

POA Finance Committee Meetings Minutes

19 March 2019

Members Present

Ralph Ripley, Chair
Steve Vannucci
Palmer Knight
David Broussard
Amy Tropfenbaum
Jan Murphy
Absent: Bob White

Others

Jim Farinholt, POA Board Liaison
Jay Goldman POA Board President
Grant Grimes POA Board
Dudley DeVore POA Board
Lou Stephenson POA Board
Jill Philimon, GM
Jayne Hagan, Director of Finance
Matt Lockwood, Finance
Carolyn Littell, Developer Rep

1. Meeting CTO at 3:30PM, 19 March 2019.

2. Jayne Hagan reviewed the Operating Results for February.

- Net Income after depreciation was better than budget by ~\$12K in February and ~10K YTD.
- Operating Departments are better than budget by ~3K in February and ~\$31K YTD. The YTD number is inflated by contribution revenue and open positions.
- Amenity net income was below budget by ~3K in February and ~\$20K YTD.

3. The committee discussed a number of specific questions from members. There was a more detailed discussion of the following:

- Employee meals running significantly over budget YTD. Jill explained that the system to avoid abuse was in place and meals were simply higher than budget. To address this issue they are going to go to a limited menu of options for employees to control expense.
- Garbage collection expenses over budget the last two months. Jill explained our vendor was charging us more and they were going to pursue other bidders to see if we can bring down expenses.

4. Jayne Hagan reviewed Accounts Receivable along with aging data. There are over 20 property owners delinquent 121 days and over for a total of \$398,078. Jill explained that the POA was going to pursue these property owners with stronger collection measures.

5. Jayne explained that both the website and new accounting systems are on schedule for a 1 April go live date.

6. The committee had a lengthy discussion regarding the clubhouse performance YTD and what measures should be taken at this point to get ourselves back on plan.

- Jayne went over Clubhouse financial data. There was specific discussion of lower participation rates in Black Bear Pub. Duffers revenue is overstated due to employee meals subsidized by meal funds from operations. Member events have been stronger. Jill explained that there were still some Banquet and events that were not reflected in the data and we need to give that a chance to understand what the bridal show produced.

- Wayne Crawford, Board Liaison, gave an overview of the challenges in the clubhouse and what leverage we may have. He explained the value of the Clubhouse as a Center for Community and Social activities. There are 160 organizations and groups in Big Canoe that use the clubhouse for meetings and activities. There is a cost for that service to property owners. There are a large number of non-revenue producing events that require setup and service that costs in time and labor. Some of these meetings and events compete directly with revenue activities. Many events that property owners want and enjoy do not generate much revenue. The most recent band night generated an average ticket of \$9.80. Craft beer night generated no positive revenue. Breakfast and Lunch meetings typically lose money because people sign up and then do not attend. Wayne and the clubhouse staff are working to quantify the direct and indirect costs. The finance Committee will take this up again to see what options are recommended for consideration. The clubhouse is challenged with vacant positions and turnover.
- The committee agrees it is premature to make adjustments based on 6 weeks of data in the slowest time of the year. We will examine this issue again in April to see if budget adjustments are necessary in either clubhouse or larger operational budget.

7. Meeting adjourned at 5:30 pm.

Minutes submitted by Jan Murphy