

## BUDGET & FINANCE MEETING MINUTES

6-5-2019

Attendees: Larry Perrone (Chairman), Bob Kessler, John O'Connor, Dick Keiling, Gene Ringsdorf, and Frank Brown; Non-Committee: John Viola (GM), Doug Parks, Thomas Piatti, Steve Phillips, and Morgan from the media for first part of meeting

- John Viola gave us an update on the current projects.
  - Demo of County Club was able to start quickly, should be \$2K to \$3K under budget. Allows us to get a good look at foundation before proceeding with construction. Project on track to be under \$1.6M with final drawings due on 6/10/19.
  - Craft Building - \$86K contract selected for Ocean Towers
  - Cart Barn – Prior GM submitted update to Reserve for \$450K. John Viola believes we will be able to reduce this and will look at economies of scale in approaching contract.
  - Police Admin. – Nothing spent yet. Met with Weyland for go forward design.
  - Beach Club – Major stuff done and finishing up. Colby and Frank Daly have been checking.
- Steve Phillips walked us through the *unaudited* year-end financials. Legal, Consulting and IT were unfavorable. GM is concerned these are growing. Forensic Audit finished \$30K under budget. Year-end unaudited total operating results for OPA is a favorable \$132K. Recommendation is for profit to be applied against prior-year loss.
- New Matt Ortt contract process getting started. The GM is putting together a work group. We have been pushing Matt Ortt for more detail on Banquets and reports. More metrics and reports are needed to monitor our valuable Yacht Club asset going forward. Needs to be specific in any new contract.
- Cash investments on phased in CDARS achieving more favorable rates. Union Bank offering free insurance giving us CDAR rates with more liquid

cash availability. We have doubled our budget for interest income revenue. Hats off to Steve Phillips for his leadership here.

- B&F still checking monthly Bank Reconciliations
- Gene Ringsdorf handed out Drafts on the Reserve Study and a New Capital concept. On the Reserve update B&F is ok with the trend and fully believes in this valuable tool. During next Budget Cycle B&F will provide contribution guidance. GM is looking at Bulkheads, people are addressing cost and schedule going forward. Roads....little done last year, we now have \$1.2M. Need a plan for spending. GM stated we need to address in next Budget Cycle.
- Crabbing Pier – we tore down floating pier and have contract to eliminate elevated walkway. More discussion is needed before beginning the demolition as it may have some value. GM will send email to Board asking for direction here.
- Financial year-end audit on tract and not expecting surprise issues. Will complete in normal time.
- Once again, we discussed the topic of putting outside audit out for bid. There is a cost to bidding and switching outside auditors too frequently. Every year bidding is not reasonable and will be costly. Possibly every three years or so makes more sense.
- Question was raised on Sales Tax exemption as it relates to HOA's. GM to further review.
- North Star contract is still green, which is not unusual in the early stages of an implementation. Potential increase in consulting labor on project....this needs a CAREFUL review. It was mentioned that we need to have core knowledge transfer more than Steve Phillips on North Star software. IT person is spread thin inhibiting IT knowledge transfer.