



## FINANCE COMMITTEE MEETING DRAFT REPORT

October 21, 2021

Mezzanine Room | Northwoods Clubhouse

### ATTENDANCE Via Zoom Video Conference Call

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

Absent: None

Deputy Chair: Martyn-Jones (DFA)

Board Liaisons: Mahoney (Treasurer), Roth

LRPC Liaison: None

TDA Members: Gauny, Kodres, Connors

TDA Staff: Mickaelian (GM)

### AGENDA ITEMS

1. **Call to Order / Call for Quorum:** Meeting called to order by Dundas, Chair, at 3:01 p.m. Quorum present.
2. **Approval of Agenda:** Motion to approve Agenda, Colbert 1st, Vietor 2nd; passed 7-0.
3. **Member and Committee Member Comments:** Connors asked a question about lines of business and certified accounts. Dundas responded that as a HOA we do not have lines of business other than managing the Association for the enjoyment of members and offered to follow up offline with Connors.  
Martyn-Jones provided an overview of the transition to eUnify, which went live on October 1. The system has been linked to the Association's operating bank account and can be used by members to make payments. Martyn-Jones said that ~200 homeowners had signed up to use the system so far. Rudolph commented that the system was very easy and intuitive to use and commended Martyn-Jones on the choice of platform. Colbert asked if it can be used to host the Association's financial statements, which Martyn-Jones confirmed to be possible. Gauny asked whether households could have two email accounts registered and Martyn-Jones said he would look into that and find out. Watson encouraged all FC members to sign up.
4. **Committee Management:**
  - a. **FC Member Terms:** Dundas having stepped away for a minute, Watson referred to the memo sent by Dundas with the proposal for new terms of members. Watson informed the Committee that, like Colbert, he was not seeking reappointment to the FC, which leaves two seats vacant and needing to be filled.

- b. **Budget Planning Wrap Up:** Dundas thanked everyone for their help and attention to the formulation of the 2022 budget.
- c. **2022 FC Tasks:** Dundas referred members to the list of proposed 2022 tasks he had circulated before the meeting and asked for comments. Mickaelian asked that a task be added to help management review and decide upon a revision to the recreation fee charges. Dundas commented that this type of assistance is included in the scope of FC Special Task #4.
- 5. **Approval of Committee Draft Report, September 20, 2021:** Dundas referred members to the link to the report included in the Agenda and called for a vote to approve the report. Rudolph 1st, Niedringhaus 2nd, passed 7-0.

6. **Committee Tasks:**

**Recurring Tasks:**

1. **RT#1 - Financial Performance Update:** Martyn-Jones reported that the Net Operating Result for the month of September was a deficit of \$675k, which was \$85k or 11.2% ahead of the budgeted deficit for the month of \$760k. For the 9 months year to date, the Net Operating Result is a deficit of \$3,217k which is \$1,165k or 27% ahead of the budgeted deficit of \$4,383k. Martyn-Jones commented that the bonus accrual rate was increased in September based on the performance year-to-date to help avoid the situation where a large correction is required to the bonus accrual at the end of the year. Golf has had a good season despite the air quality issues and its Net Operating Result as of the end of September is a surplus of \$189k.

For the full year 2021, the forecast Net Operating Result is for a deficit of \$6,124k, which would be \$500k ahead of the budgeted deficit of \$6,624k.

Colbert asked if the 2 open IT positions were having any effect and Martyn-Jones replied that some non-essential projects were having to be delayed but there should be minimal impact to members.

2. **RT#2 - 5501 Committee Report:** Dundas referred members to the link to the committee report included in the agenda. The attendees for the upcoming meetings are:

October 26: Vietor

November 23: Ravano

December 28: Colbert

**Special Tasks:**

1. **ST#2 - Downhill Ski Lodge Update:** Colbert said that a recommendation was going to be presented to the TDHOA Board tomorrow to approve moving to the 30% design stage. He commented that the difference between the two proposed footprints for the lodge was ~\$690k

2. **ST#3 - Reserve Funding of Long-Range Capital Improvement Program:**

Mickaelian said that staff had met with an external consultant with experience of HOA reserving. They are planning to do a deeper dive of the triennial study and forward recommendations in the November/December time frame, which is when Mickaelian would want the FC's help in reviewing the recommendations. Mahoney cautioned that the recommendations might well include an increased funding level of reserves, for which we should be prepared.

3. **ST#4 - Cost of Services Study and Amenity Access:** Watson asked Martyn-Jones when he would have the capacity to devote time to this project. Martyn-Jones said not until December and Watson said he would arrange a meeting in early December to kick off the project.

4. **New Task - Financial and Governance FAQ:** Dundas referred members to the documents he had circulated with the agenda. Kodres described the results of her review of the old version of the FAQ, saying some questions are still relevant, some are confusing, while some are out of date. Kodres asked for feedback from all the committee members including new questions that should be included and provide recommendations to her or Dundas no later than the close of business on October 28, 2021.

7. **Next FC Meeting:** The next Committee meeting is scheduled for November 18, 2021 at 3:00-4:30pm, via Zoom.

8. **Preliminary Agenda Topics for Next Meeting:**

- Review summer season financial results
- Financial Performance Update
- 2021 FC Tasks
- 5501 Committee Report
- Downhill Ski Lodge Update
- Financial FAQs
- eUnify Update
- HOA Accounting Language

9. **Adjournment:** With no further business to discuss, Dundas called for a motion to adjourn, Rudolph 1st, Ravano 2nd, Approved 7-0, and Dundas adjourned the meeting at 4:09 p.m.

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