



FINANCE COMMITTEE MEETING

FINAL REPORT

February 16, 2023.
Northwoods Clubhouse, Mezzanine Room and Zoom

1. **Call to Order / Call for Quorum (4):** The Chair (Ravano) called the meeting to order at 3:01 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, Kodres, Rudolph, Vietor, Niedringhaus, Ravano

Absent: None

Staff Lead: Martyn-Jones (DFA&BS)

Board Liaison(s): Steve Mahoney

LRPC Liaison to FC: Gauny

TDA Staff: Steve Hogan (Controller)

2. **APPROVAL of Agenda:** A motion was made by Ravano to approve the agenda for the meeting. Falk provided a 1st and Leibow a 2nd. Motion was approved 7-0.
3. **APPROVAL of Committee Draft Report, January 19, 2023:** Chair Ravano requested comments about the Finance Committee Report prepared after the January 2023 Finance Committee meeting. Ms. Kodres indicated that she had minor comments/changes about the report. It was agreed to vote on approval of the report based on modifications that would be made. Falk provided a 1st and Vietor provided a 2nd. The motion was approved 7-0 to send the final report to the Board subject to changes proposed.
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. Member Julie Thornton indicated she wished to make a comment and talked about parking issues and parking lot expansion at the **Cross Country facility**. It was indicated that Mr. Koenes has replied to Julie and passed on her comments/concerns to the Long-Range Planning Committee ("LRPC") and Mr. Mitchell (capital projects). Ms. Thornton was thanked for her comments.
5. **Committee Management:**
 1. **Introduction of Stifel Financial Representatives:** Todd Martyn-Jones introduced Evan Price and James Dixon who were representing Stifel, a full service investment firm. As background, Stifel has maintained a relationship with Tahoe Donner for

approximately 12 years. Stifel does not have discretion on the account but makes recommendations and relies on TD management to approve any recommendations made. A discussion ensued about funds managed, rates, interest earned, etc. Tahoe Donner follows an investment policy that is in place and is consistent with Davis-Stirling requirements. Stifel is paid on a commission basis for investments now and if requested would be paid a fee for more strategy related issues.

Various alternatives were discussed relative to laddering out maturities, expanding the investment policy to accommodate more investments while maintaining the relatively low risk profile (credit, rollover, and liquidity risk), etc.

The FC members agreed that a “strategy” for investments was required and that further discussion would take place in conjunction with the task plan for 2023.

Messrs. Price and Dixon were thanked for their review, comments, and thoughts.

- 2. **Discussion of Finance Committee Task List for 2023:** Chair Ravano continued a discussion from the January FC meeting of the Board approved 2023 Task List/Work Plan for the Finance Committee. It was agreed that the term “sub-committee” will be replaced by “task group”. It was proposed that there be 6 task groups to address the Task List/Work Plan comprised of 2 or more members. Each task group will need a leader who will produce a purpose statement. The proposed task groups are as follows:

TASK GROUP	MEMBERS	LEADER
<i>Recurring Tasks</i>		
Audit	Niedringhaus, Ravano, Leibow	Niedringhaus
Monthly Financial Review	Niedringhaus, Ravano, Falk	Niedringhaus
Annual Budget	Niedringhaus, Ravano, Falk	Niedringhaus
Capital Planning	Rudolph, Falk, Leibow	Leibow
Investment	Rudolph, Kodres, Vietor	Kodres
<i>Additional Assigned Tasks</i>		
FAQ’s	Vietor, Kodres	Kodres
FC Charter	Kodres, Vietor, Leibow	Kodres

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 addressed by the next meeting.

Ms. Kodres will write up an interpretation of the Committee’s Work Program and how that ties to the proposed Task Groups for committee comment and further action.

3. Recurring Tasks - Presentation and Discussion of January 2023 Financial Results:

Mr. Martyn-Jones did a quick review of the January financials due to time constraints. In general, downhill ski revenue results of \$119,000 were very strong coming in at 8% better than budget. This was offset by Cross Country revenue being unfavorable to budget by 12% or -\$64,000. Total gross revenue was \$51,000 or 2.1% favorable to budget. Lodge revenue was unfavorable to budget by \$13,000 or -8%. Offsetting this was ACAC revenue being to budget by \$7,000 and Pizza on the Hill being favorable to budget by \$12,000.

Cost of Goods Sold (COGS) was -\$12,000 unfavorable to budget primarily due to higher than budgeted retail sales and F&B sales. As a percentage of revenue, F&B were right on budget at 34% while Retail was also on budget at 49%

Total payroll and burden was unfavorable to budget by -\$8,000. Key contributors were a.) -\$10,000 due to Downhill Ski costs being higher than budget but offset with increased revenues and b.) -\$10,000 unfavorable variance in Downhill Mountain operations due to the impact of additional resources needed for snow clearing and lift preparation.

Other Operating Expenses were unfavorable to budget by -\$108,000 (-18%). There were a variety of issues that created the unfavorable variance. Categories included -\$40,000 of disputed invoices received from the TDPUD, higher credit card fees paid (\$5,000), higher linen service costs, (\$5,000) unplanned snowcat maintenance (\$8,000), high natural gas expense (\$7,000) in Aquatics, higher diesel usage in snow removal (\$7,000).

Year to date Net Operating Result of \$98,744 was unfavorable by -\$76,229 to budget. Revenue was \$2,544,623 and COGS was \$183,984 yielding a gross margin of \$2,360,640. Taking Payroll (\$1,549,083) and Other Operating Costs (\$712,814) into account, the Net Operating Result was \$98,744.

4. Discussion of the 5501 Committee Report: The December 27th 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.

Mr. Martyn-Jones indicated that a new financial analyst has been hired and will assist with tasks including reporting.

7. Next FC Meeting: March 16, 2023, 3:00-4:30 pm, Northwoods Clubhouse, Mezzanine Room + Zoom.

Adjournment: The meeting was concluded at 5:22 pm PST with a motion being made to adjourn. Mr. Rudolph provided a 1st and Ms. Kodres provided a 2nd with a unanimous vote ensuing.

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