

Budget And Finance Advisory Committee Meeting 4/25/2022 Meeting Minutes

Attendees: Dick Keiling (Chairman), Don Nederostek, Brian Reynolds, George Solyak, Yvette Tanious, Dr. Colette Horn (Board President), John Viola, Steve Phillips and Gregg Ellison (Via MS Teams).

Meeting called to order: 9:07 am

Public Comments:

1. There were no public comments.
2. New Accounting Manager - Steve Philipps introduced the new Accounting Manager- Mark Swift. Born and raised in Eastern Shore and he currently lives in Snow Hill. He comes to OP with a solid background in accounting.

Minutes from 3/21/22 approved

March Financial Review

We had a positive operating fund variance for March of \$158K. Revenues over budget by \$124K and expenses were under budget by \$34K. YTD we have a positive operating budget of \$1.7M.

YTD our \$699K positive “Other Fees and Income” revenues include Right-of-Way fees, coupon revenue, advertisement and marketing, and county grant money..

Leaf removal for the month had a negative variance against budget of \$8K. OPA spends a good deal of money to dispose of leaves. In the past OPA has looked at investing in equipment (which is expensive) to handle this in addition to conducting burns. It was agreed that during the budget cycle we would examine alternatives here compared to our current practice.

Miscellaneous Revenue for Golf Operations was a positive \$3K for the month and is a positive \$32K for the year. Some of this is a result of using the simulator for golf fittings.

New Capital has a reserve balance of \$251K. Most of this will be used for T-Docks and new Pickleball courts over the next few months. While road reserves have a balance of \$5K, this will grow with the casino and surplus transfer in the new year.

Steve highlighted Unappropriated Equity on the Balance Sheet. Combining Current Profit-Loss line with Unappropriated – Current Add line gives you \$2.6M, which ties with the YTD Net Operating results on page 2 of the monthly financial package.

Hiring Issues Seasonal and Permanent

Seasonal employment in particular lifeguards continues to be tough in this competitive environment. John Viola also spoke of other pressures in remaining competitive in today's hiring market. In addition to utilizing the payroll consultant some it was agreed that a B&F sub-team lead by George Solyak with Don Nederostek would work with John to explore opportunities.

Golf Carts

Have been contracted. B&F previously endorsed the purchase.

OP Fire Volunteer Department:

There are multiple MOU related documents, which need to be consolidated into one updated document. This will require a negotiation with the OPVFD. B&F offered to review the documents and make recommendations to the Board. Colette Horn will review with directors and advise..

OPVFD has presented to the OP BOD that the current South Side Fire station is in a state of disrepair and does not meet current standards for stations. Collette Horn advised B&F that OPVFD has given the OP BOD information that renovations will be approximately \$7.5mil. OPVFD advised they have secured a \$1.35mil grant from the state towards the renovations and have about \$1.3mil in their savings. That leaves a shortfall of about 4.5 mil to do the renovations. Colette advised there are a number of questions that are unanswered on the project and financing. Further review is needed.

OPVFD will be holding a Town Hall Meeting for OP residents in late May to discuss renovating and expanding the South Station. Date to be determined.

Maryland Legislation

It was reported that MD did sign legislation providing guidelines for HOA's in managing reserve accounts. Apparently, a key component is conducting a reserve study. OPA has been doing such and recently updated their study with DMA, a reputable professional. More will be revealed on this.

Meeting adjourned at 11:15 am