

**IRVINE CAMPUS HOUSING AUTHORITY**  
**Board of Directors' Meeting**  
**October 11, 2017**

BOARD MEMBERS PRESENT: Jennifer Aaron, Alan Barbour, Yong Chen, Sandra Irani, Ken Janda, Greg Jue, Diane O'Dowd, Heike Rau, Barbara Sarnecka, Christy D. Teague.

OTHERS PRESENT: Jennifer Barb, Brad Conley, Barbara Correa, Lara Grady, Nahid Greger, Andrew Herndon, Jane Laning, Robyn Stelk, Hobart Taylor, Victor Van Zandt, Elaine Vatakis.

CALL TO ORDER: Greg Jue called the meeting to order.

**APPROVAL OF MINUTES** The Board approved the minutes of August 9, 2017 and September 13, 2017.

**REPORT ON OPERATIONS**

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

- Area 11-2 is on schedule. Authorization to facilitate the construction loan and sign the construction contracts will require a quorum at the November Board meeting.
- The campus is holding two Area 11-1 homes plus one entertainment home. A discussion regarding the entertainment home program will be included as an agenda item for the November Board meeting.
- The annual Fall Fiesta, held on October 1st, 2017, was very successful, with approximately 2,000 attending.
- The interactive University Hills amenities map is in development and will be posted on the website before the end of the year.
- Kyle Mumm, a resident who built the horseshoe pit located in front of the ICHA offices as an Eagle Scout project, will be recognized at an upcoming HRB meeting.
- Vice President of Finance Lara Grady has announced she is leaving ICHA to pursue other endeavors. January 15, 2018, will be her last day. Assistant Controller Jennifer Barb is prepared to take over accounting responsibilities.

HRB Co-Chairman Hobart Taylor expressed gratitude for President Jane Laning's stewardship of University Hills on behalf of the HRB. He requested that HRB representatives have the opportunity to hold a conversation with candidates to replace outgoing President Laning.

**OLD BUSINESS**

- **Rule Enforcement**

Vice President of Community Development Herndon led a discussion about the need for enforcement of rules in University Hills. The community has grown large enough to justify formal enforcement by ICHA in the vein of large homeowner's associations or city code enforcement departments. Vice President Herndon suggested drafting a policy to guide enforcement of existing University Hills rules and he explained potential risks associated with not establishing a formal enforcement policy. He requested agreement from the board to move forward with forming a committee made up of resident and non-resident ICHA Board members, HRB members, and ICHA staff to develop a draft policy, to be approved by the board at a future date. The Board affirmed its support of this strategy.

**NEW BUSINESS**

- **Report from Audit Committee**

Board and Audit Committee member Christy Teague reported on the Audit on behalf of the Committee, which also includes Board members Greg Jue and Yong Chen. She 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 Committee, along with President Laning, Vice President Grady and Assistant Controller Barb, met with three auditors from Haskell & White this month. The auditor team had done considerable due diligence, which included contact with outside vendors. The auditors had several minor recommendations related to depreciation 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.

Assistant Controller Jennifer Barb 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 sources/uses and dollar variances from the preceding fiscal year. Overall variances included a decrease in cash assets due to ICHA funding of Area 11 grading and site work and Coltrane pool construction and a decline in operating revenue with no new home sales during the 2016/2017 fiscal year. She noted that despite no new home sales, ICHA's balance sheet shows a healthy net position due to its rental portfolio.

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She also distributed and discussed ICHA's income statement for the fiscal year ending June 30, 2017 with annotations and a budget comparison. She invited Board members to contact her at any time should they have questions.

- **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 2016-2017 Auditor's Report as presented and that Management is authorized to forward the report to the Chancellor.

**EXECUTIVE SESSION**

The Board went into Executive Session.

**ADJOURNMENT**

The meeting adjourned at 5:53 p.m.