



FINANCE COMMITTEE MEETING FINAL REPORT

October 8, 2020

Mezzanine Room | Northwoods Clubhouse

ATTENDANCE Via Zoom Video Conference Call

Members: Dundas, Ravano, Eyton-Lloyd, Watson, Melia, Colbert

Absent: Bonzon

Ex-officio Members: Mickaelian (GM), O'Neil (Comptroller),

Board Liaisons: Mahoney (Treasurer), Wu

GPC Liaison: Lindgren

TDA Members: Yoo, Vietor, Connors, Rudolph, Gauny

TDA Staff: Bennett

AGENDA ITEMS

1. **Call to Order / Call for Quorum:** Meeting called to order by Dundas, Chair, at 3:02 p.m. 6 Member quorum present.
2. **Approval of Agenda:** Motion to approve Agenda, Melia 1st, Ravano 2nd; passed 6-0.
3. **Approval of Committee Report, August 13, 2020:** Motion to approve Report, Ravano 1st, Colbert 2nd; passed 6-0.
4. **Member and Committee Member Comments:** Eyton-Lloyd suggested that the committee discuss at a future meeting whether it makes sense to extend the terms of members to 3 years, consistent with the BOD terms. Watson suggested adding the extension of the term of the committee chair's appointment to 2 years to that discussion. Mahoney offered to sound out the board on those suggestions.
5. **Ongoing Business:**
 - a: **Budget Update:**

Mickaelian advised the committee that Dunn had resigned and that this was his last day. Management is actively recruiting for a new DFA and has already received 160 applications. The closing date for applications is October 20. Mahoney expressed on behalf of the FC and the Board his enormous gratitude to Dunn for jumping in at short notice, taking charge, managing the team through a lot of change and preparing the 2021 budget and asked Mickaelian to advise Dunn of that.

O'Neil reported that the preliminary results for September show a net loss \$200-300k better than budget and that YTD the net loss is also \$300k better than budget, although the positive variance is likely to disappear by year end. Amongst the significant variances are a \$278k refund under the CARES Act, and insurance premiums which are \$300k higher than planned.

Mickaelian said that staff was focused on getting the 2021 budget book out ahead of the board meeting on the 16th and that it would include a variety of scenarios for the Development Fund.

b. Managing Capital Projects:

Mickaelian reminded the committee that the process historically has been based on a 10 year forward view compiled by the GPC. Currently, management is working through a strategic plan with the board and intends, once that plan is final, to build a new 10 year capital plan consistent with the strategic plan.

6. Committee Management:

a. Agenda Sidebar Information:

Dundas drew members' attention to the sidebar of the agenda and to the log on information contained there. The 9 Tools of Civility have been incorporated into the agenda and are now consistent with the BOD's guidance on personal conduct at meetings.

b. Committee Membership Process:

Dundas informed the committee that Cadei had withdrawn his application for FC membership leaving 6 applicants for 3 vacancies (Miller, Anderson and Bonzon who has communicated his intention not to request a renewal of his term at the end of the year). Dundas also said he had sent a note to Eyton-Lloyd and Melia asking them to submit the relevant paperwork to Bennett if they wish to stand for reappointment. Dundas and Watson are trying to arrange times to meet with all of the applicants ahead of the next FC meeting in order to be able to present a recommendation to the BOD in time for the November BOD meeting. Wu expressed his opinion that it would be helpful for the committee membership to reflect diversity in terms of on- and off-the-hill owners.

7. Task Matrix Updates:

a. Investment Working Group:

The group has not met since the last FC meeting and has been waiting for management to complete a reconciliation of the reserve accounts which has taken a back seat to getting the 2021 budget prepared. He suggested a meeting during the last week of this month and Watson will send out an invitation.

b. Annual Budget:

The annual budget is scheduled for a final review with the BOD and panelists on October 16 at 9:00 a.m. Action to approve the budget will occur at the October 23 regular BOD meeting.

c. Resolution Review Working Group:

Dundas confirmed with Eyton-Lloyd that he was willing to chair this group. Other members of the group will be Ravano, Melia, Vietor. Dundas will talk to Cadei about whether this might be a good fit with his legal experience. Eyton-Lloyd said there are three policies on the agenda for next year - Whistleblowing, Fraud and the Development Fund policy.

d. Downhill Ski Task Force Report:

Colbert reported that the operating and business plans from the new consultants are due to be delivered to the board by the end of March. As part of that process, the consultants are planning a lot of outreach to the community through a survey, focus groups, and close interaction with staff and committees.

e. Long-range plan to fund replacement of aging buildings:

Mickaelian and Mahoney reported that this was part of the budget cycle review of the Development Fund but that the final determination of the best way forward may have to wait until the completion of the strategic plan and the development of a new 10 year capital plan.

f. RRF Assets at Risk:

Eyton-Lloyd reminded the committee that this was a request for the last board in response to the surprise RRF expenditures required for the replacement of golf greens. Watson and Eyton-Lloyd agreed to meet and determine the best way to progress this without it being a burden to staff.

Mahoney made a general observation that he thought it would be better in 2021 to have fewer items on the task list and to make sure they were executed in a timely way.

8. New Business:

a. **GPC Liaison Report:** Lindgren reported that the GPC had met on Monday and was focused on the updates to the Strategic Plan and the capital projects update. The GPC will continue to provide assistance, as needed, to the Downhill Ski project. Lindgren also referred to a presentation on mobile transportation dealing with traffic calming and beautification. Lindgren was asked to send the presentation out to all FC attendees.

b. **5501 Committee:** Dundas referred the committee to the Information Report of the most recent 5501 Committee. The attendees for the upcoming meetings are:

October 27: Ravano/Gauny/Vietor/Watson/Colbert, Yoo

November 24: Colbert/Watson/Vietor/Melia/Yoo
December 22: Gauny, Rudolph, Colbert/Watson/Yoo

9. Next FC Meeting: November 12, 2020, 3:00 - 4:30 p.m., most likely via Zoom
Dundas reminded the committee of the upcoming budget workshop on October 16.

10. Preliminary Agenda Topics for Next Meeting:

Investment Working Group Report; 2021 FC Tasks Discussion; FC Appointment recommendations.

11. Adjournment: Dundas called for a motion to adjourn; Ravano 1st, Colbert 2nd: passed 6-0. The meeting was adjourned at 4:20 pm.

Prepared and Submitted by Terry Watson, Vice Chair, Finance Committee