



AGENDA

BOARD OF DIRECTORS MEETING
February 27, 2018
1:30pm – West Center Auditorium

Directors: Jim Nelson (President), Kathy Palese (Vice-President), Lance Heise (Secretary), Bob Allen (Treasurer), Donna Coon (Assistant Secretary), Roger Myers (Assistant Treasurer), Carol Crothers, Don Lathrop, David Messick, Denise Nichols, Tom Sadowski, Tim Stewart, Kent Blumenthal (non-voting)

	Agenda Topic	Board Member	Exhibit	Action
I.	Call to Order / Quorum			
II.	Adopt Agenda		X	X
III.	Consent Calendar A. Minutes from January 30, 2018 **December 2017 Financial Statements and accompanying reports will be presented to Board of Directors with the Audit Report at the Annual Meeting on March 29, 2018	Nelson	X	X
IV.	President’s Report	Nelson		
V.	CEO Report	Blumenthal		
VI.	New Business A. Recommendation: Lighting Pickleball Courts #1-#2-#3 at East Center B. Recommendation: Philanthropic Naming Opportunities Policy C. Recommendation: Governing Documents-Legal Audit Phase III D. Recommendation: Initiatives Reserve Funding Mechanism	Nelson Palese Palese Allen	X X X X	X X X X
VII.	Committee Reports A. Nominations & Elections B. Blue Ribbon C. Board Affairs D. Fiscal Affairs E. Planning & Evaluation F. Investments	Heise Nelson Palese Allen Lathrop Myers		
VIII.	GVR Foundation Report			
IX.	Member Comments			
X.	Adjournment			

**In accordance with GVR Bylaws, all meetings of the Board at which official business of The Corporation is transacted, with the exception of meetings limited to personnel and/or legal matters, shall be open to all members of The Corporation. An executive session “placeholder” is added to each Regular Meeting Board agenda should the Board have personnel and/or legal matters to address. Meetings shall be governed by Roberts Rules of Order unless otherwise determined by the Board of Directors.*



A regular meeting of the GREEN VALLEY RECREATION, INC. BOARD OF DIRECTORS held Tuesday, January 30, 2018 at West Center, the President being in the chair and the Secretary being present.

Directors Present: Jim Nelson (President), Lance Heise (Secretary), Bob Allen (Treasurer), Donna Coon (Assistant Secretary), Roger Myers (Assistant Treasurer), Carol Crothers, Don Lathrop, David Messick, Denise Nichols, Tom Sadowski, Tim Stewart, Kent Blumenthal (CEO)

Directors Present Electronically: Kathy Palese (Vice President),

Staff: Cheryl Moose (CFO), David Jund (Facilities Director), Jen Morningstar (Executive Office Manager), Karen Miars (Administrative Assistant), Kathy Edwards (Program Coordinator), Payton Snider, Conal Ward

Visitors: 154

I. Call to Order / Establish Quorum

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

II. Adopt Agenda

MOTION: Nichols / Seconded. Adopt Agenda as amended.
Passed: unanimous

III. Consent Calendar

MOTION: Allen / Seconded. Approve Consent Calendar as presented.
Passed: unanimous

IV. President's Comments

Members The Survey everyone asked for has been completed. The survey was sent to all members either in a digital format or made available in a hard copy version. Every effort was made to encourage each member to complete the survey. If you took the time and effort to fill out the survey, thank you.

As of last Friday evening, 3,399 online and 1,926 hard copies have been completed, giving GVR 5,325 individual responses thus far, with likely more to come. There are several hundred online partials, as well. We think some of those are people who may have started the survey and then came back and did the whole survey from the start later. We also told members they could mail their survey as late as last week, so we aren't closing the on line survey as we wait for more hard copy surveys to be delivered.

According to our survey consulting firm, similar parks and recreation surveys have a response rate in the 18% to 30% range, with 30% definitely being on the high end. Additionally, when everyone is invited to participate, as in our survey, the response rate is typically low; in the 18% range.

Our 5,325 surveys to date reflects about a 24% response rate, significantly higher than the average for this type of survey. However, with late returns, we suspect we'll end at about a 25% to 27% response rate. Not bad for a survey of this type.

Now what? The data collected and is being analyzed and a report will be shared at our annual meeting in March. Thank you again for taking part in the survey.

Moving on...

Fake News! Yes, we hear about almost every day, but it's not limited to Washington politics. Unfortunately, in the past few weeks, there has been a significant increase in fake news targeting GVR by a perennial group of local pessimists and rumor mongers who call themselves GVR4US. This group continues to anonymously publish falsehoods, baseless rumors, and innuendo that play on people's fears and insecurities.

Time for Fact Check. As most of you are aware, CEO Blumenthal had authority vested in him by the Board of Directors to tap available funds in the 2017 budget to renovate the former nursery property purchased last year by GVR to be our new Facilities headquarters. CEO Blumenthal acted on this authority with approval and full knowledge of our Board and Committee structure. In a most egregious offence, GVR4US falsely claimed (again anonymously) that CEO Blumenthal misappropriated funds for the renovation of the former nursery purchased by GVR. This unconscionable action by the GVR4US spreads a malicious lie and it defames our CEO.

It's this type of libelous and malicious information being circulated in an attempt to discredit GVR, its staff and the Board. This type of literature is an insult to our intelligence. I'm applaud those who put this corrupt propaganda in the toilet or waste basket.

There are several other examples of intentionally false and misleading statements made by this group. Some of them claim that your President and CEO were present at meetings that they did not attend. Other false statements single-out the CEO for making decisions and instituting policies and practices that are the sole purview of the Board of Directors. The list of false and misleading statements goes on and on.

I caution everyone when this type of 'Truth Decay' is anonymously published to question its source and its intention.

Thank you for your continued your support.

V. **CEO Report**

CEO Blumenthal reflected on January 2018 some of our accomplishments this month included:

1. Annual Dues went into effect for 13,352 member properties with few
2. Senior games registrations & application forms launched with several hundred responses already in
3. Preliminary report on comprehensive member survey – the percentages are 354% greater return than the 2010 community survey.
4. RetireArizona.org launched last week to great fanfare
5. Conversation with Kent on Budget Matters
6. 2018 Audits on-site work was completed last week
7. Performing Arts season well underway
8. Classes winter session is underway
9. Lectures
10. Farmer's Market every Tuesday 9am-1pm
11. Fit 'n Fun Day and Open House
12. Super Blue Blood Moon Eclipse tomorrow morning at about 6:30am first since 1862

VI. New Business

A. Recommendation for 2018 P&E Approved Club Projects

MOTION: Lathrop / Seconded. GVR Board of Directors authorize execution of P&E Club approved projects for 2018 in the amount of \$79,700

Passed: unanimous

B. Approval of 2018 Non-Reserve Capital Projects

MOTION: Lathrop / Seconded. Authorize staff to execute capital expenditures not in the reserve study of \$411,997.

Passed: unanimous

C. Approve Reserves Funding for 2018 Capital Projects as Presented in September 2017 Reserve Study Update.

MOTION: Allen / Seconded. Approve reserves funding of the 2018 Capital Projects as presented in the September 2017 reserve study update.

Passed: 10 yes / 2 no (Crothers, Sadowski)

D. Property Acquisition

MOTION: Lathrop / Seconded. Engineering and design should proceed as authorized by the Board of Directors and should include cost required to complete actions necessary to complete GVR due diligence and finalize purchase of the property located at 670 W Esperanza Blvd., not to exceed \$165,000; further, that the Board of Directors make a determination whether or not the property meets expectations and is viable for purchase by the Corporation prior to the end of the contractual 45-day due diligence period.

Passed: unanimous.

VII. Committee Reports

A. Investment – no report

B. Blue Ribbon – no report

C. Planning & Evaluation – no report

D. Nominations & Elections – Director Heise announced the final roster of 2018 Candidates for Board of Directors

E. Board Affairs – no report

F. Fiscal Affairs – no report

VIII. GVR Foundation Report Foundation Vice President Carl Smith reported on GVR Foundation progress on the 2nd Annual Southern Arizona CultureFest and 2018 Write-A-Will workshop along with a reception for all participants. GVR Foundation annual meeting was January 11, the board was increased from 7 to 9 directors. The Foundation will make a recommendation to GVR Board of Directors for a replacement for one director who resigned for personal reasons.

IX. Member Comments: 0

X. Adjournment

MOTION: Lathrop / Seconded. Meeting Adjourned at 3:15pm MST.

Passed: unanimous

Lance Heise
Secretary

Date

Jen Morningstar
Manager, Executive Office

Date



EXHIBIT

Light East Center Pickleball Courts #1-#2-#3

Overview

On February 20, 2018 the GVR Board of Directors voted to rescind its offer to purchase the 12-acre parcel of land referred to as the 'Esperanza Property' in Green Valley for a GVR Pickleball Center. When acting to rescind the purchase offer, the Board agreed to light the three remaining unlit pickleball courts at East Center (courts #1-#2-#3) to extend pickleball play opportunities for GVR members.

Recommendation

Provide court lighting in FY 2018 at GVR East Center Pickleball Courts #1, #2, #3; further:

- 1. Funding for the East Center court lighting and associated engineering and design work shall not exceed \$90,000; and**
- 2. Monies to pay for the East Center lighting of courts #1-#2-#3 shall be from reallocated monies within the Board-approved, FY 2018 budget for non-reserve capital projects.**



EXHIBIT

**Board of Directors
February 27, 2018**

**APPROVED
Board Affairs Committee
February 13, 2018**

Philanthropic Naming Opportunities Policy / Guidelines

Purpose

The purpose of this policy is to provide standard guidelines for the GVR Board in naming buildings, sites, and common areas as well as programs, funds and services.

Naming in Recognition of Financial Support

For naming in recognition of financial gifts, the donor will be expected to provide all or a substantial part of the cost of the entity. "Substantial" is deemed to mean either a significant majority of the cost (25%) or a contribution which, while not being a significant majority, would not have been available from another source or was in some way integral to project completion. A guide for naming may be based on cost of area per square foot with appropriate adjustments based on visibility of space to be named and other considerations. Naming of programs, funds and services for individual donor gifts may be made when a substantial gift is received for such purpose. A substantial gift generally is deemed a gift that provides an endowment necessary to support a specific program, fund or service.

Donors may be individuals, families, organizations, foundations or corporations.

In establishing objectives for a fundraising campaign, GVR Foundation, in consultation with the Green Valley Recreation, Inc. (GVR) Board, will establish a schedule of naming opportunities and the level of donation required for each. The Foundation will consult with the GVR Board to advise whether the gift levels are appropriate and consistent with other similar campaigns.

General Provisions

1. No naming will be approved or (once approved) sustained that will call into serious question the public respect of Green Valley Recreation.
2. Names of facilities or areas should lend prestige to GVR. The credentials, character and reputation of each individual, organization or corporation for whom the naming rights are being considered shall be carefully scrutinized and evaluated. Nominations submitted for consideration must be accompanied by supporting documentation.
3. When a building or significant area is named, GVR will continue to use the name so long as the building or area remains in use and serves its original function. When the use has changed such that it must be demolished, substantially renovated or rebuilt, GVR may retain the use of the name, name another comparable room or facility or discontinue the use of the name.
4. It is the responsibility of the Foundation negotiating on behalf of GVR to advise potential benefactors that their gift may be recognized by naming, subject to approvals and decisions consistent with this policy.
5. It is also recognized that the Foundation, in developing and executing a campaign, may rely on plaques, a donor wall (monument), pavers, benches, etc. to encourage and recognize a variety of donors.

Approvals

1. All proposals for naming will be forwarded to the GVR Board, who shall make a determination whether the proposed naming conforms to this policy, is otherwise appropriate, and is of sufficient merit.
2. The GVR Board will consider for approval the naming of buildings, substantial areas or significant landscape features. The Board will also approve the schedule of naming opportunities and the level of donation required for each upon the launching of a capital campaign on campus. Similarly, the GVR Board will consider for approval the naming of programs, funds and services in recognition of substantial financial support.

Naming Conventions

1. A uniform system of signage should be adopted by GVR.
2. Buildings and areas should have names that include their primary function:
 - a. Special use buildings or areas such as the auditorium, sports courts, hobby shops, meeting rooms, or such, may bear the functional name separately or in combination with the donor's name (e.g., "Smith Auditorium," "Jones Pickleball Complex," "Wise Lapidary Lab").
 - b. Outdoor areas shall bear the name of the individual and a functional description (e.g., "Hall Shaded Canopy Community Space").
3. Plaques and signage should be tasteful, discrete and consistent with other GVR signage.

Recommendation

Accept Philanthropic Naming Opportunities Policy/Guidelines as presented.



EXHIBIT

**Board of Directors
February 27, 2018**

**APPROVED
Board Affairs Committee
February 13, 2018**

Governing Documents Complete Legal Audit (Phase III)

Overview

In 2016 Board Affairs Committee formed a subcommittee to perform the first phase of a legal audit of our governing documents. The subcommittee reviewed and proposed a restatement of GVR's Articles of Incorporation on the 2017 ballot for member approval. The restatement passed at 71.8% Member approval. In 2017 the subcommittee reviewed and are proposing a restatement of GVR's Bylaws on the 2018 Ballot. The final step in the audit is be a review and restatement of GVR's Corporate Policy Manual.

Recommendation

Complete governing documents legal audit with a goal of updating the Corporate Policy Manual accordingly. Further, continue governing documents legal audit subcommittee as presently constituted through the completion of said task.



EXHIBIT

**Board of Directors
February 27, 2018**

**APPROVED
Fiscal Affairs Committee
February 20, 2018**

Initiatives Reserve Fund

Overview

The Board established three reserve funds several years ago: Emergency, Maintenance, Repair and Replacement, and Initiatives. Emergency Reserve is held to provide liquidity when needed for operational emergencies. Maintenance, Repair and Replacement Reserve are those monies used to support the Reserve Study and to make necessary, unanticipated repairs and replacement to facilities and equipment. Initiatives Reserve provides funding for new programs and facilities that respond to member needs and interests which are often tied to changes in the demographics of our membership. Innovation in facilities and programs enables GVR to respond to member expectations.

Currently the only reserve fund which is budgeted annually is the Maintenance, Repair and Replacement fund. The other two funds receive funding only if resources are unexpended during the year. The unpredictability of needed resources is problematic to funding the Initiatives Reserve. For instance, FY 2016-17 added only \$34,764 to this reserve fund. Clearly, if we are going to continue to evolve as an organization, meeting our current and future member needs, providing resources to the Initiatives Reserve Fund has to become something that is budgeted and therefore purposeful.

Recommendation

Each Quarter, GVR shall fund the Initiatives Reserve Fund according to the following formula:

1. For each home sold with a New Member Capital Fee, twenty (20) percent of the fee, rounded up to the next \$5 and
2. For each home sold with an Initial Fee, twenty-five (25) percent of this fee rounded up to the next \$5 will be transferred to the Initiatives Fund.

At the end of each fiscal year, the Board of Directors shall determine the amount, if any, to contribute over and above the aforementioned funding from excess Revenue-Over-Expenses plus Depreciation Expense less Reserve Contributions to the Maintenance, Repair and Replacement Reserve Fund, and amend the CPM as described on the following page.

GVR CPM SECTION V – FISCAL / ACCOUNTING

SUBSECTION 2 – RESERVE POLICY

C. Maintenance of GVR Financial Reserve System

Item 2 Reserve Contributions and the Annual Budget

3rd paragraph

Reserve Contributions to the Initiatives Reserve Fund and the Emergency Reserve Fund shall be reviewed by the Chief Financial Officer (CFO) who will recommend contribution amounts for these Reserves to the Board.

CHANGE AS FOLLOWS:

Reserve Contributions to the Initiatives Reserve Fund shall be funded from a portion of the New Member Capital Fee and/or from the Initial Fee ~~when a home is sold whichever Fee applies~~ **based on the applicable fee when a GVR member property is sold.**

Reserve Contributions to the Emergency Reserve Fund shall be reviewed by the ~~recommended by the~~ Chief Financial Officer (CFO) who will recommend ~~the contribution amount for this Reserve to the Board~~ **to the Board for consideration and approval.**

F. INITIATIVES RESERVE FUND

3. FUNDING SOURCE

Within 30 days after the end of each fiscal quarter GVR shall transfer the following ~~into~~ to the Initiatives Reserve Fund based on the applicable fee:

- (1) ~~For each home sold with a New Member Capital Fee 20% of this fee rounded up to the next \$5.00 will be applied to the Initiatives Reserve Fund, and for each home sold with an Initial Fee 25% of this fee rounded up to the next \$5.00 will be applied to the Initiatives Reserve Fund~~ Twenty percent (20%) of the New Member Capital Fee (NMCF) assessed on each GVR member property sold rounded up to the next \$5.00 and**
- (2) Twenty-five percent (25%) of the Initial Fee assessed on each GVR member property sold rounded up to the next \$5.00.**

At the close of each fiscal year, the Board of Directors shall determine the amount, if any, to contribute over and above the aforementioned funding from excess Revenue-Over-Expenses plus Depreciation Expense less Reserve Contributions to the Maintenance, Repair & Replacement Reserve Fund.

~~The target balance for this account shall remain at not less than \$500,000.~~