



FINANCE COMMITTEE MEETING DRAFT REPORT

September 20, 2021

Mezzanine Room | Northwoods Clubhouse

ATTENDANCE Via Zoom Video Conference Call

Members: Dundas, Ravano, Watson, Niedringhaus, Rudolph, Vietor

Absent: Colbert

Deputy Chair: Martyn-Jones (DFA)

Board Liaisons: Mahoney (Treasurer), Roth

GPC Liaison: None

TDA Members: Levine, Gauny, Kodres

TDA Staff: Mickaelian (GM)

Members: Kodres, Levine

AGENDA ITEMS

1. **Call to Order / Call for Quorum:** Meeting called to order by Dundas, Chair, at 3:02 p.m. Quorum present.
2. **Approval of Agenda:** Motion to approve Agenda, Watson 1st, Rudolph 2nd; passed 6-0.
3. **Member and Committee Member Comments:** None
4. **Approval of Committee Report:** None
5. **Committee Tasks:**
 - a. **Financial Performance Update:** Martyn-Jones reported that the Net Operating Result for the month of August was a deficit of \$686k, or \$294k worse than the budgeted deficit for the month. The negative NOR is primarily attributable to the drop in visitations to the amenities caused by the poor air quality arising from the wildfires. For the first eight months of 2021, the Net Operating Result is a deficit of \$2,547k, which is \$1,076k, or 30%, better than budget. Year-to-date revenues are \$370k, or 3.7%, higher than budget, Cost of Goods Sold is \$107k lower than budget, and Operating Expenses are \$598k, or 4.7%, lower than budget. September's financial performance is also being impacted by the poor air quality with revenues at the golf and marina amenities well below budget on a month to date basis.

In response to questions, Martyn-Jones said he was reevaluating the finance function's staffing needs and would probably post for a junior replacement of the vacant role which reflects the ability of the current team to step up and assume more responsibilities. He

also said that we are waiting for the insurance renewal premiums which normally are received in October or November.

- b. **2022 Budget Planning:** Dundas drew members' attention to what he had laid out in the Agenda which was intended to be a helpful overview of the budget process. Mickaelian explained that staff has adopted a different approach to the capital budget presentation this year by showing a separate slide for every project, and including a 15 year forward listing of all projects. He also said that staff and the Board would work during 2022 on refining a process and policy for how to reserve over the long-term for building structure replacements which are not currently factored in to the Development Fund. Vietor questioned why the 15 year forward project listing was not in compliance with the Development Fund Policy which calls for a 20 year forward plan. Mickaelian said that it was an oversight and staff would make the correction to a 20 year listing. Dundas encouraged members to attend the upcoming workshops.

- c. **Downhill Ski Lodge:** Dundas said that Colbert had submitted his update in writing this month.

- d. **Long-Range Capital Improvement Program:** Dundas led a brief discussion on this task which will get launched after the 2022 Budget work is finished up. There was general agreement that the Long-range Planning Committee is tasked with advising as to the needs, priorities and timing of the various projects, while the Finance Committee is tasked with advising on the best way to finance the projects.

- e. **Cost of Services Study and Amenity Access:** Watson provided a description of this task and said that it would be launched after the 2022 budget work is completed. Roth said he hoped that the project would provide guidance on what the appropriate mix is between user fees and annual assessments, as well as address the cost allocation methodology and financial reporting.

- f. **5501 Committee Report:** Dundas reminded members that the report had been distributed in the Agenda materials.
The attendees for the upcoming 5501 meetings are:
 - September 28: Niedringhaus
 - October 26: Vietor
 - November 23: Rudolph

Dundas and Watson would continue to attend as available.

- 6. **Next FC Meeting:** The next Committee meeting is scheduled for October 21, 2021 at 3:00-4:30pm, via Zoom.

Dundas reminded members of the upcoming meetings for the Budget Workshop (9/23), the regular TDABOD meeting (9/24) and the 5501 Committee (9/28).

7. Preliminary Agenda Topics for Next Meeting:

Financial Performance Update

2021 FC Tasks

5501 Committee Report

Downhill Ski Lodge Update

Investments

- 9. Adjournment:** With no further business to discuss, Dundas called for a motion to adjourn, Watson 1st, Ravano 2nd, Approved 6-0, and Dundas adjourned the meeting at 4:30 p.m.

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