



FINANCE COMMITTEE MEETING

FINAL REPORT

July 21, 2022

Northwoods Clubhouse, Mezzanine Room and Zoom

1. **Call to Order / Call for Quorum (5):** The Chair (Dundas) called the meeting to order at 3:00 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: Dundas, Ravano, Rudolph (via Zoom), Vietor, Kodres

Absent: Niedringhaus

Staff Lead: Martyn-Jones (DFA)

Board Liaison(s): S. Mahoney

LRPC Liaison to FC: D. Gauny

TDA Director: Benjamin Levine (via Zoom)

TDA Staff: David Mickaelian (General Manager), Steve Hogan (Controller)

TDA Members: Craig Falk (FC member applicant), Jim Stang

2. **APPROVAL of Agenda:** A motion was made by Dundas to approve the Agenda for the meeting. Kodres provided a 1st and Ravano a 2nd. Motion was approved 5-0.
3. **APPROVAL of Committee Draft Report, June 16, 2022:** Chair Dundas requested comments about the Finance Committee Report prepared after the June 2022 Finance Committee meeting. A comment on the report was made by Kodres regarding the meaning of the “38% COGS”. After discussion, Chair Dundas recommended a change to the draft report language to indicate, “For the month, Cost of Goods is 38% of revenue”. Chair Dundas made a motion to approve the report for forwarding to the Board. Ravano provided a 1st and Vietor provided a 2nd. The motion was approved 5-0 to send the final report to the Board.
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. There were no Member or Committee Member comments.
5. **Committee Management:** Chair Dundas noted that there were 2 new applicants for FC membership and that Craig Falk was in today’s meeting. Introductions were made and brief backgrounds provided by Craig as well as the other parties in the meeting.

6. Committee Tasks

a. Recurring Tasks (RT)

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

Martyn-Jones reviewed financial statements for June 2022: Tahoe Donner recorded an Actual Net Operating loss of \$754,233 for the month compared to a budgeted loss of \$615,869. The resultant was a deficit to budget of \$138,364 (22.47% Unfavorable). Lower than expected visitation caused by cool temperatures and windy conditions drove lower revenue and contributed to a majority of the unfavorable variance. **Highlights for the month:**

- a. Overall Gross Revenue was \$91,000 unfavorable (6%) when compared to budget for the month.
- b. Golf revenue was down when compared to budget by \$25,000 (7%) with guest fee revenue down 23% for the month compared to budget. Member and public green fees were on budget for the month.
- c. Marina Beach Club revenue was off budget by \$35,000 or 23%. The main contributing factor was weather conditions.
- d. Day Camp revenue was favorable to budget by \$14,000 (13% favorable). Aquatics was also favorable to budget by \$14,000 (23% favorable).
- e. Summer F&B revenues were \$16,000 (29% unfavorable).
- f. Cost of Goods Sold (COGS) was favorable to budget by \$10,000 for the month. Favorable COGS was driven by lower revenue in F&B and Retail. However, it was also noted that there is significant volatility in food/ingredient costs that will influence the margins.
- g. Payroll (i.e.: salaries and wages) was favorable to budget by \$16,000 or 1% due to the following factors:
 1. Forestry had a favorable variance of \$12,000 due to not finding people to fill positions. This is a continuing variance from prior months.
 2. Trails had a favorable variance of \$32,000 due to lower staffing counts than budgeted.
 3. The Lodge labor variance was unfavorable to budget by \$8,000.
 4. A request was made by Ravano to Martyn-Jones for a report that would further detail payroll and staffing.
 5. A brief discussion reviewed what appears to be a favorable J-1 employment market for the fall.
- h. Other Operating Expense was unfavorable to budget by \$73,000 or 13% for the month principally due to:
 1. Veterinary costs were unfavorable to budget by about \$8,000. This was due to a transportation accident where there were injuries to the horses that were being transported.
 2. Fuel costs are running about 38% higher than budgeted due to the increased gasoline and diesel prices that are being seen nationwide.

3. Irrigation repairs booked to expense during the month amounted to \$9,000 and we are working with TUPUD for reimbursement for work done at Trout Creek.
 - i. Net Operating Result (“NOR”): While the monthly results were unfavorable to budget and consumed a majority of the favorable variance seen Year to Date, the NOR remained favorable to budget by \$8,428 or 0.35%.
 - j. Other favorable statistics include a reduction in delinquency accounts of \$52,000 through collection efforts.
 - k. Martyn-Jones also reviewed additional supplemental reports as part of the monthly package which were favorably viewed as additive to the Finance Committee and the Board’s understanding of the financial dynamics of Tahoe Donner.
- b. **DISCUSSION/ACTION:** RT #2 - 5501 Subcommittee Report. The report is online and can be accessed via the TD website.
1. FC Attendees for upcoming 5501 Subcommittee Meetings (3-5 pm) via Zoom:
 - a. July 26, 2022
 1. Member: Kodres and Ravano
 - b. August 23, 2022
 1. Member: Vietor with Niedringhaus as a backup
 - c. September 27, 2022
 1. Rudolph, Dundas
- c. **Special Tasks (ST)**
1. Finance Committee Tasks Matrix: The thought is to restart a collective commitment per Chair Dundas to complete the various tasks outlined in the document. The matrix was reviewed by Mahoney and members of the Finance Committee. A discussion ensued on the tasks, current status and moving them forward. With the investment review, concerns were raised by Kodres regarding the current rate environment, potential volatility and planning for liquidity. Many of the matrix tasks are part of the overall Finance Committee responsibility (i.e.: audit review) and are ongoing. Other tasks should be reviewed to make sure they continue to be relevant, need further definition/updating or are no longer needed.
 2. **UPDATE:** Ms. Kodres provided a brief update and there was a discussion about the status of the project. Kodres has passed several sections on to FC Members for review and comment. Additional sections will be produced over the next few weeks for review. It was also suggested that the TD Communications group get involved with the review.
 3. Discussion: ST#3 – Gauny gave an update on the LRPC. Two working groups are now looking at: 1.) the current state of Tahoe Donner and 2) the future state of Tahoe Donner. The current state team will potentially have a draft available for review and the future state team is defining what should be reviewed.

Finally, Director Mahoney indicated that The Giving Fund has almost completed its annual funding drive. If Members can contribute, it would be appreciated.

7. **Next FC Meeting:** August 18, 2022, 3:00-4:30 pm, Northwoods Clubhouse, Mezzanine Room + Zoom
8. **Preliminary Agenda Topics:**
 - a. Review Financial results
 - b. 5501 Report review and FC Attendees
9. **Adjournment:** A motion was made by Mr. Dundas to adjourn the meeting. Ms. Kodres. provided a 1st and Ms. Vietor provided a 2nd. The meeting was adjourned at 4:45 pm PDT with a 5-0 vote.

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