

IRVINE CAMPUS HOUSING AUTHORITY
Board of Directors' Meeting
October 13, 2015

BOARD MEMBERS PRESENT: Alan Barbour, Ken Chew, Greg Jue, Deb Sunday, Christy Teague, Mark Warner

OTHERS PRESENT: Courtney Caldwell, Stephen Cauffman, Lara Grady, Nahid Greger, Jane Laning, Elaine Vatakis

CALL TO ORDER: Ken Chew called the meeting to order.

APPROVAL OF MINUTES: The Board approved the minutes of September 8, 2015.

REPORT ON OPERATIONS

The Chair opened the Operations Report for questions and comments. President Laning updated the Board on several matters:

- ICHA received proposals from seven lenders for permanent financing of the Area 10-4 Alturas apartments, all for fixed-rate loans with 20- to 30-year maturities and interest rates in the high 3% to high 4% range, subject to change until commitment. Management will evaluate the proposals and will recommend the principal amount needed based on corporate cashflow projections, as well as which loans to pursue at the November meeting. UC's Office of the President has asked ICHA to focus on three lenders for the Regents' Item.
- ICHA presented the Area 11 preliminary land plan the Board reviewed in September to Vice Chancellor O'Dowd and plans to share it with the Provost in advance of the formal CPEC meeting. A Board member noted that the Provost chairs CPEC.
- President Laning invited the Board members and their families to attend the University Hills Fall Fiesta scheduled for October 18th from 1:00 pm to 5:00 pm.
- President Laning directed the Board's attention to an email from a longtime resident expressing great appreciation to Vice President of Community Development Andrew Herndon and ICHA staff for their dedicated efforts in making University Hills such an outstanding place to live.

NEW BUSINESS

- **2014/2015 Audit**

Vice President of Finance Lara Grady distributed to the Board the annual audit report and noted that the auditors had opined that ICHA's financial statements fairly represented the

corporation's financial position in conformity with Generally Accepted Accounting Principles. She also distributed and reviewed with the Board the audited financial statements reflecting ICHA's fiscal year-end assets and liabilities as well as revenues and expenses, which she had annotated to list dollar and percentage variances from the preceding fiscal year. Overall variances included increases in both net assets and net income, stemming largely from Area 10 development, construction and home sales.

She also distributed ICHA's income statement for fiscal year ending June 30, 2015 with annotations and a budget comparison. She responded to Board members' questions and invited them to contact her at any time should more occur to them.

- **Report from Audit Committee**

Director Greg Jue reported for the Audit Committee as its Chair. He and the other Committee members Ken Chew and Christy Teague met with auditors from Haskell & White this month. He noted that the Committee's chief considerations are whether the accounting figures and key assumptions are reasonable and free of material misstatement and whether internal control deficiencies exist. The auditors had no adjustments to the financial statements and reported no material weaknesses or significant deficiencies in ICHA's internal controls. The auditors' review was positive, noting that ICHA's financial statements have the extraordinary distinction of perennially showing no variance from Generally Accepted Accounting Principles. The Board applauded Vice President Grady.

As in prior years, the auditors suggested potential enhancement measures with regard to mandatory vacations, useful life depreciation, and periodic review of access rights to accounting software. Vice President Grady distributed and summarized a handout of Management's Responses to Audit Recommendations demonstrating that ICHA's conventions are consistent with historical treatment and continue to be appropriate for the corporation's size and circumstances. She then addressed questions from the Board.

- **Resolution to Receive Audit Report and Forward to Chancellor**

After discussion, and upon motion duly made and seconded, the Board unanimously adopted the following resolution:

RESOLVED: that the Board receive the 2014-2015 Auditor's Report as presented and that Management is authorized to forward the report to the Chancellor.

- **Regular Meeting Time Resolution**

President Laning reported that efforts were successful in finding a new recurring monthly day and time for the ICHA Board meetings convenient for all Board members. The current time on the second Tuesday of each month at 3:30 pm recently became problematic for several members owing to a conflict with the new schedule for a recurring Chancellor's meeting. All members are available on the second Wednesday at the same hour as the previous schedule.

After discussion, and upon motion duly made and seconded, the Board unanimously adopted the following resolutions:

RESOLVED: that in accordance with Article 11, Section 2.6 of ICHA's Bylaws, as of December 2015 the Board hereby fixes the time and place for the holding of regular meetings of the Board as follows:

TIME: 3:30 p.m. on the 2nd Wednesday of each month

PLACE: ICHA Office Conference Room, 1083 California Avenue, Irvine, CA 92617

FURTHER RESOLVED: that the Board hereby fixes the time and place of the regular annual meeting of the Board as the June meeting at the time and place set forth above for regular meetings.

ADJOURNMENT

The meeting adjourned at 4:07 p.m.