



FINANCE COMMITTEE MEETING REPORT OF THE REGULAR OPEN SESSION

Tuesday, July 30, 2024 – 1:30 p.m.
Hybrid Meeting

DIRECTORS PRESENT: Mickie Choi Hoe – Chair, Alison Bok, Thomas Tuning

DIRECTORS ABSENT: None

ADVISORS PRESENT: Ken Benson

STAFF PRESENT: Steve Hormuth, Jose Campos, Carlos Rojas, Pam Jensen, Karina Vargas, Laurie Chavarria, Erika Hernandez, Ada Sigler

OTHERS PRESENT: United – Maggie Blackwell, Sue Quam, Ellen Leonard, Anthony Liberatore

Call to Order

Director Mickie Choi Hoe, 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 the Agenda

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

Approval of the Meeting Report for May 28, 2024

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

Chair Remarks

Director Choi Hoe stated that amidst a busy season for budget meetings, we are past the second version of the Business Plans for 2025 with the third version set for August 12 and the final proposed budget to be finalized and adopted in September.

Member Comments (Items Not on the Agenda)

A member asked if we receive a discount from the Landscape Contractor for using our equipment. Staff confirmed we get a better rate because they use our fuel and equipment.

A member asked what was included in the depreciation recorded in the current year. Steve Hormuth stated they are older assets and details would be provided at a future meeting.

A member inquired why we hadn't completed more roofs than planned, Jose Campos informed members that due to weather concerns the schedule has not caught up but anticipate to be completed by the end of the year.

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A member inquired why there is an insurance reimbursement. Staff informed the member that due to the changing of property insurance policies (new policy period begins June 1 as opposed to old policy began October 1), United will receive a one-time refund for the unused premium. The Mutual anticipates receiving the refund in September.

Department Head Update

Steve Hormuth, Director of Financial Services, provided a brief overview of the current state of the budget further highlighting that United Laguna Woods Mutual version three budget for 2025 is scheduled to be presented on August 12. Staff also reported that the temporary borrowing is on schedule for full repayment by October 2024, with the next payment scheduled for August.

Review Preliminary Financial Statements dated June 30, 2024

The committee reviewed financial statements for June 30, 2024, questions were addressed and noted by staff.

2023 Operating Deficit Transfer

Steve Hormuth, Director of Financial Services, presented a staff report recommending the board approve a \$742,441 transfer from the Contingency Fund to the Operating Fund. An approved transfer would reimburse the Operating Fund for the Operating Deficit that occurred in 2023.

A motion was made by Director Thomas Tuning to approve and endorse staffs request as presented. Director Alison Bok seconded. The motion passed by unanimous decision to accept this recommendation and present at the next Board meeting.

Property-Tax Follow up Discussion (Oral)

Steve Hormuth, Director of Financial Services presented how property taxes are calculated in response to a previous concern raised by a member. This member who spoke in a prior meeting stated United Mutual had overcharged its members by one million dollars in property taxes after performing their own calculation. To illustrate the United's calculation, staff presented a property tax bill for one parcel made up of 164 manors, one of which belong to the member who expressed the original concern. Staff showed how the property tax bill was broken down by manor and confirmed the amount correctly matched the property tax amount billed to the resident. Therefore, no overcharged had occurred. No further questions were asked.

Items for Future Agendas

United Annual Policy Review

- a) Finance Committee Charter
- b) Investments

Committee Member Comments

None.

Date of Next Meeting

Tuesday, September 24, 2024 at 1:30 p.m.

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Recessed to Closed Session

The meeting recessed to closed session at 2:34 p.m.

Mickie Choi Hoe

Mickie Choi Hoe (Aug 7, 2024 14:21 PDT)

Mickie Choi Hoe, Chair






United Finance Report 2024-07-30 Open (draft)

Final Audit Report

2024-08-07

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