



A regular meeting of the GREEN VALLEY RECREATION, INC. BOARD OF DIRECTORS held Wednesday, June 26, 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, Kent Blumenthal (non-voting)

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

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

Visitors: 80 (includes additional staff)

1. Call to Order / Establish Quorum

President Sieck called the meeting to order at 2:08pm MST.
Roll call by Secretary Thornton; Quorum established.

2. Adopt Agenda

MOTION: Sieck / Seconded. Amend Agenda to remove Approval of Code of Conduct Revision under New Business.
Passed: unanimous

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

3. Consent Calendar

A. Minutes: Board of Directors May 22 Meeting

MOTION: Weaver / Seconded. Approve May 22, 2019 Meeting Minutes as presented.
Passed: unanimous

B. May Financial Statements

MOTION: Sieck / Seconded. Approve May 2019 Financial Statements as presented.
Passed: unanimous

4. President Report

Good afternoon. The major subject to be addressed at this meeting is the contract for the construction of a pickleball complex. It marks the accumulation of years of hard work by a lot of people and it is coming down to the wire.

As much as I had hoped it to be a joyous occasion, it also comes with a lot of frustration and disappointment.

The Board did not receive the final information until last Friday evening. It would be an understatement to say I was disappointed. We spend a couple hours on Monday afternoon in an executive session understanding the details of the contract and how we got to where we wound up. The final truth is that everyone was working the numbers up to Friday afternoon which is when it was firmed up. It would have been very beneficial had this happened a couple of weeks earlier. But it is what it is.

Furthermore while all of this is going on, the Board was flooded with emails encouraging the approval of the pickleball complex. Most, if not all, directors read each email. While the members certainly have a right to do this, in this particular instance, it was at minimum an unnecessary distraction and certainly did not help their case.

No one is getting everything they want in this contract. The pickleball players are only getting 8 courts. The costs has increased by 30% since January such that it puts the Board in a tight position to avoid violating the bylaws. However, we have two expert legal opinions that gives us grounds to proceed.

The truth is that we are in a very bad environment to be building anything and it does not look to be getting any better in the future. Any changes or delays at this point will only cost more and we run a real risk of companies who have bid to stop responding.

If we wait for the economy to tank, then construction costs may be less but then home sales will drop off significantly. The appetite to do any construction in that environment will be zero.

Consequently, it is now or never.

On the brighter side, there are a lot other things on which we are making great progress. Based on a legal opinion, we are eliminating the director confidentiality agreement which has discouraged some highly qualified members from running for the Board. The Fiscal Affairs Committee has found they can get the work done for 80% less that what the Board approved at our last meeting. And we will finally vote on accepting a grant from the Foundation to provide over \$50,000 towards the construction of restrooms at the new pickleball complex which some of us have been working on this for over a year.

5. CEO Report

Good afternoon fellow GVR members, Board, and staff. The CEO report covers GVR-related activities since our last board meeting on May 22.

1. Pickleball Center – Phase I Construction Contract

As you might imagine, all of the work that went into developing the contract for Board consideration today for construction of Phase I of the GVR Pickleball Center involved many hands and an extensive amount of effort.

I especially want to thank the following individuals: members of the Pickleball Advisory Group; architect Kristen DiBone of WSM Architects; GVR Facilities Director David Jund and Project Manager Melanie Stephenson; Lovitt-Touche Insurance broker RJ Riley; GVR Accounting Department, CFO Cheryl Moose and Accounting Supervisor David Webster.

2. MedAvail/SpotRx Pharmaceutical Dispensary Kiosks Installed at Three Centers

Installation of the GVR Concierge Kiosks were completed in three of our major Centers: CH, CR and EC. A SpotRx-sponsored Ribbon Cutting and luncheon was held at Canoa Hills and attended by about 200 members on Thursday, June 13. The Q&A led by MedAvail's lead pharmacist was informative and the response of the audience was collectively positive and enthusiastic.

3. Installation of Solar Panels throughout the GVR Campus

I appreciate the patience of GVR members as we install rooftop and carport solar panels this summer at 11 sites throughout the GVR campus. The addition of solar panels at our Facilities Maintenance Building will save GVR an additional estimated \$20,000 per year once activated. In exchange for this additional installation, Solar Gain, the company that is under contract to provide the solar installations, will soon request that the GVR Board agree to amend the contract to allow them to recoup .01 cents additional per kilowatt hour. Receipt of the proposed contract amendment is expected soon. A report from Solar Gain is also expected soon that will detail when the power will be turned on at various solar installations.

4. Administrative Support provided to the GVR Foundation

A few weeks ago I informed GVR Foundation Pres. Jim Counter that Administrative needs within the Executive Office continue to expand significantly. Because of the need for additional support staff within the Executive Office, I was withdrawing administrative support previously provided to the Foundation by Ms. Karen Miars at no cost under the terms of the GVR-GVR Foundation Resource Sharing Agreement, effective July 1, 2019. Jim was very gracious with the news and understands that my first obligation is to my employer, GVR. I thank Karen Miars for the exceptional support she has given to the GVR Foundation.

5. Govern for Impact Annual Conference

I had the good fortune to attend the "Govern for Impact Annual Conference" in Canada last week. Until this year, this conference was known as the International Policy Governance conference. I hope that information, knowledge and experiences that I brought home from the event can assist the Board as it contemplates our governing documents and considers adjusting the way we do business to improve efficiencies and effectiveness.

6. 4th Annual 'Paws in the Pool' Event at West Center

Paws in the Pool IV is scheduled for Friday, July 19 beginning at 7am at our West Center pool. The theme of this year's event is "Super Hero." Whether you have a pup or not, you don't want to miss this event! It is both fun and hilarious!

7. Independence Day, Thursday, July 4

All of our Centers are open on July 4, Independence Day with regular operating hours. The Administrative offices and staffed Center customer service desks will be closed.

Thank you.

6. Committee Reports

A. Planning & Evaluation – Director Coon reported. Architect Kristen DiBone and President Paul Mickelberg of WSM Architects presented.

Pickleball Complex Contract Approval

MOTION: Sieck / Seconded. Vote by secret ballot to approve Pickleball Complex Contract.

Passed: 9 yes / 3 no (Nichols, Weaver, Zelenak)

MOTION: Coon / Seconded. GVR Board of Directors accept the contract AIA, document A105-2017 with Division II Construction Company and Renner Corporation for construction of the GVR Pickleball Center at 2612 South Camino de la Canoa, Green Valley, Arizona, contract sum is \$1,196,971.00 with a completion date of January 15, 2020.

Passed (Secret Ballot): 11 yes / 1 no

B. Fiscal Affairs – Director Crothers reported.

Approval of Financial Consultant Engagement

MOTION: Crothers / Seconded. GVR Board of Directors approve the recommended candidate, RCM, direct the FAC to proceed with the engagement, authorize President Sieck and CEO Kent Blumenthal to sign the engagement letter and limit the total engagement to no more than \$10,000.00.

Passed: unanimous

Providing FAC Requested Information

MOTION: Crothers / Seconded. GVR Board of Directors authorize CEO Blumenthal to provide two pieces of information to be made available to the FAC as quickly as possible, no later than July 15, 2019: (1) the cost impact for two cards per household change that was recommended by the BAC and voted on and approved by the Board, and (2) the impact of online payment of dues by direct bank transfer.

Passed: unanimous

C. Audit – Director Vanderhoof reported.

D. Board Affairs – Director Curtin reported.

Minor CPM Changes to be Consistent with Bylaws

MOTION: Curtin / Seconded. GVR Board of Directors approve changes/updates to the Corporate Policy Manual (CPM) as attached.

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

E. Investments Committee

MOTION: Sadowski / Seconded. Whereas the Investments Committee previously requested (in April to the GVR CEO), that staff provide responses to questions regarding the Operational accounts, and that this information is required to determine whether or not we might improve on our processes in managing our operational cash.

Now, therefore, let it be resolved, that the CEO provide this requested information no later than July 5th, 2019, so that the Investment

Committee may review this data prior to and during its upcoming Investment Committee meeting.

Passed: 9 yes / 3 no (Coon, Weaver, Zelenak)

F. Bylaws Ad Hoc – Director Curtin reported.

G. Survey / Facility Access Ad Hoc – Director Thornton reported.

7. Board Project Status Reports

A. Solar Gain Status – Report given during CEO report.

8. New Business

GVR Foundation Pickleball Grant Agreement Approval

MOTION: Vanderhoof / Seconded. GVR Board of Directors accept the GVR Foundation Grant Agreement dated June 21, 2019.

Passed: unanimous

Approval to Release the 2018 IRS Form 990 on Website

MOTION: Crothers / Seconded. GVR Board of Directors approve to post the 2018 Form 990 to the GVR website.

Passed: unanimous

Ad Hoc Committee on Tracking Room Utilization

MOTION: Sieck / Seconded. GVR Board of Directors approve an Ad Hoc Committee to the Board be created to:

1. Recommend changes to improve visibility of conference room availability.

2. Recommend metrics for monitoring conference room utilization.

This committee will report these recommendations at the August 28th meeting of the Board. President Sieck will chair this Ad Hoc Committee.

MOTION TO AMEND: Weaver / Seconded. By the August 28 Board meeting, GVR staff to provide analysis of current Board policies with any recommendations or suggestions to the Board on what may be improved.

Motion to Amend Passed: unanimous

Amended Motion Passed: 11 yes / 1 no (Nichols)

Amended Motion: In place of an Ad Hoc Committee, President Sieck to work with CEO Blumenthal and GVR staff to provide analysis of room reservation procedures with recommendations to the Board by the August 28 Board Meeting.

Elimination of Confidentiality Agreement

MOTION: Sieck / Seconded. GVR Board of Directors approve the requirement that directors sign a confidentiality agreement be eliminated and existing copies of the confidentiality agreement purged from the GVR records.

Passed: 11 yes / 1 no (Zelenak)

9. GVR Foundation Report – GVRF Director John Damitio reported on the transition of GVRF accounting records and responsibilities from GVR to GVRF accountant; a \$2,000 grant received from Greater Green Valley Community Foundation to help fund the fall campaign; consideration to apply for a grant to fund a Portable Stage postponed to a

later date; GVRF continues to work with GVR to finalize a pickleball grant request; and June and July GVRF Board Meetings cancelled.

10. Member Comments: 4

11. Adjournment - Meeting adjourned at 4:05pm MST.

CPM Changes/Updates – BOD Meeting, June 26, 2019

Addition of CRCF per the Bylaws.

Section II.

B. Guest Policy (updated 8/29/2017) 1. Guest privileges are intended for temporary visitors of a Regular Member, Assigned Member, Tenant, **CRCF** or Life Care User of GVR and who live outside a twenty (20) mile radius of established GVR Boundaries.

Switch 4 & 5 in SECTION VI; Subsection 3; B.4 & 5:

~~4. The Board will use the following small board protocol during Board meetings:~~

~~5. Board meetings shall be held at least quarterly, at a place and time determined by the Board.~~

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5. The Board will use the following small board protocol during Board meetings:

SECTION VI, Subsection 1, G.2. – combine c & d.

~~c) Initiate the formal performance appraisal process, typically 2-3 months prior to the date of the Annual Meeting of the Board of Directors. This time period allows~~

~~d) Completion of the appraisal process, format review and action by the Board and meeting with the CEO.~~

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