



A regular meeting of the GREEN VALLEY RECREATION, INC. BOARD OF DIRECTORS held Wednesday, May 22, 2019 at West Center, the President being in the chair and the Secretary being present.

Directors Present: Charles Sieck (President), Sandra Thornton (Secretary), Carol Crothers (Treasurer), Donna Coon (Assistant Secretary), Suzan Curtin, Christine Gallegos, Gail Vanderhoof, Don Weaver, Mike Zelenak, Kent Blumenthal (non-voting)

Directors Present Electronically: Lynne Chalmers (Vice President), Tom Sadowski (Assistant Treasurer), Denise Nichols

Staff: Cheryl Moose (CFO), Jen Morningstar (Director of Administrative Services), David Jund (Facilities Director), Kris Zubicki (Interim Recreation Director), David Webster (Accounting Supervisor), Miles Waterbury (Communications Specialist), Karen Miars (Administrative Assistant), Payton Snider (System Administrator)

Visitors: 29 (includes additional staff)

1. Call to Order / Establish Quorum

President Sieck called the meeting to order at 2:02pm MST.
Roll call by Secretary Thornton; Quorum established.

2. Adopt Agenda

MOTION: Weaver / Seconded. Adopt Agenda as presented.
Passed: unanimous

3. Consent Calendar

MOTION: Vanderhoof / Seconded. Adopt Consent Calendar as presented.
Passed: unanimous

4. President Report

Good afternoon. Welcome to our May meeting of the GVR Board of Directors. There is a lot going on with our committees as you will see. This has been a particularly challenging month since the Board meeting was moved up a week. However, I commend the chairmen, the committee members, and the staff for pulling this off.

The biggest project and the highest priority is the construction of a new pickleball complex. The request of bids went out on Thursday, May 9th and the bids are to be returned no later than May 29th. On Friday, May 10th the content of the request of bid was disclosed to the Board. The baseline configuration for bids was 16 courts. The most recent cost estimates provided to the Board for 16 courts exceeded the \$1.25M limit the Board had authorized. On Monday, May 13th, I requested that the baseline configuration be changed to 12 courts for which the most recent cost estimates provided to the Board would meet the \$1.25M limit. That has not happened. Consequently we are at risk of not meeting the \$1.25M cost constraint. Discussion of the Board and the 2019 workplan led us to believe the pickleball complex would be completed by year end 2019, in time for next year's busy season. The completion date in the request of bids was mid-February. This was also a great disappointment to

many of us on the Board. However, it is not conceivable to change the completion date without significant delays and risks of suppliers dropping out of the competition. Later in the meeting I will make a motion to add an alternative for 12 courts to the requested bids. This should not introduce any delays in the process. I am disappointed that the Board has to take this action.

The grant agreement with the Foundation for the restrooms at the new pickleball complex has been through our independent legal review and he has recommended removing 2 words from the grant agreement. I have no doubt that we will be able to get these changes made and approved by the next board meeting.

5. **CEO Report**

Good afternoon fellow GVR members, Board, and staff. The CEO report covers GVR-related activities since our last Board meeting on April 24. Later on the agenda, I will provide status reports on three Board projects, including Member Concierge Kiosks; Pickleball Center-phase I; and MedAvail-Spot/Rx dispensaries. Can you give me a number of how many people were on that spreadsheet for SB 1094, just a number, I am using 165 until you tell me different.

▪ **Arizona Senate Bill 1094**

Thank you and congratulations to all of GVR and the 191 GVR members who acted in support of passage of SB 1094, and to our Arizona District 2 Representatives Rosanna Gabaldon and Daniel Hernandez, and Arizona Senator Andrea Delassandro for their support of the bill. Gov. Ducey signed the bill into law on May 7. Technically, the bill takes effect 90 days after sine nidi.

▪ **Connecting Technology**

As you are acutely aware, technology is rapidly changing and it is difficult for any organization to keep ahead of the curve. Over the last few years, many GVR meeting spaces have been upgraded and the connection capabilities may be different at each room throughout our campus. We realize it is unreasonable for GVR to insist that visiting lecturers, instructors or even Board members provide the correct equipment necessary to connect their equipment to a projector at a GVR facility.

In an effort to be customer service friendly and efficient, I instructed staff to determine the different connection needs campus wide and prepare "technology kits" with essential connectors and cables for each GVR meeting space location. Pricing and details will be prepared and proposed with 2020 budget.

▪ **May 23 System-Wide Power Outage**

Tomorrow, May 23, there will be a major power outage which will affect our telephone system and computer operations. All of our Centers will be open and our custodians and center operation assistants will be available, though the Administrative Offices and customer service desks at our Centers will be closed. Staff will use the opportunity for an in-service, interdepartmental interaction day.

▪ **Memorial Day, May 27**

All of our Centers are open on Memorial Day with regular operating hours. The Administrative offices and staffed Center customer service desks will be closed.

- **Live KGVY Interview on Friday, May 31 @ 11:30am**
I have been invited to be interviewed live on KGVY radio on Friday, May 31 at 11:30 AM about all things GVR. This should be fun! Try to tune in!
- **Interviews for Director of Recreation Services**
Later this week I will begin conducting interviews for the full-time position of Director of Recreation Services. I would be remiss if I did not acknowledge the fine work provided by Ms. Kris Zubicki who has served as our Interim Director of Recreation Services since February.
- **New Scribe for Board Committees**
A new part-time meeting scribe has been hired to assist Board Committees in recording meeting minutes. Her tentative start date is June 3. I thank Tom Demma for his good work as our part-time scribe last year. Tom was recently promoted to the assistant project manager position within the Facilities Department.
- **Index of Legal Opinions**
Over the summer, I will prepare an index of GVR Legal Opinions obtained since 2014 when I first joined GVR as CEO. Once indexed, the Legal Opinions will be posted on the Board's secure website, with a link to each legal opinion.
- **Spreadsheet of GVR Financial-related Reports**
I reported at yesterday's Fiscal Affairs Committee meeting that staff was preparing a spreadsheet of all GVR financial-related reports. Over the past two years, the number of financial-related reports that staff has been asked to prepare on a monthly, quarterly and/or annual basis by the Fiscal Affairs Committee, Investment Committee, and to a lesser extent the Planning & Evaluation Committee has grown to more than 30 different reports. These reports often take much time to prepare. As I reported yesterday, I am considering having to make an adjustment within the current budget personnel line to accommodate a financial analyst position to help us keep up with the various reports and Board and Committee expectations. The spreadsheet will be provided to the Board and affected committees by next month's board meeting.
- **Board Workshop on Budget Development & Accrual Accounting**
Staff is still anxious to provide a Board Workshop on budget development and accrual accounting, and we hope that this can be accomplished this summer. This year's Board of Directors has already received training and orientation in several areas, including GVR History, Reserve Study, Staff Operations, Governing Documents, Director Duties & Responsibilities, Legal Issues, and Meeting Protocols.
- **GVR Concierge Kiosks**
Installation of the GVR Concierge Kiosks have been completed in six of our major Centers. There is a total of 81 unique member users, and 193 total uses, not counting staff. This is a good sign that once a member tries out the kiosk, they will tend to use it more often. So far, the highest amount of usage is at Las Campanas with 80; the lowest amount of usage is at East Center with 10.

GVR Concierge Kiosks - Locations and Total Counts:

Name	Count
DH	38
CH	42
LC	80
CR	11
EC	10
WC	12
Members	193
Unique	81
Employees	39

Note: employees excluded from location and unique counts

▪ **Status of GVR Pickleball Center-Phase I Project & Invitation to Bid to Contractors**

As you are aware, the Pickleball Advisory Group, staff and WSM Architects have worked to secure required County permits, complete the design of the GVR Pickleball Center and issue Invitation to Bid documents to prequalified contractors.

The Invitation to Bid documents were issued May 09, 2019, with Bids requested to be received on Wednesday, May 29, 2019. GVR and WSM developed a select list of five pre-qualified Contractors to bid the project. It is anticipated that after review of the bids, the Pickleball Advisory Group Award Recommendation to the Board may be made in early June, following legal review of the contract and other internal procedures required by GVR prior to the issuance of a Letter of Intent to the successful contractor.

We have requested schedule input from the bidders which will allow for a more accurate project schedule development. The Invitation to Bid requests pricing for the construction of sixteen (16) courts. This follows the direction established from the GVR Board in January 2019, addresses constructability issues and from the project budget perspective provides the most scope possible at this time.

▪ **MedAvail/SpotRx Status Report**

- All 3 SpotRx kiosks, one each in the lobbies of East Center, Canoa Hills Center, and Canoa Ranch Center are installed and operational.
- The kiosks are currently being loaded with OTC and demo items.
- The Canoa Ranch lobby is currently closed to members for floor cleaning until Saturday, 5/25. However, SpotRx technicians are onsite performing final updates and loading the kiosk.
- Over the next few weeks, SpotRx representatives will be onsite to engage members, provide demonstrations and to answer questions.
- Protocol has been set for the SpotRx representatives to engage members only as they are approached to provide information about the SpotRx service and kiosks.
- SpotRx has scheduled some Lunch and Learn sessions at each of the 3 kiosk sites over the coming months.

- Currently, this is a soft opening as some software updating and loading of the machines is underway.
- A grand opening celebration/ribbon cutting, in conjunction with the Green Valley/Sahuarita Chamber of Commerce is scheduled for June 13 at Canoa Hills from 11:00am – 2:00pm.

6. Committee Reports

A. Planning & Evaluation – Director Coon reported.

B. Fiscal Affairs – Director Crothers reported.

1. MR&R Reserve Funding and Funds Reimbursement

MOTION: Crothers / Seconded. Update the Corporate Policy Manual (CPM) regarding the MR&R Reserve Fund. In Section V – Fiscal / Accounting of the CPM, Subsection 2 – Reserve Policy, E. MR&R Reserve Fund, delete 3. Funding Source: and replace with the following:

**CORPORATE POLICY MANUAL
SECTION V – FISCAL/ACCOUNTING
SUBSECTION 2. RESERVE POLICY**

E. Maintenance, Repair & Replacement Reserve Fund

~~**3. Funding Source: Each fiscal month, GVR shall pay 1/12 of the annual Reserve Contribution as determined by the Annual Reserve Study for the current fiscal year from operations to this reserve. Withdrawals are repaid by future Reserve Contributions.**~~

3. Funding Source and Reimbursement Policy:

- a) **Funding Source: Annually, GVR shall transfer the full year’s annual Reserve Contribution as determined by the Annual Reserve Study for the current fiscal year from operations to this reserve within 30 days of the end of the dues collection period (normally Jan. 31, so the full MR&R funding should be transferred by the end of February).**
- b) **Reimbursement Policy: Quarterly (or monthly if necessary), after review by the Fiscal Affairs Committee (FAC) and approval of the Board, the MR&R Reserve Fund will reimburse the operating cash account the full project cost of completed MR&R projects. Evidence of required reimbursement will include a brief description of the project, timeframe of projected replacement, actual project completion date, forecasted cost and actual cost. If actual cost is substantially different from forecasted cost a detailed justification will be provided.**

Note: In 2019, the remaining MR&R contribution will be made to the MR&R within 7 days of this motion being passed.

Passed: unanimous

2. Funding of External Financial Expertise

MOTION: Crothers / Seconded. GVR Board authorize spending up to \$50,000, taken out of Initiatives Fund, to hire an outside firm experienced in nonprofit accounting to conduct a full review of our accounting approach and reporting methodology in order to make recommendations for clearer accounting and reporting with the following schedule:

1. The Fiscal Affairs Committee (FAC) will conduct a search for appropriate firms and make a recommendation to the Board by the June Board meeting.
 2. The Board will hire the approved firm who will conduct the assessment and make recommendations back to the FAC by Aug 15, 2019.
 3. The FAC and the firm will review the findings with the administration and the FAC will prepare a report to the Board showing the results of the assessment and any recommendations by Sept 15, 2019.
 4. The outside firm must be given full access to the accounting systems and receive the support and cooperation of GVR staff.
- Passed: 7 yes / 5 no (Coon, Gallegos, Nichols, Weaver, Zelenak)

C. Audit – Director Vanderhoof reported.

D. Board Affairs – Director Curtin reported.

1. Legal Reviews

MOTION: Curtin / Seconded. GVR Board of Directors adopt a policy with regards to the use of legal counsel and amend the Corporate Policy Manual as follows:

**CORPORATE POLICY MANUAL
SECTION VI – BOARD / BOARD COMMITTEES
SUBSECTION 3. BOARD MEETINGS**

D. Use of Legal Counsel

1. The President or Vice-President ~~or Chief Executive Officer~~ shall make initial contact with GVR’s legal counsel *on all Board and Board committee matters when needed*. Committee chairs needing a legal opinion shall provide the question(s) *to the President or Vice-President ~~or Chief Executive Officer~~*, and shall not contact the attorney directly.
2. GVR ~~Board~~ contracts, Bylaw changes and all similar documents shall be submitted to legal counsel for review and comment prior to approval by the Board.
3. *The President may assign the Chief Executive Officer to make contact with GVR’s legal counsel, as needed.*
4. *The Chief Executive Officer shall make the initial legal contact, when needed, on GVR operational matters.*

Passed: 10 yes / 2 no (Coon, Zelenak)

2. Vaping Rules

MOTION: Curtin / Seconded. GVR Board of Directors adopt a policy with regards to the use of electronic cigarettes (vaping), and add the following language to the Corporate Policy Manual:

**CORPORATE POLICY MANUAL
SECTION IV – FACILITY USE
SUBSECTION 2. SPECIAL FACILITY USAGE**

L. Vaping-Free Zone at GVR Facilities

1. GVR prohibits vaping in all non-smoking areas, including enclosed areas and areas within 20 feet of all entrances and windows.

