



FINANCE COMMITTEE MEETING REPORT

October 10, 2019

Mezzanine Room | Northwoods Clubhouse

ATTENDANCE

Members:

Present: Dundas, Ravano, Eyton-Lloyd, Bonzon, Mahoney

Absent: Leibow, Hunter, Anderson, Johns, Melia

Ex-officio: Salmon, Etnyre

Board Liaisons: Koenes

GPC Liaison: Miller

TD Members: Shellito (GPC Member)

AGENDA ITEMS

1. **Call to Order, Call for Quorum, Approval of Agenda, Approval of Committee Report:** 15:02 pm, quorum present. Agenda approved by unanimous vote (Bonzon 1st, Mahoney 2nd). September 12, 2019 Committee Report approved by unanimous vote (Bonzon 1st, Eyton-Lloyd 2nd).
2. **Member and Committee Member Comments:** None.
3. **Committee Management:** None.
4. **Old Business:**
 - a. Update on Auditor RFP by Subcommittee: Is an executive session item on the agenda for October 17, 2019 TDABOD Meeting following the Annual Budget agenda item.
5. **Recurring Business:**
 - a. GPC Liaison Report:
 - i. Miller reported that the subcommittee (re the downhill ski lodge) had completed their report and that their conclusion was that the building be fully replaced. Additionally, by a 12-0 vote, the committee moved to proceed from stage 3 to stage 4 in the planning of the new lodge. The GPC report has been sent to the Board. The final report excluded the Finance Committee's report. Mahoney noted that two of the Board members saw our report as liaisons to the Finance Committee and suggested that our report should be forwarded to the other Board members to maintain transparency.
 - ii. Mahoney reported that he and Ravano, a subcommittee charged with meeting with the GPC (re the cross-country snowmaking project). He

described the project as an “insurance policy” against low snow years, estimated to be every 3 years. It is estimated that after 3 low snow years, the cost of the snowmaking would be recouped. Salmon reminded the committee that the downhill snowmaking has paid for itself over the last 3 years.

The Information Paper prepared by Mahoney, Dundas and Leibow (re the raising of the annual assessment by \$300) was reviewed. Mahoney reminded us that we need to be setting more funds aside for long-term building replacement and cautioned the Committee to be mindful of “institutional inertia”. Miller stated that the GPC should be tasked with getting estimated costs for capital projects and prioritizing the projects with the assistance of the Board and the Finance Committee. Koenes commented that he believed that the task should be given to management rather than the GPC and he agreed that we are underfunded. Etnyre stated that the General Plan has not been updated with costs for the last 2 years. The Finance Committee voted 5-0 to send the Information Paper to the Board (1st by Mahoney, 2nd by Ravano). *Note that there was some discussion (prompted by members of the GPC in attendance) about the awkward timing of our Information Paper’s recommendation (a four year, temporary increase in the Annual Assessment) given that the TDA BoD had only just received the GPC DSL Sub-committee’s recommendation to advance to the next stage in the evaluation process. Mahoney and Dundas explained that we did not intend to be disruptive to the GPC process and that our timing was being driven by the 2020 Budget cycle which included an analysis of the future state of the Development Fund. That analysis indicated that building even the smallest proposed replacement DSL would consume nearly all of TDA’s Development Fund resources by year end 2023 absent an adjustment in funding of the DVF. Mahoney and Dundas pointed out that the GPC DSL Sub-committee’s objective to have no special assessment for the DSL, while praiseworthy, has non-trivial consequences for the Association’s future development program. Our review of the 2020 Budget indicated a future level of Development Fund resources below that which we felt appropriate for an Association of our size especially given the advanced age of some of our facilities/amenities. This temporary increase in the AA is less about funding the new DSL and more about making sure that we have minimally sufficient capital for future projects.*

- b. 5501 Subcommittee Report: No meeting until October 18, 2019. Discussion deferred to November FC Meeting. Upcoming FC attendees:
 - i. October 18: Ravano or Mahoney
 - ii. October 22: Eyton-Lloyd or Mahoney
 - iii. November 22: Anderson or Mahoney
- c. Quarterly Reserve Fund Investments Review (**Jul-Sep**, Resolution 2015-5, Investment Policy): Mahoney stated that there was no report this month. Item deferred.

6. **New Business:**

- a. September Preliminary Financial Results and June Monthly Financial Report Review: DFA provided updates.
 - i. September data can be found at: <https://www.tahoedonner.com/wp-content/uploads/2019/09/2019-09-Finance-Package.pdf>.
 - ii. August Financials are located at: <https://www.tahoedonner.com/wp-content/uploads/2019/08/2019-08-Finance-Package.pdf>.

- b. Participate in Annual Budget Process (Annual Recurring Task, General Resolution 2014-1, Financial Planning, Budgeting, and Reporting): Remaining Budget Workshop Meeting scheduled for October 17, 2019, 1:00 pm, Northwoods Clubhouse.
7. **Next FC Meeting: November 14, 2019, 3:00–5:00 pm, Mezzanine Room, Northwoods Clubhouse**
8. **Preliminary Agenda Topics:**
- a. Review Actual to Budget Monthly and Yearly Financial Performance (Monthly Recurring Task)
 - b. Review Development Fund and Replacement Reserve Fund Activity (**Jul- Sep**, Quarterly, Recurring Task)
 - c. Review and Adjust FC Committee Tasks (Annual, Resolution 2008-2, Committee Policy)
 - d. Review FC Committee Membership (Annual, Resolution 2008-2, Committee Policy)
 - e. GPC Liaison Report (Task List)
 - f. 5501 Subcommittee Report
 - g. Quarterly Reserve Fund Investments Review (**Jul-Sep**, Resolution 2015-5, Investment Policy)
9. **Adjournment:** 5:15 pm (Mahoney 1st, Eyton-Lloyd 2nd).

Prepared and Submitted by John Dundas, Vice Chair and Cathy Ravano, Member, Finance Committee