

Boys & Girls Club of Chaffee County (BGCCC)
Minutes of the Finance Committee
April 13, 2022

Attendees: Board Chairperson Duncan Campbell, Finance Committee Chair Jan Schmidt, Committee Members Irv Broudy, Kristen Hussey, Chas Weaver, and Staff Members Brian Beaulieu and Austin Taylor.

1. Greetings / Call to Order

The meeting was held at the Salida club with Chas participating by phone. It started at approximately 2:00. The recently hired RD staff person was introduced.

2. Approval of Minutes from March meeting

Kristen made a motion to approve the minutes and Irv seconded the motion. Minutes were unanimously approved.

3. March Financial Statements

Austin provided highlights of the financial statements for the nine months ended March 31, 2022. Cash balances increased; revenues are still exceeding the budget and expenses are less than the budget for a positive year-to-date net operating result of \$176.5k and bottom line (including the capital campaign) of \$724.3k. (See Highlights Memo for details.)

Jan asked the committee members if they were in favor of designating a portion of the operating excess to increase the Quasi Endowment. There was brief discussion about the endowment vs. quasi endowment and the fact that the funds are managed the same.

Austin said that bank accounts for the Torch Club and Key Club cannot be accessed because there are no authorized personnel on these accounts who are still BGCCC employees. Board minutes noting this are needed in order to make updates. It was also discussed that these accounts should be included in the financial statements because they legally belong to BGCCC.

Staff is looking for possible federal grants to replace the loss of the Colorado Health Foundation funding (noted last month).

It was noted that the finance committee needed to identify their Top 3 metrics for the dashboard being developed.

Austin and Brian talked about increasing membership fees next year after keeping them the same for many years. They noted that a \$50 membership would equate to approximately \$1,000 if paid as daily fees. Most kids come one day per week and have other after school activities on other days.

Irv asked how much was spent on the performance room. Austin said that so far, approximately \$11k was spent and \$40-\$50k was planned. He also asked for clarification about the increase in assets and equity on the balance sheet, which had been driven mostly from the capital activity (funds raised and invested in the building and paying down part of the loan when it was refinanced.)

Kristen asked about the building maintenance forecast and mentioned that we would see inflation in those costs. Jan suggested that the estimated amount could possibly be set aside in full before the end of this fiscal year using part of the operating excess if the board approved that designation.

ACTION ITEM: Austin will review the balance sheet accounts used for the Fidelity holdings and create any new subaccounts needed for proper classification.

ACTION ITEM: Austin will continue to explore the most useful subcategories to use for future reporting of OneCampaign revenue.

ACTION ITEM: Jan will request board designation of the excess operating funds in the June meeting. .

4. Capital Campaign Phase I and II reports

The financial aspects of the capital campaign were covered during the presentation of the financial statements.

5. 2022 – 2023 Budget Draft

Austin provided a first draft of the most likely scenario for the 2022-2023 fiscal year with an increase of 6% in total revenues and expenses. The finance committee would like to see the next draft with a comparison to the prior year and a forecast for the current year. There was some discussion about changes in various budget line items or categories. Salaries include a 10% across the board increase. Jan questioned if this would be sufficient to be competitive in the current market. Kristen asked about comparability to other clubs. Further discussion will take place at the work session in two weeks.

ACTION ITEM: Austin will prepare another version of the proposed budget with comparisons to the prior year and current year forecast. Major assumptions and budget highlights in narrative form will be developed.

6. Long-range Financial Planning

This was covered during the discussion of the March financial statements.

7. Finance Department Update

This agenda item was mostly covered above. Austin said he was working on a recommendation for the subcategories for One Campaign revenue, such as the following: Monthly & Annual, Large one-time, Small one-time. Irv's previous comment about "actionable" categories was noted. For example, thank you letters could include information about becoming a recurring donor.

8. Old Business – Other Action Items / Follow up not covered above

- Facilities Use Agreement – Brian has some examples he likes but a BGCCC version is not yet ready for the finance committee to review for approval.
- IT Contractor – Concerns over the lack of responsiveness (ie. phone calls and emails not being returned) has not yet been resolved.

ACTION ITEM: Brian and Austin will continue requesting an accounting of IT consultant hours and involve the board members who helped negotiate the current contract in reaching a resolution.

9. Wrap Up / Next Meeting

The meeting concluded at 3:35 pm. The next meeting will be a budget work session on April 29 at 1:00 pm. The next regular meeting will be May 11 at 1:00pm.

Minutes submitted by Jan Schmidt