



FINANCE COMMITTEE MEETING REPORT: June 14, 2018, NWCH

ATTENDANCE:

Members present: Dundas (Acting Chair), Hunter, Eyton-Lloyd, Leibow, Anderson
(joined in progress)

Members absent: King, Disbrow, Ravano, Johns, Stang

Ex Officio Members present: Salmon, DFA; Koenes, GPC Liaison

Staff Present: Etnyre, GM; Rodman, Exec Asst; Peters, DFB

TDA Board Liaison: None

TD Board Member: Connors

TD Member: None

AGENDA ITEMS:

A. Call to Order; 3:02 pm. Dundas, Acting Chair for today's meeting as King is traveling. Insufficient number of members for quorum at beginning of meeting. While in progress Anderson arrived and provided require 5 members required in the Finance Committee Charter. Welcomed everyone to Flay Day and 243rd birthday of the U.S. Army. Thanked all Veterans for their service.

B. Member Comment. Following covered by Dundas:

a. Announced the resignation of Steve Disbrow, effective July 1, 2018 because he and Marilyn have sold their TD home and will be relocating to Napa County. Acknowledged Steve's to the TD community as a member of the Finance Committee since 2011 as both alternate and regular member. He always provided honest, forthright, and keen advice and had the best interests of all Tahoe Donner Owners and Members. He will be missed on the Committee. Thanks to Steve for his steadfast service, and we wish him and Marilyn all the best in the future.

b. Committee Vacancy. Steve departure creates one vacancy on the FC Committee. As Jeff Bonzon will be leaving TDABOD this month indicated a desire to put him up for appointment as an Alternate Member at the July TDABOD Meeting and move one of our current Alternates to Regular status. One other Member, John McBeth, Treasurer, TDMGC, has expressed interest but has limited availability in coming months during the budget cycle. Plans to attend August FC Meeting. Conner's indicates that we should advertise for a replacement before submitting recommendation to the TDABOD.

c. New Website Link for Finance Committee. Link is:
<http://www.tahoedonner.com/members/governance/committees/active-committees/finance/>

d. This replaces SharePoint and will be the future medium for DFA to put FC supporting documents on the website for future meetings. Those in attendance acknowledged ability to access the link. Recommend that the FC actual Meeting Schedule be put on the link replacing current information. Also adding Resolutions to the link. Recommend all review again to be sure connectivity.

e. Can anyone attend upcoming TDABOD Meeting, Friday, June 22, 2018? Since meeting is on Friday and King is out of town inquired about a FC rep at meeting. All attendees are otherwise occupied that day.

C. 6/14/18 Agenda and 5/17/18 Minutes Review and Approve. Agenda and minutes approved later in the Meeting after attainment of quorum. Hunter 1st, Leibow 2nd, 5-0.

D. Review of preliminary May financial results.

a. Month of May had a slight better to budget NOR of \$2,600. Ramp up month for summer season.

b. Five months into 2018 NOR is 7% off budget primarily due to tough start in Jan/Feb. Members Equity in Operating Fund is positive \$898,000.

c. Questions were asked, answers follow:

1. Looks like there are some accounts that may have timing differences - Summer F and B, Forestry. Yes, there are timing differences.

2. General and Admin are over for the month. Admin \$50k over year to date. Reasons for overage are legal & Board expense.

d. Question about 20K Administration revenue components; includes interest on investments, delinquency fees, and transfer fees.

e. June 2018 is pacing good. Payroll under budget approximately \$42,000 and golf up \$10,000.

E. Update on progress regarding Board's request that the FC add four strategic goals actions regarding accounting issues– Leibow/Salmon (15 min)

a. Elasticity of Demand Pricing Models

b. Fiscal Year End Change – Pro/Con

c. Model: Zero CPI +1% limits to Annual Assessment for 5 years

d. Develop Allocated Overhead Model for future HOA/Amenity Cost Planning Efforts

e. E. Potential fifth request “Define the net income that the public segment amenities generate by amenity versus the membership revenues that are generated.”

This Agenda Item generated much discussion. Bottom line is that the paper drafted by King/Leibow/Salmon will be provided to the TDABOD body in order to get the answers to questions prior to the expenditure of manhours needed to investigate the usefulness of the requested actions. Consensus among the committee is that the amount of time spent on these modeling techniques, FY change, and overhead allocation will have negligible effect on the impact of annual assessment upon the ownership.

F. Budget Cycle Overview. Given the amount of time spent on Item E the overview was not discussed in depth. This is the process that has been developed over the last 10+ years and does not reflect any profound change. Suggest doing brief review prior to next month's discussion of Strategic Assumptions.

G. General Manager Goal - Food & Beverage Operations Financial Review. DFB, DFA and GM presented paper about the financial review of F&B operations. They are asking for comments from attendees and ask that input be provided Salmon in the next week.

H. Update on calendar of Policy Reviews.

- a. Operating Fund Policy – Get to BOD for September 2018 meeting.
- b. Replacement reserve Fund Policy – Get to BOD for October 2018 meeting.

I. Equestrian Update moved to July 2018 FC Agenda since Jim Stang not present.

J. Items for July 12th meeting at 3 PM.

- a. Stang – Equestrian Move
- b. Strategic Assumptions for 2018 Budget
- c. Allocated overhead calculations for 2019 Budget-progress report
- d. Results of summer concert

K. Adjournment. Approved move to adjourn at 5:32 pm: Hunter, 1st, Eyton-Lloyd 2nd, 5-0.

Prepared and Submitted by: John Dundas, FC, Acting Chair