**April 2019 Finance Committee Meeting Minutes**

The FC Convened at 6 Pm - present were Terry Cush, Frank Battat ,Ron Stolowitz, Peggy Hodel , Stuart Keirle ( Chair) and Chris Horne GM.

Aric Clark, Director opened the meeting by presenting his paper “Plan for funding Renovation of Courts 4. -7 “The estimated funds requirements is anticipated to be in the $160 to $ 200 k range with a 5 year time horizon.

Comment was made that without a long range capital expenditure plan for the whole club assets it was somewhat difficult to see how the planned court renovation would fit in the whole picture. However, somewhat simplistically the FC committee noted that there were 3 sources of funding that could be applied.

The first was the generation of sufficient funds into the CIF bank balance- which over a 5 year period should have a balance of $ 240,000. However this would need to exclude any other major capital expenditures. As a fall back the club should also have a similar $ 240,000 in the reserve account which we presume would be available to pay for currently unknown capital expenditures.

Terry raised the possibility of going back to the Bank to borrower back the funds that we are paying back on our current loan at a current rate of $ 2,000 per month - should there be a need to accelerate planned capital expenditures or an unforeseen emergency. Overall the majority of the committee are against Bank borrowings

Finally there remains an option of creating an assessment on all members to cover capital expenditure costs (it was felt this would have to be for a very specific reason - such as assessment placed for the original 5 court plexicushion project.)

The committee was not keen on creating another separate Bank account for holding funds to be only available for the court 4-7 renovation project.

The committee also believed that H&G, the Board and the FC should jointly take on the establishment of a long term (5 year) capital expenditure plan sometime in 2019 and agree on the priority for such expenditures with due consideration for the cost/benefit of each item and how it relates to the maintenance of our slogan of being the best tennis club in Marin.

The Committee thanked Aric for his insight and hard work on getting this exercise in motion. Following feedback from the Board and H& G the FC will continue to study the various funding options available.

The Committee then reviewed the financial information prepared and the majority of its members were pleased with the continued progress in operations and the growth of our Bank balances.

Frank gave a presentation regarding how we account for depreciation in our books.

There was a long discussion regarding “cash” and “non cash” items and how we are recording our operating income, which Frank felt on a “management accounting basis” should include the monthly depreciation charge as an operational expense. The majority of the Committee felt that we should continue to report depreciation as per GAAP. Frank does has a good point in that we should also have enough readily available funds set aside to meet regular repairs and maintenance costs.

The committee was interested to know when the planned accounting review of the club financials will take place, if only to confirm that we are reporting our operational income and expenditures in a correct manner.

The Meeting concluded at 7.20 PM