



AGENDA

BOARD OF DIRECTORS MEETING

Tuesday, August 28, 2018

1:30pm – West Center

Directors: Carol Crothers (President), Donna Coon (Vice-President), Denise Nichols (Secretary), Roger Myers (Treasurer), Carol Lambert (Assistant Secretary), Tom Sadowski (Assistant Treasurer), Nina Campfield, Lynne Chalmers, Charles Sieck, Tim Stewart, Sandra Thornton, Gail Vanderhoof, Kent Blumenthal (non-voting)

	Agenda Topic	Director	Exhibit	Action
I.	Call to Order / Quorum	Crothers		
II.	Adopt Agenda	Crothers	X	X
III.	Consent Calendar A. Minutes: Board of Directors Meeting June 26, 2018 B. Minutes: Special Board of Directors Meeting August 10, 2018 C. Financial Statements: June 2018 D. Financial Statements: July 2018	Crothers	X	X
IV.	President Report	Crothers		
V.	CEO Report	Blumenthal		
VI.	New Business 1. GVR / GVR Foundation Relationship A. GVR Response to GVR Foundation Letter of July 23, 2018 B. Request for Legal Opinion on Relationship Between GVR and GVR Foundation 2. Letter of Support to White Elephant – GVR Foundation Grant Application (MAP) 3. Request to Release Summary of Legal Opinion – “Standard of Service” (GVR Bylaws Article III Section 3) 4. Proposed 2018-2019 GVR Work Plan 5. Request by Directors for Legal Opinion (Civil Rights of Board Members) 6. Proposal: Board Responses to Member Emails 7. Recommendation: Establish Bylaws Ad Hoc Committee and Appoint Chair 8. Recommendation: Appoint Third Co-Chair to Ad Hoc Survey Sub-Committee 9. Proposed Corporate Policy Manual Changes A. Exhibit A – Suspension of Privileges B. Exhibit B – Guests C. Exhibit C – Dues Assessments D. Exhibit D – Board Code of Conduct E. Exhibit E – Email Policy	Stewart Sieck Crothers Campfield Crothers Campfield Campfield Crothers Crothers Vanderhoof	 X X X X X X X X X X X	 X X X X X X X X X X

VII.	Committee Reports A. Investments Ad Hoc B. Fiscal Affairs C. Board Affairs D. Planning & Evaluation E. GVR – GVR Foundation Relationship Ad Hoc F. Survey Ad Hoc G. Nominations & Elections			
VIII.	Member Comments			
IX.	Executive Session (if necessary)			
X.	Adjournment			X



A regular meeting of the GREEN VALLEY RECREATION, INC. BOARD OF DIRECTORS held Tuesday, June 26, 2018 at East Center, the President being in the chair and the Secretary being present.

Directors Present: Carol Crothers (President), Donna Coon (Vice-President), Roger Myers (Treasurer), Nina Campfield, Sandra Thornton, Gail Vanderhoof, Kent Blumenthal (CEO)

Directors Present Electronically: Lynne Chalmers, Tom Sadowski, Charles Sieck, Denise Nichols, Carol Lambert

Directors Absent: Tim Stewart

Staff: Jen Morningstar (Executive Office Manager), George Rushing II (Recreation Director), Karen Miars (Administrative Assistant), Randy Cheatham (IT Director), Payton Snider (System Administrator), Conal Ward (IT Technician / Webmaster)

Visitors: 82

I. Call to Order / Establish Quorum

President Crothers called the meeting to order at 1:32pm MST.
Roll call by Vice President Coon; Quorum established.

II. Adopt Agenda

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

III. Approve Minutes

MOTION: Vanderhoof / Seconded. Approve minutes as amended.
Passed: 11 yes / 1 abstain (Nichols)

IV. President's Report

First, I want to bring you up to date on board member Tim Stewart. Word travels fast in our small town so I'm sure most of you know that Tim had a very serious biking accident about two weeks ago in northern Michigan. He spent about a week in the hospital and now he is home recuperating. (I'd hoped he would be able to join us today - our thoughts and prayers are with him).

Your board had two planning sessions this spring and identified two major goals: improved communications and creating a new 5-year strategy. Communications objectives were broken down into 4 areas: communication to and from our members, communication within the board, communication between committees and communication with our CEO.

A key objective that supports most of these areas is getting timely agendas and meeting notes up on our GVR website. We are making progress and our timeliness should improve as we get additional administrative support.

Our board has lots of good ideas including holding informal member forums, posting FAQ's on our website and providing printed eBlast materials for those who don't have access to the internet. We want to integrate our ideas with the input from our member survey.

A team of directors is working on recommendations for responses to member emails. All board members receive every email that is addressed to the board. board@gvrec.org.

Emails expressing an opinion are acknowledged and forwarded on to the board. Emails to be handled by the staff are forwarded on for an answer. Some emails deal with issues that are being investigated by the various committees. These might be forwarded on to the committee chair or answered with the suggestion that the member attend the committee meetings. A few might require a policy decision. Those will be considered by the board and an answer will be provided to the individual or the general membership as is appropriate. Our board Secretary will be the point person on this.

I'd like to address board training. Last year's board decided there could be better ways to conduct board training and orientation. We have tried a number of things like holding a training session with potential candidates before they were elected. This covered board member expectations, how our committee system works, our governing documents, and the Carver policy governance model. After the election we heard from our CEO on the state of GVR and had two sessions with our attorney to understand our legal responsibilities. We agreed to space additional training out through the year. For example, earlier this month we spent 4 hours touring our facilities and getting a solid orientation on capital projects including those in the 3-5 year plan. We are not completely happy with our training approach, so the Nominations and Elections committee is busy working on improvements.

The heart of our business takes place in our committees. I've asked each of our committee chairs to give you an update on our progress and key items they are working on.

V. CEO Report

I will briefly address two items in my CEO report to the Board.

- GVR operations, programs and services, activities and progress since the last regular session of the Board held on May 24.
 - Provide a quick tour of expanded GVR communications via the GVR website and eBlast, provided by Executive Office Manager, Jen Morningstar and IT Specialist, Payton Snyder.
1. Solar Panel Installation Project - as you are aware, the board will today consider accepting terms of agreement that will lead to installation of solar panels on either rooftops or as carports at 10 GVR sites. Special thanks to director Nina Campfield for her leadership over the past year to move this significant initiative forward.

2. Update on Architectural & Engineering Projects - VP and chair of the P&E Committee, Donna Coon will provide a status report of several outstanding architectural and engineering activities involving WSM Architects, including design and engineering for the 24 Court Pickleball Ctr.
3. Summer 2018 Reserve Study Projects - staff have initiated work on approximately \$1.4 million worth of repair and maintenance activities. The work is ongoing. Look to eBlasts for an update on specific projects.
4. Reserve Study Updates - GVR Facilities staff have completed their review of all of our centers and other facilities and this week has submitted to the consultant Browning Group updates for the next edition of the GVR reserve study.
5. 2019 Budget Worksheets - The GVR accounting department has provided department heads and supervisors with budget worksheets to begin cobbling together an operating budget for FY 2019. Staff is working closely with the Fiscal Affairs Committee in this regard. The target date for submission of a Fiscal Affairs-approved proposed budget to the GVR Board is at the September 25, 2018 Board meeting.
6. Transition to New GVR Member Database System - work on the new member database system is progressing. We hope to complete a transition to the new database system by the end of the year.
7. GVR Now! Newsletter - we are able to reduce production costs for our monthly newsletter by completing virtually all design in-house, which not only reduces expenses but shortens the production schedule for each issue. Also, GVR has received permission from several commercial and retail outlets in Green Valley to offer our newsletter to their patrons. Newspaper-type stands are expected to be in place at Continental shopping Center and other retail sites by the end of July.
8. Facility Reservations - staff has addressed HOA issues pertaining to facility space reservations. A focus group of representatives from five GVR-member HOAs provided assistance in improving reservation procedures for recurring HOA meetings. Staff expects to present to the GVR Board updated facility space reservation guidelines for consideration in fall, 2018.
9. GVR Performing Arts - the schedule for the 2018-2019 GVR Performing Arts Season has been set and the new Performing Arts booklet is in production.
10. GVR Continuing Education Classes - the catalog for GVR fall 2018 classes has been compiled and is in production.
11. Paws in the Pool III - Friday, July 13 will host the third annual Paws in the Pool event at East Center beginning at 7 AM. For the third year in a row, GVR is taking advantage of the need to close and drain one of its pools for maintenance and repair. This affords us the opportunity to have some fun with the local pups the day before the pool is drained. All are welcome,

whether you have a pup or not! The event is hysterical! A \$5 donation per person or per pup is appreciated.

12. Post-GVR Board Meeting eBlasts –During a recent Board work session, there was consensus among Directors to send post-Board meeting information to members via eBlast on the Friday following regular Board meetings held on a Tuesday.

VI. New Business

1. Solar Gain Contract

MOTION: Campfield / Seconded. Approve terms of the Solar Services Agreement with Solaris Energy as described in the Solar Services Agreement Overview; further, authorize President Crothers to execute the formal Agreement with Solaris Energy.

Passed: unanimous

2. Appointment of Audit Committee Chair

MOTION: Crothers / Seconded. I recommend that the board approve the appointment of Charlie Sieck as Chairman of the Audit committee. He will appoint Ted as a committee member and look for one or two additional committee members.

Passed: 8 yes / 2 no (Campfield, Lambert) / 1 abstain (Sieck)

3. CPM Update: Life Care Membership

MOTION: Vanderhoof / Seconded. Amend the CPM as follows to remove the conflict:

SECTION II – MEMBERSHIP

SUBSECTION 2. GENERAL

C. Life Care Privilege

7. Life Care Users are subject to the following:

- a) May not serve on the Board of Directors or be a member of a Committee of the Board.
- b) May not vote for any ~~governance~~ membership issues.
- c) ~~Life Care Users may purchase guest cards following the same guidelines established for guests of any GVR Member.~~

MOTION TO AMEND: Myers / Seconded. Leave paragraph S-II SS-2 C. 7. c) intact in the Corporate Policy Manual

Passed: unanimous

Amended Motion passed: unanimous

SECTION II – MEMBERSHIP

SUBSECTION 2. GENERAL

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- b) May not vote for any membership issues.

c) Life Care Users may purchase guest cards following the same guidelines established for guests of any GVR Member.

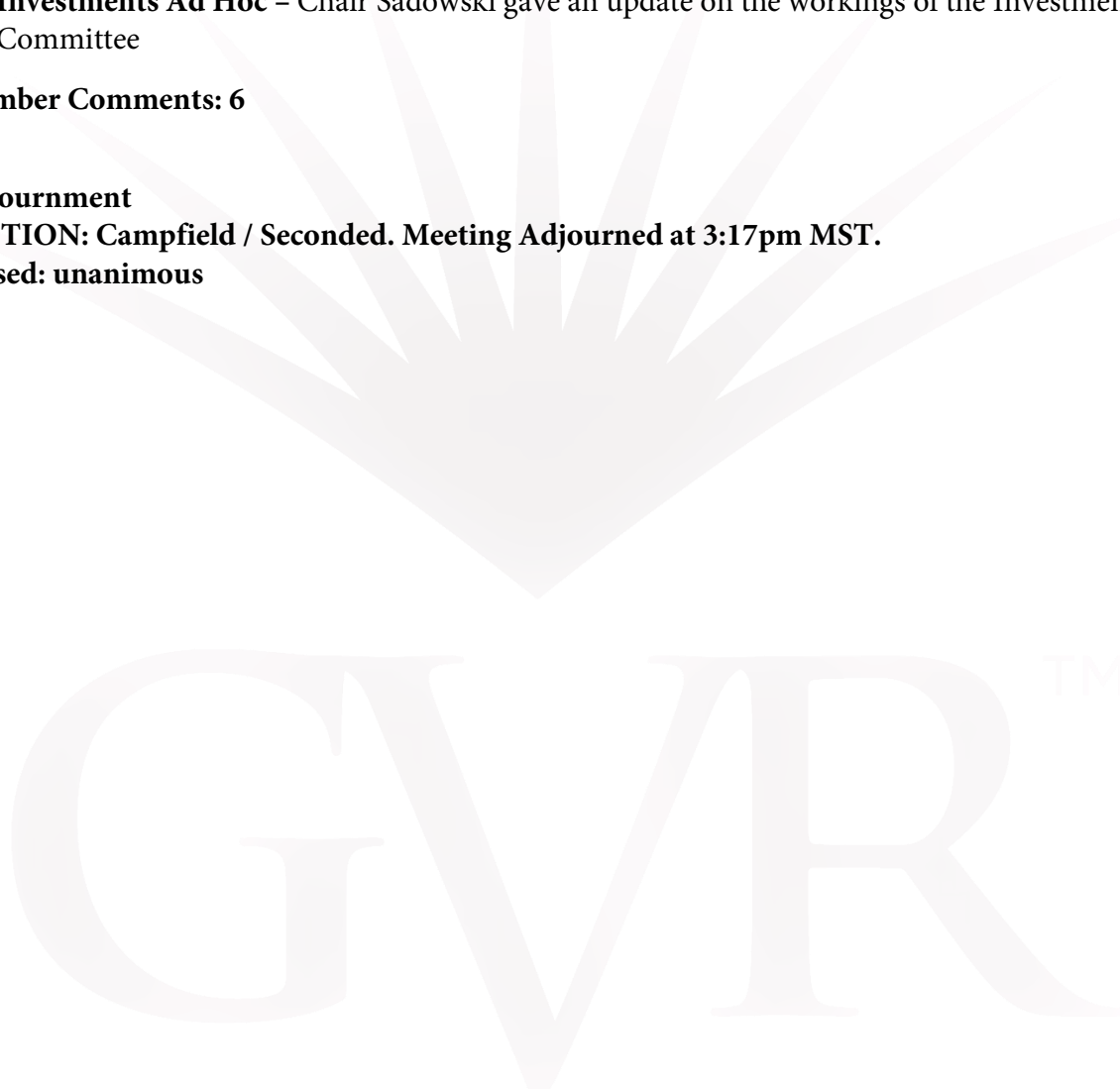
VII. Committee Reports

- A. **Board Affairs** – Chair Vanderhoof gave a brief update on the recent activities of BA Committee.
- B. **Fiscal Affairs** – Chair Myers gave an update on 2019 budget development
- C. **Nominations & Elections** – Nichols reported on recent actions of the committee.
- D. **Planning & Evaluation** – Chair Coon gave a report on the proceedings of P&E Committee
- E. **Survey Ad Hoc** – Lambert & Thornton presented updates on their various sub-committees
- F. **Investments Ad Hoc** – Chair Sadowski gave an update on the workings of the Investment Committee

VIII. Member Comments: 6

IX. Adjournment

**MOTION: Campfield / Seconded. Meeting Adjourned at 3:17pm MST.
Passed: unanimous**



Donna Coon
Vice President

Date

Jen Morningstar
Manager, Executive Office

Date



A special meeting of the GREEN VALLEY RECREATION, INC. BOARD OF DIRECTORS held Friday, August 10, 2018 at Santa Rita Springs Center, the Vice President being in the chair and the Secretary being present.

Directors Present: Donna Coon (Vice-President), Roger Myers (Treasurer), Nina Campfield, Carol Lambert (Assistant Secretary), Sandra Thornton, Gail Vanderhoof, Kent Blumenthal (CEO)

Directors Present Electronically: Carol Crothers (President), Lynne Chalmers, Denise Nichols (Secretary), Tom Sadowski (Assistant Treasurer), Charles Sieck, Tim Stewart

Staff: Jen Morningstar (Director of Administrative Services), Cheryl Moose (CFO), George Rushing II (Recreation Director), David Jund (Facilities Director), Karen Miars (Administrative Assistant), Randy Cheatham (IT Director), Payton Snider (System Administrator), Conal Ward (Webmaster, IT Technician)

Visitors: 85 (plus additional staff)

I. Call to Order / Establish Quorum

Vice President Coon called the meeting to order at 9:15am MST.
Roll call by Vice President Coon; Quorum established.

II. MOTION: Lambert / Seconded. I move the Board resolve itself into Committee of the Whole
Passed: 9 yes / 2 No (Sadowski, Sieck)

III. Recess Committee of the Whole (by acclimation)

Director Roger Myers joined the meeting

IV. Release of legal opinion

MOTION: Campfield / Seconded. I move the Board of Directors direct the CEO to prepare a statement based on the July 26, 2018 legal opinion that defines the following: the rules and procedures to recall directors; rules and procedures to call a special meeting of members; and determination of who would chair such a meeting.

Further, direct the CEO distribute the statement as follows:

1. Provide to GVR Board;
2. Provide to GVR Member who originally requested the information;
3. Provide to general GVR Membership; and
4. Provide to Board Affairs Committee for its recommendation on where to place the information within the Corporate Policy Manual

Call the question: Lambert / Seconded.

Passed: unanimous

Motion Passed: 8 yes / 3 no (Chalmers, Crothers, Sadowski) / 1 abstain (Sieck)

Director Tom Sadowski left the meeting

V. Reconvene in Committee of the Whole by acclimation

**VI. Motion: Lambert / Second Adjourn Committee of the Whole
By acclamation**

VII. GVR Board response to GVR Foundation Board correspondence of July 23, 2018

MOTION: Myers / Seconded. Move that President Crothers appoint an ad hoc committee of three (3) directors to accomplish the following:

- 1) Write a response to the July 23, 2018 letter received from the GVR Foundation based on the discussion and guidance of the 'Committee of the Whole' meeting, and present the proposed letter for Board approval via an email Unanimous Consent Resolution before the August 28, 2018 regular Board meeting.
- 2) Compile and provide an exhaustive, finite list of GVR Board/Member questions regarding the GVR Foundation to the GVR Board of Directors for approval.

MOTION TO AMEND: Campfield / Seconded. The ad hoc committee letter written in response to the July 23, 2018 letter received from the GVR Foundation will be presented for GVR Board approval via an email Unanimous Consent Resolution, or at the August 28, 2018 regular Board meeting, if not ready beforehand. Further, the ad hoc committee will make a 'good faith' effort to present a finite list of questions regarding the GVR Foundation at the regular GVR Board meeting on September 25, 2018, but no later than at the October 30, 2018 regular GVR Board meeting.

Motion: Vanderhoof / Seconded. Call the question

Passed: unanimous

Amendment: passed unanimous

MOTION TO AMEND: Chalmers / Seconded. I move this motion be split into two parts:

1. President Crothers appoint an ad-hoc committee of three directors to craft a response to the July 23 letter from GVR Foundation, present the letter for Board approval via Unanimous Consent or at the August 2018 meeting.
2. The ad hoc committee will make a 'good faith' effort to present a finite list of questions regarding the GVR Foundation at the regular GVR Board meeting on September 25, 2018, but no later than at the October 30, 2018 regular GVR Board meeting.

Failed: 1 yes (Chalmers) / 10 no

AMENDED MOTION: Move that President Crothers appoint an ad hoc committee of three (3) Directors to accomplish the following:

- 1) Prepare a response to the July 23, 2018 letter received from the GVR Foundation based on the discussion and guidance of the 'Committee of the Whole' meeting, and present the proposed letter for Board approval via an email Unanimous Consent Resolution before the

August 28, 2018 regular Board meeting or at the August 28, 2018 regular Board meeting, if not ready beforehand.

2) Compile and provide to the GVR Board of Directors an exhaustive, finite list of GVR Board/Member questions regarding the GVR Foundation for approval. Further, the ad hoc committee will make a 'good faith' effort to present the finite list of questions at the regular GVR Board meeting on September 25, 2018, but no later than at the October 30, 2018 regular GVR Board meeting.

Amended motion passed: 11 yes / 1 no (Chalmers)

Director Tim Stewart left the meeting

MOTION: Myers / Seconded. Do not print, publish or otherwise distribute the letter intended as a communication from the GVR Board President that was sent to the GVR Board on Thursday, August 9, 2018 written by President Carol Crothers entitled, "*President's comments for the eBlast and GVR Now*" that she intended to release in eBlast and *GVR Now!*

MOTION TO AMEND: Myers / Second. The letter written by President Crothers on August 9, 2018 shall not be published in any GVR publication or submitted to any other media outlet for publication as a communication from the GVR Board President.

Amendment passed: 5 yes / 4 no (Crothers, Sieck, Thornton, Vanderhoof)

AMENDED MOTION: The letter written by President Carol Crothers and sent to the GVR Board on Thursday, August 9, 2018 as a communication from the GVR Board President, entitled "*President's comments for the eBlast and GVR Now!*" for release in eBlast and *GVR Now!* shall not be published in any GVR publication or submitted to any other media outlet for publication.

Amended Motion passed: 5 yes / 3 no (Sieck, Thornton, Vanderhoof) / 1 abstain (Crothers)

VIII. Member Comments: 8

IX. Adjournment

MOTION: Lambert / Seconded. Meeting Adjourned at 11:58am MST.

Passed: unanimous

Denise Nichols Date
Secretary

Jen Morningstar Date
Director of Administrative Services

REPORT

GVR Board of Directors Committee of the Whole discussion and responses to GVR Foundation terms

August 10, 2018

1. Affirmation by vote of the GVR Board at an open board meeting that the list of questions submitted to the GVR Foundation is a finite list (e.g., will not be revised or changed once submitted). Each question will be read aloud at the open GVR Board meeting.
6 yes / 4 no (Chalmers, Crothers, Thornton, Vanderhoof) / 1 abstain (Sieck)
2. Attribute to its author each GVR Board question submitted to the GVR Foundation.
11 no
3. Questions posed to the GVR Foundation Board will refer only to legal or procedural matters. No individual opinions or items pertaining to personal matters will be considered.
5 yes (Campfield, Coon, Lambert, Myers, Stewart) / 6 no
4. A GVR Board officer other than the current GVR Board president will serve as liaison to the GVR Foundation Board on all matters pertaining to the submitted list of GVR Board questions and the GVR Foundation Board's response to same.
4 yes (Campfield, Coon, Lambert, Nichols) / 6 no / 1 abstain (Stewart)
5. The GVR Foundation Board and the GVR Board will jointly obtain independent legal counsel who is expert in nonprofit and foundation law to answer all legal-related questions submitted by the GVR Board.
6 yes / 5 no (Chalmers, Crothers, Myers, Thornton, Vanderhoof)
6. The GVR Board agrees to pay all legal fees associated with answering questions submitted by the GVR Board to the GVR Foundation.
6 yes / 5 no (Chalmers, Crothers, Sieck, Thornton, Vanderhoof)
7. The GVR Foundation will present answers to the list of questions submitted by the GVR Board at a regularly scheduled, open meeting of the GVR Board, whereby:
 - a. Notice of the GVR Foundation presentation will be given in advance to all GVR members and to the local Green Valley News newspaper;
7 yes / 4 no (Chalmers, Sieck, Thornton, Vanderhoof)
 - b. The GVR Foundation presentation to the GVR Board will be videotaped at GVR's expense and placed on the GVR and GVR Foundation websites;
5 yes (Campfield, Coon, Lambert, Myers, Stewart) / 6 no
 - c. The complete list of questions and answers will be published in GVR's eBlast and in the GVR Now! newsletter.
10 yes / 1 no (Chalmers)

The accompanying pages are the Financial Reports for June 30, 2018. The four statements are:

Statement of Financial Position.

This is also known as a Balance Sheet or the Statement of Net Assets.

Statement of Activities

Also known as an Income and Expense statement. This report shows the types of Income, the categories of expense and the unrealized Investment Market changes for the year to date. The bottom line in this report is the net for all the reserve accounts maintained by GVR.

Statement of Changes in Net Assets

This report displays the financial activity of the four reserves that make up the Net Assets of Green Valley Recreation. These reserves are:

Unrestricted - These net assets include the Fixed Assets (land, buildings and equipment), undesignated current assets less the current liabilities and deferred revenue items.

Emergency - Designated by the Board of Directors, this reserve is held to provide liquidity when needed for operational emergencies.

Maint - Repair - Replacement - designated by the Board of Directors, this reserve is the accumulation of assets in support of the Reserve Study which is mandated for Common Interest Realty Associations like Green Valley Recreation. Annual amounts are budgeted and transferred into this reserve for the purposes of the name of this reserve.

Initiatives - This reserve is designated by the Board of Directors to help with the funding for new programs that evolve from member interests and demands. Innovation in programming enables GVR to respond to member expectations.

Investment Portfolios

This report displays the market values of investments at the beginning of the year, the dollar amounts of changes that occurred from January 1st to the date of the financial statements. The unrealized gain or loss on market value changes is shown on a separate line to result in the market value of investments as of the reporting month end. The investments related to each of the Reserves (Unrestricted and Designated) are included in separate columns.

Green valley Recreation, inc.
Statement of Financial Position

As of Date: June 30, 2018 and December 31, 2017



	<u>June 30, 2018</u>	<u>December 31, 2017</u>
	Total	Total
ASSETS		
Cash/Cash Equivalents	\$ 422,041	4,539,157
Accounts Receivable	254,021	123,604
Edward Jones Investments (@ Market)	13,656,777	10,274,921
Prepaid Expenses	187,331	173,447
Property and Equipment:		
Contributed Fixed Assets	17,593,785	17,593,785
Purchased fixed Assets	18,530,197	17,939,723
Sub-Total	<u>36,123,982</u>	<u>35,533,507</u>
Less - Accumulated Depreciation	(19,546,861)	(18,846,580)
Property and Equipment - net	<u>16,577,120</u>	<u>16,686,927</u>
Total Assets	<u>31,097,290</u>	<u>31,798,057</u>
LIABILITIES		
Accounts Payable	172,939	409,923
Deferred Dues & Fees	3,305,737	4,230,453
Deferred Programs	69,430	329,352
Total Liabilities	<u>3,548,107</u>	<u>4,969,728</u>
TOTAL NET ASSETS	<u>\$27,549,183</u>	<u>26,828,329</u>
NET ASSETS		
Temporarily Restricted:		
Board Designated:		
Emergency	\$ 928,426	930,342
Maint - Repair - Replacement	5,775,065	6,264,272
Initiatives	2,005,254	1,531,549
Unrestricted Net Assets	<u>18,840,438</u>	<u>18,102,166</u>
TOTAL NET ASSETS	<u>\$27,549,183</u>	<u>26,828,329</u>

Statement of Activities
Current Year - January to June 30, 2018

	Year-to-Date Actual	Year-to-Date Budget	Year-to-Date Variance	Fiscal Year Budget	Remaining FY Budget
Revenue					
Member Dues	3,314,287	3,336,378	(22,091)	6,672,756	3,358,469
Life Care, Transfer, Tenant & Add'l Card Fees	468,845	348,020	120,825	696,017	227,172
Capital Revenue	1,460,632	1,189,189	271,443	2,378,383	917,751
Programs	267,519	195,576	71,943	391,149	123,630
Instructional	247,100	215,729	31,371	431,450	184,350
Recreation Income	514,619	411,305	103,314	822,599	307,980
Advertising Income	39,782	37,500	2,282	75,000	35,218
Communication	23,199	28,500	(5,301)	57,000	33,801
Communication Income	62,981	66,000	(3,019)	132,000	69,019
Investment Income	159,676	139,996	19,680	280,000	120,324
Other Income	16,264	10,050	6,214	20,100	3,836
Facility Rent	11,669	11,504	165	23,000	11,331
Marketing Events	-	3,000	(3,000)	6,000	6,000
Other Income	27,933	24,554	3,379	49,100	21,167
Total Revenue	6,008,972	5,515,442	493,530	11,030,855	5,021,883
Expenses					
Major Projects-Repair & Maintenance	215,273	146,158	(69,115)	292,315	77,042
Facility Maintenance	114,672	257,185	142,513	514,370	399,698
Fees & Assessments	6,335	44,550	38,215	89,100	82,765
Utilities	520,961	574,060	53,100	1,148,121	627,160
Depreciation	700,281	623,000	(77,281)	1,246,000	545,719
Furniture & Equipment	133,619	120,912	(12,707)	241,824	108,205
Vehicles	29,341	40,002	10,661	80,004	50,663
Facilities & Equipment	1,720,482	1,805,867	85,385	3,611,734	1,891,252
Wages, Benefits, Payroll Expenses	2,298,618	2,412,904	114,286	4,825,808	2,527,190
Conferences & Training	28,467	43,500	15,033	87,000	58,533
Personnel	2,327,085	2,456,404	129,319	4,912,808	2,585,723
Food & Catering	22,068	25,550	3,482	51,100	29,032
Recreation Contracts	402,159	321,768	(80,391)	643,536	241,377
Bank & Credit Card Fees	59,821	52,500	(7,321)	105,000	45,179
Program	484,048	399,818	(84,230)	799,636	315,588
Communications	49,455	48,890	(565)	97,780	48,325
Printing	35,884	29,670	(6,214)	59,340	23,456
Advertising	3,734	7,500	3,766	15,000	11,266
Communications	89,074	86,060	(3,014)	172,120	83,046
Supplies	174,293	227,120	52,827	454,240	279,948
Postage	7,747	15,870	8,123	31,740	23,993
Dues & Subscriptions	6,387	3,050	(3,337)	6,100	(287)
Travel & Entertainment	907	9,720	8,813	19,440	18,532
Other Operating Expense	20,580	33,544	12,964	67,087	46,508
Operations	209,914	289,304	79,390	578,607	368,693
Information Technology	24,350	57,375	39,260	114,750	90,400
Professional Fees	126,728	151,750	25,022	303,500	176,772
Commercial Insurance	99,768	102,500	2,732	205,000	105,232
Taxes	54	7,350	7,296	14,700	14,646
Provision for Bad Debt	17,109	12,000	(5,109)	24,000	6,891
Corporate Expenses	268,010	330,975	69,200	661,950	393,940
Expenses	5,098,613	5,368,428	276,050	10,736,855	5,638,242
Net surplus (Deficit)	910,359	147,014	769,580	294,000	(616,360)
Unrealized Gain/Loss on Investment	(189,505)	-	(189,505)	-	(189,505)
Net change in Net Assets-GVR	720,854	147,014	580,075	294,000	(426,855)



GREEN VALLEY RECREATION, INC.
STATEMENT OF CHANGES IN NET ASSETS

As of Date: June 30, 2018 and December 31, 2017

	Totals	Unrestricted		Emergency Reserve Fund	Maint - Repair - Replace Reserve Fund	Initiatives Reserve Fund
		Unrestricted	Fixed Assets			
Net change in Net Assets-GVR	\$ 720,854	720,854				
Transfers between unrestricted and reserves:						
Reserve Study Allocation	-	(470,001)			470,001	
Principal Transfers		888,626			(888,626)	-
Depreciation		700,281	(700,281)			
Purchase of Fixed Assets		(399,545)	399,545			
Transfer For Fixed Asset Purchase		(500,000)				500,000
Allocations of Net Change components:						
Investment income	-	(84,721)		8,836	58,230	17,655
Investment Expenses	-	3,609		(3,435)	(174)	-
Unrealized Gains (Losses) on Market	-	179,905		(7,317)	(128,638)	(43,951)
Repairs and replacements	-	-				
Net change to June 30, 2018	720,854	1,039,008	(300,736)	(1,916)	(489,206)	473,704
NET ASSETS, December 31, 2017	26,828,329	1,415,239	16,686,927	930,341	6,264,272	1,531,550
Net Assets as at June 30, 2018	\$27,549,183	2,454,247	16,386,191	928,426	5,775,066	2,005,254



Green Valley Recreation, Inc.
Investment Portfolios
Changes and Market Values
Beginning of Year and Current Month End

	Totals	Unrestricted	Emergency Reserve Fund	Maint - Repair - Replace Reserve Fund	Initiatives Reserve Fund
Balance December 31, 2017 (at Market)	\$ 10,274,921	1,548,758	930,342	6,264,272	1,531,550
Changes since January 1, 2018					
Principal additions	4,470,001	4,000,000	-	470,001	-
Rebalance Transactions	-	-	-	-	-
Investment income	104,969	20,248	8,836	58,230	17,655
Withdrawals	(1,000,000)	(611,374)	-	(888,626)	500,000
Investment Expenses	(3,609)	-	(3,435)	(174)	-
Net Change for 6 Months	<u>3,571,361</u>	<u>3,408,874</u>	<u>5,402</u>	<u>(360,569)</u>	<u>517,655</u>
Balance before Market Change at June 30, 2018	13,846,283	4,957,632	935,743	5,903,703	2,049,205
6 month Change in Unrealized Gain (Loss)	(189,505)	(9,599)	(7,317)	(128,638)	(43,951)
Balance at June 30, 2018 (at Market)	<u>\$ 13,656,778</u>	<u>4,948,032</u>	<u>928,426</u>	<u>5,775,065</u>	<u>2,005,254</u>

The accompanying pages are the Financial Reports for July 31, 2018. The four statements are:

Statement of Financial Position.

This is also known as a Balance Sheet or the Statement of Net Assets.

Statement of Activities

Also known as an Income and Expense statement. This report shows the types of Income, the categories of expense and the unrealized Investment Market changes for the year to date. The bottom line in this report is the net for all the reserve accounts maintained by GVR.

Statement of Changes in Net Assets

This report displays the financial activity of the four reserves that make up the Net Assets of Green Valley Recreation. These reserves are:

Unrestricted - These net assets include the Fixed Assets (land, buildings and equipment), undesignated current assets less the current liabilities and deferred revenue items.

Emergency - Designated by the Board of Directors, this reserve is held to provide liquidity when needed for operational emergencies.

Maint - Repair - Replacement - designated by the Board of Directors, this reserve is the accumulation of assets in support of the Reserve Study which is mandated for Common Interest Realty Associations like Green Valley Recreation. Annual amounts are budgeted and transferred into this reserve for the purposes of the name of this reserve.

Initiatives - This reserve is designated by the Board of Directors to help with the funding for new programs that evolve from member interests and demands. Innovation in programming enables GVR to respond to member expectations.

Investment Portfolios

This report displays the market values of investments at the beginning of the year, the dollar amounts of changes that occurred from January 1st to the date of the financial statements. The unrealized gain or loss on market value changes is shown on a separate line to result in the market value of investments as of the reporting month end. The investments related to each of the Reserves (Unrestricted and Designated) are included in separate columns.

Green Valley Recreation, Inc.
Statement of Financial Position

As of Date: July 31, 2018 and December 31, 2017



	July 31, 2018	December 31, 2017
	Total	Total
ASSETS		
Cash/Cash Equivalents	\$ 925,140	4,539,157
Accounts Receivable	221,629	123,604
Edward Jones Investments (@ Market)	12,802,697	10,274,921
Prepaid Expenses	201,583	173,447
Property and Equipment:		
Contributed Fixed Assets	17,593,785	17,593,785
Purchased fixed Assets	18,722,350	17,939,723
Sub-Total	36,316,134	35,533,507
Less - Accumulated Depreciation	(19,663,557)	(18,846,580)
Property and Equipment - net	16,652,578	16,686,927
Total Assets	30,803,626	31,798,057
LIABILITIES		
Accounts Payable	216,251	409,923
Deferred Dues & Fees	2,754,774	4,230,453
Deferred Programs	88,943	329,352
Total Liabilities	3,059,969	4,969,728
TOTAL NET ASSETS	\$27,743,657	26,828,329
NET ASSETS		
Temporarily Restricted:		
Board Designated:		
Emergency	\$ 945,200	930,342
Maint - Repair - Replacement	5,888,959	6,264,272
Initiatives	2,016,182	1,531,549
Unrestricted Net Assets	18,893,317	18,102,166
TOTAL NET ASSETS	\$27,743,657	26,828,329

Statement of Activities
Current Year - January to July 31, 2018

	Year-to-Date Actual	Year-to-Date Budget	Year-to-Date Variance	Fiscal Year Budget	Remaining FY Budget
Revenue					
Member Dues	3,865,692	3,892,441	(26,749)	6,672,756	2,807,064
Life Care, Transfer, Tenant & Add'l Card Fees	511,523	406,020	105,503	696,017	184,494
Capital Revenue	1,660,822	1,387,388	273,434	2,378,383	717,561
Programs	272,198	228,172	44,027	391,149	118,951
Instructional	252,155	251,683	472	431,450	179,295
Recreation Income	524,353	479,854	44,499	822,599	298,246
Advertising Income	51,010	43,750	7,260	75,000	23,990
Communication	26,559	33,250	(6,691)	57,000	30,441
Communication Income	77,570	77,000	570	132,000	54,430
Investment Income	172,928	163,330	9,598	280,000	107,072
Other Income	16,780	11,725	5,055	20,100	3,320
Facility Rent	11,644	13,420	(1,776)	23,000	11,356
Marketing Events	-	3,500	(3,500)	6,000	6,000
Other Income	28,424	28,645	(221)	49,100	20,676
Total Revenue	6,841,311	6,434,678	406,633	11,030,855	4,189,544
Expenses					
Major Projects-Repair & Maintenance	262,441	170,517	(91,924)	292,315	29,874
Facility Maintenance	123,941	300,049	176,108	514,370	390,429
Fees & Assessments	7,183	51,975	44,792	89,100	81,917
Utilities	591,485	669,737	78,252	1,148,121	556,635
Depreciation	816,977	726,833	(90,143)	1,246,000	429,023
Furniture & Equipment	146,918	141,064	(5,854)	241,824	94,906
Vehicles	30,595	46,669	16,074	80,004	49,409
Facilities & Equipment	1,979,540	2,106,845	127,305	3,611,734	1,632,194
Wages, Benefits, Payroll Expenses	2,653,207	2,815,055	161,848	4,825,808	2,172,601
Conferences & Training	29,595	50,750	21,155	87,000	57,405
Personnel	2,682,802	2,865,805	183,003	4,912,808	2,230,006
Food & Catering	24,490	29,808	5,318	51,100	26,609
Recreation Contracts	411,135	375,396	(35,739)	643,536	232,401
Bank & Credit Card Fees	61,194	61,250	56	105,000	43,806
Program	496,820	466,454	(30,366)	799,636	302,816
Communications	56,659	57,038	380	97,780	41,121
Printing	46,137	34,615	(11,522)	59,340	13,203
Advertising	3,734	8,750	5,016	15,000	11,266
Communications	106,529	100,403	(6,126)	172,120	65,591
Supplies	184,292	264,974	80,682	454,240	269,949
Postage	8,211	18,515	10,304	31,740	23,530
Dues & Subscriptions	6,779	3,558	(3,220)	6,100	(678)
Travel & Entertainment	1,015	11,340	10,325	19,440	18,425
Other Operating Expense	22,474	39,134	16,660	67,087	44,613
Operations	222,770	337,521	114,751	578,607	355,838
Information Technology	33,887	66,938	39,576	114,750	80,863
Professional Fees	130,254	177,042	46,788	303,500	173,246
Commercial Insurance	125,531	119,583	(5,947)	205,000	79,469
Taxes	54	8,575	8,521	14,700	14,646
Provision for Bad Debt	17,109	14,000	(3,109)	24,000	6,891
Corporate Expenses	306,835	386,138	85,828	661,950	355,115
Expenses	5,795,296	6,263,166	474,395	10,736,855	4,941,560
Net surplus (Deficit)	1,046,015	171,512	881,029	294,000	(752,015)
Unrealized Gain/Loss on Investment	(130,687)	-	(130,687)	-	(130,687)
Net change in Net Assets-GVR	915,329	171,512	750,342	294,000	(621,329)



GREEN VALLEY RECREATION, INC.
STATEMENT OF CHANGES IN NET ASSETS

As of Date: July 31, 2018 and December 31, 2017

	Totals	Unrestricted		Emergency Reserve Fund	Maint - Repair - Replace Reserve Fund	Initiatives Reserve Fund
		Unrestricted	Fixed Assets			
Net change in Net Assets-GVR	\$ 915,329	915,329				
Transfers between unrestricted and reserves:						
Reserve Study Allocation	-	(548,335)			548,335	
Principal Transfers		388,626			(888,626)	500,000
Depreciation		816,977	(816,977)			
Purchase of Fixed Assets		(254,333)	254,333			
Transfer For Fixed Asset Purchase		-				-
Allocations of Net Change components:						
Investment income	-	(91,639)		10,277	60,658	20,704
Investment Expenses	-	4,238		(3,998)	(240)	-
Unrealized Gains (Losses) on Market	-	122,932		8,580	(95,439)	(36,073)
Repairs and replacements	-	-				
Net change to July 31, 2018	915,329	1,353,795	(562,644)	14,858	(375,313)	484,632
NET ASSETS, December 31, 2017	26,828,329	1,415,239	16,686,927	930,341	6,264,272	1,531,550
Net Assets as at July 31, 2018	\$27,743,657	2,769,034	16,124,283	945,200	5,888,960	2,016,182



Green Valley Recreation, Inc.
Investment Portfolios
Changes and Market Values
Beginning of Year and Current Month End

	Totals	Unrestricted	Emergency Reserve Fund	Maint - Repair - Replace Reserve Fund	Initiatives Reserve Fund
Balance December 31, 2017 (at Market)	\$ 10,274,921	1,548,758	930,342	6,264,272	1,531,550
Changes since January 1, 2018					
Principal additions	2,548,335	1,500,000	-	548,335	500,000
Rebalance Transactions	-	-	-	-	-
Investment income	114,366	22,726	10,277	60,658	20,704
Withdrawals	-	888,626	-	(888,626)	-
Investment Expenses	(4,238)	-	(3,998)	(240)	-
Net Change for 7 Months	<u>2,658,462</u>	<u>2,411,352</u>	<u>6,279</u>	<u>(279,873)</u>	<u>520,704</u>
Balance before Market Change at July 31, 2018	12,933,384	3,960,111	936,620	5,984,399	2,052,254
7 month Change in Unrealized Gain (Loss)	(130,687)	(7,754)	8,580	(95,439)	(36,073)
Balance at July 31, 2018 (at Market)	<u><u>\$ 12,802,697</u></u>	<u><u>3,952,356</u></u>	<u><u>945,200</u></u>	<u><u>5,888,959</u></u>	<u><u>2,016,182</u></u>



August 22, 2018

Attn: Carol Crothers, President
GVR Board of Directors
P.O. Box 586
Green Valley, AZ 85622

Dear Carol,

I write on behalf of the GVR Foundation in asking for a Letter of Support from the GVR Board of Directors to be included in the Country Fair White Elephant 2018 grant application seeking funding for the Member Assistance Program (MAP). Last December, the GVR Foundation was awarded a \$5,500 grant from the White Elephant. Since 2015 when the GVR Foundation was founded, it has raised approximately \$20,000 a year in donations earmarked for MAP. The GVR Foundation solicits outside funding for MAP from GVR members, staff, clubs, fundraisers and local community organizations.

As you know, MAP provides financial assistance to qualifying GVR members experiencing financial hardship and who are unable to pay GVR annual dues. MAP recipients include individuals with serious health issues, disabled vets, widows and widowers, and people with limited finances.

Speaking only for myself, MAP is the primary reason I accepted a position on the GVR Foundation. I want to help those GVR members who struggle financially and those who are underserved for a variety of reasons, including illness and financial hardship.

I believe a Letter of Support from the GVR Board supporting the GVR Foundation in its mission to get MAP funding from the White Elephant will be very beneficial to all. A show of solidarity in the White Elephant application is critical to future funding for such an important GVR program.

Deadline for the Country Fair White Elephant grant is September 15. I would very much like to see this issue addressed at the upcoming board meeting on August 28. This partnership of both boards supporting MAP, I believe, is necessary for us to continue to help those GVR members in need.

Respectfully submitted,

Regina Ford, Sr. Vice President
GVR Foundation
Taxpayer ID: 47-1457323



EXHIBIT

**Board of Directors
August 28, 2018**

Release Summary of Legal Opinion “Standard of Service” GVR Bylaws, Article III Section 3

Overview:

In anticipation of providing funding for construction of the GVR Pickleball Center, several members and Directors inquired whether there is any limitation on the amount of funds that could be applied to the project. In response, CEO Kent Blumenthal asked GVR legal counsel for an opinion interpreting GVR Bylaws, Article III Section 3. Standard of Service in April 2018.

Recommendation:

Direct the CEO to prepare a statement based on the April 23, 2018 legal opinion defining Standard of Service as described in GVR Bylaws, Article III Section 3. Further, direct the CEO distribute the statement to GVR Board and to general GVR Membership



Proposed GVR WORK PLAN 2018/2019

Prepared by CEO Kent J. Blumenthal, Ph.D., CAE

January 26, 2018 (Version #1)

- **Version #4:** revisions made per GVR Board Work Session edits, August 9, 2018 (revisions in **purple**)
- **Version #3:** revised per GVR Board suggestions, July 23, 2018 (revisions in **green**)
- **Version #2:** revised per GVR Board suggestions, May 10, 2018 (revisions in **red**)

Overview

- A. Where possible, proposed activities relate to Focus Areas identified in the 5-Year Strategic Plan adopted by the Board of Directors in November 2013 (see *Strategic Plan* Focus Areas cited in **BLUE** for each initiative):

[Five \(5\) Strategic Plan Focus Areas](#)

PRC - Public Relations & Communications

SVC - GVR Services

PTN – Partnerships

RVG - Revenue Generation

IT/C - Information Technology & Electronic Communications

- B. Assumptions of GVR Strategic Plan 2013: *“The Board, administration, and staff assume the following:*
- *Maintenance and operation of GVR facilities for its members remains a top priority.*
 - *Strategic Plan initiatives will not take priority over the maintenance and capital needs for GVR facilities.*
 - *The Strategic Plan will be monitored regularly as part of overall GVR Management.*
 - *The overall Strategic Plan will be reviewed annually, allowing for minor adjustments as needed to meet changing conditions and member needs.”*
- For Work Plan activities, no specific dates are identified. Accomplishments will be measured through March 31, 2019 (2018-2019 Governance Year)

I. GVR Governance

1. Strategic - 2018 Comprehensive Member Survey
 - Present results of the Comprehensive Member Survey at the 2018 Annual Meeting of the Corporation
 - Post survey results on the GVR website.
 - Determine with Board the priorities and action plan to analyze the survey results and their implementation.
 - Work with Board to identify 3 to 5 areas that will add long-term value to GVR to incorporate into the new Five-Year Strategic Plan.
2. Strategic – Participate in development of Five-year Strategic Plan (2018 to 2023) -- (Board Affairs/tie to results of 2018 Comprehensive Member Survey).
 - Include the 3-5/year updated Capital Plan into GVR’s strategic planning.
3. Strategic – Legal Audit of GVR governing documents
 - Support the Board and Board Affairs Committee efforts to update and ensure consistency across all government documents.
4. Strategic - Short-range Facilities Planning (3-5/year priority projects) (P&E Committee)
 - Focus on Board-endorsed project priorities working with volunteers, staff, and within funding resource limitations.
 - Work with P&E Committee and Board to revise and refine 3-5 year facilities plan based on present and anticipated future member needs
 - Conduct Member Forums specific to Board-approved priority projects at affected GVR centers.
 - Cooperate with GVR Foundation for fundraising activities related to GVR capital projects.
5. Operational – Procure Property for GVR Pickleball Center (P&E Committee; Pickleball Subcommittee)
 - Negotiate terms of agreement to purchase property suitable to house a GVR Pickleball Center, and conduct required site due diligence, with assistance of expert consultants, as required (e.g., architects, engineers, etc.)
 - Coordinate with Pickleball Center Design Team and P&E Committee on site design and with FA Committee on funding requirements.
 - Provide progress reports to the board, pickleball club and membership throughout the design and construction phase.
6. Operational – GVR Member ID Authentication Initiative
 - Continue ‘Membership Matters’ GVR ID-authentication program to reduce fraudulent use of GVR-issued IDs.
 - Focus ‘Membership Matters’ GVR ID-authentication activities on GVR clubs, guest card and tenant card users, fitness centers users, and swimming pools users; employ tangible activities to achieve a reduction of fraudulent use of GVR-issued IDs within these groups.

7. Operational – Work with the Nominations & Elections Committee and the Board to establish ongoing training opportunities for GVR Board members.
 - Develop orientation materials for new Board members.
 - Assist with ongoing training, when requested by the Board.
 - Keep Board and members informed on GVR facility usage, future trends, and membership issues.
 - This information can be presented through a variety of means, but the objective is to make sure GVR remains relevant now and in the future.

II. Marketing & Communications

Strategic Plan: PRC; SVC; IT/C; RVG

Proposed Activities:

1. Strategic – Member Relations
 - Conduct “Conversations with Kent” member outreach sessions at least quarterly on a variety of important and timely topics.
 - Visit with individual members and stakeholder groups to better understand their needs: Report back to the board and the membership on what is learned; recommend follow-up actions and where feasible actions to be taken. Publish results and planned actions in eBlast, GVR Now! and GVR’s website.
 - Publish CEO column in weekly eBlast (i.e., ‘Kent’s Korner’).
2. Strategic – CEO Highlights
 - As time allows, present CEO Highlights of GVR activities at regularly scheduled Board meetings.
3. Strategic – Support further development of RetireArizona.org website components that support GVR’s mission and GVR member activities.
4. Strategic – Non-Dues Revenue
 - Continue to Identify and grow non-dues revenue.
5. Operational – Increase the number of email addresses listed within the GVR Member Database; update member email addresses as they become known.
 - Update email addresses for GVR members (23,500 addresses, approx.) listed within GVR’s membership database by matching email addresses provided on an opt-in basis for GVR’s eBlast electronic news bulletins (12,000 addresses, approx.).

Commented [JM1]: Myers will work with Blumenthal to provide reword so success can be measured

6. Operational – Customer Service Offices at GVR Centers.
 - Provide for ‘Suggestion Boxes’ - collect, review and respond to suggestions, post on website and in eBlast. Suggestions and responses will be posted on website and in eBlast.
 - Investigate feasibility of adding computer kiosks in the major centers for accessing the GVR website; provide GVR Board with results of feasibility study.
 - Investigate feasibility of putting printed copies of GVR Board and Committee minutes and other communications in major centers; provide GVR Board with results of feasibility study.

III. Information Technology (IT)

Strategic Plan: IT/C; SVC; PRC

Proposed Activities:

1. Operational – New CMS database platform - PerfectMind™
 - Operational – New CMS Database platform to pursue transfer of current GVR member database to a new, improved CMS database platform (PerfectMind™).
 - Expand online credit card transaction opportunities (e.g., for GVR class registrations; Southern Arizona Senior Games registrations, performing arts event ticket sales; member annual dues payments, etc.).
 - Upgrade aging database and relocate to new SQL server to prepare for archiving when transition is made to the new platform.
2. Operational – Upgrade to the DSX Card Access System
 - Purge and update the aging database and relocate to new SQL server with new hardware.
3. Operational – Upgrade electronic boards at each GVR Center with NVR (nonvolatile memory) processor to minimize downtime during monsoon seasons.
4. Operational – GVR Website
 - Make user-friendly improvements to GVR website (www.gvrec.org) pertaining to Board activities (communications).
 - Create ‘Board-Only’ Webpage with links to Board documents.
 - Create ‘Committee’ Webpages with links to Committee documents.
 - Create FAQ pilot for answering member inquiries
 - Within the FAQ create a ‘Pending Response’ area for questions sent to the Board that need a response and are relevant to all the membership. Once an answer is given they would be moved to FAQ area.
5. Operational – Install CCTV security cameras at strategic GVR Center and facility locations
 - Establish CCTV implementation and execution plan.
6. Strategic – Explore feasibility of installing DSX Access Control at property entrances.

Commented [JM2]: Lambert and Blumenthal will propose language; Board will determine procedures for responding to/answering member inquiries and forwarding to staff for web posting.

IV. Recreation

Strategic Plan: SVC; RVG; PRC; PTN

Proposed Activities:

1. Strategic - Volunteerism
 - Develop a Corporate goal and objectives to encourage and promote GVR volunteerism.
2. Operational – Volunteerism
 - Devise and implement a strategy to recruit and retain GVR volunteers to assist with programs and facility usage.
3. Operational – GVR Fitness Centers
 - Conduct Member Forum on proposed Fitness Center Rules updates.
 - Post updated Fitness Center rules at all GVR Centers and online.
 - Create a process for regular fitness center user communications regarding equipment maintenance, pending purchases, etc.
4. Operational – Cooperate with GVR Foundation to present:
 - 2019 Southern Arizona Senior Games.
 - 3rd annual “SoAZ CultureFest” (in partnership with Greater Green Valley Community Foundation)
5. Operational – 3rd annual “Paws in the Pool”
 - Conduct “Paws in the Pool” in summer 2018 at a pool scheduled for maintenance and draining.

V. Administration, Facilities & Recreation Management

Strategic Plan: SVC; PRC

Proposed Activities:

1. Operational - New GVR Facilities Department Site
 - Complete build-out of the former nursery property to house the GVR Facilities Department and vehicle fleet (Phase-one).
 - Transfer GVR Facilities Department staff, vehicle fleet and maintenance storage to the new site.
 - Begin construction of the Facilities Department shop area (Phase-two; FY 2018 non-Reserves Capital).
 - Once vacated, reconfigure current MSC Facilities Department space for maximum utilization by GVR recreation, accounting and membership staff.
 - Conduct Member Forums about opportunities to utilize a portion of the former nursery property and undeveloped land at Las Campanas Center for member recreation purpose(s).

2. Operational – Develop Facility for GVR Metal Shop Club at Former Facilities Fleet Parking Lot
 - Coordinate with P&E Committee, Fiscal Affairs Committee, and GVR Metal Shop Club to identify site and secure needed funding.
 - Design/construct site for completion in in 2018.
3. Operational – Develop Kiln Space for GVR Glass Artists Club in Former Facilities Storage Area
 - Coordinate with P&E Committee, Fiscal Affairs Committee, and GVR Glass Fusion Club to prepare kiln site and secure needed funding.
 - Design/construct site for completion in in 2018.
4. Operational – Explore Feasibility of Repurposing Desert Hills Center Shuffleboard Area
 - Coordinate with P&E Committee and Fiscal Affairs Committee to have WSM Architects consider repurposing the DH shuffleboard area for use as designated club space.
5. Operational – Light All East Center Pickleball Courts; Explore Feasibility of Expanding PB Court #1 into Two Courts; Re-design Courts #2 & #3 for Improved Safety.
 - Implement lighting of all East Center pickleball courts to offset “no lighting” requirement of GVR Pickleball Center after feasibility of undertaking court expansion and safety improvements are completed
 - Involve WSM Architects in feasibility study of court expansion and safety improvements.
6. Operational - Energy Conservation and Solar Panel Installation
 - Continue to coordinate with Solar Gain™ to negotiate contract authorized by TEP for installation of solar panels at up to approved GVR sites (11).
 - Set energy savings targets and provide quarterly reports on usage beginning 3/months following complete installation of solar panels at all approved GVR sites (11)?
 - Conduct at least one (1) Member Forum to explain solar panel installation for all sites. Conduct additional Member Forums at individual sites, as necessary.
7. Strategic - Reserve Study Implementation Guidelines
 - Coordinate with Fiscal Affairs Committee to adopt Reserve Study implementation guidelines.
 - Coordinate with Investment Committee and Fiscal Affairs Committee to develop spreadsheet of reserve funding authorizations; allocations; notifications.
 - Coordinate with Fiscal Affairs Committee to write a Reserve Study Reimbursement Policy and Procedure.
8. Operational – Reserve Study Update
 - Identify required updates to the GVR Reserve Study and submit the update in June 2018 to the Browning Reserve Group consultants for processing.
9. Operational – Investment of Reserve Funds
 - Move three reserve funds (MR&R, Emergency and New Initiative) to managed accounts through development of a formal RFP which seeks open competition.

- Final selection of successful bidder to be submitted for approval by the Board.
- Create a cash flow analysis that projects the requirements for operations, MR&R, Capital expenditures and new initiatives. CEO and CFO will work with the committee to define requirements.

10. Operational – Employ F/T Director of Recreation Services

- Oversees all recreational and customer-service related activities, reporting to the CEO: fills former COO position and is part of internal staff reorganization.

11. Operational – Employ F/T Accounting Manager

- FY 2018 Board-approved position implementation.
- Recruit and employ Accounting Manager to assist Chief Financial Officer in preparing financial reports, documentation and other accounting duties.

12. Operational - Provide support for the board and board committees so they can function successfully. Provide assistance with meeting minutes, notifications, website updating, etc.

- When requested by committee chairperson, provide scribe to take meeting minutes.

13. Operational – Propose revisions to facility space reservations policy, considering needs of GVR Governance, HOA's, Clubs, GVR programming, Community Events, Special Events, and Rentals.

14. Operational – Financial

- Work with Fiscal Affairs Committee to develop regular board/member level reports on financial trends, cost/benefit analyses of new programs, spending patterns.
- Work with the Fiscal Affairs Committee, Planning & Evaluation and Board to develop and implement a capital planning and reporting policy and procedure.
- Work with Fiscal Affairs Committee in Capital budget development process.
- Work with Fiscal Affairs Committee to provide Capital budget and spending reporting – Actual v. Budget.
- Work with Fiscal Affairs Committee to modify Annual Budget format to include all forms of capital spending and reserves.
- Work with Fiscal Affairs Committee to address the four (4) 2018 Annual Audit “significant deficiencies”.

VI. Community Partnerships (Strategic)

Strategic Plan: SVC; RVG; PRC; PTN

1. Community Partnerships

- Continue ‘Community Partner’ relationship with the Green Valley Council and the Green Valley/Sahuarita Chamber of Commerce ensuring that Green Valley, Arizona, remains a vibrant, exciting, and economically strong community.
- Continue to participate as member of Economic Development Management Group with the Green Valley Council, GV/S Chamber of Commerce, and Greater Green Valley Community Foundation.

Commented [JM3]:

Board agreed that Myers and Campfield will propose new language to support Investment Committee for this section in anticipation of move to managed funds:

- Propose cash flow and maturity of investments
- CEO & CFO will work with committee to define requirements for cash flow analysis that predicts cash requirements

- Continue to complete three-year term as volunteer grant reader for Freeport-McMoRan Foundation Community Investment Committee.
- Continue to provide GVR information and updates to the GVC Executive Committee and Assembly.
- Developing strong community partnerships is important, and when new opportunities arise, discuss CEO's involvement with Board of Directors.



EXHIBIT

**Board of Directors
August 28, 2018**

Obtain Legal Opinion Regarding Board Member Obligations vs. “Civil Rights” in Publicizing Personal Opinions

Overview:

Recently there has been much discussion among Board members regarding whether or not they are permitted to share their personal opinions regarding GVR Board business with general GVR members and the general public. GVR’s Bylaws are silent on this subject, as is the CPM with the exception of Section VI, Subsection 1.6: “Discipline itself as to attendance, speak with one voice and adhere to policy governance.”

Recommendation:

Direct the CEO to request from GVR’s Corporate Attorney a legal opinion regarding a Board member’s ability to share his or her opinion regarding GVR business in a public forum.

When the opinion has been received and shared with the BOD, direct the Board Affairs Committee to prepare a statement for inclusion in the CPM and distribution to all GVR members.



EXHIBIT

**Board of Directors
August 28, 2018**

Board Responses to Member Emails

Recommendation:

- That the CEO place the following statement adjacent to the hotlink board@gvrec.org: “The Board of Directors appreciates hearing member views and suggestions. If you wish to receive a response, please indicate ‘Response’ in the subject line of your email;”
- That the CEO change the automatic reply to member emails sent to the Board of Directors to: “Thank you for your email, which has been received by all members of the Board of Directors. If you requested a response, you will hear from the Secretary of the BOD;”
- That the Secretary of the BOD be authorized to determine where the subject of an email should be dealt with, i.e., which committee or Board meeting, and to respond to member emails that request a response; and
- That a notification of this change be published in the eBlast and *GVR Now!*
- Refer to Board Affairs Committee for placement in Corporate Policy Manual



EXHIBIT A

**Board of Directors
August 28, 2018**

Corporate Policy Manual Update – Suspension of Privileges

Overview:

There is no provision in GVR Bylaws that prevents a suspended member from holding office. The identified language is in effect a removal from office of a Director by the Board. Arizona Law provides that only the membership may remove a Director from office.

SECTION II – MEMBERSHIP

SUBSECTION 5. SUSPENSION OF PRIVILEGES

B. Guest Policy (updated 8/29/2017)

B. Suspended Member

1. A Suspended Member is an individual, not a household. Any GVR cardholder who has been determined to have violated GVR rules and regulations or otherwise deemed as a “Suspended Member” by the GVR Board of Directors shall be restricted from use of GVR facilities. This suspension may include suspension of use from all GVR facilities, or may be select facilities, as decided on by the Board.
2. A suspended member shall retain the rights to vote ~~but not to hold office~~.
3. The suspended member shall be responsible for all dues, fees and assessments.

Recommendation:

Approve changes to policy and incorporate into Corporate Policy Manual as indicated above.



EXHIBIT B

**Board of Directors
August 28, 2018**

Corporate Policy Manual Update - Guests

Overview:

Updates to Corporate Policy Manual

1. CRCF Resident added to comply with the bylaws.
2. Added the preposition “in” for grammatical correctness.
3. Added Assigned member, CRCF Resident and Life Care User for clarification.
6. Deleted, found in #11 below.
- 8 & 9. Added Annual & Daily Guest for clarification.
11. Consolidated #6 relating to tenants.
13. GVR bylaws provide the only penalty for violating the Rules and regulations is a suspension. The non-conforming language has the strikeout.
15. Deleted. It is contained in #3 above.

SECTION II – MEMBERSHIP

SUBSECTION 2. GENERAL

B. Guest Policy (updated 8/29/2017)

1. Guest privileges are intended for temporary visitors of a Regular Member, Assigned Member, Tenant, **CRCF Resident** or Life Care User of GVR and who live outside a twenty (20) mile radius of established GVR Boundaries. In general, guest cards are provided for visitors who are staying in a GVR household with the member or who are staying in a local commercial hotel as a guest of the member.
2. Anyone residing **in** a non-GVR property within the jurisdiction of the corporation is not an eligible guest.
3. GVR Members, **Assigned Members, CRCF Residents or Life Care Users** may purchase an Annual Guest Card for a fee determined by the Board of Directors. GVR members, **Assigned Members, CRCF Residents or Life Care Users** may also purchase daily guest cards for an additional fee. Limit one (1) Annual Guest Card per household. The Annual Guest Card allows for an unlimited number of guests and guest visits. Daily Guest passes allow for unlimited number of guests on specific days only.
4. GVR Members who own more than one GVR property may purchase an Annual Guest Card only for the property in which they reside.
5. No more than one (1) Annual Guest Card may be purchased by an individual(s) owning GVR properties regardless of the number of properties owned.
6. Annual Guest Cards may not be purchased for properties which are tenant occupied. ~~Tenants may purchase Daily Guest passes for a fee determined by the Board of Directors.~~

7. Annual Guest Cards are valid through the end of the calendar year (December 31). Annual Guest Card fees are not prorated.
8. Adult guests 18 years of age and older are required to have a valid annual guest card/**daily guest pass** when visiting GVR facilities. Multiple guests visiting the same facility may use the same Annual Guest Card.
9. Guests under the age of 18 do not require annual guest cards/**daily guest passes** and must be accompanied by a GVR-issued card-carrying adult.
10. Replacement of a lost or damaged Annual Guest Card must be obtained at a GVR Member Services office. The fee for replacement cards is determined by the Board of Directors. Lost cards will be deactivated to prevent future use of the card. Damaged cards must be returned to a GVR Member Services office before a replacement card will be issued.
11. **For a fee determined by the Board of Directors**, tenants with guests may purchase a **day daily guest** pass for guests over the age of 18.
12. Guest cards are required for all general facility use and club activities. However, guest cards are not required for ticketed GVR events where guests pay a higher ticket price than the member price.
13. At management's discretion, guest usage of GVR facilities may be limited to non-primetime hours. Signage will be added to all facility gates reminding individuals that each person must swipe (or 'tap' for proximity cards) a GVR-issued ID Card. In addition, members and guests who abuse GVR ID card privileges may be subject to ~~sanctions and penalties up to and including fines and/or loss of privileges, as determined by the Board of Directors. Rules governing board authorized sanctions and penalties will be publicized to the general membership.~~
14. GVR stopped issuing Annual Guest Cards on a complimentary basis to new Single Member Households on March 1, 2016. Annual Guest cards offered on a complimentary basis to Single Member Households prior to March 1, 2016 (whereby the GVR member property remains a single member household) will continue to be issued, provided that the affected GVR Member formally requests a Single Member Annual Guest Card each year. The formal request may be made any time during a calendar year and for each subsequent calendar year. Failure to request a card during a calendar year will result in forfeiture of the Single Member Annual Guest Card privilege for the GVR member. Cards are specific to a GVR member property and are not transferable to a new owner of the property.
15. ~~Life Care Privilege—Life Care Users may purchase Annual Guest Cards and Daily Guest Passes following the same guidelines established for guests of any GVR Member.~~

Recommendation:

Approve changes to policy and incorporate into Corporate Policy Manual as indicated above.



EXHIBIT C

**Board of Directors
August 28, 2018**

Corporate Policy Manual Update – Dues Assessments

Overview:

The term “assessments” versus “special assessments” became an issue when the attorney representing GVR in the NCMF erroneously characterized GVR as a Planned Community and the judge in his ruling made a finding that GVR was a “Planned Community” (an HOA). Under title 33 of the Arizona Revised Statutes, HOA’s pay an annual “assessment” not dues. There is no distinction between an “assessment” and a “special assessment”. GVR Bylaws make it clear that a special assessment would be “for any purpose”.

Seven Directors changed to majority of directors in office.

SECTION II – MEMBERSHIP

SUBSECTION 3. ANNUAL DUES, ANNUAL DUES INSTALLMENT PAYMENT PLAN, INITIAL FEES, FEES FOR SERVICES (updated 4/19/2016)

A. General

All Fees, Annual Dues, Service Fees and Delinquency charges shall be established each year by the approval of **a majority of Directors in office**. ~~At least seven members of the Board of Directors. The Board also has the right to approve assessments, as long as they are not special assessments for any purpose, by a vote of a minimum of seven Board members.~~ Special assessments for any purpose shall require approval of **a majority of Directors in office** ~~at least seven members of the Board of Directors~~, and a vote of at least a majority of the Members voting.

B. Annual Dues

1. The Board shall establish membership dues for each fiscal year on or before December 10. In establishing annual dues, the Fiscal Affairs Committee and the Board of Directors shall use the following formula as a starting point. The sum of 50% of the CPI (W) percentage increase/decrease through September of the current year and 50% of the Social Security percentage increase/decrease for the current year. To the extent permitted by law, the Committee and Board may deviate from this formula in establishing the dues after taking into consideration all relevant factors including, but not limited to, projected operating costs, maintenance projects, and appropriate reserves. These dues are payable on or before January 1 of that same fiscal year.
2. Upon the initial purchase of a property in a deed-restricted subdivision, the annual dues shall be prorated as of the date of closing. When an owner of property in a subdivision which is not master deed restricted subjects his property to a GVR deed restriction, the annual dues shall be prorated as of the date the property is made subject to the voluntary deed restriction.
3. ~~Annual Dues is synonymous with the terms “regular assessments” or “assessments”, but not “special assessments.”~~
- 3.4. Commercial Residential/Care Facility (CRCF) membership properties shall pay annual dues in an amount equal to the then-current annual dues multiplied by the number of units in the facility, regardless of whether or not such units are occupied

Recommendation:

Approve changes to policy and incorporate into Corporate Policy Manual as indicated above.



EXHIBIT D

Board of Directors August 28, 2018

Amendment to Board of Directors Code of Conduct

Overview:

The last sentence of the Board Code of Conduct indicates the Director is in “receipt” of the Board Code of Conduct. A Director is not required to agree with or adhere to the Code of Conduct.

Board of Directors Code of Conduct

The Board of Directors of Green Valley Recreation (GVR) commits to itself and its members to ethical, businesslike, and lawful conduct, including proper use of authority and appropriate decorum when acting as Board members.

1. Directors must act in the best interests of the GVR membership as a whole and must not put the interests of themselves, individual members, GVR clubs, staff, or other individuals or entities ahead of the interests of the GVR membership.
2. Directors shall conduct themselves in a courteous, professional and businesslike manner at all meetings, with each other and in their interactions with GVR members and staff.
3. Directors must avoid a conflict of interest or the appearance of a conflict of interest with respect to any fiduciary responsibility.
 - 3.1 Directors shall not accept any gifts or personal benefits, present or future, which may compromise or give the appearance of compromising his/her fiduciary responsibility.
 - 3.2 When the Board is to decide upon an issue, about which a Director has any perceived or potential conflict of interest, including but not limited to, any personal or professional relationship with a business, group, individual or GVR club, that Director shall recuse herself or himself, without comment, from any Board discussions or votes regarding the issue.
4. Directors shall be properly prepared for Board/Committee meetings.
5. Directors shall not attempt to exercise individual authority over GVR.
 - 5.1 Directors interactions with the CEO or with staff or interactions with the public, press or other entities must recognize the lack of authority vested in individual Directors except when explicitly Board authorized.
 - 5.2 Directors shall not interfere with the duties of GVR staff or GVR contractors. Any matters or communications concerning GVR staff or contractors shall be made through the Board President who shall forward them to the CEO.
 - 5.3 Directors shall support the legitimacy and authority of Board decisions, regardless of the Director’s personal position on the issue.
6. Directors shall respect the confidentiality of matters discussed in executive sessions of the Board and confidential communications with legal counsel. Confidential information shall not be disclosed without the authorization of the Board.

~~I acknowledge the receipt of this Board Code of Conduct:~~

I agree to adhere to this Board Code of Conduct.

Recommendation:

As indicated above, The Board Affairs Committee recommends the Board of Directors replace the last sentence of the Board Code of Conduct: “I acknowledge the receipt of the Board Code of Conduct” with “I agree to adhere to this Board Code of Conduct.”



EXHIBIT E

**Board of Directors
August 28, 2018**

Merge and Clarify Board of Director Email Communication in the Corporate Policy Manual - Sections VI and X

Overview:

Board Affairs Committee recommends consolidation and reorganization of portions of Sections VI and X of the Corporate Policy Manual as indicated below:

SECTION VI – BOARD/BOARD COMMITTEES

SUBSECTION 1. POWERS, DUTIES, AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

C. Board Of Directors Email Policy

~~GVR shall maintain a password-protected generic email account (“GVR Director Email Address”) which shall serve as the sole means of email communication between members and GVR Directors relating to GVR business and/or operations. The GVR Director Email Address shall be posted on the GVR website and may be published in GVR publications and Members will be directed to communicate to Directors via the GVR Director Email Address.~~

~~Directors shall be assigned an email address by GVR which they shall use for all email communications relating to GVR business and/or operations between each other and/or GVR staff.~~

It is the policy of GVR that all email communications concerning GVR governance and other corporate matters be managed through a central server. To facilitate this policy GVR shall provide each member of the Board of Directors with an official GVR email address which is to be used for all email communications relating to GVR business and/or operations between Directors and/or GVR staff, and email communications between GVR members and Directors.

If a Director receives an email on their personal email from a GVR member concerning GVR matters and if a response is appropriate, the Director shall forward the incoming message to their official GVR email address and then send a response from that official GVR email address.

In email communications with members, Directors shall be mindful of their duty to support the legitimacy and authority of Board decisions.

GVR shall also maintain a password-protected generic email account (general inquires) which shall serve as the means of email communications between members and the

Board collectively and/or the CEO for matters relating to GVR business and/or operations. The Directors' official email addresses and the GVR general inquiries email address shall be posted on the GVR website and may be published in GVR publications.

It is the policy of the GVR Board of Directors that individual Board members shall not use email to discuss, debate, or make policy or operational practice statements related to GVR whether in response to a member's comments or for any other purpose except as may be specifically authorized by the Board. This policy does not apply to GVR Board committees or subcommittees.

The Board specifically authorizes that individual Board members may use email communication to discuss, inform or debate issues and policy or operational practices at the committee or subcommittee level prior to a vote by the Board of Directors, unless dealing with personnel or legal matters.

Other than voting on an action without a meeting (ARS 10-3821) it is the policy of the GVR Board of Directors that individual Board members shall not use email to make policy or vote on any matter related to GVR.

D. GVR email Administrator

The CEO or CEO designee shall serve as GVR Email Administrator and shall have the following responsibilities with respect to email sent to the GVR Director Email Address:

1. Responding to member emails requesting general information or forwarding same to the appropriate GVR administrative staff member;
2. Acknowledging receipt of all other member emails and forwarding same to the GVR Board **President** for review and response; and
3. Archiving email messages.

~~E. Prohibited Email Communications~~

~~The following email communications are strictly prohibited:~~

- ~~1. Messages containing offensive language, including, but not limited to, defamatory, racist or obscene remarks;~~
- ~~2. Messages intended to or that would cause a reasonable person to be alarmed, annoyed or harassed;~~
- ~~3. Messages containing an attachment that is from someone other than the member sending the email;~~
- ~~4. Any attempt to disguise the sender's identity or an email with an anonymous sender;~~
- ~~5. Potentially damaging messages including, but not limited to mass or commercial messages, spam, and messages containing viruses; and~~
- ~~6. Messages concerning GVR business and/or operations addressed to a GVR Director's personal email account.~~

SECTION X- MISCELLANEOUS

SUBSECTION 1. COMMUNICATIONS POLICY

B. Member Communications

5. Email Communications with Members

~~e. GVR Board of Directors Email Policy (upd. 10/25/2016)~~

~~To facilitate communications among GVR Board Directors, GVR's Board-approved "Email Policy" provides each member of the Board of Directors with an official GVR email address, which is to be used solely for governance-related communications between Board members and GVR staff only.~~

~~A generic email address for members to communicate electronically with the Board of Directors (board@gvrec.org) is posted on the GVR website and published in each GVR Now! Newsletter. Emails addressed to the Board shall be reviewed by the CEO and the designated GVR Email Administrator who shall archive all such email messages, forward them to the Board President, and copy other Directors. Any director who receives a communication in a personal non-GVR email account that concerns GVR business and/or Board matters shall forward same to the CEO for review and if appropriate, archiving by the GVR Email Administrator.~~

~~It is the policy of the GVR Board of Directors that individual Board members shall not use email to discuss, debate, or make policy or operational practice statements related to GVR whether in response to a member's comments or for any other purpose except as may be specifically authorized by the Board.~~

Note: At the request of GVR's legal counsel, the Prohibited Email Communications portion of the policy was not changed:

SECTION X– MISCELLANEOUS

SUBSECTION 1. COMMUNICATIONS POLICY

B. Member Communications

6. Prohibited Email Communications

The following email communications by GVR's Directors, members, employees, and volunteers are strictly prohibited:

- a. Messages containing offensive language, including, but not limited to, defamatory, racist or obscene remarks
- b. Messages intended to or that would cause a reasonable person to be alarmed, annoyed or harassed
- c. Messages containing an attachment that is from someone other than the member sending the email
- d. Any attempt to disguise the sender's identity or an email with an anonymous sender

- e. Potentially damaging messages, including but not limited to, mass or commercial messages, spam, and messages containing viruses
- f. Messages concerning GVR business and/or operations addressed from a GVR Director's personal email account
- g. Personal emails using a GVR email account

Recommendation:

Approve changes to policy and incorporate into Corporate Policy Manual as indicated above.