

FISCAL AFFAIRS COMMITTEE MEETING

Friday, March 7, 2008

9:00 a.m.

MSC Annex

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

IN

ATTENDANCE: Altie Metcalf (Chair), Roberta Konen (Vice-Chair), Mike Kearns, Glenn Lundell, Eddie Peabody, Stan Riddle

ABSENT: Paul Bliklen, Jim Mauldin

OTHER

DIRECTORS: Lou Lovat, Gunnar Bonthron, Jim Burt, Chuck Catino, Jim Molski, Ann Gillingham

STAFF: Anndrea Blackshear (Executive Director), Jim Cassidy (Finance Director), Allison Brown (Recreation Manager), Kim Steinhilb (IT), Gina Peters (Senior Bookkeeper), Ed Coad (Building Services Manager)

GUESTS: Al Crawford, Steve Culler, Joe Roth

➤ **Call to Order**

Altie Metcalf (Chair) called the meeting to order at 9:05 a.m.

➤ **Approval of the Meeting Minutes**

The minutes of January 11, 2008 were approved as distributed. However, please note an Administrative change to the minutes that Board members Joe Schechter and James Molski were also in attendance at the meeting.

➤ **Discussion on Funding for the West Center Electrical Project**

Anndrea Blackshear opened the discussion by distributing a Cost Analysis Report from Echo Construction, which explains the proposed revisions for the electrical upgrade recommended for the West Center. Blackshear then turned this topic over to Ed Coad, Building Services Manager. Coad reported that Echo Construction recommended that the electrical for the West Center be upgraded from 240V to 480V (1600 amp) for future expansion which would include the Woodshop project. Blackshear added that this would also support the entire complex not just the Woodshop area. She is asking that the Board set aside up to \$50,000 for the upgrade and requested that the Fiscal Affairs Committee bring a motion to the Board of Directors to provide funding for this needed upgrade. Blackshear indicated that funding for this should be available from surplus 2007 funds, pending the reports from GVR's financial audit, which is still being completed by the auditing firm, DeVries.

Ed Coad stated that even if the improvements are not completed now, the upgrade would have to be completed eventually for energy efficiency for the entire West Center facility, as well as to improve the Woodshop dust collection and increase voltage as recommended by Echo Construction. And if the upgrade were done in the

future, it would only increase the cost. Blackshear reminded the Committee that West Center is the social center with the most use. Stan Riddle said he saw no problem with the upgrade, but he had a concern about the Woodshop project generally and expectations for completion in 2009. The Committee agreed to limit the discussion to the power upgrade project specifically.

The Committee discussed whether the necessary upgrade would have come to light if Echo Construction had not made the recommendations. Blackshear said that GVR has known for four years about the dust collection problem. Coad said that regular maintenance is completed on the units and that all centers are following safety compliances.

The committee agreed unanimously to recommend the following motion to the Board of Directors:

“To authorize the President to sign the contract with Echo Construction in an amount not to exceed \$50,000 to upgrade the existing power supply to 1600AMP/480 volt service for future expansion at West Center. This amount will be funded from the excess cash carryover remaining from 2007 and if the funding is not sufficient funding will be taken from the Replacement Reserve.”

➤ **Fiscal Year Change Report**

Riddle gave his report from the Sub-Committee meeting held on February 20, 2008.

Following discussion of each of the issues stated in the Memorandum, the Committee concluded that the corporation should maintain its current status on the use of the calendar year for the following reasons:

- Although the reduction in cost may occur in the annual audit, the number of hours to conduct would remain the same.
- The Accounting Department’s operations would remain the same.
- Class and Great Plains software work together and both would have to be changed for the transition year and again for the new 12-month Fiscal Year.
- Any change in the Fiscal Year would require approval of the membership by written ballot.

➤ **Review Financial Report for the Annual Meeting and April’s *Keeping Current***

Blackshear stated that GVR’s Audit may not be completed until after the annual meeting and the April issue of *Keeping Current* is published. Therefore, a financial report will be presented in lieu of the completed Audit report. As soon as the audited financial statements are received, the comparative schedules will be included in *Keeping Current*.

Jim Cassidy reported that we are still waiting on \$20,000 from Fairfield for the Canoa Ranch grading project.

Riddle questioned Cassidy about payment of construction contractors’ invoices, asking if it is 30-day turnaround. Cassidy replied by saying when he receives the bill, he pays it within a 3-week turnaround. Then, on the first of the month, he submits an invoice for reimbursement from the escrow account.

➤ **Discussion of the Proposed Bylaw Change on the New Member Capital Fee Increase**

Metcalf began discussion on the proposed Bylaw change to the New Member Capital Fee. If approved by GVR members, the Bylaw change would allow the Board the increase the NMCF above the current limit of 50% of the Initial Fee. The Committee had currently recommended that the NMCF be 100% of the Initial Fee. Blackshear recommended that the change become effective June 1, 2008, which will give time to notify realtors of this change. However, Riddle suggested that the effective date be July 1, 2008, since escrow closings can last anywhere from 60 to 90 days. Glenn Lundell asked if the members should be made aware of this recommended fee change since they are currently voting on the Bylaw change. Metcalf responded that members could logically assume the reason for the Bylaw change is to allow the Board to increase the fee.

Metcalf would like the current Fiscal Affairs Committee to make a recommendation for consideration by the new Board of Directors. Metcalf noted that if the Bylaw is not approved by the membership, the recommendation is moot.

With the exception of Glen Lundell, the committee recommended that, if the Bylaw change passes, the new Board of Directors raise the New Member Capital Fee to 100% of the Initial Fee, revise the Corporate Policy Manual to reflect the new Bylaw, and revise the Operations Manual to reflect the new fee.

➤ **2009 Capital Projects**

Blackshear recommended that the new Fiscal Affairs Committee develop a draft budget for 2009 by April or May and then provide the amount available for 2009 capital projects to Planning & Evaluation.

Eddie Peabody noted that the current definition for a Capital Asset (\$5,000 or more) is too low and really should be a higher amount. Blackshear indicated that GVR is following guidance in the Corporate Policy Manual. Metcalf thinks that maintenance projects should be a line item that is budgeted for specifically and not come from the funds overage. Coad said that since there are no new capital projects for 2009 in the budget, GVR should look at using that year as an opportunity to focus on repairs and maintenance to the facilities. Blackshear said that in the past, Clubs have applied for approval to be funded for a project and then the projects have ended up costing more in the long term. If a planning year was added, then this may not happen.

The following current committee members are interested in serving on next year's committee if asked: Eddie Peabody, Stan Riddle, Roberta Konen and Mike Kearns.

Meeting adjourned at 10:40 a.m.

Approved by:

Altie Metcalf, Chair

Date