



A regular meeting of the GREEN VALLEY RECREATION, INC. BOARD OF DIRECTORS was held on Tuesday, August 23, 2016 at West Center. The President being in the chair and the Secretary being present.

Directors Present: Jim Nelson (Secretary), Vicky Mournian (Treasurer), Leslie Shipley (Assistant Secretary), Bob Allen (Assistant Treasurer), John Arnold, Richard Kidwell, Pat Lynch, Barb Mauser, Jim Nelson, Kathy Palese, Kent Blumenthal (non-voting)

Present Via Teleconference: Joe Gunton (President), Don Lathrop

Absent: Tony Zabicki (Vice-President)

Staff: Jim Conroy (COO), Cheryl Moose (CFO), Jen Morningstar (Executive Office Manager), David Jund (Facilities Director), Lynda Campbell (Marketing & Event Assistant), Payton Snider (System Administrator), Julie Vance (Sr. Recreation Supervisor), Shelly Freeman (Sound & Lighting Lead), Pat Schuler (Administrative Assistant)

Visitors: 63

I. Call to Order / Establish Quorum

President Gunton called the meeting to order at 1:32pm
Roll call by Blumenthal; Quorum established.

II. Adopt Agenda

MOTION: Allen / Seconded. Adopt Agenda as amended presented
Passed: unanimous.

III. Consent Calendar

MOTION: Allen / Seconded. Approve Consent Calendar, as presented:

- Approval of Board of Directors Meeting Minutes of June 21, 2016
- June 2016 Financial Documents
- July 2016 Financial Documents

Passed: unanimous

IV. President's Comments

President Gunton commented on the significance of today's meeting. He expressed his gratitude for Attorney Evans guidance in our effort to understand the relationship between Non-Profit Corporations. He commended candidates that stepped forward to volunteer as successor director with high praise on all their bio's. Gunton encouraged the applicants that are not selected today run in this year's election. On the September Board of Directors meeting agenda will be WSM Architects report on our 10-year Strategic Master Plan.

V. CEO Blumenthal Reported the following:

Blumenthal reported that GVR Board of Directors Meeting is chock-full of important conversations and certain actions that will continue to advance our Corporation in service to its 22,000+ members.

The GVR Foundation, a IRC 501© (3) charitable purpose and tax exempt affiliate of GVR would be the principal focuses of the day's meeting.

Blumenthal acknowledged and thanked several of colleagues who are the Executive Directors and CEOs of local nonprofits who came to today's GVR Board Meeting as observers to listen and to learn more about best practices and rules governing nonprofit organizations from our invited guest, attorney Randal Evans of Evans Law in Phoenix.

Blumenthal invited attendees from local non-profit organizations to stand and introduce themselves, he thanked them for attending today's meeting.

In November 2013, when he interviewed for the GVR CEO position the GVR Board, Blumenthal brought up the notion of having an affiliated 501© (3) Foundation, to help strengthen Green Valley Community Well-being, and the Board met the idea with open arms.

In March, 2014 the GVR Board of Directors approved his first work plan, which included an exploration into the viability of having an affiliated Foundation.

In August 2014, with the guidance and able assistance of Michelle Phillips, Executive Director par excellence of the Greater Green Valley Community Foundation, the GVR Foundation was initiated as an Arizona nonprofit, and application was made to the IRS for 501© (3) status.

The IRS approved the GVR Foundation as a publicly-supported public charity in February, 2015.

A lot has transpired with the GVR Foundation within the past 1-1/2 years, and nearly all of it very good.

VI. GVR Foundation

- A. GVR Foundation Startup Loan Payoff to GVR – President Anne Waisman presented a check to GVR Board of Directors to pay back startup loan of \$15,0000 with interest, in the amount of \$15,787.50
- B. Presentation: Attorney Randy Evans – formal affiliations between non-profit organizations.

VII. New Business

A. Appointment of Successor Director

- 1. The Directors appointed as Successor Director to complete the term vacated by Pat Lynch. This term will expire in March 2019.

MOTION: Shipley / Seconded. I move we appoint Lance Heise as Successor Director.

Passed 8 yes / 2 no (Mauser, Palese)

B. New Club Proposal – GVR Glass Artists

MOTION: Mauser / Seconded. I move Board of Directors approve the formation of GVR Glass Artists Club, after insurance review, modeling GVR Glass Artists after the GVR Lapidary Club. Approval for formation of this club does not guarantee GVR will provide designated space or funds.

Passed: unanimous

C. Reciprocal Club Guest Policy

MOTION: Mauser / Seconded. I move the Board of Directors amend Corporate Policy Manual to allow for Reciprocal Club Guests (CPM) Section VIII -GVR Programs/Clubs, B. Membership/Guests/Monitoring, 10 as follows.

10. The non-GVR guest policy for competition or participation in clubs is as follows:

- ~~a.~~ **GVR Clubs may host competitive events and allow non-GVR members or guests to participate. The club must notify GVR's Club Liaison prior to the scheduled event. Documentation outlining the nature of the competition(s) will be required for each event. Non-GVR members or guests are only authorized to use GVR facilities associated with the event, including warm-ups/practice time. ~~League play may occur if there is a reciprocal agreement.~~**
- ~~b.~~ **~~Clubs may grant participation to guests, at their discretion, as long as those individuals are eligible guests, as defined in Section II, Membership. League play may occur as long as there is a reciprocal agreement to play at each other's facilities.~~**
- b. League play may occur if there is a reciprocal agreement to play at each other's facilities.**
- c. Outside of league play, Clubs may grant participation to guests at their discretion, as long as those individuals are eligible guests as defined in Section II, membership.**

Passed: 11 yes / 1 abstain (Shipley)

D. Proposed CPM Change to Allow Club Guests

MOTION: Mauser/ Seconded. I move the Board of Directors amend the Corporate Policy Manual Section VIII, Subsection 2, (B)(6) as follows:

6. Clubs may grant guest privileges, at their discretion, to guests of GVR Members ~~and, if authorized by the Board, other non-GVR Members upon payment of a guest fee to GVR. Clubs may be more restrictive, but not more lenient, than GVR guest policies.~~

Passed 11 yes / 1 abstain (Shipley)

E. Pilot Program – Social & Dance Club Guests

MOTION: Mauser / Seconded. Authorize a pilot program from September 1, 2016 to May 31, 2017 to allow non-GVR members attend GVR Social and Dance Club dinner and/or dance events at \$4 per non-GVR member guest, per event, with the following conditions:

- 1. Club participation is limited to GVR Social and Dance Clubs only and is subject to prior approval on a case-by-case basis by GVR of an application to participate in the pilot program. GVR Social and Dance Clubs eligible to participate in the pilot program are:**

Dance Clubs:

**GVR Line Dance Club
GVR Square and Round Dance Club
GVR Dance Club
GVR Argentine Tango Club
Canadian Club of GVR
GVR Colorado Club
Eastern States Club
Green Bay Packers Club**

Social Clubs:

**GVR Amigas Club
Michigan Club
Minnesota Club of Green Valley
Pacific Northwest Club
Singles Club of GVR
New England Club**

- 2. Non-GVR Members participating in the pilot program must sign a liability waiver that indemnifies the club and GVR.**
- 3. Monies collected from non-GVR member fees will be deposited to the GVR general fund.**
- 4. The GVR Board of Directors has the right to cancel this pilot program at any time.**

Passed: unanimous.

VIII. Standing Committee Reports

A. Board Affairs

1. Update: Legal Review of Governing Documents Phase 1



Green Valley Recreation, Inc.
Statement of Financial Position
As of Date: 8/31/2016

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	Current Year	Prior Year
Assets		
Current Assets		
Cash/Cash Equivalent	1,592,873	9,038,758
Accounts Receivable	180,298	206,576
Prepaid Expenses	177,146	206,382
Edward Jones Investments	9,067,997	0
Current Assets	11,018,314	9,451,716
Fixed Assets		
Contributed Assets	17,593,785	17,593,785
Purchased Assets	15,010,741	14,663,704
Less: Accum. Depreciation	(16,349,837)	(15,756,118)
Fixed Assets	16,254,689	16,501,371
Other Assets		
Other Assets	0	0
Assets	27,273,003	25,953,087
Liabilities & Net Assets		
Liabilities		
Current Liabilities		
Accounts Payable	161,146	203,445
Deferred Dues & Fees	2,131,717	2,008,052
Deferred Programs	120,199	112,916
Current Liabilities	2,413,062	2,324,413
Liabilities	2,413,062	2,324,413
Net Assets		
Unrestricted Accumulated Net Assets	15,711,906	16,462,263
Temp Restricted - Board Designated for Operation:	789,366	789,366
Temp Restricted - Board Designated for Capital Re	5,153,289	3,525,789
Temp Restricted - Board Designated Initiatives	2,069,845	1,897,345
Retained Earnings	1,135,535	953,911
Net Assets	24,859,941	23,628,674
Liabilities & Net Assets	27,273,003	25,953,087

DRAFT-FOR INTERNAL DISCUSSION PURPOSES ONLY



RESERVE REPORT

As of August 31, 2016

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Capital Replacement Reserve Fund-Temporarily Restricted	Beg. Bal.	4,602,501	
Reserve Funding 2016 January-July		525,000	
Abrego North Pool		(378,600)	
Canoa Ranch Pool Decking		(36,000)	
Canoa Hills Pool Heaters		(25,000)	
2016 Interest		22,285	
Ending Balance			4,710,186
Initiatives & Innovation Reserve Fund-Temporarily Restricted	Beg. Bal.	2,069,845	
Abrego North Pool-New L Shaped portion		(86,000)	
2016 Interest		12,366.20	
Ending Balance			1,996,211
Operating Reserve Fund-Temporarily Restricted	Beg. Bal.	789,366	
Human Resources Policies		(15,000)	
2016 Interest		1,577.24	
Fees		(485.55)	
Ending Balance			775,458
Reserve Fund Totals			<u><u>7,481,855</u></u>



GREEN VALLEY RECREATION, INC.

Green Valley Recreation, Inc.
Statement of Activities
Monthly Report: 8/1/2016 - 8/31/2016
YTD Period: 1/1/2016 - 8/31/2016
FY Budget Period: 1/1/2016 - 12/31/2016

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	Monthly Report Actual	Monthly Report Budget	Monthly Report Variance	Year-to-Date Actual	Year-to-Date Budget	Year-to-Date Variance	Fiscal Year Budget	Remaining FY Budget
Revenue								
1 Member Dues	533,533	534,335	(802)	4,268,690	4,274,683	(5,993)	6,412,025	2,143,335
2 Life Care, Transfer, Tenant & Add'l Card Fees	35,295	53,901	(18,606)	405,449	431,204	(25,755)	646,806	241,357
3 Facility Rent	2,848	1,750	1,098	14,406	14,000	406	21,000	6,594
4 Programs	7,411	27,590	(20,179)	231,131	220,720	10,411	331,080	99,949
5 Instructional	5,664	29,114	(23,450)	292,329	232,915	59,414	349,373	57,044
6 Advertising Income	775	550	225	16,493	4,400	12,093	6,600	(9,893)
8 Communication	0	4,542	(4,542)	21,404	36,336	(14,932)	54,504	33,100
9 NMCF/Initial Fees	145,242	135,847	9,395	1,390,695	1,086,773	303,922	1,630,160	239,465
12 Interest Income	44,968	11,405	33,563	161,657	91,238	70,419	136,857	(24,800)
13 Other Income	1,735	50	1,685	19,655	400	19,255	600	(19,055)
Revenue	777,471	799,084	(21,613)	6,821,909	6,392,669	429,240	9,589,005	2,767,096
Expenses								
17 Wages, Benefits, Payroll Expenses	302,957	317,672	14,715	2,702,769	2,541,379	(161,390)	3,812,068	1,109,299
18 Commercial Insurance	12,113	16,667	4,554	120,580	133,336	12,756	200,004	79,424
19 Conferences & Training	3,131	2,777	(354)	12,437	22,216	9,779	33,324	20,887
20 Recreation Contracts	10,733	55,257	44,524	512,408	442,057	(70,351)	663,086	150,678
21 Supplies	15,454	31,137	15,683	163,634	249,097	85,463	373,645	210,011
22 Advertising	0	0	0	13,590	0	(13,590)	0	(13,590)
23 Bank & Credit Card Fees	1,217	895	(322)	47,208	7,160	(40,048)	10,740	(36,468)
24 Professional Fees	1,770	12,384	10,614	95,232	99,069	3,837	148,604	53,372
25 Postage	0	3,770	3,770	14,204	30,163	15,959	45,245	31,041
26 Printing	1,156	4,532	3,376	28,556	36,253	7,697	54,380	25,824
27 Utilities	62,046	90,340	28,294	580,876	722,720	141,844	1,084,080	503,204
28 Communications	6,879	7,867	988	55,417	62,936	7,519	94,404	38,987
29 Taxes	0	500	500	0	4,000	4,000	6,000	6,000
30 Furniture & Equipment	11,317	31,406	20,089	71,299	251,245	179,946	376,868	305,569
31 Vehicles	4,014	4,867	853	39,210	38,936	(274)	58,404	19,194
32 Information Technology	552	4,229	3,677	22,668	33,833	11,165	50,750	28,082
33 Facility Maintenance	17,330	17,794	464	172,053	142,348	(29,705)	213,522	41,469
34 Major Projects-Repair & Maintenance	56,389	33,360	(23,029)	139,225	266,879	127,654	400,318	261,093
35 Fees & Assessments	1,358	2,770	1,412	3,855	22,160	18,305	33,240	29,385
36 Dues & Subscriptions	201	594	393	7,178	4,750	(2,428)	7,125	(53)
37 Food & Catering	2,190	4,396	2,206	21,081	35,167	14,086	52,750	31,669
38 Travel & Entertainment	404	1,708	1,304	4,374	13,667	9,293	20,500	16,126
39 Other Operating Expense	8	2,235	2,227	(11,385)	17,877	29,262	26,815	38,200
40 Provision for Bad Debt	2,145	2,917	772	22,127	23,336	1,209	35,004	12,877
41 Depreciation	106,519	110,950	4,431	847,778	887,600	39,822	1,331,400	483,622
Expenses	619,883	761,024	141,141	5,686,374	6,088,184	401,810	9,132,276	3,445,902
Excess or (Deficiency) of Revenue Over Expenses	157,588	38,060	119,528	1,135,535	304,485	831,050	456,729	(678,806)



BOARD OF DIRECTORS
Tuesday, September 27, 2016

EXHIBIT

APPROVED
Board Affairs Committee
September 13, 2016

ELECTION OF OFFICERS

Overview

In the election of officers, Arizona Statute requires a plurality of votes cast rather than a majority. GVR's Corporate Policy Manual Section VI Board/Board Committees; Sub-Section 2 Board Officers: Nominations and Elections; C. The Electing Ballot; 1. Outlines the procedure for electing officers. This outline does not align with Arizona Statute.

Definition of "Plurality": the number of votes cast for one candidate is greater than the number of votes cast for any other candidate, but not (necessarily) more than half the total votes cast.

Definition of "Majority": a number greater than half of the total votes cast.

Recommendation

Amend GVR's Corporate Policy Manual Section VI Board/Board Committees; Sub-Section 2 Board Officers: Nominations and Elections; C. The Electing Ballot; 1. By the following:

1. A nominee is considered "elected" if he/she receives a **majority plurality** of the votes cast.
2. Balloting should be repeated as many times as necessary to obtain a **majority plurality** vote for one candidate. The nominee receiving the lowest number of votes is never removed from the next ballot.