



A regular meeting of the GREEN VALLEY RECREATION, INC. BOARD OF DIRECTORS held Tuesday, September 25, 2018 at West Center, the President being in the chair and the Secretary being present.

**Directors Present:** Carol Crothers (President), Donna Coon (Vice-President), Denise Nichols (Secretary), Roger Myers (Treasurer), Carol Lambert (Assistant Secretary), Nina Campfield, Sandra Thornton, Gail Vanderhoof, Kent Blumenthal (non-voting)

**Directors Present Electronically:** Lynne Chalmers, Tom Sadowski (Assistant Treasurer), Charles Sieck

**Directors Absent:** Tim Stewart

**Staff:** Cheryl Moose (CFO), David Jund (Facilities Director), George Rushing II (Recreation Director), Karen Miars (Administrative Assistant), Kathy Edwards (Program Coordinator), Payton Snider (System Administrator), Conal Ward (IT Technician), Miles Waterbury (Communications Specialist)

**Visitors:** 39 (plus additional staff)

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

President Crothers called the meeting to order at 1:30pm MST  
Roll call by Vice President Coon; Quorum established.

**II. Adopt Agenda**

**MOTION: Campfield / Seconded. Amend the Agenda to include a recommendation to have a summary of the legal opinion regarding GVR President Authority made public and to include it in the Corporate Policy Manual (CPM).**

**Failed: 5 yes (Campfield, Coon, Lambert, Myers, Nichols) / 6 no**

**III. Consent Calendar**

**MOTION: Lambert / Seconded. Approve August 28, 2018 Meeting Minutes as amended.**

**Passed: unanimous**

**IV. President Report**

Good afternoon,

As I've said several times, most of our board policy activities flow through our committees.

After months of going back and forth with our WSM consultants and finally getting county approval, our Planning & Evaluation Committee has approved going ahead with additional lights for Pickleball, improving three courts and adding an 8<sup>th</sup> court at East Center. Fiscal Affairs committee held a special session to find and approve the money for the project. It will cost over \$188K, and with board approval this afternoon, will be done as quickly as possible. We are still waiting on WSM to get design and cost figures for the new pickleball complex.

Our Board Affairs Committee has been working on updating the CPM so that it is in compliance with our bylaws and state and federal statutes. At our last board meeting, a legal review of their recommendations was requested. Two of the remaining 4 recommendations are fine. The one on Life Care Members and guest cards was once again questioned by our attorney. BAC had

attempted to bring this into compliance with a recommendation at our June meeting, but was asked by our CEO and board to make changes. Now with the 2<sup>nd</sup> legal opinion on this, I believe we must comply with our bylaws. If it is the right thing to do, we can change our bylaws, but that will have to go to a vote of the membership.

Fiscal Affairs: it is budget time and the fiscal affairs committee is working with the administration to be sure we have a fair and equitable budget. Our expenses have climbed significantly since 2014. With the positive upswing in the housing market we have consistently received more revenue than budgeted for housing turnover. We now have very healthy sized reserves. In the same period, our dues have increased faster than Social Security cost of living increases and based on our survey, many of our members are living on limited incomes. At the board's direction, Fiscal Affairs is looking at the possibility of giving some relief to our membership by keeping dues flat. I encourage our member to make your views know to the FAC and to the board.

Nominations and Elections Committee asked me to note that elections will be coming up before we know it and we need good candidates to run for the board. So, if you are interested in supporting your membership and willing to put in a considerable amount of time, I urge you to consider running for the board.

Our other committees, Investments, and the ad hoc survey, foundation and bylaws committees have also been hard at work. I will ask each of them to give you a brief update later in the meeting.

Before I turn it over to Kent, I'd like to respond to Director Campfield's concern that the board or our members may not understand the role of the board president. The board president is one of 12 voting members of the board and his or her vote has no more power than any of the other 11. The president is elected into office by the board and can be removed from office by the board. The specific responsibilities of the president are listed in the governing documents and include setting up meeting agendas, running the board meetings, and being a focal point for questions directed to the administration or to legal.

Assuming the recommendation to establish FAQ's (frequently asked questions) passes later in the meeting, this kind of question can be answered and posted so we don't have to spend board time with requests like this.

## **V. CEO Report**

Good afternoon.

There's been a lot of operational activity lately, but not necessarily a lot of results since our last Board meeting as of today, on the path to an 'Envisioned Future' for GVR.

By comparison, the August 28 meeting was chock-full:

- A comprehensive Work Plan for this governance year that expires in just six months was adopted. Three work plan activities identified in August are still require further refinement by me and the Board Officers. Now that several Director Snowbirds are headed back to Green Valley, I'm confident that this will be soon accomplished.
- The GVR and GVR Foundation Ad Hoc Committee continues to meet. A Member Forum about the relationship was pushed to two (2) meetings, one in October and the other in November.

- The Fiscal Affairs Committee will revisit the proposed FY 2019 budget before it comes to the Board, possibly on October 30 at the next Board meeting.  
According to our Bylaws, the schedule of dues and the operating and capital budget must be approved by the Board no later than December 10. In real terms, December 10 is much too late to be fair to our members. When a budget is approved this close to the start of the new the fiscal year, staff will necessarily send out dues invoices late, since the notices cannot be sent until the annual dues amount is set. Also, according to our governing documents, annual dues must be paid by January 1. We're already getting requests from members to send out 2019 invoices, as many are travelling or won't be arriving in Green Valley until January. Perhaps the Board should consider proposing amending GVR Bylaws with earlier dates required to approve an annual operating and capital budget.

FY2019 budget-related review meetings include:

- A Fiscal Affairs Committee (FAC) review of proposed FY 2019 fees occurred on August 30;
- The September 18 regular FAC committee meeting focused on non-reserve capital projects.
- A September 20 Board work session examined the entire FY 2019 budget proposal.
- More meetings and review sessions are planned.

It is clear that the GVR budget development process and all that must be considered as part of our \$11M+ budget is not universally understood. I remain hopeful that the Fiscal Affairs Committee and staff can soon host a 'GVR budget primer' to describe the budget development process to members and answer questions about GVR budget.

Last Sunday's Arizona Daily Star newspaper had a lead Business Section story about the shortage of construction contractors and skilled labor in Tucson and the surrounding area. At last week's Fiscal Affairs Meeting, staff shared this as a problem that GVR currently faces. A shortage of available contractors has negatively impacted our ability to complete both Maintenance, Repair, Replacement (MRR) Reserve-funded projects and Non-reserve funded capital projects in a timely manner.

Meanwhile:

1. The first three GVR Solar Panel installation projects were approved by the Green Valley Council's (GVC) Transportation and Architectural Committee on September 13.
2. Two lightly-attended Member Forums were conducted at CPI and Abrego South on September 18 where a few trees will have to be removed to accommodate Solar Panel installations.
3. The new GVR SOS Volunteer initiative was launched just after Labor Day, but member participation so far has been disappointing. Staff will reevaluate the program after the initial series of SOS presentations and lectures is completed.

Thank you for being here today. Let's have a productive and success-driven afternoon.

## **VI. Committee Reports**

### **1. Planning & Evaluation**

**MOTION: Coon / Seconded. Recommend to proceed with \$98,270 supplemental funding for East Center Pickleball Courts' safety and improvements as described within the exhibit.**

**Passed: unanimous**

### **2. Fiscal Affairs**

**A. MOTION: Myers / Seconded. Accept the Fiscal Affairs Committee recommendation of Reserves funding sources and amounts for the Planning and Evaluation Committee's revised East Center Pickleball Courts and Lighting Project supplemental funding of \$98,270 dated 9/18/2018:**

Maintenance, Repair and Replace Reserve <sup>1</sup>	\$ 16,891
Initiatives Reserve	\$ 66,379
Emergency Reserve	<u>\$ 15,000</u>
Total	<u>\$ 98,270</u>

Note 1 – Reserve Study line items:  
Center 00030-East Center

		<u>FFB</u>
Category 17000-Tennis Courts	Line 700-Pickleball wind screen	1,000
Category 17500-Basketball/Sport Courts	Line 210-Seal & Striping Pickleball	3,105
Category 17500-Basketball/Sport Courts	Line 430-Overlay [3] Pickleball Courts	8,929
Category 19000-Fencing	Line 130-Chain link 10', Pickleball portion	3,857
		<u>16,891</u>

Passed: unanimous

- B. MOTION: Myers / Seconded.** Post on the GVR website the “draft” August Financial Statements that are pending Fiscal Affairs Committee approval.  
Passed: unanimous

**3. Board Affairs**

**MOTION: Chalmers / Seconded.** Based on the attorney’s review and approval of Exhibit C on Dues Assessments and Exhibit D Code of Conduct, I move approval of these two exhibits as they were proposed and presented by the Board Affairs Committee at the August 28 Board meeting.

**SECOND MOTION: Campfield / Seconded.** Table the Motion to go into Executive Session immediately following the Board meeting to discuss legal opinion on Board Affairs Committee’s proposed Corporate Policy Manual (CPM) recommendations.

Failed: 5 yes (Campfield, Coon, Lambert, Myers, Nichols) / 6 no

**Call the question: Vanderhoof / Seconded.**

Passed: 6 yes / 3 no (Campfield, Lambert, Myers)

CEO Blumenthal asked that the meeting minutes reflect his concern that Attorney-Client Privileged Legal Opinions were being discussed in an open meeting. He strongly urged the Board to go into an Executive Session to discuss legal matters, as is appropriate.

Passed: 7 yes / 4 no (Campfield, Coon, Lambert, Myers)

**MOTION: Sieck / Seconded.** Going forward, the Board Affairs Committee will interact on appropriate issues with legal counsel to address changes to the Corporate Policy Manual (CPM) in a timely fashion, pending approval of the CEO.  
Passed: unanimous

**4. Survey Ad Hoc**

**A. MOTION: Lambert / Seconded. Secure a legal opinion on a range of appropriate sanctions for Directors who violate the Board Code of Conduct, consistent with GVR Bylaws and Arizona statutes.**

**Failed: 3 yes (Campfield, Coon, Lambert) / 8 no**

**B. MOTION: Lambert / Seconded. Form an FAQ Ad Hoc Committee, chaired by the Board Secretary. The purpose of the FAQ Ad Hoc Committee is to prioritize, answer and publish responses to questions asked by members about GVR and its governance.**

**Passed: unanimous**

**5. GVR-GVR Foundation Relationship Ad Hoc** - Director Sieck gave an update on the committee's progress.

**6. Nominations & Elections** - Chair Denise Nichols reported on the upcoming 2019 election with four, three-year term positions open.

**7. Investments Ad Hoc** - Chair Tom Sadowski reported on GVR Reserve accounts.

**8. Bylaws Ad Hoc** – Chair Lynne Chalmers announced committee members; the committee held two meetings.

**9. Audit** – Chair Charles Sieck reported on recent activities of the committee.

**VII. New Business**

**1. MOTION: Blumenthal / Seconded. Refer the attorney's rewrite of the Corporate Policy Manual (CPM) section related to electioneering on GVR property to Board Affairs Committee to "rip and replace" the incorrect section within the CPM with the attorney-provided language.**

**Passed: unanimous**

**2. MOTION: Blumenthal / Seconded. Move that the Board of Directors affirm that it desires "draft" Board meeting minutes, not yet approved, be posted for public viewing prior to formal Board of Directors' meeting approval.**

**Passed: unanimous**

**VIII. Member Comments: 2**

**IX. Adjournment**

**MOTION: Sadowski / Seconded. Adjourn meeting at 4:10pm MST.**

**Passed: unanimous**

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Denise Nichols  
Secretary

Date

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Karen Miars  
Administrative Assistant

Date