

BUDGET AND FINANCE ADVISORY COMMITTEE
FY2024-2025 BUDGET GUIDANCE RECOMMENDATION
PRESENTED TO OPA BOARD OF DIRECTOR'S

1. The Budget & Finance Committee under Resolution F-02, Section 2 is offering assistance to the GM and the Board for the FY2024-2025 Budget preparation.
2. As in the past B&F encourages Board members to be present for the budget review. Our budget review has consistently happened during the first week of January. B&F's recommendation to the GM is to conduct the meeting over two to three days between **January 3rd through the 5th** with the GM preparing the associated agenda for this review as done in the past.
3. For presentation and analysis purposes please develop fiscal year budget reports with the following categories:
 - a. As previously done for each department or amenity show three years of historical actuals for the following fiscal years 2020/2021, 2021/2022 and 2022/2023, 2023/2024 Budget, current YTD actuals, most current year-end forecast, and the proposed budget for 2024/2025. As was done last year we recommend a variance column comparing the forecast to the 2024/2025 budget.
 - b. Any departmental revenue or expense increase or decrease of 5% or \$5,000 whichever is less requires justification. Resolution F-02 sets 5% threshold.
4. A membership schedule should be presented including 2024/2025 budgeted changes with explanations including a rationale for maintaining or amending proposed fees. Revenue projections should be reflected for each category of membership showing increases or decreases. This can be done separately or within each amenity section. B&F suggests reviewing this during each amenity presentation at the same time we are reviewing revenues and costs. CPI rates should be presented and reviewed for potential rate changes. As of the last budget it is our understanding the rates date back to 2019.
5. Similar to last year, there should be a Full Time Equivalent (FTE) schedule by department for the previous 3 years (for comparison purposes) in addition to the budget year. Any new changes to staff will need to be substantiated.

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6. A reconciliation or "OPA Salary Walk by Department/Amenity" detailing a reconciliation of payroll dollars from last year's budget to the current year proposed budget should be provided. This is very helpful in focusing on the big picture for our largest expense to see the macro impact of salary expense changes. Showing the current year forecast here is recommended and is consistent with department and amenity presentations. Included here would be the proposed percentage amount for overall merit salary increases and any market adjustments with associated rationale.
7. Food & Beverage budget as presented by Matt Ortt should be based on the outlook for the new budget year including banquets. Given Matt Ortt has a banquet forecast model for the Yacht Club, in some cases going out one year, B&F recommends a probabilistic forecast approach for banquet revenues and costs.
8. Managers for each fee-based amenity should provide comprehensive details on any new revenue generating proposals and substantiate overall budgeted revenues.
9. As done last year, OPVFD should present their budget similar to other departments. OPVFD's presentation last year was in a different format from Steve's worksheet. B&F is ok with the OPVFD's format as it reconciles with Steve's totals. We do request they add comparison columns for prior year actuals and current YTD numbers for meaningful comparisons.
10. B&F is requesting an apparatus reserve supplement from OPVFD showing reserve balances and accounting for contributions from OPA and OPVFD per the 50/50 agreed upon split. If desired the apparatus reserve supplement can be reviewed at a B&F meeting prior to the budget review session.
11. Police Department, General Administrative, and Finance should provide details of expenses and revenue. All consultants should be substantiated.
12. A capital budget should be presented separate from the operating budget that includes any budgeted unexpended capital items from prior year(s). Unexpended amounts from prior years' approved budgets must be accounted for. All capital expenditures must be financially

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justified. Do we anticipate adding to the new capital reserve based on a percentage of the General Reserve?

13. Business Plans should be presented for new capital expenditure requests and should include dollars and rationale. Replacement capital expenditures should include dollars and rationale for expenditures. Significant variances should have proper explanations and supporting detail. Estimated future operating expenses for maintenance and carrying costs should be part of any new capital justification.
14. Bulkheads - A detailed current fiscal year spending projection is requested. Based upon the projected spend, fund balance, and the detailed work plan for FY 2024-2025; B&F will provide guidance. An analysis should be done showing the impact of higher material/labor costs for bulkhead replacements on the multi-year plan in place to support bulkhead assessments.
15. B&F recommends the Road Reserve budget reflects the necessary funding to meet a satisfactory funding level.
16. Under General Reserves, B&F requests a detailed spending plan for the 2024-2025 budget year for the Golf Course irrigation work with estimates for future years to complete the work? Also plans for the Racquet Center building should be included.
17. B&F would like to review the updated worksheet for the General Replacement fund forecast. Our last recommendation was to target a 33% to 35% funding range.
18. Recommendations should be presented for any retained earnings surpluses including the current year's forecast.
19. We request Board of Director feedback and guidance as soon as possible, to ensure a transparent and timely budget process.

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20. The GM will prepare a budget schedule and agenda including dates for Board review. Budget books should be provided in advance to allow for B&F review. This date can be planned for in advance with Steve's input.
21. B&F would like to see a schedule to complete the mailbox replacement and maintenance with proposed spending.
22. B&F recommends that the new budget be developed and presented to support OPA's Strategic Plan.