



FINANCE COMMITTEE MEETING REPORT OF THE REGULAR OPEN SESSION

Tuesday, July 6, 2021 – 1:30 p.m.
Board Room/Virtual Meeting

MEMBERS PRESENT: Robert Mutchnick – Chair, Steve Parsons, Ralph Engdahl, Lynn Jarrett, Cush Bhada, John Frankel, Craig Wayne, Donna Rane-Szostak, Reza Karimi, Advisors: Wei-Ming Tao, John Hess

MEMBERS ABSENT: Annie McCary, Debbie Dotson

STAFF PRESENT: Steve Hormuth, Jose Campos, Elizabeth Cortez, Richu Saju

Call to Order

President Parsons, called the meeting to order at 1:34 p.m.

Acknowledgement of Media

President Parsons acknowledged the media at a distance.

Approval of Meeting Agenda

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

Approval of Meeting Report for June 1, 2021

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

Advisor Hess and President Parsons inquired about the follow up items such as the breakdown of compensation accruals, Total Fund Balances report, mailbox expenses, water event, and Garden Villa correction from the June 1st meeting.

Steve Hormuth, Interim Finance Director, addressed the follow up questions by stating that the compensation accrual was looked into and it will take a significant amount of time to break them out. Additional information will be provided at a later time. The Total Fund Balance from prior year not agreeing to the opening balance of current year in the April financials was the result of the realization of unrealized gain/(loss) on investments. Mr. Hormuth commented that the presentation of the May financials in this meeting has addressed the issue. Mailbox expenses will continue to be a follow up item. Lastly, Mr. Hormuth mentioned that landscape was not anticipating a credit as a result of the water usage and expenses were as they should be.

Jose Campos, Financial Services Manager, addressed the question related to Garden Villa expenditures by stating that the information was provided to the directors. He then reaffirmed that the Garden Villa correction was made in December of 2020 and the closing balance for the Garden Villa Rec Room Fund was correct.

Chair Remarks

Director Mutchnick joined the meeting and took over as chair of the meeting. Director Mutchnick commented that he was glad to be back in the Board room and welcomed members to come in face to face for the future meetings.

Member Comments

None

Department Head Update

Mr. Hormuth provided updates on the 2022 budget, banking services, and insurance.

Preliminary Financial Statements dated May 31, 2021

Mr. Hormuth, presented the Preliminary Financial Statements dated May 31, 2021 and questions were addressed from the committee.

Director Jarret inquired about how many buildings are planned for waste line remediation for this year. President Parsons also asked about when they are expected to begin. Mr. Hormuth replied that six buildings are planned for this year and they are anticipated to commence in the beginning of August.

Advisor Tao inquired about insurance premiums being charged to the restricted fund. Mr. Hormuth replied that \$918K of insurance expense was approved by the Board to be paid from the Disaster Fund in both 2020 and 2021, both of which had been recorded. All insurance expense in excess of the \$918K have been booked to the Operating Fund.

Advisor Hess inquired about the total remaining non-Operating Fund budget planned for insurance in 2021. Mr. Hormuth responded that he will look into it and follow up with an email.

Director Bhada pointed that employee compensation is \$381K in surplus and now that we are hiring additional staff for this year, are we anticipating employee compensation to be over budget. Mr. Hormuth replied that staff is currently in the process of putting together projections for the remainder of the year and shall be included with the June 2021 financial statements.

Advisor Tao requested for a breakdown of \$1,921K in variance for excess of revenues over expenses in Operating, Reserves, and Restricted Funds. Chair Mutchnick read out loud the breakdown which was provided by Mr. Campos, \$1,823K in Reserves, (\$161K) in Operating, and \$259K in Restricted Funds. Mr. Campos added that all these numbers can be found in the breakout package which was distributed to the Board.

Director Karimi inquired about the number of days it takes for an outside service bills to be paid. Mr. Hormuth replied stating anywhere from 2 to 4 weeks for payments.

Director Hess questioned about the May 2021 increase in compensation in the Department of Financial Services and Manor Alterations and Permits. Mr. Hormuth addressed the increased costs in Financial Services and assured that he would report back to Director Hess and to the rest of the Board the reason for the increase in the latter.

Mr. Hormuth provided an explanation on what was presented in the Supplemental Appropriation Schedule for May and proposed that we eliminate the schedule from future reporting since the remaining encumbrance for the presented items are zero. Chair Mutchnick agreed to the proposal.

President Parsons inquired about less year to date expenditures for Pest Control. Mr. Hormuth replied that most of the work is scheduled to begin in the later half of the year. Director Jarrett commented that a lot of the work was delayed because of the pandemic.

President Parsons inquired about when Gutter Cleaning program is scheduled to begin. Mr. Hormuth replied that he will provide an update for Pest Control and Gutter Cleaning in the next meeting.

Water Rate Increase in July

Mr. Hormuth presented the rate increase for water going into effect in July and questions were addressed from the committee.

Future Agenda Items

None

Committee Member Comments

None

Date of Next Meeting

Tuesday, August 3, 2021 at 1:30 p.m.

Recess to Closed Session

The meeting recessed at 2:57 p.m.



Robert Mutchnick, Chair