

Del Mesa Carmel Community Association, Inc.

Finance Committee (FINCOM) Meeting

Minutes of Regular Meeting

JUNE 19, 2020

1. **CALL TO ORDER** – Committee Chair, Nancy Jones called the meeting to order at 10:00 am at the Del Mesa Carmel Redwood Room.
2. **ROLL CALL**
 - A. Committee Members
 - Nancy Jones, Chair
 - Maryellen Eisenberg
 - Tom Mallett
 - Sandy McKeith
 - Marty Rubin
 - Mark Vanlerberghe
 - Lori Silver (participated via ZOOM)
 - B. Others Present
 - Fran Farina, Board President and FINCOM Liaison
 - Richard A. Cox, General Manager
 - Anthony Lombardi, Finance Director
 - Miriam Solis, DMC Staff Member
3. **Discussion**
 - A. Secretary Election – Member Marty Rubin accepted nomination by Committee Chair Nancy Jones to be Committee Secretary with Del Mesa staff member Miriam Solis to act as the Committee’s recording secretary. The Committee approved adjustment to the recording of meeting minutes. Nancy moved that Marty be elected Secretary; Marty seconded the motion, which was passed.
 - B. Meeting Packet Distribution – The Committee discussed the distribution of the meeting packets as there is an interest in lowering the cost by moving from hard copy distribution to email distribution and posting on Del Mesa website. While many Committee Members were in favor of email distribution, there was interest in making a hard copy available to those interested. The Committee Chair, Nancy Jones determined that most of the meeting packets would be emailed in the future, with monthly financials and the agenda provided in hard copy form.
4. **APPROVAL OF MINUTES**

The draft minutes of the 20th of May meeting were approved as submitted.
5. **GENERAL MANAGER/FINANCE DIRECTOR REPORT**
 - A. General Manager Richard Cox reported that FinCom has received the Reserve Study draft and the Financial Operations Del Mesa Carmel Policies and Procedures document.

B. Finance Director Anthony Lombardi presented the May monthly financial statements. He noted the big impact of not having Guest Room revenue, but added that the first reservations for these rooms since the shutdown will be 25 June. He is most concerned about energy costs and is looking at prior years to try to find reasons and ideas to limit these costs.

6. TREASURER'S REPORT – Committee Chair Nancy Jones gave the Treasurer's report as follows:

- A. May financial accounts have been reviewed and reconciled as per Civil Code 5500/5501.
- B. There are four (4) delinquencies for the month of May – two (2) of which are in foreclosure.

7. OLD BUSINESS

- A. Draft FinCom Charter Revision Review/Approval – This was the Committee's annual review of the Charter Revisions. After discussion, the Committee voted to adopt the draft with proposed changes and send to the Board for review and approval.
- B. Policy on Budget Surplus and Deficit – The Committee discussed developing a Del Mesa policy on budget surplus and deficit. Committee Members discussed possibility of having an attorney address the policy as IRS issues are involved. General Manager Richard Cox stated that the Board is able to discuss the issue with the Association's legal counsel. Committee Chair Nancy Jones placed the item back on agenda for further discussion at the next meeting.
- C. Inclusion of Reserve Fund accounting in Financial Statements – Finance Director, Anthony Lombardi has incorporated the reserve fund accounting into the April and May financial statements.
- D. Property Insurance Financing - At the May FinCom meeting, Finance Director Anthony Lombardi proposed making full payment on the renewal of the property insurance policy. The annual interest savings would be \$12,013. The Committee voted to recommend to proceed with financing the policy and revisit in June.

Finance Director Anthony Lombardi re-addressed the topic stating that making a full payment comes with no risk. Del Mesa can still save approximately \$9,000 over the next nine months if paid in full.

After discussion, a motion was made by Committee Chair Nancy Jones to submit a recommendation to the Board to pay-off the insurance policy in full to save the \$9,000 in interest. The motion was seconded by Committee Member Tom Mallet. The Motion passed.

- E. Dining Room Minimum Allocation Change – The Committee previously established a subcommittee, made up of Committee Members Sandy McKeith and Maryellen Eisenberg, to review and report on a more equitable dining room minimum use assessment. The subcommittee inquiry is a follow-up to resident suggestions that the dining room charges be assessed based on the number of people living in the unit as opposed to the square footage of the unit.

Sub-Committee Members presented findings and recommended that changes be made by Jan 1, 2021

After discussion, Committee Chair Nancy Jones placed the item back on agenda for further discussion at the next meeting.

- F. 2020-21 FinCom Calendar – The calendar for the committee year was discussed, with the acknowledgement that changes would need to be made to the original (i.e., those set in Jan) meeting dates, in order to ensure that prior month financials would be available to review. Committee Chair Nancy Jones reports a change to the July committee meeting date from Wednesday, July 15th to Tuesday, July 21st at 10:00am.

8. NEW BUSINESS

- A. Potential Comcast Renewal Contract – With the expiration of the Comcast contract approaching in September, the Committee set out to explore options for the Del Mesa Community. Finance Director, Anthony Lombardi has worked with Comcast to obtain the following four options for residents to consider. The first three options would apply to a 5-year contract.

First Option - Bulk Internet @ \$29 monthly per unit (includes modem); exclusive of fees

Second Option – Bulk Video @ \$29 monthly per unit); exclusive of fees

Third Option – Bulk Combo Internet and Video @ \$47 monthly per unit); exclusive of fees

Fourth Option – De-bulking Agreement: Association receives \$21,675. Residents can choose any provider for internet and video. Comcast maintains infrastructure and the Association signs a 5-year contract and agrees not to advertise for other providers.

Susan Franks, a member of the 2019 Sub-Committee recommends surveying residents to determine which option the majority of residents would be interested in. The survey would require a return date, to the front desk, by July 8th, 2020, providing time for Del Mesa to meet Comcast's response date of July 15th.

After discussion, a motion was made by Committee Member Tom Mallet to submit a recommendation to the Board to review and approve the distribution of the survey to Del Mesa Carmel owners. The motion was seconded by Committee Member Sandy McKeith and approved by all.

- B. Potential Study Contract with MYNT Systems for Solar Design Development Services - Building and Grounds Committee Chair Sam Harrison reported on that committee's examination into energy efficiency solutions for the Del Mesa Community to improve the energy needs and cost. The Building and Grounds Committee is taking a closer look into solar energy and would like FINCOM to consider MYNT Systems for solar design services, which include consulting and engineering services throughout the duration of the design development phase of the project for a Lump-Sum fee of \$5,000. The objective for services contracted through MYNT Systems would be to present ways to reduce Del Mesa's baseline load profile and then offset the remaining utility consumption with onsite generation.

After discussion, a motion was made by Committee Chair Nancy Jones to submit a recommendation to the Board to enter into an agreement with MYNT Systems for solar design and development services at a cost of \$5000. Motion was seconded by Committee Member Tom Mallet and approved by the Committee.

- C. Draft Reserve Study report by ARA – The Committee has received a draft copy of the Del Mesa Community Association (the Association) Reserve Study. The purpose of such study is to provide the Association with a budgeting tool to help ensure that there are adequate reserve funds available to perform future reserve projects.

The Committee reviewed and approved the draft copy of the Association’s Reserve Study submitted by Applied Reserve Analysis (ARA).

After discussion, the Committee report is favorable in support of the completion of the study. A motion was made by Committee Member Sandy McKeith to submit a recommendation to the Board to adopt the Reserve Study. Motion was seconded by Committee Member Tom Mallet and approved by the Committee.

- D. Maturing Reserve Fund Investment CD at Schwab –Committee Chair Nancy Jones reports that a Reserve Fund Investment CD at Schwab will be maturing on June 30, 2020 and opens the item for discuss with a recommendation to reinvest the CD. Finance Director, Anthony Lombardi recommends a 1-year CD renewal.

After discussion, Committee Chair Nancy Jones moved to submit a recommendation to the Board to reinvest the Maturing Reserve Fund Investment CD for one year. Motion was seconded by Commttee Member Mark Vanlerberghe and unanimously approved by the Committee.

12:11pm meeting adjourned.