



A regular meeting of the GREEN VALLEY RECREATION, INC. BOARD OF DIRECTORS was held on Tuesday, November 29, 2016 at West Center. The Vice-President being in the chair and the Secretary being present.

**Directors Present:** Tony Zabicki (Vice-President), Jim Nelson (Secretary), Vicky Mournian (Treasurer), Bob Allen (Assistant Treasurer), John Arnold, Lance Heise, Richard Kidwell, Don Lathrop, Barb Mauser, Kent Blumenthal (non-voting)

**Absent:** Joe Gunton (President), Kathy Palese, Leslie Shipley

**Staff:** Jim Conroy (COO), Cheryl Moose (CFO), Jen Morningstar (Executive Office Manager), David Jund (Facilities Director), Sherri Cadeaux (Marketing & Communications Specialist), Karen Miars (Administrative Assistant), Randy Cheatham (IT Director), Payton Snider (System Administrator), Conal Ward (IT Technician), Shelly Freeman (Sound & Lighting), Amanda McDermott (Customer Service Representative), Julie Vance (Sr. Recreation Supervisor), Lynda Campbell (Marketing Assistant)

**Visitors:** 26

**I. Call to Order / Establish Quorum**

Vice President Zabicki called the meeting to order at 1:30 MST.  
Roll call by CEO Blumenthal; Quorum established.

**II. Adopt Agenda**

**MOTION: Nelson / Seconded. Adopt Agenda as presented.**  
**Passed: unanimous.**

**III. Consent Calendar**

**MOTION: Mournian / Seconded. Approve Consent Calendar, as amended:**  
**Passed: unanimous.**

**IV. CEO Blumenthal reported the following:**

Among other important business, two (2) actions are requested of the GVR Board that have taken months, even years, to bring to this table.

\* One is to act on a recommendation by WSM Architects who were hired to facilitate our 10-Year Strategic Master Planning process to find a better location for our Facilities Department and associated functions. Doing so would jumpstart our Corporation's ability to better accommodate for the long-haul our diverse community and ever-changing member needs and interests. If approved, today's action would authorize your CEO to explore opportunities at different local locations, all subject to Board review. Most significantly, it would open a critical path for our 10-Year Strategic Master Plan, allowing opportunities to enhance programs and services for our members that do not now exist. I am pleased to have WSM Architects principal architect, Paul Mickelberg with us today.

\* The second act is to approve a Resource Sharing Agreement, known as a RSA, between GVR and its affiliate, the GVR Foundation. The RSA was crafted by a Special Joint Task Force comprised of GVR Directors Nelson and Kidwell, GVR Foundation Directors Nisson and Stillahn, and your CEO, with the very capable assistance of Atty. Randy Evans of Evans Law. Attorney Evans specializes in nonprofit business and tax law needs, and I am pleased to have him with us today.

Establishing the GVR Foundation, a nonprofit, tax-exempt educational and charitable-giving organization, was the brainchild of your Board of Directors back in 2013. Creating it and getting it approved by the IRS was assigned to me as part of my first GVR Work Plan in 2014. By establishing a Foundation, the Board's intent is to expand opportunities that serve our members and the community at-large, and to accomplish things that GVR either does not, cannot do, or cannot do well. The GVR Foundation has already successfully accomplished far more than could ever be imagined in 2013 through grants, donations, and other non-dues income including the Engage! Recreation Program for Special Needs Adults; the Southern Arizona Senior Games, the Member Assistance Program, and development of the RetireArizona.org website, to name a few. It's now time to take the Foundation to the next level of service to GVR and our community, which might include organizing a capital fund raising campaign for the Strategic Master Plan. I urge you to support the Resource Sharing Agreement. Once approved by the GVR Board, it will go to the GVR Foundation Board for its approval.

## V. NEW BUSINESS

### A. Insertion of Nominations & Elections Procedures into CPM

**MOTION: Allen / Seconded. Adopt procedures and place into Corporate Policy Manual.  
Passed: unanimous.**

### B. Authorize CEO to Research Properties for Facilities Department

**MOTION: Arnold / Seconded. Authorize CEO to identify suitable property in Green Valley to accommodate relocation of the GVR Facilities & Maintenance Department, and negotiate purchase of the identified site, with terms of a negotiated purchase agreement subject to Board of Directors approval.  
Passed: unanimous**

### C. GVR GVR Foundation Resource Sharing Agreement

**MOTION: Nelson / Seconded. Approve terms of the GVR – GVR Foundation Resource Sharing Agreement (RSA) and further:**

1. **Authorize GVR President and Corporate Secretary to sign the Resolution and RSA and**
2. **Following mutual ratification of the RSA by the GVR Foundation Board of Directors, add the Agreement to the Corporate Policy Manual (CPM) in an appropriate location as determined by the Board Affairs Committee.**

**Passed: unanimous**

**D. Investment Committee Recommendation**

**MOTION: Lathrop / Seconded. Continue Investment Committee as an ad hoc committee through 2017 governance year and propose it become a standing committee, included with the expected restatement of GVR Bylaws, on the 2018 GVR ballot**

**Passed: unanimous**

**VI. Standing Committee Reports**

- A. Fiscal Affairs** – Mournian reported dues invoices will be mailed in the next week. Dues have increased by \$10.
- B. Planning & Evaluation** – Director Arnold reported the Fiscal Affairs Committee committed \$100,000 from 2017 budget for club requests that are in excess of \$25,000. Clubs will have a January deadline for their requests and the Planning & Evaluation Committee will evaluate each at an upcoming meeting.
- C. Nominations & Elections** – Allen requested anyone interested in running for a position on the Board of Directors is encouraged to do so.
- D. Board Affairs** – no report

**VII. Ad Hoc Committee Reports**

- A. Investment Committee** - Lathrop thanked the committee, reported net investment income of about 2%

**VIII. Member Comments: 3**

**IX. Adjournment**

**MOTION: Palese / Seconded. Adjourn meeting at 3:22pm MST.**

**Passed: unanimous.**

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Jim Nelson  
Secretary

Date

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Jen Morningstar  
Manager, Executive Office

Date



Green Valley Recreation, Inc.  
Statement of Financial Position  
As of Date: 11/30/2016  
**DRAFT**

	Current Year	Prior Year
<b>Assets</b>		
Current Assets		
Cash/Cash Equivalent	1,231,014	9,871,797
Accounts Receivable	156,676	65,551
Prepaid Expenses	113,023	163,131
Edward Jones Investments	8,038,931	0
Current Assets	9,539,644	10,100,479
Fixed Assets		
Contributed Assets	17,593,785	17,593,785
Purchased Assets	15,531,108	14,696,090
Less: Accum. Depreciation	(16,744,271)	(16,079,534)
Fixed Assets	16,380,622	16,210,341
Other Assets		
Other Assets	0	0
<b>Assets</b>	25,920,266	26,310,820
<b>Liabilities &amp; Net Assets</b>		
Liabilities		
Current Liabilities		
Accounts Payable	233,947	154,038
Deferred Dues & Fees	573,367	2,122,615
Deferred Programs	190,317	190,547
Current Liabilities	997,631	2,467,200
Liabilities	997,631	2,467,200
Net Assets		
Unrestricted Accumulated Net Assets	15,578,836	16,312,263
Temp Restricted - Board Designated for Operations	789,366	789,366
Temp Restricted - Board Designated for Capital Re	5,303,289	3,675,789
Temp Restricted - Board Designated Initiatives	2,069,845	1,897,345
Retained Earnings	1,181,299	1,168,857
Net Assets	24,922,635	23,843,620
<b>Liabilities &amp; Net Assets</b>	25,920,266	26,310,820

DRAFT-FOR INTERNAL DISCUSSION PURPOSES ONLY



**RESERVE REPORT**  
*As of November 30, 2016*  
**DRAFT**

<b>Capital Replacement Reserve Fund-Temporarily Restricted</b>	<b>Beg. Bal.</b>	<b>4,628,289</b>
Reserve Funding 2016 January-November	825,000	
Abrego North Pool	( 378,600 )	
Canoa Ranch Pool Decking	( 36,000 )	
Canoa Hills Pool Heaters	( 25,000 )	
2016 Interest	36,354	
<b>Ending Balance</b>		<b>5,050,043</b>

<b>Initiatives &amp; Innovation Reserve Fund-Temporarily Restricted</b>	<b>Beg. Bal.</b>	<b>2,069,845</b>
Abrego North Pool-New L Shaped portion	( 86,000 )	
2016 Interest	15,675.03	
<b>Ending Balance</b>		<b>1,999,520</b>

<b>Operating Reserve Fund-Temporarily Restricted</b>	<b>Beg. Bal.</b>	<b>789,366</b>
Human Resources Policies	( 15,000 )	
2016 Interest	4,440.87	
Fees	( 1,806.19 )	
<b>Ending Balance</b>		<b>777,001</b>

**Reserve Fund Totals**

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**7,826,564**





**Green Valley Recreation, Inc.**  
**Statement of Activities**  
**Monthly Report: 1/1/2016 - 11/30/2016**  
**YTD Period: 1/1/2016 - 11/30/2016**  
**FY Budget Period: 1/1/2016 - 12/31/2016**  
**DRAFT**

	Monthly Report			Year-to-Date Actual	Year-to-Date Budget	Year-to-Date Variance	Fiscal Year Budget	Remaining FY Budget
	Actual	Budget	Variance					
Revenue								
1	Member Dues	584,816	534,335	5,920,792	5,877,690	43,102	6,412,025	491,233
2	Life Care, Transfer, Tenant & Add'l Card Fee	55,545	53,901	539,957	592,906	(52,949)	646,806	106,849
3	Facility Rent	3,785	1,750	19,426	19,250	176	21,000	1,574
4	Programs	31,484	27,590	287,056	303,490	(16,434)	331,080	44,024
5	Instructional	41,463	29,114	372,426	320,259	52,167	349,373	(23,053)
6	Advertising Income	1,113	550	24,898	6,050	18,848	6,600	(18,298)
8	Communication	3,603	4,542	58,206	49,962	8,244	54,504	(3,702)
9	NMCF/Initial Fees	168,976	135,847	1,845,176	1,494,313	350,863	1,630,160	(215,016)
12	Interest Income	2,100	11,405	188,047	125,452	62,595	136,857	(51,190)
13	Other Income	484	50	18,838	550	18,288	600	(18,238)
	Revenue	893,369	799,084	9,274,822	8,789,922	484,900	9,589,005	314,183
Expenses								
17	Wages, Benefits, Payroll Expenses	478,092	317,672	3,832,874	3,494,396	(338,478)	3,812,068	(20,806)
18	Commercial Insurance	15,333	16,667	168,821	183,337	14,516	200,004	31,183
19	Conferences & Training	923	2,777	15,550	30,547	14,997	33,324	17,774
20	Recreation Contracts	81,571	55,257	639,364	607,829	(31,535)	663,086	23,722
21	Supplies	27,854	31,137	235,240	342,508	107,268	373,645	138,405
22	Advertising	1,124	0	14,683	0	(14,683)	0	(14,683)
23	Bank & Credit Card Fees	1,800	895	52,230	9,845	(42,385)	10,740	(41,490)
24	Professional Fees	11,932	12,384	148,119	136,220	(11,899)	148,604	485
25	Postage	94	3,770	15,328	41,475	26,147	54,245	29,917
26	Printing	0	4,532	34,952	49,848	14,896	54,380	19,428
27	Utilities	60,302	90,340	760,650	993,740	233,090	1,084,080	323,430
28	Communications	7,908	7,867	76,207	86,537	10,330	94,404	18,197
29	Taxes	0	500	10,021	5,500	(4,521)	6,000	(4,021)
30	Furniture & Equipment	11,636	31,406	143,772	345,462	201,690	376,868	233,096
31	Vehicles	7,411	4,867	62,184	53,537	(8,647)	58,404	(3,780)
32	Information Technology	6,007	4,229	32,093	46,521	14,428	50,750	18,657
33	Facility Maintenance	25,480	17,794	237,828	195,729	(42,099)	213,522	(24,306)
34	Major Projects Repair & Maintenance	7,002	33,360	235,495	366,958	131,463	400,318	164,823
35	Unrealized gain/loss on Invest.	118,930	0	122,909	0	(122,909)	0	(122,909)
36	Fees & Assessments	1,413	2,770	6,449	30,470	24,021	33,240	26,791
37	Dues & Subscriptions	60	594	8,644	6,531	(2,113)	7,125	(1,519)
38	Food & Catering	3,224	4,396	31,833	48,354	16,521	52,750	20,917
39	Travel & Entertainment	594	1,178	10,164	18,792	8,628	20,500	10,336
40	Other Operating Expense	13,725	2,235	13,385	24,580	11,195	26,815	13,430
41	Provision for Bad Debt	2,958	(41)	18,796	32,087	13,291	35,004	16,208
	Depreciation	106,221	110,950	1,165,931	1,220,450	54,519	1,331,400	165,469
	Expenses	991,594	761,024	8,093,522	8,371,253	277,731	9,132,276	1,038,754
	Excess or (Deficiency) of Revenue Over Expenses	(98,225)	38,060	1,181,300	418,669	762,631	456,729	(724,571)



**Green Valley Recreation, Inc.**  
**Variance Report**  
**Monthly Report: 11/1/2016-11/30/2016**

Row	Revenue	Year-to-Date	Budget	Variance	% Variance	
2	Transfer Fees	339,750	280,958	58,792	17.30%	Xfer fees charged on all transactions
	Guest Card Fees	31,390	107,523	(76,133)	-242.54%	Guest cards usually purchased in Nov-Dec
	Additional Card Holder	10,266	44,000	(33,734)	-328.60%	Add'l cardholder cards usually purchased in Dec
5	Instructional Revenue	372,426	320,259	52,167	14%	68 add'l classes offered
6	Advertising Income	24,898	6,050	18,848	76%	New Advertising Program
9	New Member Capital Fees	1,787,776	1,443,801	343,975	19%	NMCF over budget due to more home sales
12	Interest Income	188,047	125,452	62,595	33%	Higher earnings on investments
13	Other Income	18,838	550	18,288	97%	More Dues Payment Plan Fees
	<b>Expense</b>	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>	<b>% Variance</b>	
17	Wages, Benefits, Payroll Expenses	3,832,874	3,494,396	(338,478)	-9%	WC audit adj., Medical Ins. increase, wage increase
19	Conferences & Training	15,550	30,547	14,997	96%	Trainings scheduled for later in 2016
21	Supplies	235,240	342,508	107,268	46%	Computer Supplies under budget
23	Bank & Credit Card Fees	52,230	9,845	(42,385)	-81%	Credit cards fees-no offset fee, more cc used
27	Utilities	760,650	993,740	233,090	31%	Gas utility under budget-ABN
30	Furniture & Equipment	143,772	345,462	201,690	140%	Equip maint & new furniture under budget
34	Major Projects	235,495	366,958	131,463	56%	Unbudgeted uniform expense
39	Interest Expense	122,909	-	(122,909)	-100%	Fees & unrealized loss on investments



APPROVED  
BOARD OF DIRECTORS  
Tuesday, January 31, 2017

## EXHIBIT

### RECOMMENDED CHANGE TO N&E CHARGE IN CPM

#### Overview

GVR Nominations & Elections Committee has identified a need to update their charge in the Corporate Policy Manual

#### Recommendation

GVR Board of Directors approve CPM Amendment as follows:

Section 6 Board/Board Committees

SubSection 4 Board Committees Duties and Responsibilities

B. Committees of the Board of Directors

5. Nominations & Elections Committee

2.h. The counting of ballots, at the discretion of the Board of Directors may be conducted by an independent organization (e.g., Pima County Elections or electronic voting firm), in which case the results shall be obtained from the organization by the ~~Nominations and Elections Chairperson or their representative~~ Corporate Secretary and Nominations and Elections Chairperson or their representatives.

3.a. The Committee **along with the Corporate Secretary** shall have the validation/counting process completed at least two (2) business days prior to the date of the Annual Meeting or Special Meeting.

3.b. ~~e~~At the conclusion of the election, obtain the results of the election, including the establishment of a quorum.



- 3.c.~~d~~ The Chairperson shall notify the Board Secretary of the results of the election.
- 3.d.e) In the election of Directors, if there are fewer than fifty (50) valid votes separating the last successful candidate and the first unsuccessful candidate in the election, or less than a fifty (50) vote difference on any other ballot issue, then the Board may, at its sole discretion, order a recount
- 3.e. The Corporate Secretary reports the results of the election to Board President and each candidate. The Committee Chairperson shall report the establishment of a quorum and the election results at the Annual Meeting
- 3.f. The Committee Chairperson shall report the establishment of a quorum and the election results at the Annual Meeting.
- 3.g. Successful candidates shall be announced in the order of the total votes received. The results of the ballot for any other matters shall be announced in the order in which the items appeared on the ballot.



**APPROVED**  
**BOARD OF DIRECTORS**  
Tuesday, January 31, 2017

**EXHIBIT**

**NAME SUBSTITUTE FOR CORPORATE SECRETARY ELECTION DUTIES**

**Overview**

GVR Corporate Secretary Jim Nelson is a candidate for re-election on the 2017 ballot, making him ineligible to carry out his responsibilities with regard to the 2017 election.

**Recommendation**

GVR Board of Directors delegate Secretary Nelson's duties to Vice President Tony Zabicki for the 2017 election



**APPROVED**  
**BOARD OF DIRECTORS**  
**Tuesday, January 31, 2017**

**EXHIBIT**

**GVR 2017 ELECTION DATE OF RECORD**

**Overview**

GVR Nominations & Elections Committee responsibilities include a recommendation to the Board of Directors of a record date to determine the eligible roster of voting members for the annual election.

**Recommendation**

GVR Board of Directors set February 10, 2017 as record date for 2017 election.