

**FINANCE & LEGAL COMMITTEE
MINUTES**

Monday, Aug. 17, 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: Jere Kovach-Chairman & Member Board of Directors
Eugene Root-Vice Chairman F & L Committee (Meeting Chair)
Ron Stucki
Jim Vandel-Secretary
Ex Officio: Ms. Wendy Straight, SVRA General Manager

ABSENT: Bob Benzley

ALSO IN ATTENDANCE: Ray Hanck-Prospective Member of F & L
John Daulton, Long Range Planning Committee

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

Mr. Vandel handed out copies of the draft minutes of the Aug. 3, 2009 minutes. The minutes were approved.

Mr. Vandel read an E-mail message from Mr. Benzley containing his resignation from this Committee. The F & L Committee wants to thank Mr. Benzley for his long and devoted service to the F & L Committee and the financial operations of the SVRA.

Mr. Kovach introduced Mr. Hanck who has accepted the nomination to be on this committee. His appointment will be acted upon and, it is assumed, confirmed by the BOD at their next meeting which will be on Saturday Aug. 22, 2009. The committee welcomes Mr. Hanck and is looking forward to his active participation.

Mr. Stucki presented his observations concerning the Facilities Department budget and expressed his concern that the financial reporting system was chaotic and uninformative. His observations appear to coincide with those of the other members and there is agreement that this committee must assure the establishment of a systematic budgeting process that is an aid to the business like management of SVRA. Discussion also included the amount of turnover in staff making it very difficult to retain any corporate memory or procedures. In general there is a considerable amount of frustration with the entire process.

Mr. Kocack informed the Committee that the BOD is in the process of contracting with Ms. Kathy

Schooner for bookkeeping/accounting services. It is anticipated that Ms. Schooner will work about 20 hrs. per week on SVRA financial reporting. She will be contracting her services and will not be an employee of SVRA.

Mr. Root stated that the Committee needs to start meeting every week in order to get our work completed prior to the end of the "season" which is Oct. 31. The rest of the Committee concurred. The Committee will begin meeting every Monday at 3:00 PM in the Library.

Mr. Root presented some sales and budgeted figures from the Lounge. He is confident the Lounge is on track to show a profit for 2009. He will continue working on the budget figures.

Mr. Daulton presented a list of requests from Long Range Planning for F & L to consider:

1. Fund Definitions
2. Changing the name of the "Capital Improvement Plan" to "Capital Improvement and Construction Plan".
3. Assistance from F & L to fill out the "Capital Improvement and Construction" template.
4. Ask F & L to determine the targeted amount needed to fund the anticipated large expenditure for repairing/replacing the Barn/Silo complex.
5. Recommend a set percentage of the assessment be earmarked for the Capital Fund.
6. Recommend to BOD that the "effective" Annual assessment be set NOW for the next two years.
7. Recommend a policy where the proceeds from the sale of Capital assets be added to the Capital Fund.

Mr. Vandel reminded the committee that he is liaison to the Long Range Planning Committee & as such is a member of both. He stated that LRP had requested he prepare a list of financial definitions. Since the need for these definitions has become apparent in both committees he will present them to both committees for their respective editing and review. He then passed out what he calls "Procedures and Terminology for Capital Management". Most of the items requested by Long Range Planning were addressed in that document. There was considerable discussion and the Committee was asked to continue the review and be prepared to discuss it further at the next meeting. The gist of the presentation was: The need for an "Operating Fund" and an "Operating Budget", a "Capital Fund" and a "Capital Budget" and an "Emergency Fund". There will be further review and discussion on this subject at the next meeting.

Ms. Straight handed out copies of the working draft of the "SVRA Financial Statements and Independent Auditor's Report with Supplemental Information December 31, 2008 and 2007". No further review or discussion took place on the report.

Mr. Vandel then presented the draft Greens budget. There is some "fine tuning" remaining to be done but, in general, the Greens request seems to be reasonable. Mr. Galen Archibald as Chair of the Greens Committee has also reviewed the requested budget. There will be some more review but, in general, the Greens budget is ready for committee adoption.

Mr. Vandel then handed out copies of his proposed "Action Plan" "SVRA Committees Structure, Appointment and Operation" for the committee members' edification and review. Further discussion will be conducted at the next meeting.

The next meeting is scheduled for 3:00 P. M. on Mon. Aug. 24, 2009 in the library. Members are encouraged to attend and participate in all scheduled F & L Committee meetings.

Meeting adjourned at 5:00 P

Jim Vandel
Secretary