

**FINANCE & LEGAL COMMITTEE
MINUTES**

Monday, Aug. 3, 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)
Jim Vandel-Secretary Pro Tem

ABSENT: Bob Benzley
Ron Stucki
Ex Officio: Ms. Wendy Straight, SVRA General Manager

ALSO IN ATTENDANCE: Ms. Jan Jonson-Member, BOD

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

Mr. Vandel handed out copies of the draft minutes of the July 23, 2009 minutes. The minutes were approved.

Mr. Kovach noted that to date he has been unsuccessful in recruiting a member to replace Mr. Benzley. Therefore, Mr. Benzley remains, officially, a member of this committee.

Mr. Kovach handed out copies of the “Draft Ideal Budget Cycle-revised 7/28/9” which is to be discussed at the Aug. 8 management retreat. Considerable discussion took place. There was general agreement that a draft budget, prepared by the staff and reviewed by the GM should be available on May 1. All the committees could begin their reviews in May with the goal of having the next year’s budget approved by the BOD during the October board meeting. It was generally agreed that there is a need to look at the budget from a “seasonal” perspective in that many of the SVRA members are not in Star Valley during the winter months. In that regard the “season” would begin on May 1 and end on Oct. 31. Almost all committee work should be completed during that “season”. In addition, it is felt the BOD should approve the next year’s budget prior to Oct. 31. This is not to imply that little gets done during the “off season” months of Nov. through April. Those months should be utilized, by the staff especially and the BOD and Committees to a lesser extent, to prepare for the next “season”. It was also agreed that the “seasonal” concept could be used without changing the period of our “fiscal” year which coincides with the calendar year.

Considerable discussion took place concerning the definitions of “Capital Improvement Program”, “Capital Budget”, “Capital Equipment”, debt financing etc. It is evident that we need to have a set of definitions to clarify what is said and intended to be said. It was generally agreed that SVRA,

due to a deferral of maintenance and replacement, over many years, has accumulated a large backlog of needed improvements. The Long Range Planning Committee (LRPC) has been addressing that problem and has developed a "Capital Improvement Program" at least in concept. F & L and LRPC will be working closely together to further develop the CIP and include, on an annual basis, projects within the Capital Budget for the utilization of funds designated for Capital expenditure. Mr. Vandel noted that the BOD designated \$200,000 for the Capital Budget for the current year and he is assuming that the Capital budget will continue to be funded at that approximate figure.

Mr. Vandel reiterated his desire to have the BOD set the "effective" assessment for the next fiscal year early in the current "season" thereby enabling the F & L Committee to make a better estimate of income. He also expressed his disappointment that Ms. Joyce Icardo had resigned. He explained that he felt she had come a long way in clearing up a plethora of problems within the financial reporting system and her resignation causes us to train somebody else, further complicating the goal of having an understandable and correct system. He also stated that he is not privy to all the reasons for her resignation but is concerned about staff morale.

Mr. Vandel raised several questions about the 2007 Audit Report submitted by Rudd & Co. dated January 19, 2009. Most of the questions were not answered and further explanation is needed. He also noted that the 2008 Audit report has been "days away" for at least a month and is concerned that the committee will not have time to review it prior to the 2009 Audit being conducted.

Other discussion items included the Health Insurance Program, the Member Guest and other Tournaments, the fact that the BOD has assigned the overview of the Lounge and Pro Shop to Mr. Kovach and therefore the F & L Committee for the current year, the problems with the Point of Sale (POS) system, pricing for drinks in the Lounge, portion of the assessment being utilized to subsidize Golf (about \$27), and overtime compensation and authority for paying it.

The next meeting is scheduled for Mon. Aug. 17 in the Library of the SVRA office at 3:00 P. M. Members are encouraged to attend and participate in all scheduled F & L Committee meetings.

Meeting adjourned at 5:15 P. M.

Jim Vandel
Secretary