

DEL MESA COMMUNITY ASSOCIATION
FINANCE COMMITTEE MEETING MINUTES
Wednesday, February 19, 2020

Members present: Joe Monza, Susan Franks, Tom Mallett, Mary Rogers,
Brice Draper, Sandy McKeith, Lori Silver.

Staff present: Richard Cox and Peggy Borchard.

I. Call to Order.

The meeting was called to order at 9:30 a.m. A quorum was present.

II. Approval of Agenda.

Joe Monza asked that the Agenda be modified to add a new Section 6. d.: "Policy Regarding Budget Surpluses and Deficits". **Motion** to approve the agenda as modified by Joe. Seconded and passed.

III. Approval of Minutes of January 22, 2020 Finance Committee Meeting.

Motion to approve the Minutes of the January 22, 2020 Finance Committee meeting as prepared by Susan Franks, Secretary, and modified by Tom Mallett. Seconded and passed.

IV. General Manager's Report.

Richard Cox told the Committee that he is reviewing Del Mesa's: (i) financial information; personnel compensation, rules and regulations; (iii) processes and procedures; and (iv) issues and challenges. He assured the Committee that "he has not seen any challenge that should cause grief"!

V. Treasurer's Report.

A. Ted Whitney and Joe Monza reviewed the Balance Sheet, Profit and Loss Statement, Department Detail, Bank Statements, Delinquency Report, Check Registry, and other required documents per Civil Code 5501 this week.

B. Joe Monza informed the Committee that the auditors were commencing the 2019 audit.

C. December 2019 Financials. The December 2019 Financials were distributed to Fincom and Board members and made available to the attendees of the Fincom meeting. There were questions regarding the December 2019 Financials by the Committee members to the Staff and discussion among the Committee members.

VI. Old Business.

- A. FinCom Charter Review – Sandy McKeith. General Manager, Richard Cox, was concerned about the limitations on his authority to spend, purchase and enter into contracts without Fincom’s and/or the Board’s prior approval. He wants to be sure that we don’t require unnecessary RFP’s. The Committee discussed this issue and Joe Monza provided points of reference from local municipalities. The Committee by consensus charged Sandy McKeith and Tom Mallett to meet with Richard Cox and return with recommendations.
- B. Dining Room Credit Card Update – Peggy Borchard informed the Committee that the credit card machine is working in the dining room and guest units. To date, it has been used 12 times.
- C. Reserve Study Contract - Joe Monza. General Manager, Richard Cox, contacted ARA (Applied Reserve Analysis), who submitted a proposal for a 3 year engagement. Joe Monza and Brice Draper reviewed the proposal, which was distributed to the members of the Committee. Richard told the Committee that the price is lower than the previous engagement accepted by Del Mesa. Richard did not contact any other firm for a proposal because he doesn’t anticipate any cheaper price from any other vendor. Richard pointed out that the total cost of the proposal is under the amount which Richard is currently authorized to accept without Fincom or Board approval. As such, no motion was made or vote taken by the Committee.
- D. Policy Regarding Budget Surplus and Deficit- Brice Draper and Tom Mallett. Brice Draper pointed out that in the December 2019 Financial Statements we are showing a deficit (more expenses than revenues) and that the aggregate deficit for the past 6 years is substantial. Both he and Tom Mallett believe that the Fincom and the Board should develop a consistent policy concerning annual surpluses and deficits. There was much discussion between the Committee members on this subject with no motion or consensus – other than to continue the discussion in future meetings.

VII. New Business.

- A. Maturing CD Investment. Brice Draper. Brice reported to the Committee the process for Del Mesa to acquire CD’s at the most favorable rates given the investing parameters faced by Del Mesa with the Brokerage firm we deal with. Del Mesa has one CD in the amount of \$249,000.00 coming due on March 13, 2020. **MOTION** made by Joe Monza: Joe Monza, Brice Draper and Richard Cox work with Richard Dunn, Senior Regional Bond Specialist at Charles Schwab, to purchase one or two CD’s (for a total purchase price of \$249,000.00) to replace the CD in that amount maturing on March 13, 2020 at the highest rate of interest available for a period of 12 or 13 months or nearest maturity to that period. Seconded by Lori Silver, and Passed.

VIII. Finance Committee Comments.

- A. Sandy McKeith requested that the accounting for the Reserve Fund be included with the monthly Financial Statements. There was general consensus from the Committee members that this should be done.

IX. Resident Comments.

The Committee listened to, and discussed, comments relating to Del Mesa's financial issues from Del Mesa residents who attended the meeting.

Adjournment: The date for the March Fincom meeting will be March 18, 2020. The meeting was adjourned at 12:00 p.m.

Respectfully submitted,
Tom Mallett