



FINANCE COMMITTEE MEETING

FINAL REPORT

August 15, 2024

Northwoods Clubhouse, Mezzanine Room and Zoom

1. **Call to Order / Call for Quorum (4):** The Chair (Niedringhaus) called the meeting to order at 3:07 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, Vietor, Ravano

Absent: None

Staff Lead: Steve Hogan (Controller)

Board Liaison(s): Steve Mahoney (Absent)

LRPC Liaison to FC: Dan Simmons

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

Member(s): None Present

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.

Mr. Malley announced that Mr. Hogan had accepted another assignment outside of Tahoe Donner and would be leaving staff.

3. **Follow-up Items:**

a.) Approval of the May, June and July 2024 Finance Committee Minutes. The Chair indicated that drafts were in process and would be circulated for approval at the next FC meeting in September.

b.) Mr. Hogan indicated that the follow-up items for Golf and Food & Beverage would be addressed as part of the financial presentation.

4. **Committee Management:**

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

Mr. Hogan reviewed July results. Highlights are:

- a. July NOR results of -\$206,158 was unfavorable to budget by \$24,809. Year-to-date, NOR loss was \$3,471,261 and unfavorable to budget by \$18,130 (0.53%). Results are attributable to favorable performance in Private Amenities and unfavorable performance in Public Amenities (approx. \$144,000 unfavorable to budget).

- b. Reviewing various operating revenue streams with comparisons to budget for the month of July:
 1. Golf was favorable by \$703 as performance recovered from the later start than planned.
 2. Tennis Center revenue was favorable to plan by \$24,191. Tennis lessons and rentals accounted for over 50% of the favorable variance.
 3. The Marina was favorable to budget by \$38,892 due increased usage and additional F&B revenue.
 4. Trout Creek was at budgeted revenue.
 5. Bikeworks was unfavorable by -\$4,726 with retail revenue being a significant portion of the miss.
 6. The Equestrian Center missed their revenue budget for the month by \$12,518 (unfavorable) with lessons and camps being key contributors. The FC discussed possible reasons for the missed revenue and felt that several factors may have influenced results.
 7. Food and Beverage missed budget by \$69,619 unfavorable. The FC has had ongoing discussions with the Administrative Staff trying to better understand the causal factors for F&B performance and potential mechanisms for improvement.
 - c. Cost of Goods Sold (“COGS”) was at a level of 33.7% compared to a budgeted level of 34.3%. Beverage COGS and Retail COGS were the main contributors to the lower percentage.
 - d. Total payroll and burden were unfavorable by \$64,110 (3.8%) due to overtime incurred in various areas (ex: golf maintenance).
 - e. Other Operating Expenses were favorable to budget by \$59,748 with defensible space accounting for a majority of the favorable variance. The FC discussed this variance with staff to better understand the relationship between operating expense and capital expense and the accounting treatment.
2. **General Discussions:** Staff updated the FC on the planning process for the 2025 budget. As referenced above, a significant amount of meeting time to discuss F&B issues was done.
 3. **Ski Lodge Update:** Level 1 foundations and retaining walls are complete. Level 2 preparation has been initiated.
 4. **Long Range Planning Update:** An update on the LRPC and their focus on the Northwoods Campus report was provided. Issuance of the report was expected within the next month or 2.
 5. **Finance Committee Working Groups:** The Investment sub-Committee and the Budget sub-Committee will be meeting in the next 2 weeks.
5. **Follow-up Items:** None

6. 5501 Meeting Attendance:

- a. July: Falk
- b. August: Niedringhaus
- c. September: Rudolph

7. Next FC Meeting: September 19th, 3:00-4:30 pm, Northwoods Clubhouse, Mezzanine Room + Zoom.

Adjournment: A motion was made to adjourn (Rudolph and seconded (Ravano). The meeting was concluded at 4:57 pm PDT with a unanimous vote.

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