



MINUTES

Fiscal Affairs Committee **Tuesday, December 17, 2024** **1:30pm – 3:00pm MST** **West Center Room 2 / Zoom**

GVR's Mission Statement: "To provide excellent facilities and services that create opportunities for recreational, social activities, and leisure education to enhance the quality of our members' lives.

Committee: Nellie Johnson, Treasurer and Chair, Kathy Bachelor Assistant Treasurer, Dale Howard, Pat Reynolds, Lanny Smith, Priscilla Spurgeon,

Attendees: David Webster (CFO/Liaison), Howey Murray (Controller)

Board Members Present: none

Committee Members absent: Bob Quast, Steve Reynolds

1. **Call to order/Roll Call – Quorum established (Bob Quast and Steve Reynolds not present)**

Motion: Johnson moved/Bachelor seconded to amend the agenda and add bylaw changes under new business.

Passed: Unanimous

2. **Approve Meeting Minutes:** November 19,2024

Motion: Johnson moved to amend the November 19 meeting minutes and include Pat Reynolds not present

Passed: Unanimous

Motion: Johnson moved to amend the meeting minutes as shown in the handout "Modify Minutes" (attached)

Passed: Unanimous

Modify Minutes:

1. Section 3: Chair Comments: strike second bullet point: and insert: board approved the budget fee and budget timetable amendments to the CPM. Proposed changes to the Capital Improvement Process will be recommended to the Board at the January board meeting.
2. Section 5: Business: Strike the language in motion from: add back into the CIP 5 to the end of paragraph and insert :

Miscellaneous: _____

Financial forecasting shall be utilized when developing the CIP to ensure a financially sound program
Estimated costs shall include inflation planning and architectural fees, legal fees, permitting, etc. Estimated project timelines and anticipated funding sources should be identified. Funding for approved or in progress capital budgets carryover from one year to the next until completion.

Motion: Johnson moved/Spurgeon seconded to accept the November 17th meeting minutes as amended.

Passed: Unanimous

3. Chair Comments:

4. Staff Reports:

- MCF fee underbudget for November
- Appears December MCF fees will be approximately 15% underbudget
- Expense variance for November (\$67,123) resulted from pre-paid expense that was expensed in November, but that occurred in September
- GVR has a strong cash position
- Staff agreed to add definitions (on website) for example "fully funded" and "total replacement cost"

5. Business

- Review and recommend November 2024 financial statements
- Review and discuss 202 projections
- Review MRRB Report and discuss CPM Appendix Section 1 part 1.5.3.
- Discuss and approve policy funding targets in 5.3.1. of the CPM regarding the target balance for MRR-A

Motion: Smith Moved/Bachelor seconded to accept November Financial Report

Passed: Unanimous

Motion: Smith moved/Reynolds seconded to recommend 5.3.1 option 1

Passed: Unanimous

5.3.1 Maintenance, Repair & Replacement Reserve Fund (MRR- A)

- A. **Purpose:**
This fund shall be used only to maintain, repair or replace existing equipment and facilities as listed in the Component List of the Annual Reserve Study.
- B. **Target Balance:**
This reserve shall maintain a sufficient balance based on Annual Reserve Contributions calculated within the Annual Reserve Study. The target balance shall be a minimum of 25% of the total + current replacement cost with an upper target of at or about 70% of the fully funded balance calculated within the annual reserve study.

Or

The target balance shall be a minimum of ~~on all~~ about 50% of the fully funded balance with an upper target of at or about 70% of the fully funded balance calculated within the Annual Reserve Study

Motion: Johnson moved/Reynolds seconded to recommend Browning Reserve Company as GVR reserve study provider and provide full on-site inspection

Passed: Unanimous

CPM

Appendix 1 – Board Policies

Section 5 – GVR Reserve Study Policy

1.5.3 Annual Reserve Study

- A. During the third quarter of the current budget year, GVR staff and the FAC shall recommend and the Board shall approve a Reserve Study provider and the type of Reserve Study to be performed during the first quarter of the next budget year.
- B. During the first quarter of each budget year, GVR shall ensure a Reserve Study is performed by a qualified, reputable Reserve Study provider with the final Reserve Study due 90 days prior to the final budget date. The Reserve Contribution amount will be incorporated into GVR’s annual budget.
- C. GVR shall annually make the Reserve Contribution to the Maintenance, Repair and Replacement Reserve Fund called for in the Annual Reserve Study.

Motion: Johnson moved/ seconded to raise the requirement for a second check signer from \$2,500 to \$10,000

Passed: 5-1

6. Member Comments: one member made comments

7. Adjournment

Meeting adjourned without a motion

Next Meeting: Tuesday January 21, 2025, 1:30 p.m. to 3:00 p.m. WC #2

DRAFT