



## FINANCE COMMITTEE MEETING

### FINAL REPORT

January 19, 2023.

Northwoods Clubhouse, Mezzanine Room and Zoom

1. **Call to Order / Call for Quorum (4):** The Acting Chair (Rudolph) called the meeting to order at 3:05 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: Falk, Leibow, Ravano, Kodres, Rudolph, Viotor, Niedringhaus

Absent: None

Staff Lead: Martyn-Jones (DFA&BS)

Board Liaison(s): None

LRPC Liaison to FC: Gauny

TDA Staff: Steve Hogan (Controller)

2. **NOMINATION and ELECTION of Officers for 2023:** Acting Chairman Rudolph noted that the first order of business for the Finance Committee was to elect a Chairperson and Vice Chairperson for 2023. The Acting Chair put forth the nomination of Ms. Ravano for Chairperson indicating that her lengthy involvement with the Board, long standing service on the Finance Committee and professional background would make an ideal candidate for the Chairperson. After a brief discussion among the members, a motion was made to elect Ms. Ravano Chairperson. Mr. Rudolph provided a first and Mr. Leibow provided a 2<sup>nd</sup> to the motion. A vote was taken, and Ms. Ravano was elected Chairperson 6-0 (Ravano abstaining). Ms. Ravano, as Chairperson, nominated Mr. Rudolph as Vice Chairperson, noting that he had been in that position during the prior year and was willing to continue his service. The Chair provided a 1<sup>st</sup> and Ms. Kodres provided a 2<sup>nd</sup> for the nomination. The vote was 6-0 (Rudolph abstaining) to approve Mr. Rudolph for Vice Chair.
3. **Introduction of Committee Members:** Since Messrs. Leibow and Falk were approved in December's Board meeting, all FC members were requested to provide a brief background for the other members as well as their thoughts on goals for the committee.
4. **APPROVAL of Agenda:** A motion was made by Ravano to approve the agenda for the meeting. Falk provided a 1<sup>st</sup> and Niedringhaus a 2<sup>nd</sup>. Motion was approved 7-0.
5. **APPROVAL of Committee Draft Report, December 15, 2022:** Chair Ravano requested comments about the Finance Committee Report prepared after the December 2022 Finance Committee meeting. No comments were forthcoming. Kodres provided a 1<sup>st</sup> and

Niedringhaus provided a 2<sup>nd</sup>. The motion was approved 7-0 to send the final report to the Board.

6. **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. No comments were forthcoming.

7. **Committee Management:**

1. **Discussion of Finance Committee Task List for 2023:** Chair Ravano led a discussion of the Board approved 2023 Task List/Work Plan for the Finance Committee. After initial discussions about the plan, Chair Ravano introduced a sub-committee concept wherein the major assigned Finance Committee tasks would be assigned to individual committee members (or several committee members depending on the scope of the task) who would be responsible for overseeing the tasks, performing needed analysis or research, and then reporting to the full committee on status of their assigned plan tasks each month. After discussion amongst the committee members, the concept was felt to be workable. Further discussion would be held at the February meeting to confirm the sub-committee approach, assign tasks to members, etc.

Additionally, the committee noted that a key task due by the end of the first quarter was to update the Financial Committee's charter. This item will be an agenda item for the February meeting.

2. **Recurring Tasks - Presentation and Discussion of December 2022 Financial Results:** Mr. Martyn-Jones noted that the annual audit had commenced and that the FY 2022 results had been wrapped up. For December 2022, operating gross revenue was \$571,000 or 7.13% favorable to budget of which principal variance contributions: a.) downhill ski revenue contributed \$510,000 and b.) cross country contributed \$123,000 to the positive variance. Offsetting the positive variances was The Lodge revenue which was unfavorable to budget by \$53,000. Pizza on the Hill and ACC were off budget.

Cost of Goods Sold (COGS) was -\$16,000 unfavorable to budget primarily due to higher than budgeted retail sales. and Staff.

Total payroll and burden was unfavorable to budget by -\$364,000 or -28.5%. Key contributors were: a.) -\$30,000 of due to more J-1 visa personnel than were expected and b.) -\$16,000 unfavorable variance in Cross Country operations due to the impact of higher wage rates paid and an earlier opening. Additionally, a year end accrual of \$250,000 was booked for employee incentives and bonuses.

Other Operating Expenses were unfavorable to budget by -\$335,000 (-97.4%). There were a variety of issues that created the unfavorable variance. Categories included woosed chip removal (-\$86,000), utility expense (-\$50,000), employee housing (-\$31,000),

additional snow making expense (-\$21,000), insurance expense (-\$14,000) amongst other categories.

Year to date Net Operating Result was unfavorable by -\$125,683 to budget Revenue was \$1,533,609 better than budget and COGS was unfavorable to budget by -\$209,375. The Gross Margin (GM) Year-to-Date was favorable by \$1,324,234 to budget but unfavorable Payroll and Operating Costs variances totaling -\$1,449,917 when compared to budget produced the unfavorable variance.

3. **Discussion of the 5501 Committee Report:** The December 27<sup>th</sup> Meeting was postponed but will be attended by Mr. Rudolph. Chair Ravano will attend the February meeting and Mr. Leibow with Mr. Niedringhaus as backup will attend the March meeting.

#### 7. **Special Tasks (ST)**

- a. **UPDATE:** Ms. Kodres provided an update on the FAQ project and indicated that the FAQ's had been sent to several people. It was indicated that the Board would need to review and approve the FAQ's before they can be incorporated into the Tahoe Donner website and other publications.
  - b. **Food and Beverage:** Director Mahoney has requested a 1-2 page chart and variance analysis of the financial staff.
8. **Next FC Meeting:** February 16, 3:00-4:30 pm, Northwoods Clubhouse, Mezzanine Room + Zoom.
  9. **Adjournment:** The meeting was concluded at 4:46 pm PST PDT with a motion being made to adjourn. Mr. Rudolph provided a 1<sup>st</sup> and Mr. Niedringhaus provided a 2<sup>nd</sup> with a unanimous vote ensuing.

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