

## **BUDGET & FINANCE MEETING MINUTES**

**6/10/20**

Attendees: Dick Keiling (Chairman), Brian Reynolds, George Solyak, and Tom Piatti; Non-Committee: Doug Parks (Board Liaison), John Viola, Steve Phillips

Meeting called to order 9:05AM using Microsoft Teams.

Agenda Approved as previously distributed.

No Public attendees.

Dick Keiling will circulate 6/10/20 minutes and Tom Piatti will circulate 2/26/20 minutes for approval at 6/24/20 B&F Meeting.

### **John Viola reported on PPP funding and related accounting:**

- \$1.143M loan received on 4/24. Program has been extended from 8 weeks to 24 weeks.
- Recorded as a loan payable and will be taken as Other Income within General Admin. as it is utilized. We took \$40K in April leaving \$1.1M for 20/21 fiscal year.
- OPA plans on utilizing the full amount of the \$1.1M over the 24-week period.
- As a separate company Matt Ortt Group applied for and received \$271K of PPP funding to be fully utilized at the Yacht Club and Beach Club. As Matt Ortt uses this money it will be reflected as a reduction in labor and related costs on the monthly P&L for the Yacht Club and Beach Club.
- In total OPA (OPA and Matt Ortt) has ~ \$1,371K of available PPP monies remaining for the 20/21 fiscal year. This will provide considerable relief for OPA.
- B&F recognizes and applauds the work of the GM's team and the Board for promptly seeking and obtaining this critically important PPP loan.

**Steve Phillips prepared and distributed a General Replacement Reserve update for B&F to review in advance of meeting:**

- Factoring in a maximum New Capital transfer each year, the Percent of Funding forecast for the year 24/25 is 21.7% or the low end of the target range agreed upon during the DMA study.
- B&F recommends as supported by GM to contract with DMA late this year to update the study. We shouldn't need the full-blown effort from DMA for this update. We will target October to kick this off. By this time we will be approaching 3 years from last review.

**4/30/20 Financials:**

- We are holding off on the \$100K investment in playgrounds this year. Public Works was able to address any safety issues. Major carryover projects will be completed. The administration parking lot and craft building demo is still planned.
- Parking revenue from Secrets will be reduced 30% from the budgeted amount in fiscal year 20/21.
- It is believed the reason for the high utility cost was due to the change to natural gas. Steve Phillips to investigate the utility issue to confirm reasons. Report to follow.
- Public Works and General Maint. has favorable wage and benefit variances for the month. This includes a year-end reclass entry for work done on some of our capital projects along with some vacant positions. Golf labor shows a credit in part from regional government sources for quarantined employees along with being closed for the month of April.
- Given our large favorable variances for maintenance for the year we are still properly budgeted for planned maintenance in fiscal year 20/21.
- Brian mentioned the difficulty reconciling the Other Cost line with the detail in the financial report. For the immediate future we will work with our existing reports and once new reporting can be scheduled in Northstar this will be addressed.

- An adjustment of \$90K was made to increase Unappropriated Equity - Prior Year to account for money associated with a final accounting of pool coupons.
- B&F recognizes the challenges associated with closing out the year under our newly implemented Nortstar software. We appreciate the hard work from Steve Philipps and the OPA team to make this happen.

**B&F Recommendation to the Board:**

- Of the \$572K favorable operating variance for the year \$250K was earmarked for our prior-year deficit. B&F recommends applying the remaining \$322K to the prior-year deficit as well. Given the significant uncertainty in the 20/21 Budget B&F does not want to see this money spent on any new projects or initiatives.

The meeting was adjourned at 10:40AM