



## **FINANCE COMMITTEE MEETING REPORT: November 15, 2018, NWCH**

### **ATTENDANCE:**

Members present: Leibow (Acting Chair), Dundas, Eyton-Lloyd, Ravano (Phone), Johns, Stang, Anderson (joined in progress), Wu (Phone)

Members absent: King, Hunter

Staff Present: Salmon, DFA; Rodman, Exec Asst, Huisman, DCP

TD Board member: Koenes, Connors (Phone)

GPC Liaison: Miller

TD Members: None

### **AGENDA ITEMS:**

**A.** Call to order; 3:02 pm, quorum present.

**B. Member Comment** - Jim Stang provided comments regarding statements in the recent past that are less than professional in nature and the need for all participants to conduct themselves in a collegial and respectful manner. Everyone's efforts need to be not self-interest of personal agenda but for what is best for all owners/members of the Association. Following is the full text of Jim's comments: "As a member of this association I would like to take this opportunity to comment on statements made during a recent budget workshop.

To start off I would like to inform all the full title of the Davis-Stirling Act. It is "the Davis-Stirling Common Interest Development Act." I emphasize Common and the fact that it has many meanings. For those of us who follow both the letter and the spirit of the act it does not mean we are Communists. Far from it, as we are only concerned with what is in the best interests of the Tahoe Donner Community.

Any statement calling any Finance Committee member a Communist is demeaning and in my opinion untrue. Of even greater concern to me is the simple fact of what name-calling does. Name-calling is the use of offensive names, especially to win an argument or induce rejection or condemnation, without objective consideration of the facts.

I hope that in the future, the Board sees fit to censure any Board member who treats any committee member in this way. Committees may disagree with the Board and its individual members, but in the long run such disagreements are beneficial to the Association".

**C. 11/15/18 Agenda and 10/11/18 minutes approve** – Approved by vote 8-0, (Dundas 1<sup>st</sup>, Johns 2<sup>nd</sup>).

**D. Review preliminary October financial results** - NOR Results for month of October 2018 were off budget by \$(26,076). The Lodge showed a 32% positive variance to budget while Cross Country Ski (new equipment), Golf (inclement weather), and Trails (capitalization actions) experienced negative variances. Concern was noted again for General

Department category that was off budget by 24%, \$(17,151); this includes legal fees (C&R updating, board actions) and incentive accruals.

November is slightly ahead in revenue but looking to be on budget and month end. November historically the slowest period of the year for financial impacts (positive or negative). A strong Thanksgiving could have a beneficial effect.

**E. Review of FC member terms, renewals and new appointment** – Three Finance Committee members’ terms expire January 2019; King, Eyton-Lloyd, and Anderson. Eyton-Lloyd and Anderson are desirous of extending their terms. King will be leaving the Committee upon completion of his term. Presently two owners have expressed their desires to be appointed; Jeff Bonzon and Steve McClure. After discussion and consideration of applicants, the Committee recommend to the Board the following:

1. Recommend the extension of Anderson and Eyton-Lloyd for a new term. Vote was 7-0-1 (Wu abstention, Johns 1<sup>st</sup>, Ravano 2<sup>nd</sup>).
2. Recommendation that Jeff Bonzon be appointed for a 3-year term. Vote was 7-0-1 (Wu abstention, Johns 1<sup>st</sup>, Anderson 2<sup>nd</sup>).

**F. Golf Season Financial Review** – Consolidated Golf Department forecasted to be off budget for 2018 by \$(33,356). This is an improvement over 2017 by \$122,664. Improvement primarily due to price increases and more public participation. Online wholesale sales also helped with the bottom line as they were up 13% from years past. Although season pass rounds were down slightly, daily rounds were up slightly, while pack rounds increased 23%. Group sales were flat. 2019 budget expectations are to have improved financial performance through participation growth and modest price increases.

**G. Update on progress regarding the Boards request that the FC review the following five strategic goals:**

1. Elasticity of Demand Pricing Models – report **after** ski season to see the results of this strategy.
2. Fiscal Year End Change Pro/Con – We will report our findings at the December Board meeting.
3. Model: Zero CPI +1% limits to Annual Assessment for 5 years – No work has been done on this as the FC is waiting for responses to our questions from the Board. The FC needs clarification regarding the purpose of this project.
4. Allocated Overhead Model for future HOA/Amenity Cost Planning Efforts – Will schedule review with DFA in Spring 2019.
5. Financial impact of use of TD amenities by the “Public”. – New request from the TDABOD to look at the financial impact of use of our amenities by the “Public”. Does public mean guests, unaccompanied guests, STR unaccompanied guests or the public. Begs further discussion and decision about categories.

**H. Discussion and approval of 2019 Finance Committee Tasks and Responsibilities** – Review of proposed 2019 Committee Tasks. Attached is revised Tasks compiled from input from numerous Committee members and reformatted into a timeline format. Thanks to all for contributions. Voted to forward to the TDABOD for approval (8-0, Johns 1<sup>st</sup>, Anderson 2<sup>nd</sup>).

**I. Annual Budget Report** – DRAFT 2019 Budget Report provided to Committee by DFA. Short turn around time due to lengthy budget process. Look over and provide any recommendations to DFA ASAP.

**NEXT MEETING DATE:** December 13, 2018, 3:00 pm, NWCH

**ADJOURNMENT:** 4:21 pm; (Johns 1<sup>st</sup>; Eyton-Lloyd 2<sup>nd</sup>) Approved 8-0.

Prepared and Submitted by: Corey Leibow, Acting Chair

# 2019 Finance Committee Meeting Calendar

## Day

2nd Thursday of the month

## Time

3:00 pm to 4:30 pm

\*3:30 pm to 5:00 pm (January thru March)

## Location

Northwoods Clubhouse, Mezzanine Conference Room

## Dates

\*January 10, 2019 (3:30 pm)

\*February 14, 2019 (3:30 pm)

\*March 14, 2019 (3:30 pm)

April 11, 2019

May 9, 2019

June 13, 2019

July 11, 2019

August 8, 2019

September 12, 2019

October 10, 2019

November 14, 2019

December 12, 2019

# Finance Committee Tahoe Donner Association

## 2019 Tasks and Responsibilities

### RECURRING TASKS

- Review Financial Performance - Monthly
- Review Annual Budget and Participate in Process - July through October
- Review of year-end Balances/Activity: Operating and Capital Funds - January/February
- Assist with Annual Report and Audit - March/April
- Maintain Financial Policies and Resolutions
  - o Review and update the following resolution:
    - 2014-1 Financial Planning, Budgeting and Reporting Policy - TBD
- Review season financial results for Golf, Downhill and Cross-Country Skiing and other amenities/business units as considered necessary or as directed by the Board
- Assist with selection of 2019 Auditor (Fall), if required
- Review Development Fund and Replacement Reserve Fund activity - quarterly
- Annual review of fund investment performance and management - Fall

### SPECIAL PROJECTS (As Directed by the Board)

- Coordinate with GPC re: Impact of General Plan Proposed Projects to Operational and Capital Funds – (Dundas)as needed
- Review ski season demand pricing impact - Spring
- Review the financial impact of use of our amenities by the “Public” - Spring

### FINANCE COMMITTEE MEMBERSHIP

- Fill any Committee vacancy with qualified candidate(s)
- Identify new Committee chair to begin January 2019