

**FINANCE & LEGAL COMMITTEE
MINUTES**

Monday, July 23, 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 Pro Tem
Ex Officio: Ms. Wendy Straight, SVRA General Manager

ABSENT: Bob Benzley

The meeting was called to order @ 3:00 P. M. Mr. Vandel pointed out that the by-laws require a minimum of 5 members on all standing committees. Mr. Kovach informed the committee that Mr. Gee, after many years of service on the committee, has declined to serve an additional year. Mr. Benzley has also served on the committee for many years and is expected to decline further service but, as of this meeting, is still a member. Mr. Kovach is actively recruiting for an additional new member. Mr. Vandel stated that he is preparing a draft policy for BOD action that would clarify committee membership, term lengths etc.

Mr. Vandel handed out copies of the draft minutes of the July 6, 2009 minutes. Some minor corrections were made and the minutes were approved.

It was decided to have future meetings in the Library rather than the Silo as questions, needing clarification by the staff, would be easier to address.

Mr. Root handed out copies of:

- July22, 2009 Profit and Loss Statement

Considerable discussion took place concerning the Profit and Loss Statement with the general consensus being that it was not very informative. Several suggestions were made. Mr. Kovach will develop an outline of what he would like.

Mr. Stucki was asked to present his activity in regards to Facilities. He stated that a draft budget has yet to be prepared. He also expressed concern about the budgeting process in general and made several observations which were similar to the observations and frustrations experienced by the other members in previous years. Considerable discussion took place about the budgeting process. Mr. Kovach will present his ideas for a budget process to the GM and committee for further discussion at the next meeting.

It was pointed out that the Audit for 2007 was just recently completed and the 2008 Audit will be completed in the very near future.

Mr. Vandel was asked to present his activities in regards to Greens. He stated that he had asked for a draft budget to be prepared by May 15 and had the understanding that it would be ready by then. As of this date no draft Greens budget has been presented to him. He further stated that he had attended a Greens Committee meeting in June, had requested their help in the budget review process, and is confident he will receive that help once there is a draft budget available. He has talked to the Greens Superintendent about preparing a budget but was told that the Supt. was completely overwhelmed with a myriad of problems. Mr. Vandel has heard of some of the problems and is sympathetic to the dilemma. He agrees that the Supt. need only present the budget to the GM and the Chair of the Greens Committee. They, in turn, will provide him a copy.

Mr. Vandel further reiterated his desire to have the other Committees review their respective areas of the budget. The Golf Committee review the Golf portion, Greens review Greens, House and Entertainment review the Bar & Lounge, and Utilities review Facilities. Finance and Legal would review Administration. In this manner, Finance and Legal would have assurance that the various budget requests had SVRA member endorsement prior to any action by the F & L Committee.

Mr. Root reviewed his conversations with the Manager of the Bar and the Golf Pro. He feels that both are on the right track for getting costs and inventory under control and providing good management to both activities. The Manager of the Bar attended the last of the meeting and pointed out that she is trying to reduce the inventory and is only ordering a few bottles at a time rather than by the case. It is very difficult to reduce the inventory as the State Liquor Board does not allow "fire" or "White Elephant" sales.

Mr. Kovach reported that he, Mr. Root and the GM had a teleconference with Rudd and Co. The 2008 audit should be available by Tues. They had quite an intense discussion about the designated accounts and many of the "old" accounts were no longer needed. Many were eliminated but their history will be retained.

Mr. Vandel reiterated his desire for the BOD to set the "effective" assessment for 2010 as soon as possible. He pointed out the F & L can and should estimate income from the other sources (Golf, Lounge etc.) but the assessment income, in the past, has been set by the BOD. That figure should be available prior to the committee submitting the proposed budget.

Mr. Vandel also reiterated his desire to have the BOD commit to funding the Capital Improvement Program (CIP). He suggested the sum of \$200,000 per year or 25% of the effective assessment be designated for the CIP.

The next meeting is scheduled for Mon. Aug. 3 in the Library of the SVRA office at 3:00 P. M..

Meeting adjourned at 5:15 P. M.

Jim Vandel
Secretary