

BUDGET & FINANCE ADVISORY COMMITTEE MEETING

9/30/2020 MEETING MINUTES

MS Teams Virtual Meeting 9:00-11:00 AM

Attendees: Dick Keiling (Chairman), Frank Brown, Tom Piatti, Brian Reynolds, George Solyak; Non-Committee: Doug Parks (Board Liaison), John Viola, Steve Phillips, Julia Johnson, Debbie Donahue, Ron Fisher, Terry Underkoffler; Public, Tom Stauss

Meeting called to order 9:04 AM

No Public Comments

Minutes from the 8/26/2020 Committee meeting submitted and approved

Capital Proposal Marina Expansion

JV, High ranked project, presenting to B&F early on in planning stage for input. Six slips for transient visitors to the club. Staff engaged with County on reqs. and permits. Estimate cost at \$50-70K. Ortt has requested additional spaces for guests, ROI important consideration, OPA mgmt. here today to present plans.

DD, Dock expansion plans include additional four slips off A dock, and an additional two slips off B dock. Plans and designs have been drawn and submitted. County requires a public hearing which is taking place tonight, Sep 30, 7P at the Community Center. Expansion is intended to relieve Summer visitor issues at dock, e.g., visitors using rented slips, visitors docking at the gas dock, having to turn away visitors. There are also insurance liability concerns with these issues. Logistics are being worked. ROI estimate 2-3 years. B&F inquired about security, logistics, and dock staffing.

RF, Ron detailed the numbers and analysis of their expectations for revenue. ROI calcs were done only on the proposed expansion slips.

B&F recommended OPA contact other marina complexes with similar accommodations to see what best practices could be learned/leveraged.

JV, project will get full review before the BoD this Fall, working on quotes from contractors, estimate completion, May, 2021.

Capital Proposal Racquet Sports

JV, our other high priority project, plans have changed since last month, preliminary approval now for 4 permanent pickleball courts and a single multi-use court, e.g. junior tennis, instruction, wheel-chair tennis. Multi-use court will also convert to two extra pickleball courts when needed. Estimate cost at \$120-130K. These are stand-alone courts, build-out should not affect existing courts.

TU, pursuing grants available through USTA, new court construction grant, \$15K, wheelchair-accessible court grant also applied for but availability impacted this year by COVID. Have consulted with USTA on plans and designs, timing for completion Spring, 2021. Terry expressed concerns over the parking situation when complex is busy. Visitors park on both sides of entrance and area can be hazardous.

JV, agreed re: parking concerns and added that overall complex parking issues are being reviewed. County must approve final plans for court expansion and that includes parking reqs. GM noted that the business demand for these courts already exist and that this expansion plan is simply to accommodate that demand.

B&F agreed expansion desirable given existing demand and multi-use plan for the courts, funding would be new capital.

JV, advised on other items of interest, next month expect to have initial plans for a gate/toll at the boat ramps and for reno/upgrade to the mailboxes. We continue to look at/evaluate for a permanent bulkhead staging area. Also, we are looking at two locations to build a new recreation/crabbing pier, estimate cost ~\$30K., parking an important consideration, will be on next year's budget, replace or new reserve funding, tbd.

Sports Core Initiative

JV, Colby unable to attend this morning, nothing formal to present, project details are being worked.

August Financials

For the month of August, OPA had a positive operating fund variance to budget of \$61.3K. Revenues over budget \$16.9K and expenses under budget \$44.4K.

For fiscal year-to-date, OPA had a positive operating fund variance to budget of \$991.8K. Revenues over budget \$112.5K and expenses under budget \$879.4K.

SP, As expected and recognized due to COVID, amenity revenue is down. Recs & Parks and Aquatics particularly hard hit. Expenses are down accordingly in the same areas. PPP funds are helping, \$18K earned interest also a plus. F&B doing well, also helped by PPP funds. Made additional, early journal entries for anticipated Bad Debts. B&F asked if any concerns there, Steve indicated he is trying to recognize potential bad debt as the year progresses to avoid any last-minute y/e surprise adjustments. Steve noted that OPA lost a \$10k tourism grant, but we did receive grants for Police and Recs & Parks.

JJ, OPA has been allocated a portion of a CARES act grant from the county, valued at \$170K. Grant can be applied to any expenses directly related to COVID response, have up to \$40K in eligible expenses so far, staff working on documenting other qualifying expenses to submit for reimbursement.

Other financial discussion points

Golf course revenue up for the Summer, concerns over reported course conditions have been reviewed and are being addressed. Golf simulator has been used for expert club fittings, however anticipated Winter revenue generated from the Sim will be impacted by COVID. Clubhouse B&G doing extremely well although working against a first year, conservative budget. Increased wages and benefits were noted for the Yacht club and Beach club despite PPP being applied, Steve agreed to analyze that further. B&F chair asked about status of PPP Loan. Most of the qualifying expenses are coming from payroll which are easily documented, while revision to the PPP rules & regs are expected in October, we have 6 months to reconcile, no issues are expected with our loan. Increased service and supplies were noted in Tennis. Likely caused by re-surfacing expenses being recorded there. Steve will review to see if any of that should come from reserves. USTA grant(s) could help with that expense. During review of capital expenses to date, it was noted that lumber prices have sky-rocketed during the pandemic, we currently

have a locked-in materials contract, but there are some concerns going out to y/e. GM asked if B&F has been reviewing the Bank Recs, this is an important part of audit process. Frank B agreed to continue to take on that task. B&F expressed concern over funds in Union MM earning a paltry interest rate, should funds be moved over to BOC? It was agreed that OPA should maintain relationship with 2 banks despite current rate levels but shopping around for better rates is always a good thing.

Reserve Study Update Discussion

B&F would like to see updated Reserve Study, aka, DMA Lite, discussion included best time to initiate that effort. Presently, no one is updating the study, but some initial work can be sorted ahead of the update. It was agreed that the study update should take place following next year's January budget review. It was noted, as an example of needed updates, that bulkhead linear feet costs have risen substantially and will likely continue to do so.

Other Comments/Questions

B&F asked if the spending limit change to Resolution F-03 had been approved by BoD. Work has been done, but change has not yet been formally approved by the BoD. Doug took action item to follow-up and get a motion before the board to complete the change.

B&F Chair asked if meetings should continue via MS Teams or go back to in-person. Committee agreed that the virtual format is acceptable and working well, will continue with virtual meetings for now.

Meeting Adjourned at 11:04 AM