



FINANCE COMMITTEE MEETING

FINAL REPORT

October 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 3:04 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, Niedringhaus, Rudolph, Vietor, Ravano, Kodres

Absent: Craig Falk

Staff Lead: Justin Malley (Director of Finance)

Board Liaison(s): Don Koenes (joined at 3:30 pm)

LRPC Liaison to FC: Not present

TDA Staff: Annie Rosenfeld (General Manager),

Member(s): Alan Pontius (Member and Prospective Finance Committee candidate)

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.

3. **Follow-up Items:**

a.) Approval of the September 2024 Finance Committee Minutes. The Chair indicated that all drafts had been circulated for comment prior to the meeting. A motion to approve the Minutes was made with Mr. Niedringhaus providing a 1st with Mr. Rudolph providing a 2nd. A unanimous approval resulted, and the Minutes would be forwarded for inclusion in the Board package.

b.) Discussion regarding the “aesthetics” of the reporting package occurred with status updates.

4. **Committee Management:**

1. **Recurring Tasks - Presentation and Discussion of September 2024 Financial**

Results: Mr. Malley reviewed September results. Due to some erroneous calculations in the presentation, it was agreed to defer discussions until a corrected version was provided. A new presentation provided by Mr. Malley was available to the Finance Committee on October 17. Highlights are:

- a. September NOR results of -\$901,943 was favorable to budget by \$60,497 or 6.3%. Year-to-date, NOR loss was \$4,889,440 and favorable to budget by -\$35,881 (0.7%). Although results are basically flat to budget, on a YoY basis,

NOR variance for YTD 2024 is unfavorable versus 2023 same period by \$794,837. Primary factors are flat revenue growth while expenses have shown a 4.2% increase when compared to the same period in the prior year.

- b. Reviewing various operating revenue streams with comparisons to budget for the month of September:
 1. Golf revenue was favorable to budget by approximately \$70,000 principally due to tournament greens fees and golf retail sales. The head golf professional was able to schedule several late season outside tournaments that were not budgeted.
 2. Tennis Center revenue was favorable to plan by \$19,000. Tennis lessons, daily usage fees and rentals all contributed to the positive variance.
 3. The Marina was favorable to budget by \$7,000 due increased usage and additional rentals/lessons. F&B revenue was unfavorable to budget by \$2,000 to partially offset the favorable overall variance.
 4. Trout Creek Rec Center was unfavorable to budget by \$14,000 with both Daily Usage fees and Personnel costs contributing 50% each of the unfavorable variance.
 5. Bikeworks was favorable by \$14,000 with retail revenue being a significant portion (79%) of favorable variance. Sales of e-Bike inventory at the end of season was the main contributor to the positive variance.
 6. The Equestrian Center had a \$10,000 favorable comparison to budget for the month. Additional boarding revenue, thought to be a carryover from the Wild West event, contributed to 50% of the positive variance.
 7. Food and Beverage missed budget by approximately \$28,000 unfavorable. The principal variance was a -\$57,000 unfavorable variance to budget at the Lodge. When compared to same period, prior year, revenue at the lodge was \$20,000 higher. 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%. All COGS (Food, Beverage and Retail) were over budget which is a variance from the reported favorable overall variance. Staff will follow up on this discrepancy as well as why the individual categories were significantly higher than budgeted.
 - d. Operating Labor and Other Expenses: Total payroll and burden were favorable by about \$48,600. Other Operating Expenses were unfavorable to budget by \$65k. Group insurance was unfavorable by \$13k, Utilities unfavorable by \$10k, and staff expenses unfavorable by \$10k. In addition, Administration expenses were unfavorable by \$33k due to the potential acquisition of an expanded liquor license (\$18k) that was not planned, insurance was over budget by \$13k and credit card fees were \$7k over budget.
5. **General Discussions:** The Capital Policies Working Group was discussed regarding status and next steps. It was agreed that Annie and Don would work with the Board to put together a plan to work on policy revisions and establish a meeting schedule.

1. **Ski Lodge Update:** Work is continuing as planned but is about a week behind schedule.
2. **Long Range Planning Update:** As Mr. Leibow will be leaving Tahoe Donner at some point as a member, the question of a replacement liaison was discussed for possible replacement candidates. After discussion, a motion was made by the Chair to “swap” Ms. Ravano’s expiring term (12/31/24) with Mr. Leibow’s term (12/31/25). Ms. Ravano would then replace Mr. Leibow as the LRPC representative from the FC. The updated term would comply with full committee term limits and rules. The vote by the FC members was unanimous and the recommendation for the exchange of terms will be forwarded to the Board for approval.
3. **Finance Committee Working Groups:** The Investment subcommittee met and had an initial review with Mr. Mahoney prior to his departure from the Board. It was agreed that Mr. Koenes needed to come up to speed on the details to address next steps for the subcommittee. Additionally, Stifel will be visiting TD in January 2025 to review investment performance.
6. **Task Plan Update:** The task plan needs to be reviewed and will be an agenda item for the next meeting. There are 3 key questions which the FC felt needed to be addressed:
 - a. What could we have done differently or better?
 - b. What do we need to do for next year?
 - c. As a committee that serves the Board and Management,
7. **Follow-up Items:**
 - a. Staff to review COGS reporting for the month and report back on findings next month.
 - b. The Director of Finance will provide an update on the payroll error status.
 - c. Post budget process debrief to be done by the FC and Staff.
8. **5501 Meeting Attendance:**
 - a. October: Vietor
 - b. November: Kodres
 - c. December: Niedringhaus
9. **Next FC Meeting:** November 21, 3:00-4:30 pm, Northwoods Clubhouse, Mezzanine Room + Zoom.

Adjournment: A motion was made to adjourn (Cathy and seconded (Vietor). The meeting was concluded at 5:04 pm PDT with a unanimous vote.

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