

BUDGET AND FINANCE ADVISORY COMMITTEE MEETING MINUTES
November 30, 2022

Attendees: B&F Committee, Dick Keiling, Don Nederostek, Brian Reynolds, George Solyak, GM John Viola, BoD Liaison Monica Rakowski, Parks and Recreation Director Debbie Donahue, Linda Martin, Steve Philips, Mark Swift

Public Attendees: Amy Peck, , Tom Stauss, Sherrie Crawford

Meeting called to order at ~ 9:06 AM

Public Comments: None

Approval of meeting minutes: 9/28/2022 & 10/26/2022

Discuss Fire Department SAFER Grant:

Monica Rakowski introduced the subject which requires OPVFD involvement. The SAFER Grant provides 3-year funding toward OPVFD needs, in particular staffing. The GM requested the floor to speak to the subject. The GM indicated that the OPVFD lacked the grant writer resources to independently prepare a grant request. The OPVFD/OPA work group has identified a skilled and knowledgeable resource we would contract for grant writing including the SAFER grant. It is noted that even though the grant request is prepared by a grant writer it is owned by the OPVFD. John V. will present this at the upcoming Dec. 17th Board Meeting. B&F believes this is a good path to follow and advised that timing is critical as last year the SAFER Grant application process took place in the Jan/Feb timeframe assuming Congress reauthorizes for the upcoming year.

Proposed Bike and Walking Trail

The GM presented a high-level peak into the proposed bike and walking trail so eloquently presented by Patty Stevens at the last Board Meeting with many details. This involves coordination with the County and State to advance such a project. The GM was unsure whether we would have enough work completed by the time of our January budget review to come forward with a formal proposal. At a minimum we will update progress at that time. This seems like a worthwhile project, which could have funding from multiple sources including OPA.

Racquet Sports Open Position

The GM updated B&F on a change we will be seeing in the upcoming budget. The Racquet Sports Committee (RSC) is requesting we upgrade the senior position at the center to replace the person who is leaving. While it is not 100% clear what the RSC is asking for here, there has been a request to have someone who is certified in our three racquet sports including experience managing a center like ours. Currently the OPA team is proposing a salary in the \$45K range with the idea that this individual will

engage resources to gain the necessary skillsets. Finding someone certified in all three sports, even if this is possible, could be as high as \$75K to \$90K. B&F did agree that it would be very hard to find someone certified in all three of our sports. The next step was for John and Debbie to meet with the committee to discuss what is currently being planned in the upcoming budget.

Strategic Planning Guidance to Inc. Pricing

In planning for the upcoming budget, the GM is seeking input on potential amenity membership increases given the environment of increasing costs for both materials and labor. With respect to barometer as a cap, B&F offered the CPI inflation factor as an upper end gauge. At the same time B&F suggested that an increase at the inflation level would not be an acceptable increase by members in their opinion. Further discussion centered around competitive comparisons for amenities like ours and the impact of increased memberships on the overall bottom line. This will be reviewed in detail during the upcoming budget review where we will look at the bottom-line comparing revenues and costs for each amenity. As in the past, pricing escalation will be addressed for each department depending on the circumstances. Currently OPA is looking at a 3% to 4% increase in the salary budget along with a few job market reviews.

Review October Financials

We had a positive operating variance for October of \$77K. Revenues were over budget \$52K and expenses were under budget by \$25K. YTD our positive operating fund variance is \$824K, predominately from revenues. Total YTD expenses are essentially flat or over budget by \$27K or .4%.

Police is \$25K favorable for the month and \$55K favorable YTD. This is a result of position vacancies. We have plans to send two new recruits to the academy in January. We believe this and the additional benefit of assigning a car to an officer will help with attrition.

YTD General Maintenance is favorable \$48K and Public Works is favorable \$86K. Some is hiring, some is a timing issue, and we do budget for a big snow fall which may or may not happen. During budget review we will have a year-end forecast for fresh look.

Pickleball was \$15K positive for the month. This is from our OPA sponsored tournament. The plan for next year is to hold more, smaller events.

Aquatics was \$6K favorable for the month mostly from wages and revenues. Utility costs were \$6K unfavorable. As we proceed through the winter months, we may very well see total utility costs exceeding budget. Currently we have a positive YTD utility variance of \$14K.

Golf net operating results are on budget for the month. YTD we have a positive operating variance of \$183K. Revenues are ahead of budget for the month and YTD in all revenue lines excluding \$5K for miscellaneous. We will be running some merchandise sales to clear out old inventory. This will be reflected by reduced margins in the coming months.

The Clubhouse Grille is \$7K favorable for the month and \$6K favorable YTD vs budget. YTD our favorable operating results are \$71K while last year for the same period it was a favorable \$66K. In addition to NFL

ticket, it was mentioned that we should consider a similar type of event for Saturday college football. The GM is going to mention this to Matt Ortt.

The Yacht Club had a \$18K unfavorable net operating variance for the month. One weekend in October was a total weather washout. Facility rental revenue was \$17K positive for the month. This is a result of vendor rebates. Steve P. will look at reclassifying this for the future as it is not tied to facility rental. YTD in Other Costs we are accruing for the Matt Ortt bonus which was not in the YTD net operating results for the prior year. Next year Steve P. will account for any Matt Ortt bonus when preparing the budget reflecting and apples to apples comparison.

We discussed outstanding AR with respect to our accrual position for Bad Depts. We are currently reserved at 78% of our total outstanding AR, which includes Other AR like golf packages and Assessment AR. This is something that is reviewed with our external accountant at audit time and the GM will be looking at it for potential adjustments in the coming months.

Review Excel Action List

We reviewed and updated outstanding excel action list.

Calendar Meetings, Status of Proposed Budget, Other Comments/Questions

We will revisit our January meeting schedule at next meeting. Committee Chair will first check on room availability. We would like to pick a fixed day in the last week of the month.

The annual Budget Meeting will take place at the Clubhouse Grille meeting room on Jan 4,5,and 6. The GM will be putting out a schedule and budget books will be available just before Christmas.

A key topic for the budget will be how much work we plan on the Golf Course irrigation replacement project. Likely may be limited to controls this year. More to come during budget review.

John V. will look at possible booking the OPVFD budget review at our next meeting of 12/28.

Meeting was adjourned at 11:29AM.

