**LAKE SAINT LOUIS COMMUNITY ASSOCIATION
FINANCE COMMITTEE MEETING MINUTES – JANUARY 21, 2020**

Meeting was called to order by Chairman Wayne Walkenhorst at 6:00 P.M. and all members were present. The minutes of the November 19, 2019 meeting and the agenda for the January meeting were unanimously approved with the addition of further discussion of the upcoming seawall improvement project for the Main Marina.

In the discussion of Old Business, Don Otto raised questions as to whether capital improvement project for the Main Marina could be redesigned to reduce the cost without detracting significantly from the primary repair objective since this single item is projected to consume the majority of the capital expenditure budget for 2020. The other committee members agreed with this sentiment and asked Heather to bring this up with the Engineering and Facilities Committee and the CA Board.

The officers for 2020 were unanimously elected by the committee and are as follows;

Wayne Walkenhorst, Chairman

Don Otto, Vice Chairman

John Surgant, Secretary

In the discussion of November and December, 2019 financials, Bill Kral commented how positively impressed he was to see the addition of over $700,000 to cash reserves in 2019, an operating profit of over $778,000 and a net profit after depreciation. The other members agreed and when asked to comment on the sources of improvement, CA General Manager Heather Malone said that several items contributed to the positive results but most noteworthy were cost savings from an employee benefit plan review, better payroll monitoring and related to this, better staffing management, particularly in the restaurant and bar. To help the committee put recent results in a better perspective, Don Otto asked Heather to provide the committee a report with a somewhat longer historical run and a ten year projection, if possible, by the next meeting which Heather said she should be able to do.

The 2020 Budget was discussed and approved except the line items of Contract Labor and Professional Fees which are to be adjusted per staff. Motion by Doug Johnston, seconded by Bill Kral and unanimously passed.

During the discussion of the Capital Budget, concern was raised as to the appropriateness of the deposit of $50,000 of the 2019 cap-ex allocation and expenditure to an escrow account in the custody of the LSLCA legal counsel firm. Heather said this was determined by both our counsel and outside auditing firm Botz and Deal to be in order. The 2020 Capital Budget was reviewed and approved with the provision that planned 2020 capital expenditure projects will be withdrawn if and as needed to conform with the cap-ex budget (limited to 10% of general revenue after provision for the dredging fund), and pending clarification of $50,000 of the 2019 cap-ex budget deposited to escrow with the LSLCA legal counsel’s firm. Motion by Don Otto, seconded by John Surgant and unanimously passed.

In the discussion of the upcoming dredging project, Heather informed us that our consulting engineers are recommending proactively dredging in Regatta Bay, and other locations as well, in addition to Dauphine Cove to reduce potentially overwhelming long term dredging costs in any particular dredging cycle. The committee understood and did not oppose this evaluation. It was brought up that the emergency and dredging reserve funds earned over $50,000 in interest on investments. Wayne suggested that this revenue should be allocated to the general assessments account. John Surgant motioned that CD and other investment income earned by these two funds is transferred to the assessment reserve on an ongoing basis. The motion was seconded by Don Otto and unanimously passed.

Bill Kral motioned for meeting adjournment at 8:11 P.M., seconded by Wayne Walkenhorst and unanimously passed.

Respectfully Submitted,

John M. Surgant, Jr.