



FINANCE COMMITTEE MEETING

FINAL REPORT

December 15, 2022.

Northwoods Clubhouse, Mezzanine Room and Zoom

1. **Call to Order / Call for Quorum (5):** The Chair (Dundas) called the meeting to order at 3:00x pm PDT after noting that a quorum was present.

Attendees (All attendees present on either Zoom Video Conference Call or in person at Northwoods Clubhouse):

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

Absent: None

Staff Lead: Martyn-Jones (DFA&BS)

Board Liaison(s): Mahoney, Treasurer

LRPC Liaison to FC: Gauny

TDA Staff: David Mickaelian (GM) [joined at 4:10 pm], Steve Hogan (Controller)

TDA Members: Craig Falk (FC Member Applicant) and Corey Leibow (FC Member Applicant)

2. **APPROVAL of Agenda:** A motion was made by Dundas to approve the Agenda for the meeting. Kodres provided a 1st and Rudolph a 2nd. Motion was approved 6-0.
3. **APPROVAL of Committee Draft Report, November 17, 2022:** Chair Dundas requested comments about the Finance Committee Report prepared after the November 2022 Finance Committee meeting. No comments were forthcoming. Vietor provided a 1st and Kodres provided a 2nd. The motion was approved 6-0 to send the final report to the Board.
4. **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. A Member (Jim **NAME**) offered his thanks to Chairman Dundas for all the hard work and efforts that Mr. Dundas has given to Tahoe Donner during the past 20+ years.
5. **Committee Management:**
 1. **Discussion/Action: Committee Appointments** - Chair Dundas noted there were 3 upcoming vacancies on the Finance Committee which would be filled with 2 new applicants (Falk and Leibow for 3-year terms) and re-appointment of Ms. Ravano for a 2-year term pending Board approval. Mr. Mahoney has taken the recommendations and will sponsor the applicants at the December 16th Board meeting.
 2. **Discussion/Action:** Election for Chairperson and Vice Chairperson. A discussion regarding procedures for electing officers was held. Director Mahoney felt that the applicants (Falk and Leibow) should not be able to vote since they were technically up

for approval by the Board. Also, Ms. Ravano felt that she should abstain from voting since she was also up for re-election. It was agreed by the Finance Committee that all 3 individuals should have an opportunity to participate in the election of Officers for 2023 assuming the Board approved their nominations. Ms. Kodres suggested that with the departure of Chair Dundas, that the Vice Chair (Rudolph) could serve as the Acting Chair for the January 2023 meeting to carry out various duties (producing a meeting agenda, report for the December 15th meeting, etc.). At the January meeting, candidates for the 2 offices could be discussed and votes taken by the FC to elect a Chair and Vice Chair for the Committee. The FC members agreed that this was a logical approach and process to follow.

It is noted that in the December 16th Board meeting, Messrs. Falk, Leibow, and Ravano's nominations were presented by Director Mahoney and then subsequently approved by unanimous vote of the Board for 3-year terms and Ms. Ravano for a 2-year term.

6. Committee Tasks:

1. **2023 Committee Workplan/Task Plan:** Director Mahoney discussed the Board's desire for each Committee to put together a plan for 2023 that generally followed the Draft Board Work/Task Plan. An initial draft had been prepared by FC Members for discussion. The draft FC Work/Task Plan was prepared utilizing 2 general areas: Projects Aligned with Staff Workplan and Continuing Projects and Responsibilities. Under these headings an example of Projects Aligned with Staff Workplan is "Amenity Access Policy". An example of Continuing Projects is "Review Actual to Budget Monthly". The initial draft was discussed within the FC. Additional comments and ideas were reviewed to be incorporated into the draft. Ms. Kodres also indicated that there should be more coordination with the LRPC as planning proceeded to a point where financial review and assistance would be a value add. Because the Board was slated to review the Draft Committee Workplan after the FC Meeting, it was agreed that the draft would be submitted for inclusion in the Board book and further discussion would occur in the January 2023 meeting. (NOTE: A copy of the Board's 2023 Committee Draft Task Lists is included with this report. The FC Task List (pages 10 and 11) is an integral part of the draft.)
2. **Recurring Tasks - Presentation and Discussion of November 2022 Financial Results:** Mr. Martyn-Jones. For November 2022, TDA had budgeted a Net Operating Loss ("NOL") of -\$1,133,325 and the actual NOL of -\$1,158,742, resulting in an unfavorable variance to plan of -\$25,417 (-2.24%). Gross revenue for the month of November was \$104,000 or 37% favorable to budget. Key contributors were cross country revenue of \$27,000 was 60% better than budget, The Lodge revenue was favorable to budget by \$16,000 or 16%, ACAC revenue was \$7,000 positive to budget, Pizza on the Hill revenue was not budgeted and generated \$18,000 in revenue which was a positive variance.+

Cost of Goods Sold (COGS) was -\$22,000 unfavorable to budget primarily due to overages in Food and Beverage. This variance was discussed as part of a brief analysis that Mr. Niedringhaus had prepared in an email sent to FC members and Staff.

Total payroll and burden was unfavorable to budget by -\$75,000 or -8%. Key contributors were: a.) -\$26,000 of non-budgeted Forestry Department labor costs incurred in November for continuing activities associated with defensible space and b.) -\$16,000 unfavorable variance in Cross Country operations due to the impact of high wage rates paid and an earlier opening.

Other Operating Expenses were unfavorable to budget by -\$33,000 (-7%). Insurance expense was unfavorable to budget by -\$13,000 due to rate increases. Credit card merchant processing fees were -\$18,000 unfavorable due to increased credit card usage for amenities. Dues and subscriptions were unfavorable to budget by -\$13,000 due to a timing issue. There was some offset in staff expenses, utilities, supplies and maintenance to offset some of the unfavorable variance.

Year to date Net Operating Result was a slightly favorable \$5,247 to budget or 0.08%. Revenue was \$962,428 better than budget and COGS was unfavorable to budget by -\$193,466. The Gross Margin (GM) Year-to-Date was favorable by \$768,961 to budget but unfavorable Operating Costs consumed most of the favorable GM variance.

3. Discussion of the 5501 Committee Report that was submitted in draft form for November 22. The December 27th Meeting will be attended by Ms. Vietor and Mr. Rudolph will be at the January 24, 2023, Meeting. Director Mahoney indicated that the lobby group that has been trying to get an exemption from the 5501 requirements if the HOA has audited financial statements has reduced their efforts.

7. Special Tasks (ST)

- a. UPDATE: Ms. Kodres provided an update on the FAQ project. Kodres sent the 2nd set of FAQ's out to Lindsey for feedback. Depending on comments from Lindsey, the FAQ's will be ready for Board review and subsequent publication and posting on the website. Ms. Kodres also indicated that the FAQ's pertaining to access policy will be held until a new policy is developed in 2023.
 - b. Financial Presentation Enhancements: This month's financial review had several "new looks" in presentation. Mr. Martyn-Jones and his staff were complemented on the changes.
8. **Next FC Meeting:** January 19, 3:00-4:30 pm, Northwoods Clubhouse, Mezzanine Room + Zoom. Mr. Rudolph will serve as Acting Chairman until the election of Officers has been conducted.
 9. **Adjournment:** The meeting was concluded at 4:43 pm PDT with a motion not being made to adjourn.

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