



MINUTES

Board Affairs Committee Regular Meeting

Monday, June 10, 2019

1:00 p.m. – Las Campanas – Ironwood Room

Committee Approved Minutes July 8, 2019

GVR Mission Statement: “To provide recreational, social and leisure education opportunities that enhance the quality of our members’ lives.”

Attendees: Suzan Curtin (Chair), Lanny Hardy, Jerry Humphrey, Bob Northrup, Patricia Reynolds, Dale Sprinkle, Terry Vogler

Remote Attendees: Charlie Sieck (ex officio) and Gail Vanderhoof

Absent: Karen Burns-Copley

Staff Liaison: Jen Morningstar, Director of Administrative Services

Additional Staff: Kent Blumenthal, CEO; Marie Wilbur, Meeting Scribe

Guests: 5, plus Carol Crothers via remote

- 1. CALL TO ORDER:** Chair Curtin called the meeting to order at 1:03 p.m.
- 2. ROLL CALL:** J. Morningstar called the roll. A quorum was established.
- 3. ADOPT AGENDA: Motion to adopt agenda. L. Hardy/Seconded. Passed unanimously.**
- 4. ADOPT MINUTES:**

Motion to adopt March 12, 2019 Minutes. B. Northrup/Seconded. Passed - 5 Ayes, 4 Abstains (L. Hardy, P. Reynolds, T. Vogler, D. Sprinkle)

Motion to adopt May 20, 2019 Minutes. B. Northrup/Seconded. Passed unanimously.

5. ACTION ITEMS:

- a. **EXHIBIT 1 - Corporate Policy Manual, Section VI – Board/Board Committees, Subsection 1. Powers, Duties and Responsibilities of the Board of Directors; Board of Directors Email Policy**

C. Sieck presented Exhibit 1. **Motion to adopt Exhibit 1 as presented. C.Sieck/Seconded.** Following lengthy discussion, it was decided that further review was necessary. **Motion to table Exhibit 1. J. Humphrey/Seconded. Passed unanimously.**

- b. **EXHIBIT 2 – Corporate Policy Manual Change Possibilities**

Section II, Subsection 2, Item B.1 Guest Policy – **Motion to add in Item B “CRCF Residents” after “Tenant”. B. Northrup/Seconded. Passed unanimously.**

*Guest privileges are intended for temporary visitors of a Regular Member, Assigned Member, Tenant, **Commercial Care (CRCF) Residents**, or Life Care User of GVR and who live outside a twenty (20) mile radius of established GVR Boundaries. In general, guest cards are provided for visitors who are staying in a GVR household with the member or who are staying in a local commercial hotel as a guest of the member.*

Section VI. Subsection 4, Item B. Committees of the Board of Directors, 1. – **Motion to change Section VI, Subsection 4. Item B.1 to be replaced with By-Laws Article VIII, Section 3, second sentence. Curtin/Seconded. Passed unanimously.**

1. ~~*Standing Committee Chairpersons shall be Directors, appointed by the Board President. Ad Hoc and Special Committee Chairpersons shall be appointed by the President, but need not be Directors. The Chairperson of each Standing and other Special Committee(s) of the Board shall be a member of the Board nominated by the President with Board approval. All Chairpersons must be approved by the Board.*~~

Section VI. Subsection 4, Item C. Duties and Responsibilities of Board Committees – Discussion determined that the Investments Committee needs to provide Rules and Responsibilities. Chair Curtin will pass this on to the Investments Committee for their action.

Motion to remove Section V, Subsection 2, E.1 second and third paragraphs and chart. S.Curtin/Seconded. Passed unanimously. (See Attachment)

Motion to delete Item 3, Funding Source, Section V, Subsection 2 – Reserve Policy, E. MR&R Reserve Fund and replace with wording as passed by the Board of Directors on May 22, 2019 and presented in Exhibit 2. Northrup/Seconded. Passed unanimously.

~~*Each fiscal month, GVR shall pay 1/12 of the annual Reserve Contribution as determined by the Annual Reserve Study for the current fiscal year from operations to this reserve.*~~

~~Withdrawals are repaid by future Reserve Contributions.~~

- a. *Annually, GVR shall transfer the full year's annual Reserve Contribution as determined by the Annual Reserve Study for the current fiscal year from operations to this reserve within 30 days of the end of the dues collection period (normally January 31, so the full MR&R funding should be transferred by the end of February).*
- b. *Reimbursement Policy: Quarterly (or monthly if necessary), after review by the Fiscal Affairs Committee and approval of the board, the MR&R Reserve Fund will reimburse operating cash account the full project cost of completed MR&R projects. Evidence of required reimbursement will include a brief description of the project, timeframe of projected replacement, actual completion date, forecasted cost and actual cost. If actual cost is substantially different from forecasted cost, a detailed justification will be provided.*
- c. **EXHIBIT 2A** – Tabled until next meeting.
- d. **EXHIBIT 3**

Section VI, Subsection 3, B. 4&5 –

Motion to switch order of Item 4 and Item 5, line 1. D. Sprinkle/Seconded. 8 Ayes, G. Vanderhoof abstained.

- 4. Board meetings shall be held at least quarterly, at a place and time determined by the Board.*
- 5. The Board will use the following small board protocol during Board meetings:*

Section VI, Subsection 1, G.2 – Elements of the Performance Appraisal Process for the CEO:

Motion to combine items c and d into one and re-letter remaining items. D. Sprinkle/Seconded. 8 Ayes, G. Vanderhoof abstained.

c) Initiate the formal performance appraisal process, typically 2-3 months prior to the date of the Annual Meeting of the Board of Directors. This time period allows completion of the appraisal process, format review and action by the Board and meeting with the CEO.

- e. **EXHIBIT 4** – Tabled until next meeting.

6. DISCUSSION:

Liaison J. Morningstar was asked to schedule a November 18, 2019 Board Affairs Meeting at 1:00 p.m.

7. NEXT MEETING:

The next regular meeting is scheduled for Monday, July 8, 2019 at 1:00 p.m. at Las Campanas, Juniper Room.

8. ADJOURNMENT:

Motion to adjourn the meeting at 2:36 p.m. J. Humphrey/Seconded. Passed unanimously.



EXHIBIT

**BOARD OF DIRECTORS
June 26, 2019**

**APPROVED
Board Affairs Committee
June 10, 2019**

MAINTENANCE REPAIR & REPLACEMENT RESERVE FUND

Overview: GVR Board of Directors updated the Maintenance Repair and Replacement Reserve Policy at their May 22, 2019 meeting. To be consistent with the new policy, the CPM should be updated to reflect the change in funding.

Recommendation: The Board Affairs Committee unanimously recommends the Board of Directors delete the following from the CPM and renumber accordingly:

CORPORATE POLICY MANUAL
SECTION V – FISCAL / ACCOUNTING
SUBSECTION 2. RESERVE POLICY
E. Maintenance, Repair & Replacement Reserve Fund

~~1. 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.~~

~~If a Component is or Components are an integral part of a capital asset not part of the Component List, only the Fully Funded Balance (as defined by the Reserve Study) to maintain, repair or replace such Component or Components may be used to repair or replace a non-component list asset. for example: A pool failure requires a new pool, the Fully Funded Balance as of the fiscal year of the pool failure to resurface the pool deck, re-plaster the pool, etc. may be withdrawn from this reserve and used to cover some of the cost of the new pool.~~

Example:

~~A GVR pool needs to be replaced in fiscal year 2019. For pool resurfacing of said pool only, its Fully Funded Balance of \$8,742 for fiscal year 2019 not \$11,593 in 2021 can be used to cover some of the new pool cost.~~

Fully Funded Balance / Cash Flow Method															
Inflation Rate		3.00%													
Interest Rate		0.00%													
		Period →													
Component List	Current Cost	Future Cost	Useful Life	Remaining Useful Life	0	1	2	3	4	5	6	7	8	9	10
Pool - Resurface	10,000	11,593	10	5	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
					10,000	2,060	4,244	6,556	9,004	11,593	1,194	3,116	3,800	5,219	6,720
				Useful Life =	10	10	10	10	10	10	10	10	10	10	10
				Remaining Useful Life =	-5	-4	-3	-2	-1	0	-9	-8	-7	-6	-5
				Useful Life - Remaining Useful Life = Effective Age	5	6	7	8	9	10	1	2	3	4	5
				Effective Age ÷ Useful Life =	50%	60%	70%	80%	90%	100%	10%	20%	30%	40%	50%
				Current Cost =	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$ 11,593	\$ 11,593	\$ 11,593	\$ 11,593	\$ 11,593
				Current Cost * (Effective Age ÷ Useful Life) =		\$ 6,000	\$ 7,000	\$ 8,000	\$ 9,000	\$10,000	\$ 1,159	\$ 2,319	\$ 3,478	\$ 4,637	\$ 5,796
				Fully Funded Balance		\$ 6,180	\$ 7,426	\$ 8,742	\$10,130	\$11,593	\$ 1,194	\$ 2,460	\$ 3,800	\$ 5,219	\$ 6,720