

**FINANCE & LEGAL COMMITTEE
MINUTES**

Monday, Aug. 31, 2009

“Responsible for the annual operating and capital budgets, determination of fees and assessments, definition of member and guest privileges, and all related legal, taxes, insurance, zoning, and organizational matters affecting the Association.”

PRESENT: Eugene Root-Vice Chairman F & L Committee (Meeting Chair)
Ron Stucki
Ray Hanck
Jim Vandel-Secretary
Randy King-Acting GM-Ex Officio

ABSENT: Jere Kovach-Chairman & Member Board of Directors

ALSO IN ATTENDANCE: John Daulton, Kathy Daulton

The meeting was called to order @ 3:00 P. M.

The minutes of the Aug. 24, 2009 meeting were approved.

Mr. Root stated that he had discussed Committee activities with both Mr. Kovach and Mr. King. They all agree that Mr. King needs time to become more familiar with the financial operations of SVRA and it might be prudent for the committee to take a pause in its' activities. The Committee will continue to meet but the level of activity will diminish for a period of time. Mr. Root expressed his confidence in Mr. King's abilities and feels the financial reporting system will improve under his tutelage.

Mr. King reviewed his observations concerning the financial reporting system and most specifically the ongoing problems with the Point of Sale (POS) system. He feels most of the problems will be solved with better training and coordination among the employees.

Mr. King informed the committee of the current situation regarding DCC&R enforcement. A large percentage of the complaints are coming from one or two members. This ongoing problem has the potential of occupying a considerable amount of Mr. King's time. A few suggestions to mitigate the problem were made. As this is a "legal" problem the F & L Committee will continue to address this issue.

Mr. King informed the committee of a bid from Kilroy Construction in the amount of \$2000 to level a piece of ground west of the Cedar Creek Grill. The bid is contingent on early acceptance as Kilroy currently has the necessary equipment available due to their work on Vista and Vista West. This will be addressed by the BOD at the workshop on Tues. evening. (Subsequent to this meeting the BOD has agreed to accept this bid along with another \$600 bid for dirt work on the

airport in the tarmac area. This committee agrees this is prudent financial decision by the BOD. Capital Funds will be utilized for this work)

Mr. King reviewed the problem of vandalism on the Golf Courses. There seems to be a concentrated effort to harm the courses prior to a major tournament or event. It is very difficult to apprehend the perpetrators. This problem is another which could prove expensive. This is another "legal" problem which this committee will continue to address.

Mr. King discussed what appear to be excessively high telephone usage charges. The committee agrees the SVRA needs a more efficient communication system. John Daulton observed that the Long Range Planning Committee has an Action Plan which addresses the problem. However, due to a number of issues, the problem has never received the focus needed to get it resolved.

Kathy Daulton, as a representative of the DCC&R revision committee, presented their request for funding needed for two mailings in 2010. Ms. Daulton further explained that the committee is trying to select DCC&R items that have a reasonable chance of achieving the necessary 70% approval. She further informed the committee that the time line for changing the DCC&Rs has been moved up 6 months as the changes have to be filed 6 months prior to Jan. 1, 2012. There will be \$9,000 included in the Administration budget for 2010 for these important mailings.

Mr. Root discussed the anticipated receipt of \$420,000 from the sale of the Green Canyon storage tank to the town. This committee is firm in the contention that these moneys are from the sale of a Capital Asset and should be retained in the Capital Fund for utilization within the Capital Budget. The committee agrees that there is a plethora of Capital needs but there, although it is being worked on, is not a long range Capital Improvement Plan currently available. The Long Range Planning Committee is currently working on this plan and it will be available prior the draft 2010 budget being presented to the BOD.

Mr. King informed the committee that Ms. Ellen Mauk has been hired to fill the vacancy of Member Services.

Mr. Vandel expressed his frustration with the amount of time this committee continues to devote to "management" rather than financial and legal issues. He is of the opinion that if we had a good financial reporting system and the staff understood what the committee needed in a "draft" budget the committee could complete its' budgetary duties in less than half the time now devoted to it. He also expressed the opinion that there are financial and legal issues the committee needs to address but is not due to the time constraints imposed by the dysfunctional SVRA operation.

The subject of paving the cart path and area around the cart storage barn and cook shack was discussed. It was agreed that this should be referred to the Long Range Planning Committee for the preparation of an "Action Plan", establishment of a priority and consideration for future Capital expenditure.

Mr. Daulton discussed the activities of the newly established "Recreation Committee". This new committee was approved by the BOD during the August board meeting. The committee is

devoting itself to non-golf recreation. Mr. Daulton asked that \$3,000 be included in the Operations Budget for the committee to purchase equipment such as bats, balls, nets etc. This will be included in the Operations Budget.

The next meeting of the committee will be at 3:00 P. M. in the Library on Sept 14, 2009. All SVRA members are welcome to attend.

Meeting adjourned at 5:00 P. M.

Jim Vandell
Secretary