***Del Mesa Carmel Community Association***

**Finance Committee (FinCom) Meeting**

Minutes of Regular Meeting

14 December 2021

1. **CALL TO ORDER:** Committee Chair, Nancy Jones, called the meeting to order at 9:30am. The meeting was held in person in the Coastal Room

**2. Announcements**. None.

1. **Agenda Review/Approval.**The agenda was reviewed and approved as submitted.

**4. ROLL CALL:**

*Committee Members Present*

Nancy Jones, Maryellen Eisenberg, David Lamm, Marty Rubin, and Mark Vanlerberghe (attended via speaker phone). Absent were Natalie Kaufman and Susan Franks.

*Others Participating:*

General Manager, Richard Cox, Anthony Lombardi, Finance Director. Other participants were Cecil Jones and Dave Fuller.

**5.** ***Approval of 16 November 2021 FinCom Meeting Minutes.*** These minutes were approved with the changes to remove “draft” from the title and the footer. They will be sent to the Board, FinCom and website.

**6. GENERAL MANAGER AND FINANCE DIRECTOR REPORTS.**

***October Financials***: Anthony Lombardi says we continue to operate well, on budget.

*Administration****.*** Transfer fees continue to exceed budget. Payroll, we are right on budget. Nancy noted that we were about $3K over budget in Legal fees, not as bad as she expected. A big invoice is expected for December. We have a new payroll system, Paylosity.

*Food and Beverage*. Revenues for October are up again. Nancy asked how our Cost of Goods could be so low against budget when our revenues are up. Anthony responded that Victoria had been doing inventory with the restaurant staff, but with her out in October it was only Tony. Anthony will be there for the 31 Dec inventory. We should be prepared for a big increase in November. As we all know, we’ve regained Izzy as our chef. A new dining room supervisor is to start on 15 Dec.

*Community Services.* Other than the person still out on disability, we are fully staffed. Pest Control is up because we had to tent a house.

*Guest Rooms*. Anthony Lombardi says use of guest rooms continues to be strong. We’re getting very positive comments from these guests. They report that the rooms are very clean; housekeeping does a very good job.

*Utilities.* Anthony Lombardi says he budgeted quite high for costs at the end of the year, so we should be well budgeted for November and December for Gas and Electric. The Water expense is looking good. We fixed a large leak that immediately had an impact on the expense. We’ve done well on water all year long.

*Operating Fund*. We are good in this fund.

*Contingency Fund.* No activity.

*Capital Acquisitions Fund*. Anthony has two bids on a new club car at around $11,000. We spent $15,000 on the water tender; we had budgeted $48,000. Richard Cox says we have the license for the tender. Now we must clear out the area around the well so that the tender can get to it.

*Insurance Premium Fund.* The increase in the contribution to this fund to $55,000 was first implemented in September and will continue through year’s end. Anthony noted that, in November, the CA FAIR Plan credited us by $6K.

*Reserve Fund*. A new paving plan has been developed, since the company we had been working with went out of business. We have a new bid for this effort, for 2022. There was a possibility that some stripping on the front entrance drive could be done this year, but that is no longer likely with winter here. There was a large charge to Reserves for landscaping upgrade, for work on hedges, etc. consistent with what the Fire Department directed be done to support the Defensible Space requirements (still not solidified by the fire department). We’re still hoping to get about $3,000 for the old Fitness Room equipment.

*Healthy Forest.* We have received about $75,000 in Healthy Forest reimbursement from the Feds.

***Employee Holiday fund.*** Anthony Lombardi reported that, as of 13 Dec, 48% of our residents had contributed to this fund, compared to 53% in 2020. We were short by about $3-5K from keeping the amount that each employee received at the same level as in 2020. A comment was made from a resident participant that in a year when there are so many new residents, we might expect this. For 2022, it was suggested that we schedule this effort earlier.

**7.** **TREASURER’S REPORT**

***October Reviews/Reconciliations per Civil Code 5500/5501.*** Nancy Jones and Ted Whitney reviewed the October Financials with Anthony on 10 Nov. All reconciled.

***October Delinquencies.*** There were seven (7) delinquencies as of 30 November, not yet resolved. Three were owners, four were from renters. These are all being followed up.

**8. OLD BUSINESS**

***2022 DMC Budget.*** Nancy reminded the group that, at their 18 November meeting, the DMC Board of Directors approved the 2022 budget that the Finance Committee recommended at our 16 November meeting. The results of that budget approval was sent to each Member as part of the Annual Disclosure.

To keep FinCom informed, at our November meeting we voted to recommend the proposed budget, pending the outcome of a Healthy Forest issue regarding the application of 2021 reimbursement funds from the government to 2022 Healthy Forest funding from Reserves. In meetings involving the Board, the GM and the Emergency Preparedness Committee came to the conclusion that the budget process was acceptable.

**9. NEW BUSINESS**

***FinCom report for 16 December Board meeting.*** Nancy will provide a summary financial status, a report on delinquencies and will again recommend substituting an 18% service change for tips in the dining room.

***Treasurer’s Del Mesa NEWS Article***. The January Treasurer’s report for Del Mesa NEWS will review financial challenges for 2022. It will not summarize the October financial status, since those results will be too old for an article that comes out in January.

**10. OPEN DISCUSSION**

Dave Fuller asked about implementing a no-tipping policy in the dining room. Discussion included the statement that this is the standard practice in private dining rooms and clubs. The proposal is to add 18% to bills. The base salary of servers will be increased to compensate for the loss of tips (now called a service charge). It was further noted that our Employee Handbook states that no employees are allowed to accept tips.

**ADJOURNMENT**. The meeting was adjourned at 10:35am.

Respectfully submitted for Susan Franks by

Nancy Jones

NEXT FINCOM meeting will be in person Tuesday, 25 January 2021 at 9:30am in the Coastal Room.