

BUDGET AND FINANCE ADVISORY COMMITTEE
FY2021-2022 BUDGET GUIDANCE RECOMMENDATION
PRESENTED TO OPA BOARD OF DIRECTOR'S

1. The Budget & Finance Committee under Resolution F-02, Section 2 is offering assistance to the GM and the Board for the FY2021-2022 Budget preparation.
2. B&F encourages Board members to be present for the budget review and requests such review to take place over two to three days between **January 5-9**. Last year some Board members raised the question whether it made sense to have one joint B&F/Board Review in lieu of two separate meetings. If the Board so elects B&F is perfectly fine in making this a joint meeting.
3. An up-to-date accounting and position on PPP funding is provided for budget review. Contingency plans are identified and presented should PPP funding become a loan payable.

While the budget book pages provide good detail on "Other Costs" B&F would like to see monthly Northstar reports developed to highlight similar details. This was discussed at a previous B&F meeting and deferred to a later date.

4. For presentation and analysis purposes, Develop Fiscal Year Budget reports with the following categories:
 - a. As previously done for each department or amenity show three years of historical actuals (2018, 2019, and 2020), 2021 budget, current YTD actuals, most current year-end forecast, and the proposed budget for 2022. **We recommend adding a column striking a variance between proposed budget less prior year budget.**
 - b. Any departmental revenue or expense increase or decrease of 5% or \$5,000 whichever is less requires justification. Resolution F-02 sets 5% threshold.
5. A membership schedule should be presented with detail explanations including analysis of any proposed fee changes. Revenue projections should be reflected for each category of membership showing increases or decrease.
6. There should be a **FTE schedule by department** for the previous 3 years (for comparison purposes) in addition to the budget year. Any new changes to staff will need to have complete substantiation.

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7. As previously done, a reconciliation or "OPA Salary Walk by Department/Amenity" detailing a total reconciliation of payroll dollars from last year's budget to current year forecast and 21-22 budget should be provided. This is very helpful in focusing on the big picture for our largest expense to see the macro impact of salary expense changes. Showing the current year forecast here is consistent with department and amenity presentations. It will also highlight the unique aspects of our current year operations under Covid-19.
8. Last year for the first pass budget meeting we did not include the budgeted salaries in the individual department and amenity sections. This distorts the bottom-line totals by section. Including the updated salary information will provide for a clearer and more transparent review when discussing the numerous individual sections.
9. Food & Beverage budget should be based on Matt Ortt's contract and their outlook for the new budget year. B&F would like to see Matt Ortt's outlook for Banquets in the 2021-2022 period following this very unusual year.
10. Managers for each fee-based amenity should provide comprehensive details on new revenue generating proposals and substantiate other budgeted revenues.
11. As done last year OPVFD should present their budget like other departments.
12. Police Department, General Administrative, and Finance should provide detail of expenses and revenue. All consultants must be substantiated.
13. A capital budget should be presented separate from the operating budget and be structured in a rolling multiyear format that includes budgeted unexpended capital items from prior year(s). Multi-year plans should tie into the Reserve Study. Unexpended amounts from prior years' approved budgets must be budgeted and accounted for as part of the FY 2021-2022 capital spend. Any new capital expenditures must be financially justified.
14. A reserve study **update** is completed prior to the January budget review using the DMA consultant. In accordance with Resolution F-03 B&F remains available to assist in this update as requested by the General Manager.

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15. Business Plans should be presented for new capital expenditure requests and should include dollars and rationale. Replacement capital expenditures should include dollars and rationale for expenditures. Variances should have proper explanations and supporting detail. Estimated future maintenance and carrying costs should be part of any new capital justification.
16. Bulkheads - A detailed current fiscal year spending projection is requested. Based upon the projected spend, fund balance, and the detailed work plan for FY 2021-2022; B&F will provide guidance. An analysis should be done showing the impact of higher material/labor costs for bulkhead replacements on the multi-year plan in place.
17. Any prior year losses need to be addressed with a plan to fund. Likewise, recommendations should be made on accounting for any budget surpluses.
18. We request Board of Director feedback and guidance as soon as possible, to ensure a transparent and timely budget process.
19. The GM will prepare a budget schedule including dates for Board review.