



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

MINUTES

FISCAL AFFAIRS COMMITTEE REGULAR MEETING

Tuesday, January 21, 2020
1:30pm MST – East Center Lounge

Approved by Committee, February 18, 2020

Attendees: Carol Crothers (Chair), Kathi Bachelor, Marge Garneau, Mark Kelley, Charlie Sieck (ex officio), Keith Skytta, Kent Blumenthal (CEO), Cheryl Moose (CFO), David Webster (Liaison/Accounting Supervisor)

Remote Attendees: Gene Kasper

Absent: Tom Sadowski, Steve Wilhelm

Additional Staff: David Jund (Facilities Director), Marie Wilbur (Meeting Scribe)

Guests: 18

Call to Order: Chair Crothers called the meeting to order at 1:30pm MST.

Roll Call: Roll was called and a quorum established.

Minutes: Amend minutes of December 18, 2019 to add the title of Item 3, Under New Business – "Discuss the Timing of Transfers Between Operations and Reserve Accounts", to amend Agenda of December 18, 2019 meeting.

M. Kelley made a motion to approve the minutes of December 18, 2019, as amended. Motion was seconded. Passed – unanimously.

Old Business:

1. Report on Credit Card and Banking Fees – Kent Blumenthal

CEO Blumenthal said that they are in negotiations with a bank regarding fees both on credit cards and bank accounts and hopes to have an update by the next meeting.

2. Update on 2020 Budget Format and CEO Decision to have Separate Checking Accounts – Kent Blumenthal. Cost Factors, How do we Maximize GVR Returns?

The Committee expressed concerns regarding checking account costs. Following discussion, CEO Blumenthal said that he will convene with John Roberts to discuss these costs and fee arrangement options.

3. Review CPM Changes Regarding Reserve Funding – Carol Crothers

GVR Corporate Policy Manual - Subsection 2 – RESERVE POLICY – updated 10/25/2016 – recommended changes were made to:

Section D. Emergency Reserve Fund (previously the Operating Reserve Fund)

Item 4. Funding Source, first paragraph to read –

“At the close of each fiscal year, the Board of Directors shall determine the amount, if any, to contribute from operational surpluses. Operational Surplus or Deficit is calculated as follows: using the Audit Report (GAAP) as Net Changes in Net Assets without donor restrictions ~~less and without~~ unrealized gains/losses, ~~P~~plus Depreciation ~~expense~~, ~~L~~less Purchases of Capital Assets ~~before accumulated Depreciation~~, ~~P~~plus transfers from Reserves to Operation, ~~L~~less realized investment income relating to Reserve Accounts, and ~~L~~less Reserve Accounts (MRR, IR, ER) Funding during the year.”

Section E. Maintenance, Repair & Replacement Reserve Fund (previously the Capital Reserve Fund) (updated 5/22/2019)

Item 3b. Funding Source to read –

“All MR&R projects will be budgeted for and funded from the MR&R Reserve Account. If actual project cost is substantially different from forecasted cost, a detailed justification will be provided.”

Committee requested amending this paragraph to read - “to the Fiscal Affairs Committee.” following “provided.”

Section F. Initiatives Reserve Fund (previously Initiatives & Innovations Reserve Fund) (Updated 2/26/2019)

Item 1. Purpose to read –

“The fund shall be used to support new initiatives and innovation opportunities that add value to member services and facilities and/or significantly improve GVR’s position in the marketplace. that contribute to meeting GVR Ends.”

Item 2. Target Balance to read –

“This fund reserve shall be of sufficient size as determined by the Board of Directors to make opportunistic value added investments in real property, facilities and infrastructure.”

Item 3. Funding Source, first paragraph and Item a. to read -

“Within 10 business 30 days after the end of each month fiscal-quarter GVR shall transfer the following to the Initiatives Reserve Fund based on the applicable fee (the “Initiatives Reserve Funding Formula”):

- a. Twenty percent (20%) of the Property Acquisition Capital Fee (~~NMCF~~ PACF) assessed on each GVR member property sold rounded up to the next \$5.00 and"

M. Kelley made a motion that the FAC approves the GVR Corporate Policy Manual proposed changes regarding reserve funding as amended, and recommend that this go forward to the Board of Directors for approval. Motion was seconded. Passed – unanimously.

4. Update Plan for Producing YE 2019 Draft Statements and Timeline on Final Statements – Cheryl Moose/Kent Blumenthal

Discussion followed. Year-end statements will go both to the Board of Directors and the Fiscal Affairs Committee when completed.

5. Discuss Reporting Format for 2020 Monthly Financial Statements – All

Following discussion, CEO Blumenthal stated that he will have a conversation internally as to the best approach for the most comprehensible reports.

New Business:

1. Operating Cash Management – How are the New JP Morgan Accounts working out? How Should Maximizing the Return on Cash be Measured? – Cheryl Moose/Kent Blumenthal

Discussion followed. CEO Blumenthal stated that it was too soon to give an assessment on how the new accounts are working out, but will provide a report to the Committee for analysis.

2. 4Q2019 Capital Purchases – David Webster

D. Webster stated that they are still closing out the year-end. When completed, report will be provided.

3. Update from MR&R Subcommittee – Marge Garneau

Chair Garneau reported that her Subcommittee met with David Jund regarding MR&R operations. She reviewed what they learned, stating that their next step is the financial aspect. She commended David and his staff on their work.

Chair Crothers provided a handout to the Committee from the GVR Policy Governance Manual with selective sections and highlighted areas for Committee review.

Discussion of providing copies to Committee. Unless specified, copies will be in black and white as opposed to color.

Member Comments: None

Adjournment: M. Kelley made a motion to adjourn. Motion was seconded. Passed – unanimously. The meeting adjourned at 2:43pm MST.