

BUDGET AND FINANCE ADVISORY COMMITTEE MEETING MINUTES

March 27, 2024, OPA Admin Board Room

Committee Attendees: Doug Parks (Chairman), Dick Keiling, Don Nederostek, Brian Reynolds, George Solyak, Collette Horn, Monica Rakowski (Board liaison) Absent: Don Bonafede

Other Attendees: John Viola, Mark Swift, Via Teams: Stuart Lakernick, Richard Farr, John Latham, Josh Davis, Ruth Ann Meyer, Michelle Lane-Ross, Amy Peck, 4683266 (Geist?),

Call to Order – Doug Parks, Chairman, 9:00a

Pledge of Allegiance

Approval of Today's Agenda, all members vote yea, 6-0, no mods.

Approval of January 24, 2024 Meeting Minutes – all members vote yea, 6-0.

The Chair noted that the committee did not meet in February, therefore no minutes to report/consider. January Financials review is included in today's meeting.

Public Comments – No public comments

Status of Approved Capital Expenses:

a. Racquet Sports Building Project

GM shared status regarding the ongoing plans for any Racquet Sports clubhouse improvements. He encouraged the committee to review his March presentation to the BoD which included some of the latest details. The project is yellow status at this time, various options and suggestions have been reviewed. The latest proposal includes maintaining a single-story structure with improved bathroom facilities, retail space, and mgmt. office.

DK asked about formal building/business plan(s) for what's going to be developed and hoped that OPA will take the opportunity to bring forth a new/improved racquet center building appropriate for the great facility we have going there. After some back and forth re: what's been proposed, required, desired, DP suggested all those considerations should/will likely be addressed at the operations level. Also noted, recent personnel changes in both the RSC staff and RSAC committee are impacting progress toward those goals.

The GM reiterated that no formal design plan has been selected despite funds having been approved for such improvements. He continues to work with the RSC/RSAC as they refine their desires/requirements for a new or renovated facility. Consensus was that no action is slated for the immediate future as the upcoming racquet season begins shortly. All stakeholders will continue to work toward the best and final plan, with a fall/winter timeframe being the likely target for implementation.

b. Tiki Bar Expansion Project

According to the GM, the Tiki Bar Expansion Project at the Yacht Club continues to be a priority. The project has green status, site work has begun, and the GM was confident the project is on track to be ready for Memorial Day. More details can be found in his March BoD meeting presentation.

Review/discuss January 2024 Financials:

For the month of January, OPA had a POSITIVE operating fund variance of \$25,673. Revenues were OVER budget by \$11,828 and total expenses were UNDER budget by \$13,845. Through January 31, 2024, OPA had a POSITIVE YEAR-TO-DATE operating fund variance of \$859,388. Revenues are OVER budget by \$744,292 and total expenses are UNDER budget by \$115,096.

B&F Q's/Comments:

-Yacht Club incurred expenses in January without being open, accruals or timing?

Despite being closed, some expenses do incur but are minimal and expected.

-Significant favorability to budget in overall ytd wages and benefits, given expected pay increases and full staffing in most depts, where are these savings coming from?

The end of fiscal 23/24 will show W&B savings due to known unfilled positions. We have budgeted fiscal 24/25 for all planned W&B increases and expected full staffing.

-Golf Revenues, Golf Academy and Lessons represent fresh income via new golf instructor, are we budgeting appropriately for that income in the coming fiscal 24/25?

Yes, that income was not expected nor budgeted in the current year, but we have accounted for it in the new fiscal 24/25 budget.

-From Net Ops schedule Pickleball and Platform Tennis appear level against budget for the month, however, tennis showed a decrease. Concern for a drop of activity there or just seasonal?

May just be seasonal or bad weather pattern but will monitor further.

-Clubhouse Grill favorability to budget was noted, strong performance by Ortt there this year, bottom line numbers much improved over last year.

Review/discuss February 2024 Financials:

For the month of February, OPA had a POSITIVE operating fund variance of \$48,257. Revenues were OVER budget by \$8,338 and total expenses were UNDER budget by \$39,919. Through February 29, 2024, OPA had a POSITIVE YEAR-TO-DATE operating fund variance of \$907,645. Revenues are OVER budget by \$752,630 and total expenses are UNDER budget by \$155,015.

Q's/Comments:

-On Operating Accounts Summary, Other Fees and Income, favorable to budget \$430K, what are the details on that increase?

Yes, primarily added interest income on OPA holdings.

-On Operating Accounts Summary, Amenities (net) also favorable to budget \$615K, what are the details on that increase?

Primarily organic growth in revenue across our biggest amenities, yacht club, golf, and beach club.

-Platform Tennis looks strong for February, weather may have been favorable.

-Noted that there was no W&B for Tennis in February, accrual needed?

There was an accrual issue, will be corrected in March.

-On the Operating Results page, In Expenditure Details, Legal Fees \$8.5K represent?

Formatting error, it's a positive to budget, all good.

-Clubhouse Grill favorable again this month, GM added Superbowl event was contributory.

-On Net Operating By Dept, Genl Maint ytd up ~\$100K from ytd last year, what's contributing to that increase?

Higher W&B is part, but more genl maintenance is taking place. GM expects those costs to moderate.

-In Combined Golf Ops, ytd W&B favorable to budget ~10%, what is contributing to those savings? Addressed in next budget?

We had budgeted for a position that was not ultimately filled, and yes, we have accounted for this current favorability in the new budget.

-In Operating Summary, Other Costs ytd, ~\$2.2M is level with last year but is over budget by ~\$171K. This is the 2nd highest expense after W&B. Can additional detail be provided for this category?

GM agreed that it is a significant category and offered to provide a detailed schedule of these expenses. B&F agreed that such a schedule would be welcome. GM took an action item to produce said report.

-What's the latest on the North gate bridge improvements? Are we still waiting for permits, materials, etc?

GM said that no work is due on the bridge itself, mdot is requiring guard rails going up to the bridge from 589? He took an action item to get the latest status on this effort to the committee.

-In Beach Parking, ytd W&B compares favorably to last ytd, but the budget is twice that number, actual \$20K vs budget \$41K. Has the new year budget been adjusted accordingly?

There were some staffing issues this past summer resulting in a lower W&B, but mgmt. is confident upcoming budget is set appropriately.

-In Yacht Club, Other Costs, ytd actual ~\$570K, mostly Ortt Co. disbursements, what's the breakdown?

Per contract, Ortt receives \$200K mgmt. fee, accounting fee and bonus, total approx. \$500K,

-Total cash on hand exceeds ~\$14M, why does the association need that much on hand?

A significant portion represents OPA reserve accounts, operating accounts usually average ~\$2M, and seasonally, OPA's coffers will experience a cash increase due to assessment A/R. All funds are invested per by-law requirements and earning interest. OPA is required to hold funds in reserve for capital replacement expenditures.

-On the Capital Summary, under Recreation, \$12K expensed for Bike Crossing (Rt 589)? Is this part of the pedestrian improvements at Manklin Creek and 589?

Yes, OPA paid for the concrete sidewalk from the gravel path up to the crossing.

-On the Capital Summary, under Public Works, ~\$35K for (3) Gators, what is a Gator?

A Gator is the brand name for a small utility vehicle used by PW to perform their duties.

-On the Balance Sheet, A/R Assessments shows ytd Last Year at ~\$9.2M, this ytd not so much?

This is a timing issue, fiscal 24/25 assessment accruals will be posted in March this year and should re-align for the March ytd.

Other Comments / Questions:

-What's happening with the Veteran's Memorial pavilion?

GM met with stakeholders and a plan was initially targeting a ~\$100K effort. After discussions, ~\$150K seems more likely. Now expecting to plan for completion by Veteran's Day. Ideas for the pavilion and supporting facilities are being sorted. One main consideration: should it be a pre-fabbed pavilion 'kit' or stick built from scratch. All tbd.

Adjournment: 10:00A