



## FINANCE COMMITTEE MEETING

### FINAL REPORT

February 17, 2022  
Zoom

1. **Call to Order / Call for Quorum (4):** The Chair (Dundas) called the meeting to order at 3:02 pm PST after noting that a quorum was present.

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

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

Ad Hoc Member: Colbert

Absent: None

Staff Lead: Martyn-Jones (DFA)

Board Liaison(s): Mahoney, Roth

LRPC Liaison: To Be Determined

TDA Staff: None

TDA Members: Jared Abelson, Rob McCray (joined at 3:19 pm) and Gauny, Levine (both joined during the latter part of the meeting)

2. **APPROVAL of Agenda:** A motion was made by Dundas to approve the Agenda for the meeting. Ravano provided a 1<sup>st</sup> and Vietor a 2<sup>nd</sup>. Motion was approved 6-0.
3. **APPROVAL of Committee Draft Report, January 20, 2022:** The Chair requested comments from Committee members regarding the January 20, 2022 Meeting. Kodres indicated that additional language should be made under Item 5. This language clarified Ms. Kodres participation in the Investment Subcommittee. As there were no objections to the additional language, a motion was then made for approval. Kodres provided a 1<sup>st</sup> and Ravano provided a 2<sup>nd</sup>. The motion passed 6-0.
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. Colbert announced that there would be a meeting on the new Truckee Library initiative at The Lodge and invited attendees to participate. Treasurer Mahoney asked that the Committee provide short bios for the benefit of Owner Abelson who has expressed an interest in joining the FC. Each attendee was introduced, and Abelson provided his background. Welcome Jared.
5. **Committee Management:**
  - a. The Chair noted that he would be on vacation from March 6<sup>th</sup> thru March 31<sup>st</sup> and indicated that he would participate in the March Finance Committee meeting via Zoom.

- b. The Long-Range Planning Committee (“LRPC”) was a discussion item for the committee. It was noted that nothing substantial had occurred. The LRPC is getting organized, and it was an objective to have officers appointed during the early March timeframe as well as proposed scheduling for meeting dates. Ms. Vietor indicated a continuing interest in being the FC liaison with the LRPC.

## 6. Committee Tasks

### a. Recurring Tasks (RT)

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

- a. Martyn-Jones informed the Committee that an offer was made to hire a new Controller and that the offer was accepted. A tentative start date of March 7<sup>th</sup> was indicated. Additionally, Martyn-Jones indicated that auditors from the McClintock firm were doing their on-site work.

- 1. Highlights and key performance factors for January 2022. The results are *Provisional* due to not having a full complement of staff in the Finance and Accounting to complete a standard financial package within the normal timeframe. The budgeted Net Operating Results (NOR) for January 2022 was \$196,366 and resulted in a budgeted surplus of \$126,836. There was a \$69,530 favorable variance when compared to the budget for the month. The results were driven by several external factors:

- a. Season Pass revenue exceeded budget by 49% for Downhill and 97% for Cross Country,
- b. Favorable weather and skiing conditions produced strong visitation at all ski facilities,
- c. Reduced workforce due to Covid in early January required significant overtime hours (1,988 hours versus 670 in the prior year).

- b. COGS was \$4,000 unfavorable to budget. While F&B was on the budget amount, retail COGS was 50% compared to a budgeted 48%. Inflationary factors and price increases contributed to the increased COGS.

- c. Salaries and wages were unfavorable to budget by \$162,000, which was due to:

- 1. Considerable overtime due to the employee workforce shortage \$58k + burden paid in January,
- 2. Employee absence in early January due to Covid,
- 3. \$26k paid in Covid exclusion pay due to legal requirements,
- 4. \$8k of bonuses to be allocated back to December 2021 from January 2021.

- d. Year to date Net Operating Results were favorable by \$69.5k or 4.82% when compared to Budget.

- e. Mr. Martyn-Jones provided additional information:

1. As of today's meeting, no staff were absent due to Covid.
  2. February 2022 Payroll appears to be on budget as of today's meeting.
- f. Continuing questions regarding the e-Unify system were discussed. It was indicated that based on usage, a 30% adoption rate has occurred. Mr. Abelson noted that this usage rate was a very good adoption rate based on his experience. Martyn-Jones indicated that we would continue to look for ways to improve the user experience.
2. **DISCUSSION/ACTION:** RT #2 - 5501 Subcommittee Report.
- a. DRAFT 5501 Report-January 6, 2022: Not Available
  - b. FC Attendees for upcoming 5501 Subcommittee Meetings (3-5 pm) via Zoom:
    1. March 1, 2022 (change from February 22, 2022 Meeting)
      - a. Member: Rudolph
    2. March 29, 2022
      - a. Member: Vietor
    3. May 3, 2022
      - a. Member: Niedringhaus
- b. Special Tasks (ST):
1. **UPDATE:** ST #2 –Downhill Ski Lodge Task Force
    - a. Mr. Colbert updated the status of the Downhill Ski Lodge project indicating that the sub-committee had not met since October 2021 with TD management and others being the main drivers on this project. Colbert noted that there will be a Special Membership Meeting on March 16<sup>th</sup> as a 5% or more of member signatures had been obtained on a petition to call for a special meeting.
  2. **DISCUSSION:** ST #3 – Reserve Funding of Long-Range Capital Improvement Program.
    - a. Mr. Mahoney reviewed the possibilities of getting to a normalized assessment for a 5-year period and then suggested that the FC and Board need to look further down the road on capital improvement requirements and how to better synchronize capital requirements with longer range funding plans. Longer range funding should represent a part of all known and expected future expense that must be planned to have a fully funded “normalized” annual assessment. That means to have an ongoing, relatively steady, annual assessment that fully reflects the costs associated with the known long-term capital improvements. The Finance Committee believes that continuing only short range capital funding processes will result in significant underfunding over the longer term (20+ years for example) when one considers that inflation makes future expenses higher and therefore reserves (funds) needs to be put

aside today (earning a return) to enhance the savings. The concept of the time value of saving and investing cannot be ignored.

Mahoney solicited comments from the FC members and a lengthy discussion ensued where each member had an opportunity to voice their view(s) both pro and con with respect to the “straw man” proposed by Mahoney (that is, continuing the funding criteria that is used at present). The Chair also indicated that several good ideas had been proposed in the past but follow through to take the ideas to completion have been lacking.

- b. The desired outcome is to produce a Capital Improvement Plan along with a viable Capital Funds Projection that supports the Capital Improvement Plan.
- c. The next step will be for Mahoney to meet with Martyn-Jones to develop a refined version of previous draft.

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. Kodres also mentioned that a review of the FAQ’s was continuing, and a further update would occur after the documents that had been sent to certain staff and FC members had returned to Kodres with comments.

7. **Next FC Meeting:** March 17, 2022, 3:00-4:30 pm, To Be Determined: Zoom only or Northwoods Clubhouse, Mezzanine Room + Zoom

a. **Other Meetings:**

1. Regular TDABOD Meeting: February 25, 2022, 9:00-2:20 pm
  - a. Register online and check eUnify for agenda
2. 5501 Subcommittee Meeting, March 1, 2022

8. **Adjournment:** A motion was made to adjourn the committee meeting. Rudolph provided a 1<sup>st</sup> and Niedringhaus provided a 2<sup>nd</sup>. The meeting was adjourned at 4:58 pm PST with a 6-0 vote.

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