**LAKE SAINT LOUIS COMMUNITY ASSOCIATION**

**FINANCE COMMITTEE MINUTES – MAY 19, 2020**

The meeting was called to order by chairman Wayne Walkenhorst at 6:00 p.m. and all members were in attendance at the on line remote access meeting. Tim Elder, Heather Malone and Amanda Wells were also in attendance. The agenda, amended to table discussion of Lake Forest until the June meeting, was unanimously approved (Don Otto motion, John Surgant second). The April meeting minutes were also unanimously approved with the correction that Doug Johnston was in attendance (Don Otto motion, Ken Dobbins second).

In her report on operations, Heather Malone stated that all staff will be returning on June 1, the reopening date for club house activities and said that during the closure, LSLCA has been the recipient of the payroll provider credits made available by the U.S. government. These credits reimburse LSLCA outlays for payroll taxes and benefits for furloughed employees. Heather also reported that under reopening guidelines, no more than 25 people will be allowed in the bar/restaurant area and 50 in the ballroom at any given time but that outdoor patio seating will be available, weather permitting. Seating has been reconfigured to reflect this. In addition, food service for lunch will not be available Monday through Thursday. In response to John and Wayne’s interest in opening a self-service food option, Heather said a new carry out menu will be available on June 1 and the Committee agreed to give the new menu and service configuration some time before making further operational suggestions for the restaurant and bar. She also noted that 80% of sales are beverages, mostly alcoholic.

In review of the income statement, the committee noted that boat registration and amenity fee revenue is down significantly, largely as a result of adverse weather and uncertainty as to what amenities will be available and when. In response to Don’s question of how the shutdown will affect total annual revenue numbers, Heather could not predict but thought the cancellation of the July 4 fireworks program could have a negative effect, particularly in the number of boat registrations. She is predicting below budget revenue for 2020 and has earmarked postponement of three capital improvement line items if necessary, the new truck, new pool motor and golf bunker. In the review of the balance sheet, Amanda Wells explained in response to a question by Bill Kral that the total for Lakes and Dams was reduced for construction in progress with the compensating value reflected in an increase in the line item for Buildings. Upon completion of construction, the extra asset value reported there will be transferred back to the Lakes and Dams line item. Amanda also noted that interest income will be down significantly this year due to anticipated use of cash and extremely low interest rates. In response to John’s question of security backing for cash balances and any sum over the $250,000 FDIC/NCUA coverage, Tim Elder mentioned that banks can pledge U.S, Government Securities as collateral behind specific deposits to effectively increase security coverage.

There was quite a bit of discussion led by Bill Kral and Don regarding the presentation of 12 Month Cash Flow History and December 2019 – April 2020 Cash Flow data and reports. They noted errors and lack of clarity that have subsequently been corrected by Amanda. She explained that errors result from data being derived from sources outside the Northstar reporting system, and said she would look into how to greater utilize Northstar to generate these reports.

In the discussion on upcoming dredging, Heather noted that although six contractors were invited to bid, only two submitted bids and Magruder Construction, which has done prior dredging work at Lake Saint Louis, was again the lowest bid. The lack of multiple bids is probably the result of our job being regarded as being an unusual special situation. The Finance Committee unanimously endorsed the Engineering and Facilities Committee recommendation to the Board to accept Magruder Construction’s Alternate 1 bid with additional work to be done, per February 24, 2020 bid, by Cannon Excavation (John Surgant motion, Don Otto second).

The meeting adjourned at 8:02 P.M.

Respectfully Submitted,

John M. Surgant, Jr.