



FINANCE COMMITTEE MEETING

FINAL REPORT

May 16, 2024

Northwoods Clubhouse, Mezzanine Room and Zoom

1. **Call to Order / Call for Quorum (4):** The Chair (Niedringhaus) 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: Leibow, Falk, Niedringhaus, Kodres, Rudolph

Absent: Vietor

Staff Lead: Steve Hogan (Controller)

Board Liaison(s): Steve Mahoney

LRPC Liaison to FC: Denise Gauny

TDA Staff: Annie Rosenfeld (General Manager), Justin Malley (Director of Finance)

Member(s): Pontius (Prospective FC Member)

2. **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 Member comments were forthcoming. The Chair introduced Mr. Malley as the new Director of Finance for Tahoe Donner and welcomed him to the committee. Mr. Malley provided background and information about his prior experiences.

3. **Follow-up Items:**

a.) Approval of the March and April 2024 Finance Committee Minutes. The Chair requested comments and subsequent approval from the committee members. Mr. Falk provided a 1st and Ms. Kodres a 2nd for approval. A unanimous approval ensued.

b.) Director Mahoney's request for additional information on food and beverage labor costs and percentages. Mr. Hogan presented a table that depicted budgeted and actual revenue as well as corresponding labor costs. Percentages were also calculated. Steve also acknowledged that additional work will be done to build on the analysis and develop a better understanding of costs, staffing options, etc.

4. **Committee Management:**

1. **Recurring Tasks - Presentation and Discussion of April 2024 Financial Results:**

Mr. Hogan reviewed April results. Highlights are:

- a. April NOR results were -\$1,132,604 which was favorable to budget by \$43,045. Year-to-date, NOR loss was \$904,375 and unfavorable to budget by \$66,421. Results are attributable to favorable late season weather conditions as

well as special events that increased visitation. The cross-country ski area was able to stay open an extra week and the end of season Dummy Downhill event attracted skiers to DHS.

- b. The year-to-date Net Operating Result deficit to budget continued to be reduced with favorable April results noted above.
 - c. Downhill ski operations and cross-country operations both contributed \$35,611 favorable variance to budget. F & B was unfavorable to budget by -\$30,473 with the Lodge being the largest contributor to the unfavorable variance. F&B cost, revenue and efficiency dynamics at the various venues are a continuing topic of discussion by the FC and Administrative staff.
 - d. Cost of Goods Sold (“COGS”) was at a level of 37.8% compared to a budgeted level of 32.0%. Food COGS and Retail COGS were the main contributors to the higher percentage.
 - e. Total payroll and burden were favorable by \$45,025 (3.9%) due to continued open positions of General Manager and Director of Finance. Additionally, seasonal staff and J-1 staff release dates also had a favorable impact.
 - f. Other Operating Expenses were favorable to budget by \$17,168 with several line items offsetting positive and negative variances.
2. **General Discussions:** Staff will be using a more bottom-up approach to involve line managers more extensively. The Finance Committee will be examining the reporting package that is presented to the Board as part of the budget process. Funds have been moved to Stifel for investment to take advantage of higher short-term interest rates.
 3. **Ski Lodge Update:** The building has been demolished and recycling of materials is occurring. A brief review of allocation of costs to the various reserve funds was also provided.
 4. **Long Range Planning Update:** Mr. Leibow and Ms. Gauny provided an update on the LRPC and their focus on the Northwoods Campus report.
 5. **Finance Committee Working Groups:** The Chair provided his thoughts on the groups and how he perceived their interaction with the FC, staff and Board.
5. **Follow-up Items:** None
 6. **5501 Meeting Attendance:**
 - a. May: Niedringhaus
 - b. June: Leibow
 - c. July: Falk
 7. **Next FC Meeting:** June 20th, 3:00-4:30 pm, Northwoods Clubhouse, Mezzanine Room + Zoom.

Adjournment: A motion was made to adjourn (Leibow) and seconded (Ravano). The meeting was concluded at 4:30 pm PDT with a unanimous vote.

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