



Finance Advisory Committee
Meeting Minutes
Wednesday January 17, 2024 10:30 AM
1:00 pm
BVSA Conference Room

Committee members and members attending Advisory Committee meetings or any sub-committee meetings are prohibited from using any sort of recording device during the meeting. This includes audio recorders, video recorders or any type of camera (including cell phone cameras). (Board Policy Resolution No.3.18-19)

- A. Meeting called to order** at 10:33 AM by Fred Hicks
Committee members present: Fred Hicks, (BVSA Treasurer), June Burcham, Richard Bissell, Mark Poindexter, and Ron Wilson.
Absent: Don Branson and Don Ciota, General Manager
Staff present: Gina Silva, Controller.
Guest: None
- B. Approval of agenda – Corrections:** a) **Item L should read February 21, 2024 11:00 AM. Motion:** by Richard Bissell, **Second** by Mark Poindexter. **Motion carried with no objections.**
- C. Approval of Minutes-** October minutes were approved by email.
- D. Change FAC meeting time to 11:00 AM- After a brief discussion - Motion to approve time change** By Mark Poindexter, **Second** by June Burcham. **Motion carried with no objections.**
- E. Role of the Finance Advisory Committee Discussion-** A general discussion was held to further clarify the scope of the work of the FAC. At the October 18, 2023 FAC meeting Fred Hicks had distributed a page from BVSA Policy titled 2008-09 Finance Committee/Advisory Committee Scope Definition, along with an additional page of similar generic guidelines. As all members did not have a copy to refer to there was not a conclusion or motion. However, additional discussion did mention the following: 1. Finding any problems and proposing solutions. 2. Setting budget and other financial timelines. 3. Reviewing monthly financial statements and budget variances. Mark Poindexter suggested the following key topics: 1. Review the monthly financial statements. 2. Review annual FYE financial statement. 3. Review annual Audited Financial statement. 4. Review the monthly budget and variances. 5. Review the annual tax returns. 6. Review the Reserve Study periodically. Fred Hicks indicated that he will re-distribute the “scope” information for further discussion of the topic at the next meeting.
- F. Financial Report**
1. December – Income statement and balance sheet reviews.

The income statement, provided by Gina Silva, displays both monthly and YTD financial data as well as the related budget numbers. Our review of them was supplemented by a review of the Variance Report recently developed by Don Ciota. A further review was made of the Balance sheet. YTD revenue is shown as \$1.3M over budget but this is clearly a

mis-post. An offsetting entry in account #29059 will be corrected by Gina. In addition, several accounts have not yet been adjusted to the June 2023 FYE Audit.

While the OTCC and Mulligan Room reflect a combined \$85K greater loss than expected, ~\$66K of that was a 2023/2024 budgeting error. The Mulligan Room expansion was discussed. The project has technically begun but is stalled in the permitting stages as BVSA and the architect work with the Kern County to provide additional documentation relating to the project.. However, the Mulligan Room revenue is below plan and the costs are above plan and need to be watched.

The increase in the minimum wage and related salary compression will further impact these venues and further discussion will be a large part of the budget discussions next month.

Discussion was had to clarify the Recreation Budget, water transfer credit from the County (via the CSD). The credit was posted in the prior fiscal year which explains the variance. There is also a \$53K insurance variance which Gina will look into. Gina will also research the \$(177,846) entry in account #20000 AP-Other. Finally, Gina told us that the \$1,194,841.15 in account #10106, Edward Jones Cash has been renewed for 1 year at 5.2% interest.

Further discussion was held regarding the looming 2024/2025 budget process. We are required to submit the final budget to the Membership no later than May 15, 2024. General Manager Ciota is planning on working with his department heads on zero based budgeting this year and is in the process of developing various templates for that's process.

Fred Hicks indicated that he and Guy Monday are going to be updating the Fee Schedule next week. Additional discussion and consideration will be part of that to attempt to continue to balance costs against usage. In the past we have not implemented some cost recovery fees, especially for commercial use.

G. Major Component Database (MCDB)

1. Changes- **None**
2. Project Manager Updates- **None**
3. There were no significant changes in the MCDB. Fred Hicks mentioned that we have, again, hired Reserve Associates for the required reserve account analysis. They are expected to be on-site on January 31st, 2024 for the study. The results will then give us a current look at our reserve levels and any necessary funding changes, June Burcham asked about getting more information on our current and future projects and anticipated timing and costs. Further discussion suggested that we should have an: Income statement on each project as well as the related reserves. Fred indicated that he expects the new reserve study to reveal some assets that have been missed in the past.

H. Continuing Business

As discussed above, a new reserve study will start January 31st. The preparations for the 2024/2025 budget process are underway. The FAC is expected to meet with the Board and the department heads on both March 27th and 28th to finalize the preliminary budget.

I. New Business

Follow for continuing budget preparation.

Follow for audit adjustment and other financial statement correction with the January 2024 numbers.

Follow for IGM renewal and its cost allocation.

Follow for results of new reserve study and consideration of allocating reserves on a department level

J. FAC Member Comments

June Burcham – Asked for more information on projects and updates as well as golf course costs and fee schedules.

Mark Poindexter- suggested that reserve allocations should be more detailed and spread to each venue or facility. Mark also suggested that the IGM contract be split between areas to better reflect the actual costs incurred by each department. Marks final comment was the idea of individual departmental assessment dollar targets.

Fred Hicks-mentioned that the IGM contract is up for renewal. He also mentioned that Tammy Holloday has resigned from the committee. Fred will work with Anita on finding a replacement.

K. Guest Comments – None in attendance

L. Next Regular FAC meeting date and time: February 21, 2024 11:00 AM

Adjourned meeting at 11:57 AM