



Golden Spike Tower

Operations/Finance Committee Minutes – 4-16-18

In attendance, Kirsten Parker, Ty Lucas, Bonnie Kruse, Jim Nisley, Todd Hlavaty, Dick Foran, Anna Stacy, Lisa Burke and Kim Wood. Meeting called to order at noon at NebraskaLand National Bank.

The committee started with a detailed review of the financial statements through 3/31/18. Reports #1-7 were reviewed in detail. On the balance sheet, the cash position of the organization is high for this time of year, but inventory is low and A/P is high due to timing of purchasing cycle. This will normalize as we move into the normal spring season. March was a better month in comparison to February, which was a very poor activity month vs normal years. The A/P and A/R aging reports were analyzed. The \$8,900 payable from Miles Partnership is a reimbursable item from an approved grant, with reimbursement scheduled for June. Overall revenues are slightly above budget YTD through 3/31/18. Marketing and occupancy expense are higher than budgeted. The net operating income for the organization is very similar to budget, through 3/31/18 if adjustments are made for grant reimbursed marketing expense and the \$6k inventory adjustment in January. Occupancy is higher due to heavy snow removal and some unplanned facility repair expense. However, payroll expense is lower than budget YTD. We expect occupancy expense to move closer to budget throughout the year. Marketing is significantly higher because the organization has been very successful in gaining many more grants than were originally applied for. However, these grants are all reimbursements for special marketing expense (unique advertising, Rail Days, etc). So, the committee discussed that Kirsten should go ahead and amend the 2018 annual budget, for board review, and add a specific “grant based marketing” and “grant based non-marketing” expense line item in our financial statements. Then, the budget should be amended to show actual approved grants, and special marketing expenses, which will be reimbursed by grants. Kirsten will provide an amended budget at the board meeting. **Board Action item, the committee will recommend that our 2018 budget be amended with the additional grant income and grant reimbursed marketing expense, so the financial statements reflect more accurately vs budget.

We had discussions about the status of the inquiry to the City of NP about the Oak Tree/Baymont Inn no longer paying Occupation tax on UP rooms. We reviewed the response to Bonnie based on the inquiry by city attorney Doug Stack from 3/19/18. The city gained

clarification on why the Oak tree altered paying this tax. The Oak tree also stated to the city attorney that they had informed Union Pacific, which is contrary to information provided us by local UP management. The committee reviewed the Q1 2018 Occupation tax analysis and comparison. The committee determined that Kirsten should proceed with contact to Union Pacific to see if they were notified by the Oak Tree and to determine if they have a full understanding of this alteration. Kirsten will then report back to Bonnie and the committee once she communicates with UP.

Kirsten and Bonnie mentioned that they had recently met with local hotel owner, Pat Keenan to discuss the organizations budget, occupancy tax receipts, and funding needs for long-term sustainability. They indicated that the meeting was productive discussion.

Kirsten notified the committee that the IRS provided us a small refund, which will be applied to our next tax payment. She complimented RJ Meyer for following through on this issue, which was originally caused due to a mistake in filing timing. RJ Meyer corrected this issue for the GS.

Kirsten explained the proposed annual insurance renewal from Hub International. We are able to move our crime/dishonesty bond, as required by USDA, from Rosenberg Insurance and combine it with the existing hazard and liability policies with Hub. The overall renewal was very similar in price to the prior year. The income protection clause was increased to provide more coverage. Workman's comp rates were updated based on our module and had a slight increase. Overall, insurance for this year will be very similar in cost to the prior year. **Board action item – approve insurance renewal.

Kirsten brought the sealed bids from the Banks who opted to bid for the investment of USDA required reserve funds. Kirsten notified all NP banks on an opportunity to bid on \$100,000 and they were given approximately two weeks to respond. We requested a bid on a 12-month CD and 36-month CD and encouraged them to also include specials or other options. To continue with the planned CD ladder, we would place \$100,000 into a 36 month CD. However, the committee also discussed that it could be smarter to stay on a shorter term because rates appear to be rising. 4 Banks submitted bids. Kirsten will assemble a chart of these bids and the investment decision can be made at the next board meeting. **Board Action item, the committee recommends to proceed with the investment of \$100,000 from the Great Western Bank money market account into a CD. The Board can opt to select the term and Bank based on the submitted bids.

Agenda item #8 was pulled from the Agenda due to insufficient time to discuss.

The committee discussed the alteration of the UP board position back from an elected position to an Ad Hoc position. This was altered because Dan Blank wanted to be active in the leadership of the organization. The committee recommended that Kirsten discuss this with Jeff Everett, and if he agrees, proceed with action on this alteration at the next board meeting. **Board Action Item to alter the UP board position from Elected to AdHoc.

The meeting then adjourned at 1:20pm.

**Board Action items for upcoming board meeting from Finance/Operations Committee:

- 1) Review and take action on recommended amendment to 2018 budget
- 2) Approve renewal of hazard, liability, income loss, crime/dishonesty, and workman's comp, etc. insurance with Hub International (full commercial policy package)
- 3) Review and take action on recommendation to invest \$100,000 from Reserve money market funds into a Certificate of Deposit.
- 4) Discuss and take action on recommendation to alter UP board position from elected to AdHoc