



GREEN VALLEY RECREATION, INC.

**Report of GREEN VALLEY RECREATION, INC ANNUAL MEETING OF THE CORPORATION held on Tuesday, March 29, 2016 – 9:00am At West Center Auditorium. The President being in the chair and the Secretary being present.**

**Members Present:** Joe Gunton (President), Tony Zabicki (Vice-President), Barb Mauser (Secretary), John Hadley (Treasurer), Vicky Mournian (Assistant Treasurer), John Arnold, Gunnar Bonthron, Jim Nelson, Kathy Palese, Leslie Shipley, Ron Sills, Kent Blumenthal (non-voting)

**Absent:** Richard Kidwell, Ron Sills

**Staff:** Jim Conroy (Chief Operating Officer), Cheryl Moose (Chief Financial Officer), Jen Morningstar (Executive Office Manager), David Jund (Facilities Director), Randy Cheatham (IT Director), Kate McCormick (Administrative Assistant), Maureen McCarthy (Recreation Supervisor), Ashley Coggins (Program Coordinator), Kris Zubicki (Recreation Supervisor), Rosita Studevan (Customer Service Supervisor), David Coy (Facilities Supervisor), Sherri Cadeaux (Marketing & Communication Specialist), Aaron Young (Facilities Supervisor), Melanie Stephenson (Facilities Supervisor), Payton Snider (IT Administrator), Julie Vance (Recreation Supervisor), Loree Doscher (Membership Coordinator), Lisa Flores (Lead Custodian), Danny Freeman (Custodial supervisor), Boyd Faulkner (Custodian).

**Visitors:** Paul Mickelbarg (WSM Architects), Kristen DiBone (WSM Architects), Skip Breither, (Edward Jones), 82 members

**1. Call to order**

President Gunton called the meeting to order at 9:02am, MST.  
Roll call by CEO Blumenthal. Quorum established.

**2. Report of Annual Meeting Minutes 3/24/2015**

**MOTION: Shipley / Seconded. Approve Annual Meeting Minutes of 2015**

**Passed: unanimous.**

**3. President's Report:**

**A. Gunton's report:**

I can report to you that the state of GVR is financially sound and continuing to provide the needed programs and facilities that make GVR a super retirement community. This past year we have accomplished some major goals. Here are some: one, we passed a boundary expansion referendum which has resulted in 8 families to date joining GVR; two, we debated and passed the construction of ABN pool; three, we engaged a contractor (WSM)

to do a complete top to bottom assessment of GVR facilities and programs; four, we engaged a firm to complete a reserve study; five, we have engaged the service of a financial firm to provide much needed investment advice; and many more accomplishments. Your board, committees and countless other volunteers together with staff have been very busy.

We also have begun a series of articles in GVR now keeping you up to date with respect to GVRs finances and other important matters of the corporation. These coupled with frequent e-blasts are intended to keep you informed of the goings on in the volunteer leadership roles and the GVR staff. Thank you Kent Blumenthal and your professional staff for helping to guide GVR to be all that it can be.

Unfortunately, some disagree with much of the work of your volunteers and staff. I would like to make some observations. Within the last couple of weeks, two of our members wrote op-ed pieces in the GV News. One piece entitled "In My View; Is Green Valley a Premier Retirement Community" by Steve Ault. Steve again challenges the vision "to make Green Valley a retirement destination of choice": three of GVR's 23,000+ members agreed with Steve in letters to the editor and among other things said, "the majority of GVR members do not want GVR to be progressive" (my words).

A second piece entitled, "GVR isn't broke, but it could be broken" by Richard Ulander (another so-called GVR4us member) once again calls into question GVR's financial stewardship. Our auditor, chair of the financial committee, and CFO will talk to you in a few minutes about the good state of GVR's financial position.

I will address the few would-be GVR pundit issues with respect to future growth in GVR. Regarding the majority of members comment, the truth is much different. We are encouraged by our recent boundary expansion referendum, which resulted in a majority of GVR members agreeing to expand our boundary. Additionally, WSM architects studying our facilities and programs have conducted many town hall type meetings with members of GVR, where at least 1,000 GVR members have spoken up and provided input about changes and enhancements they want to see at GVR. The comments WSM received overwhelmingly support growing to meet the demands of retirees.

The mission of GVR is written on the back of your GVR member card, "to provide recreational, social and leisure education opportunities that enhance the quality of our members' lives." Taken in concert with the board-endorsed vision statement to "make green valley a destination of choice for active adults and retirees" provides the board and staff with a map to the future. We are unique and have a mission. Our vision reminds us that future retirees may want something different in retirement and surely will want up-to-date facilities and programs. After all, today and tomorrows adults and baby boomers will have different needs and desires as they go into retirement. According to the pew research center, 10,000 Americans will turn 65-years old every day for the next 13 years.

We need to recognize that and plan accordingly.

In his editorial, Steve said with respect to boundary expansion, "we were led to believe that boundary expansion would eliminate the need for big dues increases" and "are you happy with the 5.5 percent dues increase?" no one in a GVR leadership position ever promised not to have a dues increase. Just the opposite is true, your board recognized that a slight increase would still be necessary to keep up with inflation and to fund our reserves as needed. We still are awaiting the results of our reserve study to determine if we are on the right track to fund our reserves. By the way, as promised, the money that was brought into our account by the families that came into GVR as a result of the expansion referendum funded our capital replacements reserve account. And, as I said previously, to date we have had eight rooftops come into GVR as we predicted. Given survey data at the time of the 2015 boundary expansion, GVR expects 16 additional new member rooftops from the boundary expansion areas between now and 2018.

Yes, we are planning for the future: 1. After results of the reserve account study and the facility assessment is reported we will engage in developing a 10-year plan that will help chart the course for the future. 2. We will engage in discussions with the members of our community on what changes (if any) to our facilities and programs should be made as we develop the 10-year plan. 3. We are engaging in discussions to recognize the rapid aging of some of our members and what (if any) programs, facilities that they require and adjust accordingly. In sum, we are not looking to the future blindly as we focus on today's and tomorrow's younger retirees but also recognizing that our older members have different needs.

These are just some of the challenges that lie ahead of us if we are to be the "community of choice" that provides active adults and retirees with another a preferred option to other planned adult communities that exist that we find ourselves in competition with. Your board of directors, committees, CEO and staff are working together to ensure that we advance our mission for today and tomorrow.

One last thought. I have asked the board to await development of our communication policy that is being developed before answering opinion pieces in the GV News.

Personally, I have asked the board not to conduct corporation business in the newspaper. Opinions are just that, opinions. They are not actionable until they are challenged and discussed in the committee and the board process, and until then they remain only opinions.

I encourage members those who are interested in charting GVR's future join a committee and/or stand for election to a Director's position. We don't get paid a lot (actually nothing) but derive some level of personal satisfaction from our engagement in a GVR leadership position. Your 12 directors and countless other volunteers work very hard to ensure that "Green Valley and GVR continue to be the destination of choice for active adults and retirees".

- B. Gunton presented Recognition of Service Awards to John Hadley, Gunnar Bonthron, Ron Sills (in absentia). Blumenthal presented Recognition of Service Award to Joe Gunton.

#### 4. CEO Report:

It is common practice at the Annual Meeting of the Corporation to give the 35,000-foot view of GVR. What I'd like to share in my report is a bit about the 'wheels and gears' that keep our Corporation moving in the right direction.

- A. During this past year GVR has placed a major focus on Staff Development and evaluating and re-investing in our GVR Facilities, as is being demonstrated through the 10-year Strategic Master Planning Initiative, led by WSM Architects of Tucson.
- B. INVESTING in both our people and facilities will continue to be a major focus of your GVR leadership team. Your GVR Staff Team is an invaluable asset to carrying out GVR's Mission:

"To provide recreational social leisure education opportunities that enhance the quality of our members lives."

I want to thank my fellow employees for their support and for serving our membership so well. To an individual, they are outstanding.

- C. During this past year a number of GVR staff participated in professional conferences, trade shows and a number of professional training opportunities:

1. Accounting for Nonprofits Seminar
2. Aquatics Facilities Operators (AFO) & Certified Pool Operators (CPO) courses
3. Effective Board Governance Seminar
4. Employment Law Seminar
5. Foundation Fundraising Seminar
6. Maintenance & Tools Expo
7. Recreation & Leisure Services Conferences & Expos
8. Performing Arts Expos

- D. Several staff received national certifications i.e. Senior Supervisor Julie Vance completed a "Certified Performing Arts Executive certification" this is a national credential. Senior Supervisor Maureen McCarthy completed a "Certification in Volunteer Administration," which was actually an international certification. Your CEO was recently re-credentialed as a Certified Association Executive (CAE) by the American Society of Association Executives.

- E. This was the first full year we had a Customer Service Supervisor position that had been repurposed from a Member Services Coordinator position. As a result of having a

supervisor principally focused on customer service, we were able to take overall customer service excellence to a higher level of overall service.

- F. Our member programs and services continue to grow and improve in the areas of Leisure classes, Performing Arts, Southern Arizona Senior Games, Special events. Overall usage of our GVR facilities has increased, and during peak season we are busting at the seams. We are forced to limit the number of classes we offer and meetings we hold due to endemic space limitations.
  - 1. You may have noticed that for several months we have been working to reconfigure and reconstruct the GVR Member Services Center lobby. Completion of this project will allow us to add a few additional workstations for both full and part-time employees.
  - 2. Last year, we moved our three-person Information Technology unit to Desert Hills Center in order to free up some space at the Member Services Center.
  - 3. We've offloaded many membership transactions to the Box Office at West Center to better distribute the overall workload and provide member services and ticket purchases during weekends and holidays.
  
- G. It is interesting that last January, Pima County administrator Chuck Huckelberry invited GVR us to enter into a conversation with the County about how GVR might contribute to maximizing use and operation of the County's Pima Community College and community performing arts facilities located here in Green Valley. This conversation is still in play. Ultimately, GVR may be afforded access to the much needed and seemingly underutilized space at these neighborhood facilities.
  
- H. GVR has continued to improve and enhance facilities. This was best demonstrated by the good work that of GVR staff did on the planning and construction of the new lighted Pickleball Courts at East Center and the grass volleyball court at Abrego South. Work on the enhanced Abrego North pool/spa and expanded parking lot will begin within in the next month or so.
  
- I. During this past year GVR staff worked over a six-month period evaluating what state-of-the-art software system should replace a soon to be defunct database system. I am pleased to report that after much deliberation your team selected *PerfectMind™*. *PerfectMind™* will allow us to take virtually all member financial transactions online. The implementation process for this new system will begin in earnest in May. Our goal is to bring the system online by the end of 2016.
  
- J. The new GVR Foundation is finding its sea legs.

1. The Foundation has partnered with Casa Community Services to Introduce *Project Engage!* through a grant from the Freeport MacMoRan Foundation. Project Engage provides social and recreational activities and a hot lunch program for GVR members who may have “aged out” of traditional GVR programs and services.
  2. The GVR Foundation is now the Title Sponsor of the Southern Arizona Senior Games. The Games provide competition and fun for nearly 1,000 participants from more than 35 US states and Canada. The Foundation reached its fundraising goal for the 2016 Member Assistance Program, providing needed financial support for 44 members.
- K. *Project Engage!* demonstrates that through the synergy of collaboration, GVR can do more and be more for its members than it could independently. I am pleased to report that GVR’s involvement and cooperation with the Green Valley Council (GVC), Greater Green Valley Community Foundation (GGVCF), Green Valley Community Complex Association (GVCCA), Osher Lifelong Learning Institute (OLLI), Pima County Small Business Commission (SBC), and change/shappening! (cih!) has proved rewarding and helpful to our members and our community.
1. It was the **Green Valley Council** Executive Committee and Assembly who did not hesitate to endorse HB 2592 ‘Nonprofits; Electronic Voting’, a bill initiated by GVR in Arizona’s state legislature and championed by our House of Representatives delegate, Chris Ackerley. If passed by the state legislature and signed by Governor Doug Ducey, the bill will permit electronic voting by Arizona’s nonprofits and potentially save GVR members somewhere between \$15,000 and \$20,000 in annual election costs. I am pleased to report that yesterday, HB 2592 was voted "Proper for Consideration" yesterday by the Arizona Senate Rules Committee and today, HB 2592 was approved by both the State Senate’s Majority and Minority Caucuses. It's already passed Arizona’s House of Representatives, and now need only be approved by the State Senate before going to the governor’s office to be signed into law.
  2. It was the **Greater Green Valley Community Foundation** who provided a small grant to the GVR Foundation to undertake its first Strategic Plan, and partnered with GVR to host a “Right a Will” workshop as well as provide experts through its new Nonprofit Learning Institute to assist GVR with its recent Governance Training Day.
  3. It is **OLLI** and GVR who have agreed to cohost an outdoor concert at the Pima Community College facility in Green Valley in September, 2016. Additional collaboration with OLLI is being considered.

4. It is ***changeishappening!*** who partnered with GVR to initiate an information and education campaign using GVR facilities to help prevent domestic abuse of men and women, and provide access to resources that assist victims of domestic abuse. The inside of every GVR restroom stall has signage posted that provides toll-free number for victims of domestic abuse.
  
5. It is the **Pima County Small Business Commission (SBC)** that honored a request from GVR and has agreed to conduct one of its meetings in Green Valley in conjunction with a public forum on advancing small business and economic development here. The GVC will host the SBC events on October 20, 2016 at the GVR Desert Hills Center.
  
6. It was the **Green Valley Community Complex Association** that ultimately approved installation of the pretty-much-disguised-as-a-palm tree cell tower in GVR West Center's parking lot, whereby GVR receives non-dues revenue to the tune of \$24,500 a year, likely to be received for at least the next 20 years. It is also the Community Complex Association that is responsible for two roads around GVRs West Center (Arco Iris & W. Vista Hermosa). These roads may be the best maintained in all of Pima County!

Continued efforts on all of the aforementioned items will help keep our Corporation vibrant, attractive, and a bargain for members, and as GVR President Gunton said, a destination of choice for the 10,000 Americans per day who will turn 65 years of age over the next 13 years.

**A. Introduction of two new clubs**

1. GVR Metal Working Crafts Club
2. GVR Hunting & Fishing Club

**B. Blumenthal and Mauser Presented of Resolution of Commendation to President Gunton**

**5. Report on Quorum / Election Results – Vicky Mournian reported:**

**A. Ballots:** 13,052 households, 1,305 votes necessary for Quorum, 4084 valid ballots cast (31%). Quorum established

**B. Directors:**

- |    |             |       |     |
|----|-------------|-------|-----|
| 1. | Bob Allen   | 3,850 | 94% |
| 2. | Don Lathrop | 3,837 | 94% |
| 3. | Pat Lynch   | 3,807 | 93% |
| 4. | Joe Gunton  | 3,728 | 91% |

**6. Financial Report**

**A. John Hadley** introduced Skip Breither Financial Advisor who gave an investment update (see attached)

**B. Audit Report,** Rich Hill Audit Chairman

C. Financial Answers, Cheryl Moose

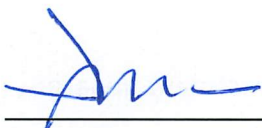
D. 2015 Budget Surplus, John Hadley

7. Strategic Master Plan Update, WSM Architects:

8. Member Comments: 11

9. Adjournment

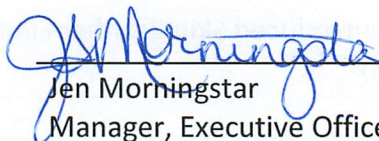
The meeting adjourned at 11:15am MST.



Secretary

4.19.16

Date



Jen Morningstar  
Manager, Executive Office

4/19/16

Date