageview Presentation – Follow up on Gains/Losses on Sales of Investments and basis of reallocation of investment portfolio.

- Provide a variance explanation on YTD variance in Appliances division.
- Present recommendations to transfer funds into the discretionary investment account.
- Disaster Fund analysis for 2020 expenditures and projections

Insurance Program Update

Director Pearlstone requested a professional actuarial analysis to recommend the level of property insurance coverage if revisions to the CC&Rs are made. Staff will coordinate and provide the committee information on insurance industry standards and options for analytical analysis to help bring recommendations to the board.

2021 Reserve Study Update

The 2021 reserve study is underway and will be available for the first round of budget meetings next month.

Solar Analysis Update – Q1 (June, 2020)

Director Pearlstone commented on the need for reports to be included into agenda packets prior to the meeting.

The committee reviewed the 2020 Q1 Solar Analysis. Director Mutchnick requested a copy be sent to him via email. The committee requested that the 2020 Q2 Solar Analysis be distributed to the Finance Committee as soon as it was able via email.

Future Agenda Items

Solar System Update – Q2 (July)

Chargeable Services Analysis (Semi-Annual)

Committee Member Comments

None.

Date of Next Meeting

Tuesday, July 7, 2020 at 1:30 p.m.

Recess to Closed Session

The meeting recessed at 2:50 p.m.

Jon Pearlstone, Chair