**Boys & Girls Club of Chaffee County (BGCCC)**

**Minutes of the Finance Committee**

**April 21, 2021**

Attendees: Board Chairperson Duncan Campbell, Finance Committee Chair Jan Schmidt, Committee Members Gloria Broudy, Irv Broudy, Jo Ann Guattery, and Staff Member Brian Beaulieu.

1. Meeting Kickoff

The meeting was held on the Go To Meeting application and started at 4:30 PM.

Jan noted changes to the agenda because some transactions still need to be recorded in QuickBooks for the month of March. She said that the March financial statements and capital campaign report will be prepared for the board meeting next week. There was some discussion about the books being maintained monthly on a cash versus accrual basis and potential process changes in the future to simplify steps and have a more complete interim financial picture.

She also noted that the primary objective for this meeting was the discussion of the loan refinance options and approach to finalize the process. She noted that since many Finance Committee members were not current board members, she had sent an email to them about the discussion the last board meeting. She recapped concerns raised about the fundraising message, plans for an early pay-off of the loan and the follow up that took place with donors and bankers since the last finance committee meeting. She said she wanted to go to the next board meeting and obtain approval of specific parameters for the refinance. Once the board approved of the amount the wanted to refinance and an approximate monthly payment and term, she would go back to the banks and ask for their best and final offer meeting those parameters.

1. Approval of Minutes from March meeting

Minutes from the Finance Committee meeting held on March 23, 2021 were distributed to members in advance with all the materials for this meeting. Gloria made a motion to approve the minutes. Duncan seconded the motion. It carried unanimously.

1. March Financial Statements

March activity is still being recorded in QuickBooks. The plan is to have financial statements prepared for the Board Meeting next week.

There was some discussion about when the financial statements would be ready and how duties of the former finance director were being covered. Irv asked when the Capital Campaign report would be ready. Jo Ann addressed this, adding some clarification about updating the amounts for pledges versus cash collections. Brian also talked about follow up that he and Julie Mordecai are having with donors to clarify intent for past donations received and pledged.

Discussion led to questions about the status of plans for the Buena Vista location, including financial contributions from the Town of Buena Vista, possible grant funding, what additional locations are being explored, etc. This essentially covered Agenda Item #6.

1. Loan Refinance Options & Next Steps

Jan talked about the status of the loan refinance proposal and said there two good offers on the table from different banks. One has a lower interest rate but the term is not fixed for as many years. A table with the current loan and multiple possible options was included in the meeting packet for comparison and interest rate / term sensitivity. A decision about the loan amount (ie. how much the board want to pay down), the approximate monthly payment and term needs to be reached. Both banks are willing to accommodate different terms, but Jan needs to know the basic parameters to ask them to respond to with offers.

When the monthly payment was discussed, it was noted that refinancing a lower principal would result in a lower monthly payment unless the amortization period were to be shortened. BGCCC could keep a longer amortization period to allow for more flexibility in the operating budget but pay according to an accelerated schedule to reduce the principal faster and realize greater interest savings. However, the interest rate would likely be lower with a shorter amortization period.

Irv suggested, and the committee agreed, to the following formula to determine the amount of the current loan balance to pay off and the remainder to refinance.

Capital Campaign Cash Collected (exclude pledges)

Less: Estimated cost of capital improvements plus a 20% contingency

Less: Amount of Donations Allocated to Buena Vista

Result = Cash Available for Paying Down the Salida Loan

Principal Pay Down = 80% of the Cash Available for Salida

Other terms agreed to were the following:

* Maintain approximately the same monthly payment, targeting a range of $4,500 to $4,800
* Fixed interest rate for a minimum of 5 years (preferable longer)

Jan said she would prepare a worksheet with the formula above that could be presented to the board as the basis for determining how much of the current loan to pay down before refinancing the balance.

1. Capital Campaign Report

The plan is to prepare this for the Board Meeting next week; need completed March financial statements first.

(Also see discussion above under Agenda Item #3)

1. Facilities Committee Update

This agenda item was covered through the expanded discussion under Agenda Item #3

1. Finance Department Update

Brian reported that a job offer for the Finance Director was accepted by Austin Taylor on Monday. His expected start date is May 10th. Brian and Jan both provided some information about Austin’s background and how well he had done during the interview and screening process.

It was agreed that Brian would prepare a list of priorities for Austin’s first few months on the job. This was particularly important because he would be facing a backlog of daily duties to catch up and would also have deadlines coming up quickly for preparing the fiscal 2021-2022 budget, applying for forgiveness of the PPP loan, preparing for the annual audit, etc.

Brian will contact Dustin at TBK Bank to obtain the specific date for when payments on the PPP loan were scheduled to start, which is the deadline for applying for loan forgiveness.

1. Investment Committee Members – application form, potential members

Jan reported that both Art Gentile and Dan Shore had verbally agreed to join the Investment Committee and mentioned another potential member. Jack Lee has been asked and is considering the request. Additional ideas to source names were discussed.

Irv made a motion to approve the “Prospective Investment Committee Member Information Sheet” and Duncan seconded the motion. It was approved unanimously. Jan said she had started with the form used for prospective board members and added questions about the individual’s investment experience.

1. Next Meeting

Jan said that most members preferred meeting from Noon to 1:30PM instead of 4:30 to 6:00PM. One member is not in favor of this change.

1. Wrap Up

The meeting concluded at 6:00 pm.

Minutes submitted by Jan Schmidt