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

**Minutes of the Finance Committee**

**March 16, 2022**

Attendees: Board Chairperson Duncan Campbell, Finance Committee Chair Jan Schmidt, Committee Members Gloria Broudy, Irv Broudy, Jo Ann Guattery, 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 Duncan participating on the Go To Meeting app and Chas on the phone. It started at approximately 1:10 pm (delayed by time to connect to the new conference room screen).

1. Approval of Minutes from February meeting

JoAnn made a motion to approve the minutes and Duncan seconded the motion. Minutes were unanimously approved.

1. February Financial Statements

Austin provided highlights of the financial statements for the eight months ended February 28, 2022. Revenues are still exceeding the budget and expenses are less than the budget for a positive year-to-date net operating result of $161,574 and bottom line (including the capital campaign) of $726,316. (See Highlights Memo for details.) There was brief discussion about funds transferred to Fidelity and how those amounts are classified on the balance sheet as either cash & cash equivalents, short-term investments or long-term investments depending on liquidity / maturity dates. The organization’s largest foundation grant (Spark) was discontinued, causing the negative $50k budget variance in that line item of the P&L. Loss of the Spark grant was a $68k hit; helped by a one-time award of $25k, the net impact this year is negative $43k. There was also some discussion of subcategories considered for One Campaign revenue, such as frequency of donations and/or type of donor. Irv said whatever was used should be actionable information.

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.

1. Capital Campaign Phase I and II reports

The financial aspects of the capital campaign were covered during the presentation of the February financial statements. Austin updated the Broudy’s (who were unable to attend the February meeting) on the format presented last month for the Phase II capital campaign for Buena Vista. He also said that one more DSI bill is pending; otherwise, Phase I is very nearly closed out. Brian discussed a few more improvements for the music room. Appreciation and compliments were expressed for the meeting room improvements.

ACTION ITEM: Austin will update and present capital campaign reports quarterly going forward.

1. Long-range Financial Planning

Brian and Austin provided some updates on the efforts to obtain estimates for a future roof replacement and plumbing maintenance. Irv mentioned the possibility of a solar installation. Jo Ann offered her husband’s expertise to assess the building and estimate future costs to maintain it. The goal of this exercise is to plan for the amount and timing for capital reserves that need to be set aside to adequately maintain and improve facilities or to purchase other assets needed for operations.

ACTION ITEM: Jo Ann will connect her husband with staff to provide an assessment of major maintenance and/or improvements for the Salida facility.

1. 2022-2023 Budget – Preliminary discussion of operational changes, format, etc.

Jan said she would like to see more connection between the annual goals and the budget as well as a more robust budget narrative. She mentioned how clear and user friendly she found the format used by the City of Salida. Kristen said the application used to prepare it was expensive. Jan said that other clubs probably had good examples to review and consider. The priority of recurring and retaining staff was discussed; Brian also expressed how important flexible schedules were to staff, such as having Fridays off.

It was agreed that annual goals should follow the fiscal year (vs. the calendar year) and that Best, Worst and Most Likely scenarios for the budget will be prepared again for the coming fiscal year. Dates for developing the budget were also agreed working toward the June approval by the full board. The budget will likely include the new RD position turning into full-time during the fiscal year. Irv brought up “end of life” giving and said this revenue opportunity was not being leveraged.

ACTION ITEM: Austin will prepare a draft of the budget for discussion at the April meeting.

ACTION ITEM: Brian will see if other clubs have good examples to consider using for a user friendly executive summary of the budget similar to the City of Salida.

ACTION ITEM: Jan will schedule a special work session of the Finance Committee on the last Wednesday of April to further review the proposed budget.

1. Accounting Policies & Procedures

Austin said he is ~85% finished updating this document. Extra time was required for formatting because a word version of the prior draft could not be found. He said he is also updating the Employee Handbook. The need and ideas for cross training other staff on key accounting tasks was also discussed.

1. Finance Department Update

This agenda item was mostly covered above. Austin will be calling audit firms to obtain a contact who should receive the RFP. Timing of the notification, as well as appreciation, for Lyman Hamblin (prior auditor) was also discussed. Jan said she’d like Kristen and JoAnn (the other CPAs) to help her and Austin review the RFPs and that a special work session might need to be scheduled for that.

1. Implementation of 2022 Goals aligned with Strategic Plan

Jan said she put this item back on the agenda again for a second month because the committee had limited time to discuss it in February. It had been noted that goals should follow the SMART acronym. Also, some were general ongoing activities, while others were more time specific.

ACTION ITEM: Austin and Brian will update the document into SMART goals and incorporate key ones that have a financial impact into the budget narrative. A column for ongoing or specific timeframes will be added.

1. Investment Update

Jan provided a brief updated regarding the drop in market values of investments and said she’s continuing to execute of trades per the investment plan for the Quasi Endowment over the 12 months as planned. The donated Exxon Mobile stock is performing well compared to everything else.

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

* Duncan’s birthday was recognized ☺
* RD Position – Brian said he had several viable candidates and had narrowed the field to two finalists. He is very excited about the candidate to whom an offer was extended. Members of the committee who know the finalist think very highly of her. An offer acceptance is anticipated soon. She will start at 20 hours and it is expected she will move to fulltime later in the year.
* Facilities Use Agreement – Brian has been reviewing examples. When ready, the finance committee will approve the form of the agreement to be used by BGCCC. A few groups who use or might use the facility were mentioned. Brian wants small local non-profits to be able to use the facility at no cost.
* IT Contractor – Concerns over the lack of responsiveness (ie. phone calls and emails not being returned) and the cost of the current retainer were discussed. Brian noted that the current IT provider would likely be useful with the new building; however, the current arrangement was not working out well. Brian said he knows of another IT contractor he thinks would be a better fit for BGCCC’s current needs.

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.

1. Wrap Up / Next Meeting

The meeting concluded at 2:40 pm. The next meeting will be April 13 at 1:00 pm, followed by an extra meeting on April 27 at 1:00 pm for a budget work session.

Minutes submitted by Jan Schmidt