



FINANCE COMMITTEE MEETING REPORT: May 17, 2018, NWCH

ATTENDANCE:

Members present: King, Dundas, Eyton-Lloyd, Hunter, Stang
Members absent: Leibow, Ravano, Anderson, Johns, Disbrow
Staff Present: Etnyre, GM; Salmon, DFA; Rodman, Admin.
TD Board member: Bonzon
GPC Liaison: Koenes
TD Member: Miller; Sullivan: Colbert; Wu (by phone)

AGENDA ITEMS:

A. Call to order; 3:00pm, quorum present.

B. Member Comment: None

C. 5/17/18 Agenda approved 5-0 and 4/19/18 minutes approved 4-0, Dundas abstained (Stang 1st, Hunter 2nd).

D. Review of April Financial Statements – Prior to the meeting, Salmon distributed a draft of the April preliminary financials. It showed that Net Operating Results for April are expected to be \$194,000 ahead of budget and \$46,000 ahead of last year's results. Highlights include:

1. As is done every year at the end of April, the Rec Fees were trued up resulting in a \$70,000 positive NOR for Trout Creek and a \$41,000 negative NOR for the Tennis Center.
2. General costs were \$29,000 over budget due to higher than expected Board of Director costs (longer meetings and use of outside counselor) and extra legal costs.
3. Downhill and cross country skiing were a combined \$133,000 ahead of budget.
4. Only 84 members have not paid their dues, which is down from 116 last year.
5. Golf pass /pack sales were \$184,000 compared to \$156,000 last year.

Year to date NOR is now only \$150,000 lower than budget but still \$883,000 lower than last year.

As of April 30th, Member's Equity is estimated to be \$2,141,000, which is \$895,000 ahead of the minimum operating fund reserve requirement.

May, which is one of our smallest months, is expected to be close to budget.

E. Report on 2017 Annual Report comments – Per Salmon, there have been no comments regarding the newly released Annual Report.

F. Update on Board actions regarding accounting issues including May Board agenda item to ask the FC to add the following to its 2018 Strategic Goals –

- a. Elasticity of Demand Pricing Models
- b. Fiscal Year End Change – Pro/Con
- c. Model: Zero CPI +1% limits to Annual Assessment for 5 years
- d. Develop Allocated Overhead Model for future HOA/Amenity Cost Planning Efforts

Bonzon led the discussion regarding the Boards current thinking of changes to TD's financial reporting. The Committee also discussed the four topics above. The FC is willing to review these issues if asked by the Board.

G. Replacement Reserve Fund update – Salmon provided the FC with a lot of information, including:

1. The RRF balance at the beginning of 2018 was \$10,006,000 and expects to be \$7,826,000 at the end of the year.
2. During 2018, assessments will total \$4,013,000 and expenditures are budgeted to be \$6,354,000.
3. During the last ten years, budgeted expenses totaled \$31,000,000 while actual expenses were only \$23,000,000. That's an \$8 million difference or 26%. Historically, TD spends less than budgeted.
4. Per a schedule provided by Salmon, if there are no planned increases to the Annual Contribution, then the RRF would be reduced to zero by 2027.

H. Report on new Snow Making Ideas – Steve Miller and Michael Sullivan provided the FC with a report on potential snow making plans for Snowplay and Cross Country. A copy of that report is attached.

I. Update on

1. GPC Committee – Dundas gave the Committee a quick update on what the GPC is currently working on.
2. Equestrian – Stang reported that there have been no recent meetings.

J. Agenda Items for June meeting

- a. Dundas will run the meeting
- b. Budget cycle overview
- c. Update on calendar of Policy Reviews

NEXT MEETING DATE: June 14th, 2018, 3:00 pm, NWCH

ADJOURNMENT: 5:22 pm; (Hunter 1st; Dundas 2nd) Approved 5-0

Prepared and Submitted by: Art King, FC Chair