



**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, September 22, 2020  
1:30pm MST – Teleconference

**Committee Approved – October 20, 2020**

**Attendees:** Donna Coon (Chair), Janice Absher, Nina Campfield, Steve Gilbert, Randy Howard, Nellie Johnson, Don Lathrop, Vicky Mournian, Eric Sullwold, Greg Wright, Don Weaver (ex officio), Jen Morningstar (Interim CEO), Cheryl Moose (CFO), David Webster (Liaison/Accounting Supervisor), Marie Wilbur (Meeting Scribe)

**Guest:** Melanie Stephenson (Project Manager)

**Visitors:** 16

- 1. Call to Order/Roll Call/Quorum:** Chair Coon called the meeting to order at 1:30pm MST. Roll was called and a quorum established.
- 2. Review/Accept Minutes from Meetings of August 12, 2020**  
**MOTION: Sullwold/seconded. Approve minutes of August 12, 2020 as written.**  
**Vote: Yes – 9; Abstain – 1 (Johnson)**  
  
**MOTION: Sullwold/seconded. Approve minutes of August 18, 2020 as written.**  
**Vote: Yes – 9; Abstain – 1 (Johnson)**
- 3. Chair Comments:** Chair Coon introduced and welcomed Nellie Johnson as a new member to the Committee.
- 4. Old Business**

### **a) Financial Report August, 2020 – D. Webster**

D. Webster presented the Financial Report for August, 2020. Discussion followed. Committee requested that Finance include the Projections Report in the Oct, Nov and Dec monthly reports. August overall was an excellent month under the circumstances, within 7% of last year.

- **2020 Cash Requirements Report:** Presented by D. Webster. Projection that the low point for GVR Cash will be November, 2020, with 93 days of Operating Cash on hand.
- **Housing Report – 2019 and 2020 thru August 31:** Presented by D. Webster. He reviewed fees collected and the GVR Member Properties Report.
- **2020 Capital Expenditure Report thru August, 2020:** Presented by D. Webster. Numbers are on target.

### **5. Updated Outlook for 2020 – D. Webster**

Housing market has not collapsed, which was previously anticipated, and the outlook is good for 2020. In the last quarter, Finance will give real projections for year end with basis of the first nine months.

### **6. 2021 Budget Meetings**

Chair Coon asked to schedule at least one work session between now and the next regular Committee meeting. Dates of Friday, October 9 and Friday, October 16 at 1:30pm MST. Committee will go through the 2021 budget line by line; look at annual dues historically and for the coming year with a possible forecast of 2-4 years out; need to address shut down and unhappy members. Finance asked to provide to the Committee their best guess for surplus and numbers from the past two years, 3-4 days prior to the October 9 work session.

### **7. New Business**

#### **a) Review 2021 Reserve Funding**

Chair Coon provided memos from Browning Reserve Group from 2019 which discussed the percentage for reserve funding which is currently set at 85% to 100%. The report stated that dropping below the 85% level still leaves GVR very well-funded. CFO Moose noted that staff has in the past recommended lowering the 85% fund level based on the Browning Study.

Chair Coon presented areas in the Corporate Policy Manual (CPM) that need to be revised to adjust the 85% requirement.

\*Section V. Fiscal/Accounting

Subsection 2, Item B – Reserve Study Policy

There are three (3) types of Reserve Studies:

1. Full Reserve Study\_Baseline, vendor evaluates all facilities, equipment and infrastructure
2. Reserve Study with no onsite visit (NOV)\_GVR updates Component Inventory with changes
3. Reserve Study with an onsite visit (WOV)\_Vendor reevaluates Component Inventory & updates

During the third quarter of the current budget year GVR staff and the Fiscal Affairs Committee 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.

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.

~~GVR's percent funded objective is not less than 85% and not greater than 100%.~~

GVR shall annually make the Reserve Contribution to the Maintenance, Repair and Replacement Reserve Fund called for in the Annual Reserve Study.

\*Section V. Fiscal/Accounting

Subsection 2, Item C, No. 2 – Reserve Contributions and the Annual Budget:

*Reserve Contributions to the Reserve Accounts shall be an integral part of the annual budget.*

~~The annual operating budget shall generate sufficient Excess Revenue Over Expenses to make the Reserve Contribution to the Maintenance, Repair and Replacement Reserve Fund called for in the Annual Reserve Study unless such Reserve Contribution generates a Percent Funded greater than 100% in which case the Reserve Contribution may be reduced to achieve a Percent Funded not less than 85%.~~

The annual operating budget shall generate sufficient Excess Revenue-Over-Expenses to make the Reserve Contribution to the Maintenance, Repair and Replacement Reserve Fund called for in the Annual Reserve Study.

\*Section V. Fiscal/Accounting

Subsection 2, Item E, No. 2 – Target Balance:

~~This reserve shall be of sufficient size as to maintain a Percent Funded (as defined in the Reserve Study) of not less than 85% and not more than 100%.~~

This reserve shall maintain a sufficient balance based on Annual Reserve Contributions calculated within the Annual Reserve Study.

**MOTION: Lathrop/seconded. To recommend to the GVR Board of Directors changes to be made to the Corporate Policy Manual relative to Reserve Funding.**

**Vote: Yes – 9; Abstain – 1 (Johnson)**

**b) Administrative Offices (AO) Space Update**

Chair Coon toured the new space. The money allocated for rehab of the air system cost less than anticipated. Dry wall and electrical have been installed. Inspections to date have been passed. Full space has six offices and a meeting room.

**MOTION: Coon/seconded. Recommend allocating up to \$20,000 to complete the buildout of the Administrative Office space with funding to come from Non-Reserve Capital.**

**Passed - unanimously**

**8. Member Comments – reviewed during meeting**

Committee member S. Gilbert suggested the Committee think about adding a reserve account to the budget for swimming pool replacement over the next ten years. Committee member N. Campfield added that there should be a plan for all facilities.

Committee member E. Sullwold asked Finance if they could provide a 3 to 5-year budget plan. D. Webster said they already have a 3-year plan in process so they should be able to provide that.

Chair Coon reminded members that the next meeting will be the work session on Friday, October 9, 2020 at 1:30pm MST via Zoom.

**9. Adjourn**

**MOTION: Sullwold/seconded. Motion to adjourn at 3:19pm MST.**

**Passed – unanimously**

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**Unanimous Consent Vote – August 18, 2020**

At the request of Chair Donna Coon, you are being sent a request to approve the July 2020 Financial Statements, a vote that was overlooked during the August 18, 2020 meeting.

Passed – unanimously.