



FINANCE COMMITTEE MEETING

FINAL REPORT

January 20, 2022

Zoom

1. **Call to Order / Call for Quorum (4):** The Chair (Dundas) called the meeting to order at 3:05 pm PST after noting that a quorum was present.

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

Members: Dundas, Ravano, Rudolph, Vietor, Kodres

Ad Hoc Member: Colbert

Absent: Niedringhaus

Deputy Chair: Martyn-Jones (DFA)

Board Liaison(s): Mahoney

LRPC (GPC) Liaison: None

TDA Staff: Mickaelian (GM)

TDA Members: Watson, Gauny, Conners

2. **APPROVAL of Agenda:** A motion was made by Dundas to approve the Agenda for the meeting. Rudolph provided a 1st and Vietor a 2nd. Motion was approved 5-0.
3. **APPROVAL of Committee Draft Report, December 16, 2021:** The Chair requested comments from Committee members regarding the December 16, 2021, Meeting. A motion was then made for approval. Kodres provided a 1st and Ravano provided a 2nd. The motion passed 5-0.
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. No comments were made.
5. **Committee Management:** A discussion was held on Finance Committee Officer positions for the coming year (2022). Nominees and motions made for approval:
 - a. Initial discussion about having separate Vice Chair and Recorder resulted in keeping the recorder function as a task of the Vice Chair. Motion made with Rudolph as 1st and Kodres 2nd. Vote was 5-0 for approval.
 - b. Chair: Dundas. Motion made with Vietor as 1st and Kodres 2nd. Vote was 5-0 for approval.
 - c. Vice Chair (Recorder): Rudolph. Motion made by Vietor 1st and Ravano 2nd. Motion was 5-0 for approval.
 - d. The elected nominees will be forwarded to the Board for review at the next regularly scheduled Board meeting.
 - e. Chair also noted that Ms. Vietor has interest in being the Long-Range Planning Committee Liaison, that Ms. Ravano would be involved with the Amenities

Subcommittee and Ms. Kodres had volunteered earlier (as an ad hoc Finance Committee member) to be part of the Investment Subcommittee and would like to continue to participate. Mr. Niedringhaus may additionally be asked to participate in the Investment Subcommittee.

6. Committee Tasks

a. Recurring Tasks (RT)

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

- a. Martyn-Jones informed the Committee that Tom O'Neil had resigned as Controller to accept another position outside of TDA. A search is underway to fill the Controller position but there may be an impact on deliverables such as reporting until a new controller is selected, hired, and trained. Operating results were presented and reviewed by Martyn-Jones for the month of December 2021 and calendar Year 2021. These results will be reported to the Board at the next regular meeting. Highlights and key performance factors are:
 1. The budgeted Net Operating Results (NOR) for December 2021 were projected to be -\$180,993, however unexpected weather patterns resulted in NOR being off budget by -\$230,695 that resulted in total NOR of -\$411,388. This result was driven by 2 external factors:
 - a. Operational closures of facilities due to lack of power and,
 - b. Reduced visitation to amenities due to difficult travel conditions that a significant winter storm produced.
 2. Reduced revenue was the principal driver for the favorable results in the Cost of Goods Sold (COGS) and was \$32k favorable to budget. However, F&B COGS was 33% compared to a budgeted 31%. Inflationary factors and price increases contributed to the increased COGS.
 3. Salaries and wages were favorable to budget by \$62k with contributing factors being savings at Cross Country and Downhill operations due to a later start of the season, severe weather, and the power outages.
 4. Year to date Net Operating Results were favorable by \$966k when compared to Budget.
 5. Mr. Martyn-Jones provided additional information:
 - a. \$225k in bonus payments were made to staff in December 2021.
 - b. The annual audit is underway and interim audit work has been completed.
 - c. New employees have been hired for the IT organization as replacement staff; and,
 - d. Member assessment payments are running 1.5% behind when compared to last year but this was not seen as an issue.
 6. Martyn-Jones also provided an update on eUnify and indicated that while the system was generally performing well that there were some issues that needed to be resolved.

7. **DISCUSSION/ACTION: RT #2 - 5501 Subcommittee Report.**
 - a. DRAFT Report-January 6, 2022: Not Available
 - b. FC Attendees for upcoming 5501 Subcommittee Meetings (3-5 pm) via Zoom:
 1. February 1, 2022 (change from January 25, 2022 Meeting).
 - a. Member: Kodres
 2. February 22, 2022
 - a. Member: Rudolph
 3. March 22, 2022
 - a. Member: Vietor
 - b. Special Tasks (ST):
 1. **DISCUSSION:** ST #1 – Improve TDA’s periodic reporting of financial results and operating performance to the BOD and Owners.
 - a. A general discussion was held regarding improvements to periodic reporting of financial results and operating performance to the BOD and Members. It was agreed to continue discussions at the next FC meeting. Additional input would be sought from Mr. Mahoney on BOD views regarding reporting. The next FC meeting will cover this task in more depth.
 2. **DISCUSSION:** ST #3 – Reserve Funding of Long-Range Capital Improvement Program.
 - a. Deferred, awaiting results for Staff 2022 Strategic Workplan.
 - c. **DISCUSSION:** New Task - Financial Frequently Asked Questions.
 1. Kodres reviewed and provided a status update of project. Progress is being made in getting a set of FAQs out for review with various committee members. Ravano agreed to review the FAQ’s concerning accounting.
 - d. **ACTION:** Need a member to review current FC Charter and compare to new committee guidelines in TDABOD Resolution 2021-5. Should be minor changes required to create a new DRAFT charter for presentation to the TDABOD for approval at a future date estimated to be March TDABOD Meeting. Kodres volunteered to assist in this endeavor.
7. **Next FC Meeting: February 17, 2022, 3:00-4:30 pm, To Be Determined: Zoom only or Northwoods Clubhouse, Mezzanine Room + Zoom**
8. **Preliminary Agenda Topics:** Chair (5 min)
 - a. 5501 Report and FC Attendee Signups – Chair, 5 min
 - b. Downhill Ski Lodge Update – Colbert, 5 min
 - c. Improving Financial Reporting – Ravano, 15 min
 - d. Financial FAQs – Kodres, 20 min

- e. Charter Update – Dundas, 10 min
 - f. Reserve Funding of Capital Reserves – Dundas, 15 min
 - g. Investment Subcommittee Revitalization – Dundas, 15 min
9. **Adjournment:** A motion was made to adjourn the committee meeting. Ravano provided a 1st and Kodres provided a 2nd. The meeting was adjourned at 4:37 pm PST with a 5-0 vote.

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