

PLANNING AND FISCAL AFFAIRS COMMITTEE MEETING

Wednesday, July 14, 2010

1:00 p.m.

Las Campanas – Cottonwood Room

GVR's Mission Statement: "To provide recreational, social and leisure education opportunities that enhance the quality of our members' lives."

IN ATTENDANCE: Joyce Finkelstein (Chair), Mike Banks, Peter Gillingham, Dan Kirkland, Harry LaFavor, Jack Leary, Ann Skrivanek

ABSENT: Jack Ernest (Vice-Chair), Fred Balet, Gunnar Bonthron, Joan Browning, Roberta Konen, Stan Riddle, Steve Rowley, Dick Smith, Marge Garneau

OTHER DIRECTORS: Ann Gillingham, Bob Barry

STAFF: Anndrea Blackshear (Executive Director), Kim Woolley (Finance Director), John Adderley (Building Services Manager), Ginny Bilbrey (Executive Assistant), Kim Steinhilb (IT Administrator), Allison Brown (Recreation Manager), Scott Peters, Gina Peters

VISITORS: 8

It should be noted that the Board of Directors have decided to follow Roberts Rules of Order Article X, 59 wherein it states that the record of proceedings should state what was done, not what was said. Therefore, all Board and committee meetings will only reflect the action items and the result of the action. Therefore, these minutes will not include comments made by individuals.

➤ **Call to Order** – Joyce Finkelstein, Committee Chair, called the meeting to order at 1:02 p.m.

➤ **Meeting Minutes** - The June 30, 2010 meeting minutes were approved as distributed.

➤ **Additional Review of the 2011 Budget – Draft 1**

GVR's Finance Director, Kim Woolley stated that the purpose of today's meeting is to answer any questions from the committee members as well as receiving direction from them in areas to reduce so that staff can bring back a second draft of a balanced budget in two weeks.

Woolley stated that GVR is about \$1.7 million over budget, which includes more than \$400,000 over budget in the Operating Fund, and the remaining is in the Capital portion.

Discussion was held on various issues such as the utilization of the centers' pools and fitness rooms, and the cost of gas to heat the pools. It was noted that staff is working on a study to determine how to reduce costs and the possibility of changing hours at the centers, and the closure of some centers during the off-peak hours. Committee members asked staff to take a look at this expense, but to be cognizant of the needs for the members who are still employed and need pools and fitness rooms open early and later to have access to the activities. Overtime is also a large expense since employees are paid double time to work on holidays. Staff was asked to take a look at this area as well.

Discussion was held on the \$154,500 Capital Additions list. Woolley stated that the items listed in that category have been identified as high priorities, but staff can take another look at them and see if any can be deleted.

Discussion was held on the \$266,269 Furniture and Equipment line item, which increased \$168,464 from the 2010 budget. Executive Director, Anndrea Blackshear stated that many of the items included in that area had been deleted from the budget last year. They include items that cost under \$5,000, but multiple pieces of the same item can total to a large amount. She read several items from the list, which included mostly fitness equipment, pool furniture, and table and chairs for the centers. They also requested staff to take another look at the list and attempt to reduce the amount.

Discussion was held on energy savings and how GVR is trying to reap as many savings as possible, but GVR's utilities still cost about \$1 million a year.

Blackshear stated that Draft #1 does not include any of the following:

- 1) A contribution to the Reserve Fund, which will need to be added in the next draft.
- 2) A Cost of Living Adjustment (COLA) or any type of merit for staff.
- 3) A dues increase.

She stated that staff needs direction from the committee to pursue any or all of these items. The CPI-W percentage at this time is 2.6%, which equals to approximately \$10.50, but a new percentage will be available on Friday of this week. Discussion was held on how much revenue is lost each year when a dues increase is not taken. It should be increased each year to coincide with the CPI-W percentage.

Discussion was held on the Replacement Reserve and it was determined that this should be included in the next draft, which will amount to approximately \$100,000.

Brief discussion was held on including a COLA increase for the employees. It was determined that a comparison of three percentages of COLA increases would be provided to the committee members in the following increments – 1.5%, 2.0%, and 2.5%. The committee suggested and agreed that a combination of a COLA and a modest merit increase should be provided in Draft #2.

In conclusion, the following items were identified from the committee for staff to prepare a balanced Draft #2 budget:

- 1) Curtailing some of the services to members, and curtailing access to some of the satellite and major centers as well.
- 2) A reduction of overtime for holiday pay.
- 3) Trim the Furniture and Equipment list.
- 4) Dues increase of \$10 - \$11.
- 5) Add to the Replacement Reserve of approximately \$100,000.
- 6) Provide comparisons for COLA increases to staff in increments of 1.5%, 2.0%, and 2.5% and include a modest amount for a merit increase.

Brief discussion was held on Conferences and Training for \$28,305 and Lodging and Meals at \$12,550. It was noted that GVR uses three different software systems to operate business on a day-to-day basis. Staff attends seminars and conferences to learn how to use the programs as well as the requirement to purchase updates to the applicable software programs. Lodging and Meals includes the travel and hotel/food expenses at the seminars, etc.

➤ ***Revenue Generating Ideas from Staff***

A copy of a memorandum which identified Revenue Generating Ideas from Staff was distributed to the committee members. Recreation Manager, Allison Brown reviewed the list, discussion was held,

and the committee members gave their opinions on whether it was a viable suggestion or not. The list included the following:

FEES

- Increase guest card fees – Yes, increase at least \$5.00
- Increase tenant fees, determine summer and winter rate – Yes
- Add options to the Dues Payment Plan (bi-annually or quarterly and adjust fees as necessary) – Need additional information before approving idea
- Increase dues per CPI-W - Yes
- Increase NMCF and Initial Fees per CPI-W - Yes
- Require clubs to pay GVR a percentage of dues collected - No

PROGRAMS

- Allow general public to register for Special Events and Classes – Yes
- Explore feasibility of holding a “swap meet” or community sale with a fee for participants - No

FACILITIES

- Allow commercial entities to rent GVR facilities at a higher rate, determine tiered rate schedule to include members and non-profits - Yes
- Implement a fee per reservation for community groups (HOA’s) after a set amount of FREE uses - No

ENHANCED SERVICES

- Charge for WiFi at major centers – Yes but would like more information and the possibility of providing one free hour of usage and then applying a fee
- Locker rentals in major centers for a monthly/annual fee - Yes

MISCELLANEOUS

- Sell advertising space on designated boards in major centers – Possibly, but needs more information and revenue numbers
- Allow advertisers on our website (Google links for example) – Possibly, but needs more information and revenue numbers
- Install closed circuit TV in major centers and accept advertising – Possibly, but needs more information and revenue numbers
- Sell memorial benches or ‘memory walk’ type bricks at designated areas - No

Blackshear advised that these ideas were submitted from employees and she appreciated all of their input.

- ***Member Comments*** – None.
- ***Next Meeting*** – The next meeting of the committee will be held on **Wednesday, July 28, 2010 at 10:00 a.m.** in the **Cottonwood Room at Las Campanas.**
- ***Adjournment*** – The meeting adjourned at 3:12 p.m.

Approved by: _____
Joyce Finkelstein, Committee Chair

Date: _____