



## FINANCE COMMITTEE MEETING

### FINAL REPORT

March 17, 2022

Zoom

1. **Call to Order / Call for Quorum (4):** The Chair (Dundas) called the meeting to order at 3:02 pm PDT after noting that a quorum was present.

**Attendees (All attendees present on Zoom Video Conference Call):**

Members: Dundas, Ravano, Rudolph, Niedringhaus, Kodres

Ad Hoc Member: None

Absent: Vietor

Staff Lead: Martyn-Jones (DFA)

Board Liaison(s): Mahoney, Roth (joined at approximately 3:10 pm PDT)

LRPC Liaison: To Be Determined

TDA Staff: Steve Hogan (New Controller)

TDA Members: Denise Gauny

2. **APPROVAL of Agenda:** A motion was made by Dundas to approve the Agenda for the meeting. Ravano provided a 1<sup>st</sup> and Kodres a 2<sup>nd</sup>. Motion was approved 5-0.
3. **Member and Committee Member Comments:** A request was made by the Chair for comments by any Member or Committee Member who wished to do so. As there were no Members who had come on the Zoom call, Dundas asked if there were any FC Member comments.

It was noted that Steve Hogan has joined the TD management team as the new Controller. The FC welcomed Hogan to the team. Introductions were requested and made by members of the FC to Hogan. And Hogan provided his background for the FC.

4. **APPROVAL of Committee Draft Report, February 17, 2022:** The Chair thanked Niedringhaus and Kodres for their comments on the draft report. Some of the terminology was under discussion especially as related to a description of annual assessments occurring in the future. A further discussion of this topic will be seen below. Niedringhaus provided a 1<sup>st</sup> and Rudolph provided a 2<sup>nd</sup>. The motion passed 5-0.
5. **Committee Management:**
  - a. The Long-Range Planning Committee (“LRPC”) was a discussion item for the committee. A lot of progress has been made since the last FC meeting with the appointment of Co-Chairs (Beckmeyer and Mitchell), Vice Chair (Jerry Meek), and Secretary (Gauny). Ms. Vietor has indicated a continuing interest in being the FC liaison with the LRPC. The LRPC will begin meeting on the 2<sup>nd</sup> Thursday

of the month. Director Mahoney indicated that the committee was a well-balanced mix of TD members.

#### 4. Committee Tasks

##### a. Recurring Tasks (RT)

##### 1. DISCUSSION: RT #1 - Financial Performance Update.

a. Martyn-Jones indicated that the *Provisional* performance for February was like that of January. TD ski facilities had several “bluebird days” with nominal snow amounts, although the snow conditions were described as thinning out. The Snow Play area had closed on the 13<sup>th</sup>. Additionally, there were no Covid impacts to staff or finances during the period.

1. Highlights and key performance factors for February 2022. The results are *Provisional* due to not having a full complement of staff in the Finance and Accounting to complete a standard financial package within the normal timeframe. This is anticipated to change with Hogan coming up to speed as Controller. The budgeted Net Operating Results (NOR) for February 2022 was \$233,204 and a year to date NOR of \$221,471. This resulted in a budgeted surplus of \$227,238 and a favorable NOR to budget of \$233,204 or 103%. The results were driven by several external factors:

- a. Season Pass revenue exceeded budget by 38.0k for Downhill and \$99.0k for Cross Country,
- b. Favorable weather and skiing conditions produced strong visitation at all ski facilities,
- c. Labor (including burden) was unfavorable to budget by \$97.0k mostly due to overtime staffing needs.

b. COGS was \$31,000 unfavorable to budget. Inflationary factors and price increases contributed to the increased COGS and are associated with an increase in F&B revenues.

c. Salaries and wages were unfavorable to budget by \$97,000, which was due to:

1. Considerable overtime due to the employee workforce shortage \$39k + burden paid in February.

d. Other Operating Expenses were influenced by several factors:

1. Elements performed \$15k of defensible space work which was not budgeted. Martyn-Jones was asked to review this offline – was it a timing issue or is there a budget issue? Dundas asked if we should look at a “replacement reserve” for defensible space as this will be an ongoing operation for the foreseeable future. Also, will there be any Measure T funding allocated to TD?

2. Higher credit card processing expense occurred with higher revenues,
  3. Paper shortages contributed to increased printing costs for the TD News,
  4. Fuel costs for diesel usage in the snow equipment was \$9k over budget for the month.
  - e. Mr. Martyn-Jones provided additional information:
    1. Vail Ski Resorts announced that they were implementing a \$20/hour entry level pay for employees. It is assumed that TD may need to look at increasing labor costs due to competitive pressures,
    2. All 5 F&B facilities were above budget for the month,
    3. There is an estimated 30% increase in costs for contractors doing defensible space work,
    4. April 10<sup>th</sup> is a tentative closing date for winter operations and summer operations will begin at the usual time.
2. **DISCUSSION/ACTION:** RT #2 - 5501 Subcommittee Report.
- a. DRAFT 5501 Report-January 6, 2022: Not Available. Meeting held on March 14. There were a couple of follow-up items but nothing major that came out to the meeting.
  - b. FC Attendees for upcoming 5501 Subcommittee Meetings (3-5 pm) via Zoom:
    1. March 29, 2022
      - a. Member: Vietor
    2. May 3, 2022
      - a. Member: Niedringhaus
    3. May 24, 2022
      - a. Member: Rudolph
- b. Special Tasks (ST):
1. **UPDATE:** ST #1 – Improve TDA’s periodic reporting of financial results and operating performance to the BOD and Owners. – Treasurer/Ravano:
    - a. A meeting was held on March 2<sup>nd</sup> to review reporting packages. Martyn-Jones will meet with Kodres and Hogan to discuss the FAQ metrics type questions that Kodres is working on. It was noted that in reports that member oriented, the simpler the better insofar as information could be conveyed.
2. **DISCUSSION:** ST #3 – Reserve Funding of Long-Range Capital Improvement Program.
- a. A discussion occurred on how to define a simple term that would convey a regular assessment to Members that could be reasonably expected in normal operating conditions. The term “normalized” was pointed out by FC members with an accounting background to have a different meaning than those which other members had in

mind. The term “steady state” was offered as an alternative. Overall, it was agreed that TD needs to find ways to simplify the communications to Members when it comes to financial presentations. The FC believes that Members want to know how much (i.e.: an assessment) they could be expected to pay over a reasonable time.

- b. The desired outcome is to produce a Capital Improvement Plan along with a viable Capital Funds Projection that supports the Capital Improvement Plan. This will lead to an assessment that considers operating needs as well as capital/project funding needs.
- c. Mahoney indicated that what we are trying to achieve is to present “what are we saving for” and “how and when are we saving the money”.
- d. The biggest questions that come up from Members are:
  1. How are assessments calculated?
  2. How is Long Range Planning done?

c. **DISCUSSION:** New Task - Financial Frequently Asked Questions.

1. Kodres reviewed and provided a status update of project. Marty-Jones (see above) will be meeting with Kodres and Hogan.

5. **Next FC Meeting:** April 21, 2022, 3:00-4:30 pm, To Be Determined: Zoom only or Northwoods Clubhouse, Mezzanine Room + Zoom

6. **Adjournment:** A motion was made to adjourn the committee meeting. Rudolph provided a 1<sup>st</sup> and Niedringhaus provided a 2<sup>nd</sup>. The meeting was adjourned at 4:30 pm PDT with a 5-0 vote.

Prepared and submitted by Michael Rudolph, Vice Chair, Finance Committee