



A regular meeting of the GREEN VALLEY RECREATION, INC. BOARD OF DIRECTORS held Tuesday, January 29, 2019 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, Kent Blumenthal (CEO)

**Staff:** Cheryl Moose (CFO), Jen Morningstar (Director of Administrative Services), David Jund (Facilities Director), Kris Zubicki (Interim Recreation Director), Karen Miars (Administrative Assistant), Payton Snider (System Administrator), Jason King (IT Technician)

**Visitors:** 250 (includes additional staff)

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

President Crothers called the meeting to order at 1:31pm MST.  
Roll call by Secretary Nichols; Quorum established.

**2. Adopt Agenda**

**MOTION: Vanderhoof / Seconded. Adopt Agenda as presented.**  
**Passed: unanimous**

**3. Consent Calendar**

**MOTION: Lambert / Seconded. Approve Consent Calendar as presented:**

- **December 4, 2018 Meeting Minutes**
- **January 7, 2019 Meeting Minutes**
- **November 2018 Financial Statements**
- **Set Record Date of February 1, 2019 for 2019 Annual Election**

**Passed: unanimous**

**4. President Report**

Good Afternoon, we have a very important item to discuss today. We will be setting a funding limit to allow the development of our new pickleball complex.

The board has received hundreds of notes on the topic. I've read every one. They fall into three categories: 1) those worried that the cost would raise our dues or jeopardize keeping our facilities in top notch shape, 2), those who feel a 24 court complex is essential; and 3) those who want more pickleball courts for our members.

To address the concerns of the first group, we have over \$6M in our Maintenance, Repair and Replace reserve fund. In our 2019 budget process the Board put special emphasis on maintaining our facilities and added funds to ensure it. Kent, would you assure our members that we have the money to keep our facilities in excellent shape?

We expect that our audit and a detailed review of the ins and outs will confirm that we will have over \$2M and possibly by year end 2019 as much as \$2.5M in our New Initiatives reserves, which is how we will fund the new complex.

The second, considerably smaller group, are those who are demanding that we go directly to a 24 court complex. This will not happen as we have consistently looked at a phased approach to building new courts. The cost as presented by WSM is far above the level the board is authorized to go into contract without the permission of the membership. The pickleball club and many directors do not want to take this question to a vote of our membership.

The third and largest category are those who want more pickleball courts for member use. I believe every director wants more pickleball courts and wants them as soon as possible. The question is how much to spend. We have many other wants and needs, be it expanded fitness centers, an industrial arts center, table tennis, lapidary, clay studio, other clubs and more general class room and meeting space.

This is not an easy decision and we never seem to have all the data we need. I do want to thank all the members who have taken the time to write. And I assure you that as we move forward we will continue to look for the best ways to receive input from you, our members.

For example, we will be sending out with the ballots a very short annual survey to keep a pulse on how we are doing. Charlie will talk more about this later in the meeting.

As another small step in communications, I've asked Kent to tell us what we are hearing from our new suggestion boxes and if there are any important reoccurring themes that are coming through our hotline. Kent, I'll turn it over to you.

## **5. CEO Report**

Good afternoon fellow GVR members, Board, and staff.

I am pleased to see so many members here today. You care about the future of GVR, as do I, regardless of how you envision that future. Five years of Board deliberations, research, and Member Forums regarding the sport of Pickleball and its place within Green Valley Recreation, Inc. are most assuredly behind us. What lies in front of us will define to what extent our collective work during those five years was meaningful. And, I want to publicly thank Tennis Club President Doug McCoy and club officers for assisting with East Center Pickleball Courts! As courts are realigned, one court added and lighting of courts is completed.

Pres. Crothers asked me to report on our relatively new Suggestion Boxes that you will find in the lobbies of staffed GVR Centers. The Suggestion Boxes were an outcome of two "Conversations with Kent" held in spring, 2018, facilitated by GVR member Helen Russo. Thus far, staff has received and responded to 41 member "suggestions." As we receive and process member suggestions, the suggestions with staff responses are posted on the GVR website under the Homepage heading, "Membership Resources." You will note that many suggestions deal with how to improve our facilities or some incidental maintenance issue. The GVR Board has often discussed creating an FAQ for member questions asked of the Board. When that happens, I would like to meld the Board FAQ with the Suggestion Box items on the website, likely grouped by categories of interest.

We recently posted on the GVR website a FAQ entitled, “GVR Deed-Restricted Property & Membership.” The FAQ is a compilation of information gleaned from our Bylaws and past legal opinions regarding GVR membership, and membership’s direct relationship to property ownership. The FAQ was recently presented by staff to the Green Valley/Sahuarita Association of Realtors. You will find the document under “Membership Resources” at the top of the GVR Homepage.

Back to maintenance for a moment. There is no backlog of facilities maintenance at GVR. What we have is a schedule of annual maintenance activities that follow our Reserve Study guidelines and are funded through the Maintenance, Repair & Replacement or MRR reserve account. The MRR reserves anticipate maintenance needs over a 30-year period. That is not to say that we do not have day-to-day maintenance issues that arise, from dripping faucets to broken pipes. Those are addressed as they occur and we are made aware of them by our talented facilities and maintenance staff. And please keep this top of mind: if we have a MRR scheduled repair or replacement, say for a heating and ventilation unit, but find that it is working properly and does not need to be replaced, we will not spend money on it, but will continue to monitor it.

I want to take a moment to highlight a couple of very cool activities that occurred in the past few days.

Last Sunday at Las Campanas Center, GVR hosted its fifth annual “Fit & Fun Day-Open House” to showcase all that GVR offers. The event was absolutely fabulous! More than 60 vendors including representatives of our clubs, classes and performing arts hosted more than 1,000 attendees. Many attendees are new to Green Valley and to GVR. Some of these folks will ultimately make Green Valley and GVR their permanent home. Hats-off to Maureen McCarthy who coordinated the entire event, and to the many volunteers who helped make the event a huge success.

Yesterday, our Communications Specialist and Fitness Coordinator, Miles Waterbury, led the first of two “Conversations with Kent” at Santa Rita Springs Center to discuss updates to GVR Fitness Center Rules/Guidelines and the formation of a Fitness Advisory Committee. Ideas and anecdotes shared by attendees about improving the member experience while taking care of our fitness facilities were extremely helpful, and in many cases enlightening. Kudos to Miles for coordinating these events. We want your input about our fitness centers, so please try to attend the next Fitness Center Forum on February 12 at 9 AM at Desert Hills Auditorium.

Thank you for joining us today and stay well.

## 6. Committee Reports

### A. Planning & Evaluation

1. 3-5 Year Plan Review

**MOTION: Coon / Seconded. GVR Board of Directors authorize Planning & Evaluation (P&E) Committee to update GVR Capital Projects 3-5 Year Plan annually, no later than March 25 of each year for Board approval, allowing the updated 3-5 Year Plan and the Annual Club requests to both be available for the annual capital budgeting process that begins in June of each year.**

**Passed: unanimous**

2. 2019 Club Projects  
**MOTION: Coon / Seconded. GVR Board of Directors authorize execution of approved Planning & Evaluation (P&E) Committee 2019 Club Projects in the amount of \$80,000.  
Passed: unanimous**

## **B. Fiscal Affairs**

1. Funding Recommendation – GVR Pickleball Center  
**MOTION: Myers / Seconded. GVR Board of Directors accept and approve the January 23, 2019 Fiscal Affairs Committee recommendation for Initiatives Reserve Fund to provide up to \$1,250,000 for Phase I of the construction of the Pickleball Center located at 2612 South Camino de la Canoa.**

**FURTHER, resolved that such amount is intended to cover construction costs of no less than eight (8) regulation pickleball courts and site development and infrastructure costs such as parking area, a restroom/office/storage building to accommodate up to twenty-four (24) regulation pickleball courts, projected development costs and project contingencies of 10% as shown in the WSM Architects December 13, 2018 Pickleball Center proposal.  
Passed: 10 yes / 2 no (Sadowski / Vanderhoof)**

2. FY2017 Surplus to Initiatives Reserve  
**MOTION: Myers / Seconded. GVR Board of Directors accept and approve the January 23, 2019 Fiscal Affairs Committee recommendation to contribute the 2017 Surplus totaling \$283,285 to the Initiatives Reserve Fund.**

**MOTION TO TABLE: Sieck / Seconded. Table transfer to Initiatives Reserve Fund until after results of 2018 Annual Financial Audit are complete.**

**Motion Failed: 6 yes (Chalmers, Crothers, Sadowski, Sieck, Thornton, Vanderhoof) / 6 no**

**Passed: 7 yes / 5 no (Crothers, Sadowski, Sieck, Thornton, Vanderhoof)**

## **C. Nominations & Elections**

1. Governance Training – Director Nichols introduced the eleven (11) 2019 Board Candidates and gave an update on the election process.

**MOTION: Chalmers / Seconded. GVR Board of Directors approve follow-up instruction, guidance, and/or assistance from Brown Dog Consulting to provide application of the Carver Policy Governance module training material to GVR's specific governing situation before April 1, 2019. The type of follow-up, cost, and timeframe will be determined after discussion and agreement by the eight directors and two staff, CEO Kent Blumenthal and Director of Administrative Services Jen Morningstar, who completed the module training. The cost of training is not to exceed \$8,500.**

**MOTION TO AMEND: Campfield / Seconded. Change date from April 1, 2019 to May 1, 2019 to include training of new Board members prior to the workshop.**

**Motion Failed: 3 yes (Campfield, Lambert, Stewart) / 9 no**

**Passed: 9 yes / 2 no (Campfield, Lambert) / 1 abstain (Myers)**

**D. Bylaws Ad Hoc** – Director Chalmers gave an update on the committee’s activities.

**E. Board Affairs**

1. Proposed New Club – GVR Needle-Arts Club

**MOTION: Vanderhoof / Seconded. GVR Board of Directors grant Club status to the proposed GVR Needle-Arts Club.**

**Passed: unanimous**

**F. Audit** – Director Sieck reported on the 2018 Annual Financial Audit.

**G. GVR-GVR Foundation Relationship Ad Hoc** – Director Stewart gave an update on the committee’s progress regarding a Pickleball Campaign.

~~Lynne Chalmers and Denise Nichols left the meeting.

**MOTION: Stewart / Seconded. GVR Board of Directors approve CEO Kent Blumenthal to identify an appropriate independent legal counsel for the purpose of reviewing final legal documents related to GVR-GVR Foundation pickleball fundraising initiative.**

**Passed: unanimous**

**H. Survey Ad Hoc**

1. Annual Pulse Survey included with 2019 Ballot – Director Sieck reported. Discussion.

**I. Investments Ad Hoc** – Director Sadowski gave an update on recruiting a financial advisor for GVR Reserve accounts.

**7. New Business**

**A. GVR Foundation “Appointed Director” Recommendation** – GVR Appointed Director candidate John Damitio provided background information.

**MOTION: Stewart / Seconded. GVR Board of Directors approve John Damitio as a GVR Appointed Director on the GVR Foundation Board of Directors to fill a three-year term expiring January 2022.**

**Passed: unanimous**

**8. GVR Foundation Report** - GVR Foundation President Richard Kidwell reported.

**9. Member Comments:** 1

**10. Adjournment**

**MOTION: Campfield / Seconded. Adjourn meeting at 4:23pm MST.**

**Passed: unanimous**

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

At the request of President Carol Crothers on December 19, 2018, the Board of Directors was asked to approve asking WSM Architects to submit the P&E-approved Design and Engineering plans for the GVR Pickleball Center to Pima County Development Services for review.

This motion failed with a no vote from Director Thornton. Directors Chalmers and Vanderhoof abstained.

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

At the request of President Carol Crothers on January 15, 2019, The Board of Directors unanimously approved a three-year contract renewal with the Browning Reserve Group for 2019 – 2021 reserve study support at a cost of \$31,000 payable from the FY 2019 budget.

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Denise Nichols  
Secretary

Date

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Karen Miars  
Administrative Assistant

Date