

BUDGET & FINANCE MEETING MINUTES

MS Teams Meeting

4/28/21

Attendees: Dick Keiling (Chairman), Brian Reynolds, George Solyak, Tom Piatti; Don Bonafede, Don Niderostek, Yvette Tanious Non-Committee: Doug Parks (Liaison), John Viola, Steve Phillips, Tom Stauss

Meeting called to order at 9:04 AM

No Public Comments

Minutes from 3/31/21 were approved.

Annual Review of Investment Guidelines and Procedures:

The General Manager reviewed how this review was conducted during his tenure as B&F Chair. It was agreed B&F would review the Financial & Budgetary Resolutions and advise accordingly. The Chair will forward via email, copies of the pertinent resolutions to all with a recommended review procedure.

A question was raised on the balance in the money market account we have with Union Bank, our second banking institution. Given the low interest rate environment and some of the big projects going on, having these insured funds at our ready disposal is acceptable. B&F still endorses working with two banks.

March Financials:

John did a high-level review of the current YTD financial state as we are one month away from closing out the year. This was consistent with his comments made previously in Board Meetings and to B&F.

Favorable salary variances in March continue to be the major contributor to the months favorable expense variance of \$108K. On the revenue side there was a \$55K positive variance for the sale of vehicles and other assets and \$20K to true-up the county road funds. We did see another net revenue unfavorable variance of (\$29K) in food and beverage attributable to a cost of goods sold omission in the monthly budget. We will likely see a similar item in April for the last month of the budget year.

It was indicated that the \$54K positive variance in March for the sale of vehicles and other assets could be matched to offset current work planned for the Pickleball Courts.

OPA has filed for PPP forgiveness and we are still within the governments time window for their review. Matt Ortt has heard back that their PPP funds of approximately \$270K have been forgiven. Given we are at the end of our fiscal year (Balance Sheet as of 4/30/21), in all likelihood

we will report the PPP funding as we have been with a qualifying footnote to the financials. Per the GM, if any portion of the loan is not forgiven it will become a loan payable at 1% interest possibly over five years. In that case there would also be a prior year adjustment to the financials.

A GM team is reviewing Aquatics revenues and costs for improvement opportunities going forward.

In a review of Matt Ortt's reports, B&F does like the level of detail and the fact that they list costs as percent of revenue. B&F communicated that we did not need 2 of the 5 reports as the information is already captured on the remaining reports. This would be Yacht Club Financial Results and Beach Club Financial Results, both for the current month.

A question was raised why insurance doubled in 2021 vs 2020. This was attributable to expanded coverage including liability insurance.

A question was raised why cleaning supplies increased \$22K over 2020 and paper products were \$20K less. While this is likely attributable to COVID operations, Steve will look at.

When you look at total salary for the Yacht Club and Beach Club (excluding Management Professional Fees) salary is approximately (\$152K) less (excludes processing fees and taxes) in 2021 vs 2020. This raises the question if the PPP was approximately \$270K, why are we not seeing a greater favorable variance. Steve agreed to take a closer look at this including the Country Club Grill to arrive at a full salary change picture.

It was agreed that B&F would receive a copy of Matt Ortt's contract. After reviewing the contract the team would meet as a work group to better structure our review of food and beverage as OPA's financial advisory committee.

A discussion took place on Racquet Sports and we reaffirmed that it makes sense to receive the P&L for each racquet sport. As a result, it's important that the costs match the revenues to present a fair picture of each sports performance. While we don't want to create a lot of extra work to allocate costs, the team recommended that a review take place to ensure the results are reasonable.

Other Comments and Questions:

Brian raised the question if it was a good time to getting back to in-person meetings at the community center. A question was raised do we still need to be 6 feet apart or is maybe 3 feet permitted. The Team will need to firm this up.

The Chair followed up on last month's discussion on Northstar. It was good to see in the GM's April report to the board advising progress made including operational efficiencies. One concern has been eliminated in that we hired a new IT Manager and our current IT manager will be available to help with Northstar as needed. B&F reiterated to the GM that we are readily available to help in any way as needed.

Meeting adjourned at 10:50 AM