



FINANCE COMMITTEE MEETING REPORT

June 13, 2019

Mezzanine Room | Northwoods Clubhouse

ATTENDANCE

Members:

Present: Leibow, Dundas, Ravano, Hunter, Eyton-Lloyd, Bonzon, Anderson, Melia,
Stang, Mahoney

Call-in: Wu

Absent: Johns

Ex-officio: Salmon

Board Liaisons: Connors (Phone), Koenes

GPC Liaison: Steve Miller

TD Members: Sullivan (GPC Chair), Terry Watson (FC SC), Courtney Murrell (GPC
Member), Jim Coburn (TDA Member)

AGENDA ITEMS

1. **Call to Order, Quorum, Approval of Agenda, Approval of Committee Report:** 3:02 pm, quorum present. Agenda approved by unanimous vote (Bonzon 1st, Eyton-Lloyd 2nd). May 9, 2019 Committee Report approved by unanimous vote (Mahoney 1st, Bonzon 2nd).
2. **Member and Committee Member Comments:** None
3. **Committee Management: Chair (10 min)**
 - a. Discussed upcoming 5501 Subcommittee Participation. Attendees through August as follows:
 - i. June 25, 2019: Mahoney
 - ii. July 23, 2019: Johns (Leibow to confirm; back-up Ravano)
 - iii. August 20, 2019: Bonzon
 - b. Discussed with the Committee individual members have an ethical responsibility to ensure that any personal communication to the membership is “clearly” understood by TDA owners/members to be that of the individual and not the studies conducted by or the advice/position/recommendation of the Committee. The chair had received concerns from Committee Members and he also believed that there have been instances during this election cycle of statements that may have been so construed. It was the Committee’s unanimous opinion that ANY individual finance related “studies” and/or “opinions” must leave absolutely no doubt that they are “personal”. Candidates for Board of Directors must not be expressing personal opinions that appear to be either approved, created or considered the sentiment of the Committee unless expressly authorized by the

Committee. This discussion was primarily but not necessarily directed at Charles Wu (he's the only Committee Member currently running for the BOD) and after much discussion, Charles agreed to post a clarification/apology on Next Door (the vehicle he has repeatedly used during this election) ASAP as the election is fast approaching. Jim Stang resigned from the committee following the discussion.

4. **Old Business:** TDABOD return task to initiate an RFP to seek proposals from interested and qualified CPA firms to conduct annual audit for the next 3 years. Informal Subcommittee consisting of Melia, Ravano, Mahoney, and Wu (along with some informal supervision from our Chair- Corey Leibow) will assist the DFA Salmon in this vetting process. Salmon to put out some dates on/about July 5, 2019 to have 1st meeting of Subcommittee. Treasurer Connors interest in firms that have HOA experience. Salmon has provided background paper, recommended RFP letter, and questions suggested for vetting purposes.
5. **New Business:** Chair
 - a. GPC Liaison Report: Bonzon attended GPC Meeting on June 1st. Provided verbal summary of actions. Extensive details contained in June 1, 2019 Meeting Minutes on TDA Website (<https://www.tahoedonner.com/wp-content/uploads/2019/06/June-1-GPC-Minutes.pdf>).
 - b. 5501 Subcommittee Report: Hunter attended on behalf of FC. Was a good, educational meeting. Once again reiterated that anyone can attend, in person or via call-in, and gives you extended knowledge about the inner workings of our financial processes.
 - c. May Preliminary Financial Results and April Monthly Financial Report Review:
 - i. Preliminary results for May reflect reduced revenue and operating costs while in the shoulder season, and the fact that POTH was closed for annual cleaning and maintenance, The Lodge was closed for most of the month due to major repairs, and the hard winter prevented the Golf Course from opening. Despite closures we have year to date a positive Member's Equity of \$1,554,179 (over and above our Operating Fund Contingency Reserve of \$1,421,500). Forecast is for June to be off budget by \$50,000 due to weather related late openings and unforeseen closures of facilities.
 - ii. There were no questions or issues related to April 2019 Monthly Financial available on TDA Website.
 - d. Pricing elasticity models on all major amenities: No new information this month on this topic. Expect a report on Cross Country at July FC Meeting.
 - e. Winter Amenities Financial Review: DFA provided attendees a 51-page detailed report on Winter financials. Good results due to having a great snow year and decent weather during most of the holidays.
 - f. Legal Expense Detailed Review: Although our Treasurer was asked to provide a detailed report regarding this year's legal expenses, our DFA Michael Salmon provided a detailed report of our legal expenses over the last 10 years +1. This report revealed that legal expenses authorized by the BOD has increased significantly over the last 3 years vs. the previous 7 years. Expenses in 2018 were \$121,053.

- g. Review of Board's proposed Charter changes: Discussed TDABOD request...submitted to the Board Book our recommendations.
 - h. Annual Budget Process: Strategic Plan & Budget Guidance DRAFT and Budget Planning & Workshops: Deferred to July 2019 FC Meeting.
6. **Next FC Meeting: July 11, 2019, 3:00 – 5:00 pm, Mezzanine Room, Northwoods Clubhouse:** Chair (5 min)
- a. **Preliminary Agenda Topics**
 - i. GPC Liaison Report - Dundas/Miller
 - ii. 5501 Subcommittee Report - Mahoney/DFA/Treasurer
 - iii. Review pricing elasticity results that were deferred from June's meeting
 - iv. June Preliminary Financial Results and May Monthly Financial Report Review – DFA
 - v. Quarterly Reserve Fund Investments Review – Investment Subcommittee
 - 1. Performance, Strategy, Cash Flow, Results
 - vi. Participate in Annual Budget Process (Annual Recurring Task, General Resolution 2014-1, Financial Planning, Budgeting, and Reporting)
 - 1. Strategic Plan & Budget Guidance DRAFT
 - 2. Budget Planning & Workshops
7. **Adjournment:** 5:29 pm (Ravano 1st, Wu 2nd)

Prepared and Submitted by: Corey Leibow, Chair, Finance Committee