



A regular meeting of the GREEN VALLEY RECREATION, INC. BOARD OF DIRECTORS held Tuesday, December 4, 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), Tom Sadowski (Assistant Treasurer), Nina Campfield, Lynne Chalmers, Charles Sieck, Tim Stewart, Sandra Thornton, Gail Vanderhoof

**Director Present Electronically:** Kent Blumenthal (CEO)

**Staff:** Cheryl Moose (CFO), Jen Morningstar (Director of Administrative Services), George Rushing II (Recreation Director), David Webster (Accounting Supervisor), Karen Miars (Administrative Assistant), Payton Snider (System Administrator), Conal Ward (IT Technician), Jason King (IT Technician)

**Visitors:** 89 (includes additional staff)

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

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

**2. Adopt Agenda as amended**

**MOTION: Sieck / Seconded. Adopt Agenda as amended.**  
**Passed: 10 yes / 2 no (Campfield, Lambert)**

**3. Consent Calendar**

**MOTION: Sadowski / Seconded. Approve Financial Statements of October.**  
**Passed: unanimous**

**MOTION: Nichols / Seconded. Approve October 30, 2018 Meeting Minutes as amended.**

**Passed: unanimous**

**4. President Report**

Good Afternoon.

First, I am pleased to report that our CEO is back on his feet, so to speak, or at least on one foot and is back hard at work. We are so very thankful that Kent and his wife came though their motorcycle accident as well as they did. Kent will not be able to join us this afternoon as this was his first opportunity to get back in to see his surgeon. We will miss him today.

The major topic for today is our 2019 budget. I'm very proud of how our board and administration have come together on a compromise budget that focuses on following board policy on dues increases and addresses the highest priority concern of our

membership: keeping our facilities in top notch shape. Our ad hoc committee with the tireless, dedicated endless hours of Treasurer, Roger Meyers, did an excellent job of considering many alternatives and coming up with a solution that freezes dues for a year and allows for no decrease in member services. Roger will take you through the details.

## 5. **CEO Report**

Good afternoon GVR members, Board, and staff. I am sorry that I am unable to be with you at our meeting today. My wife, Becky Charboneau and I have our first follow-up appointment in Tucson with one of the orthopedic surgeons caring for us after our recent motorcycle accident. This was the only date and time available to meet with the surgeon.

Becky and I wish to extend our heartfelt appreciation and gratitude for the outpouring of well-wishes in the form of emails, texts, get-well cards, phone calls, gifts of food and meals, walking our dog Elsa, running errands and shopping, transportation, prayers, empathy, laughter, and genuine friendship. We realize that each one of these acts of kindness is making all the difference in our recovery. We are touched by your concern and support and determined to maintain a positive attitude; with your help we are healing and mending each day.

As with all of our committee, board and membership meetings and forums, much planning and preparation is necessary to bring us together to conduct the business of our Corporation, and I am grateful for GVR members and staff devoted to this aim.

So, in my physical absence at today's meeting, I send an intention to each of you for a productive and successful GVR Board meeting.

The past two weeks necessitated that I work mostly from home, and I appreciate the flexibility and understanding of GVR members, Board and staff during this time.

I look forward to being with you all in-person again soon, as well as resuming an exercise regimen in one of our fabulous fitness facilities as soon as possible, though it may be on crutches for several months.

Thank you and stay well.

## 6. **Committee Reports**

### A. **Budget Ad Hoc**

1. **MOTION: Myers / Seconded. GVR Board of Directors adopt 2019 Operating and Capital Budgets in the 2019 Budget Plan Z ver. 2 as amended to include 2019 Fee Schedule, 2019 Club Expenditures, 2019 MRR Reserve Expenditures, 2019 Non-Reserve Capital Expenditures, and 3-Year Capital Plan. (Exhibit – 2019 Budget Plan Z ver. 2). Passed: 11 yes / 1 no (Campfield)**

B. **Fiscal Affairs** – no report.

C. **Board Affairs** – Discussion.

**D. Planning & Evaluation** – Director Coon gave an update on the expansion of East Center Pickleball Courts, the Pickleball Complex, and next steps for approved FY2019 GVR Club requests.

**E. Nominations & Elections**

1. Director Nichols introduced slate of 2019 Board Candidates: Suzan Curtin, Christine Gallegos, Steve Gilbert, Connie Griffin, John Haymond, Eugene Kasper, Mark McIntosh, David Messick, Kathy Palese, Charles Soukup, John Stock, Eric Sullwold, David Thomas, Beverly Tobiason, Bob Warner, Don Weaver, and Michael Zelenak.
2. **MOTION: Sieck / Seconded. Make the Carver Policy Governance training, the pilot group utilized, available to all current GVR Board of Directors as well as to the 2019 elected candidates to be paid out of the FY2018 budget.**

**MOTION TO AMEND: Stewart / Seconded. Only train the five remaining Directors.**

**Motion to Amend Passed: 11 yes / 1 no (Sieck)**

**Amended Motion Passed: unanimous**

**APPROVED AMENDED MOTION:** *Make the Carver Policy Governance training, the pilot group utilized, available only to the five remaining Directors to be paid out of the FY2018 budget.*

**F. Audit** – Director Sieck gave a report for the Audit Committee.

**G. GVR-GVR Foundation Relationship Ad Hoc** – Director Stewart reported on the second GVR-GVRF Relationship Ad Hoc Committee Member Forum conducted on November 16.

**H. Survey Ad Hoc** – Director Thornton reported on the Underserved Subcommittee.

**I. Investments Ad Hoc** – Director Sadowski reported the committee is in the process of interviewing potential financial advisors for GVR Reserve accounts.

**J. Bylaws Ad Hoc**

**MOTION: Chalmers / Seconded. I move the GVR Board of Directors place on the 2019 GVR ballot the Bylaw change of adding “Life Care Members” in the rights of members to have Guests sections of the current Bylaws [i.e., Article II, Section 3.F and Section 4.A.3].**

**Passed: unanimous**

**7. New Business**

**A. GVR Foundation Member Assistance Program (MAP) Agreement** – Discussion.

**B. Allocation of FY2017 Surplus Funds**

**MOTION: Myers / Seconded. Fiscal Affairs Committee recommends \$283,285 be distributed from the Operating Cash account to the Initiatives Fund.**

**Call the question: Lambert / Seconded.  
Passed: unanimous**

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

**C. Board of Directors Code of Conduct**

**MOTION: Lambert / Seconded. Move that the Board Affairs Committee be asked to make a priority of developing a Corporate Policy Manual (CPM) section that addresses Board Member conduct.**

**Failed: 6 yes (Campfield, Chalmers, Coon, Lambert, Nichols, Stewart) / 6 no**

**8. GVR Foundation Report** – GVR Foundation President Blaine Nisson reported GVRF Directors participated in November 19 Day of Giving at Continental Plaza; GVRF is teaming up with Sun Shuttle and “Dial-a-Ride” in an effort to make transportation options more accessible to the community; 2019 SoAZ CultureFest III on March 2, 2019 in Tubac; and Write-A-Will Workshops on March 27 and 28, 2019.

**9. Member Comments: 4**

**10. Adjournment**

**MOTION: Sadowski / Seconded. Adjourn meeting at 4:20pm MST.  
Passed: unanimous**

**\*\*‘Action without Meeting’ Unanimous Consent Resolution.**

At the request of members of GVR – GVR Foundation Joint Ad Hoc Committee on October 18, 2018, the Board of Directors was asked to approve posting the updated re-reconciliation of shared resources between GVRI and GVR Foundation on GVR’s website. This motion failed with a no vote from President Crothers.

**\*\*‘Action without Meeting’ Unanimous Consent Resolution.**

At the request of President Carol Crothers on October 23, 2018, the Board of Directors was asked to vote via unanimous consent resolution to approve distribution of legal opinion obtained from GVR’s corporate attorney regarding Board Affairs Committee suggested re-writes to Board Affairs Committee Members. This motion failed with a no vote from Director Campfield.

\_\_\_\_\_  
Denise Nichols Date  
Secretary

\_\_\_\_\_  
Karen Miars Date  
Administrative Assistant



## **EXHIBIT**

### Board Resolution 2019 Budget Plan Z ver. 2

**APPROVED  
BOARD OF DIRECTORS**

**December 4, 2018**

Whereas, as of October 30, 2018 the Board of Director failed two times to pass a 2019 Budget.

Whereas, Green Valley Recreation Inc. Bylaws require a budget by December 10 of the current calendar for the succeeding fiscal year starting January – Article III, Section 4.

Whereas, on October 30, 2018 the Board of Director formed the Ad Hoc 2019 Budget Reconciliation Committee (the “Ad Hoc Committee”) with the following members: Director Denise Nichols as chairperson; Director Roger Myers; Director Tom Sadowski, Director Charles Sieck and Kent Blumenthal, CEO, as liaison GVR staff person, to formula a compromise 2019 budget.

Now, therefore, resolved to approve and adopt the 2019 Operating and Capital Budgets known as Plan Z ver. 2 as presented below and in the attached 2019 Fee Schedule, 2019 Club Requests Expenditures, 2019 MRR Reserve Expenditures, 2019 Non-Reserve Capital Expenditures, 3-Year Capital Plan.

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Total Revenue of \$11,479,090 with 2019 annual dues and Life Care member dues at \$493.

Subtract: Total Expenses of \$10,550,000

Subtract: Estimated Unrealized Investment Loss of \$150,000 loss.

Change in Net Assets:

Total Revenue	\$ 11,479,090
Subtract: Total Expenses	(\$ 10,535,462)
Subtract: Investment Unrealized Loss	(\$ 150,000)
Change in Net Assets	\$ 793,628

Add-back non-cash Depreciation Expense from Operating Budget of \$1,309,109

Subtract: Reserve Funding:

Maint., Repair, Replace Reserve from Reserve Study	\$ 966,323
Initiatives Reserve by CPM formula	\$ 542,488
Emergency Reserve	\$ 0
Total	\$ 1,508,811

Subtract: Capital Budget Projects:

Non-reserve Capital Projects funded from operations	\$ 513,926
Club Requests funded from operations	\$ 80,000
Total	\$ 593,926

**Surplus/(Deficit): \$0**

Change in Net Assets	\$ 793,628
Add: Non-cash Depreciation Expense	\$ 1,309,109
Less: Reserve Funding	(\$ 1,508,811)
Less: Capital Budget Projects	(\$ 593,926)
Surplus/(Deficit)	<u><u>\$ 0</u></u>

2019 Budget Plan Z ver. 2 Highlights:

General Agreements:

One-time no member dues and no Life Care dues increase over 2018 dues of \$493.00. The 2020 budget may increase member dues and Life Care dues.

The difference between 2019 budget Plan Z ver. 2 total revenue and member dues/Life Care dues revenue will be made up by increases in non-dues revenue.

2019 budget Plan Z ver. 2 total revenue of \$11,479,00 is 1.0% less than the original 2019 budget but 4% greater than 2018 budget. 2019 expense adjustments should not negatively impact GVR employees.

2019 budget Plan Z ver. 2 total expenses of \$10,550,000 are 2.0% less than the original 2019 budget and 1.7% less than the 2018 budget.

Total 2019 budget Plan Z ver. 2 expenses includes \$50,000 to hire an Assistant Facilities Project Planner to assist in resolving the facilities planning workload with a personnel requisition to be executed immediately.

CEO will determine 2019 budget Plan Z ver. 2 expense allocation adjustments as allowed by GVR's CPM without Board micromanagement but reduction in the level of GVR services is not permitted.

The 2019 budget Plan Z ver. 2 adds \$105,926 over the original 2019 to non-reserve capital budget for a total \$513,926. GVR has deferred and delay many maintenance and repair projects evidenced by the original non-reserve capital budget being cut by \$348,000 from \$756,000 to \$408,000.

The ad hoc committee recognizes that GVR has significantly fallen behind in reserve study maintenance, repair and replace work as evidenced \$1.8 million in 2019 maintenance, repair and replace items. The growing number of postponed work must be seriously attacked and reduced.

If 2019 actual expenses appear to be exceeding the 2019 budget Plan Z ver. 2 total expenses and an operating deficit may be occur, the CEO may request the Board of Directors to reallocate up to \$100,00 of the 2019 non-reserve capital budget to reduce it to no less than \$408,00 which is the original 2019 budget non-reserve capital budget amount. Such request can be made within 30 days after the end of fiscal quarter with a detailed justification including a Projected Fiscal Year-End Statement of Activity, i.e., Statement of Income. statement of Income.