



A special meeting of the GREEN VALLEY RECREATION, INC. BOARD OF DIRECTORS held Tuesday, April 25, 2017 at West Center. The President being in the chair and the Secretary being present.

Directors Present: Jim Nelson (President), Richard Kidwell (Vice President), Bob Allen (Secretary), Barb Mauser (Treasurer), Lance Heise (Assistant Secretary), Donna Coon, Carol Crothers, Don Lathrop, Roger Myers, Denise Nichols, Kathy Palese Tom Sadowski

Staff: Jim Conroy (COO), Cheryl Moose (CFO), Jen Morningstar (Executive Office Manager), David Jund (Facilities Director), Nat Whitman (Communications Specialist), Karen Miars (Administrative Assistant),

Visitors: 59

I. Call to Order / Establish Quorum

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

II. Adopt Agenda

MOTION: Nelson / Seconded. Amend Agenda, striking two items.
Passed: 7 yes / 5 no (Crothers, Heise, Myers, Nichols, Sadowski)

III. Consent Calendar

Mauser: Move March Financial Documents and 2017 Club Allocations to New Business
Crothers: Move Committee Appointments to New Business
MOTION: Nelson / Seconded.
Passed: unanimous

IV. President's Comments

I'd like to welcome John Matuska, CEO, Green Valley Hospital. If John is willing, I'd like to invite him to come to the mike and provide some brief remarks about how the Green Valley Hospital is doing, and what its future look like. John, how about it?

I'm a former music teacher, and it is time for us to break out of our rut and learn to sing a new song with shouts of joy. Some of you are singing the same song that you have sung for years and years – in a rut and you need to break out.

If you are stuck in a rut, I want you to know it is a bad place to be. Old songs get tiresome. What we need is to sing a New Song that and put in our heart.

But, before we can sing that new song, we have to learn to see things in a new way. I'll give you an example.

Back in college, one of the students in our dorm had a car that would not start without a push. After a while, he reached out for help and we all looked under the hood. The only trouble was a loose cable. The needless trouble of pushing his car had become routine. The power was there all the time. Only a loose connection kept him from putting that power to work. Just like him, many people are trapped in old patterns and have lost connection.

The largest challenge that we face, from my perspective, is the ability to break away from old patterns and move forward.

I'm not going to dwell on the past. The past is ancient history. If we stay in the past, we become stuck in our own rut and unable to move forward. I want to focus on what to do next and I trust our membership and Board together will devote energy moving forward.

Walt Disney said:

“Around here we don't look backwards... We keep moving forward, opening up new doors and doing new things, because we're curious...and curiosity keeps leading us down new paths.”

And as we move forward this year, I am aware there are special interest groups with their own agenda behind closed doors. I am curious as to how we can open those closed doors and move forward throughout the year. We can always open new doors. We need to open those doors. We need to sing new songs!

I would like to come to door number eight and think, “Great, we get to open another door”!

Together we all need to keep moving forward, sing new songs and keep opening doors.

V. CEO Report

I will focus my remarks on three (3) items.

First, as a Corporation we strive for impeccability, not perfection, since perfection is not of our mortal realm, hence always elusive. When we can do better, we do better. Where we can improve our operations and our governance we do. Though we have no shortage of governing documents, our Articles of Incorporation, Bylaws, and Corporate Policy Manual, many of our procedures are based on tradition and historical precedent. Until this year, committee chairs appointed by the president with approval of the Board selected their own committee members. In fact, our bylaws say otherwise, in that committee chairs may recommend its members subject to Board approval. We implemented this process this year.

Following last Monday's Special Board Meeting, GVR's General Counsel contacted me. She discussed the admittedly confusing GVR Bylaws requirements concerning the Audit Committee and has a different interpretation than does GVR has about its meaning and implementation. Yesterday she emailed me with specifics, and she asked that I share her interpretation with the Board at its next meeting. I agreed to do so today within the context of my “CEO Report.” Historically, at least to the best of my knowledge, GVR has interpreted its Bylaws concerning the Audit Committee, whereby the Audit Committee Chair who is jointly appointed by the Pres. and the CFO with Board approval, may not be a Board Director or serve the Fiscal Affairs Committee. The term “officer of the Board” with a lowercase ‘o’ for officer was interpreted by

the Board to mean all Directors. Our attorney believes that the word ‘officer’ means exactly that: The “officers” of the corporation are the positions set forth in Article VII (President, Vice President, etc.). There are six of them. Thus, the Chairperson of the Audit Committee must be a director (on the Board) but cannot be an officer or on the Fiscal Affairs Committee. Since the Board already affirmed the Audit Committee chair for this year, she suggests that it would be sufficient to meet the Bylaws requirements if the Board were to appoint co-chairs of the Audit Committee, with one of the co-chairs meeting these qualifications.

I recommend that Pres. Nelson and CFO Moose consult over the coming weeks about naming a co-chair for the Audit Committee who meets these qualifications, with the current Audit Committee Chair, serving as senior co-chair.

Second, Green Valley is honored to be recognized by Forbes magazine’s online Forbes.com as one of “The 25 Best Places To Retire In 2017” in their annual effort to offer a wide view of attractive, affordable choices across the United States.

Forbes did not rank its 25 picks. So no place on this list can claim to be No. 1, but each can correctly brag, that Forbes considers it a worthy place to consider for retirement.

The brief write-up about Green Valley states, “Collection of dozens of retirement communities, with a total population of 32,000, 20 miles south of Tucson toward the Mexican border. **PROS:** Cost of living 4% below national average, median home price \$157,000. Adequate number of physicians per capita. Very low serious crime rate. Good air quality. Hot days, but cooler nights thanks to 3,000-foot elevation. Very mild winters. Good state climate for retirees, with no state income tax on social security benefits and no state estate/inheritance tax. **CONS:** Not very walkable. So-so economy. **Noted:** in middle of Milken Institute ranking of best places for successful aging. New to list.

GVR will provide the link to the Forbes article in our Thursday eBlast that includes follow-up from this Board meeting.

Third, being noticed for the first time by a highly rated financial-based magazine as a top community to retire to is very cool. However, a note of caution. Addressing Forbes’ astute observation of a Green Valley ‘so-so economy’ will take hard work and much fortitude and patience of this Corporation and our community leaders and partners. I am pleased to see that the GVR Board in partnership with staff will continue consideration of our strategic goals and corporate priorities for the coming year immediately following adjournment of this Board Session. As my mom often said, ‘Nothing beats a failure but a try.’

VI. New Business

A. Appoint Investment Ad-Hoc Committee Chair

MOTION: Nelson / Seconded. Appoint Roger Myers as chair

11 yes / 1 recuse (Nelson)

B. March Financial Documents

MOTION: Mauser / Seconded. Table review of March financial documents until May meeting, giving Fiscal Affairs Committee a chance to review.

Passed: unanimous

C. 2017 Club Requests Allocation

MOTION: Palese / Seconded. Approve P&E Committee recommendation

Passed: unanimous

MOTION: Palese / Seconded. Approve Audit Committee recommendation

Passed: unanimous

MOTION: Kidwell / Seconded. Approve Board Affairs Committee recommendation

Passed: unanimous

MOTION: Mauser / Seconded. Approve Fiscal Affairs Committee recommendation

Passed: 9 yes / 2 no (Crothers, Sadowski)

MOTION: Approve Nominations & Elections Committee recommendations

Passed: unanimous

D. Discussion of 2017-2018 Board Goals

President Nelson introduced Michelle Phillips, Executive Director of Greater Green Valley Community Foundation. Michelle introduced herself to the directors. Michelle will facilitate a closed work session immediately following the board of directors meeting today.

VII. Committee Reports

A. Planning & Evaluation – Director Don Lathrop gave a report of the formation of the 2017-18 Planning & Evaluation Committee

B. Audit – Rich Hill explained the goals of the 2017-18 Audit Committee

C. Board Affairs – no report

D. Fiscal Affairs – no report

E. Nominations & Elections – no report

VIII. Member Comments: 7

IX. Adjournment

MOTION: Meeting Adjourned at 3:03pm MST.

Passed: unanimous

Bob Allen
Secretary

Date

Jen Morningstar
Manager, Executive Office

Date