



AGENDA
BOARD OF DIRECTORS MEETING
 Wednesday, October 30, 2019 2pm
 West Center Auditorium

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

	Agenda Topic	Member	Exhibit	Action	Time
1	Call to Order / Quorum	Sieck			2:00
2	Adopt Agenda	Sieck	x	x	2:02
3	Consent Calendar	Sieck			2:05
A.	Minutes: Board of Directors September 25th Meeting		x	x	
B.	September Financial Statement		x	x	
4	President Report	Sieck			2:10
5	CEO Report	Blumenthal			2:12
	GVR Foundation Report	Counter			2:15
6	Policy Governance	Chalmers			2:20
A.	Ownership Linkage				
	Forums - November				
B.	Monitoring				
	CEO Monitoring Reports		X	X	
	Board Monitoring Reports		X	X	
C.	Policy Decisions				
	Additional Training of Board and Staff				
7	Committee Reports				
A.	Fiscal Affairs	Crothers			2:30
	Budget Status				
	Financial Consultant Update				
B.	Board Affairs	Curtin			2:45
	Directors on Committees		X	X	
C.	Planning & Evaluation	Nichols			2:55
	Repurpose of Desert Hills		X	X	
	Shuffleboard		X	X	
	Repackaging of Club Requests		X	X	
D.	Audit	Vanderhoof			3:05
	Whistleblower Policy		X	X	
E.	Bylaws Ad Hoc	Curtin			3:15
	Survey Results				
	November membership meeting				
F.	Survey / Facility Access Ad Hoc	Thornton			3:25
	Final Committee Recommendations		X	X	
G.	Nominations & Elections	Gallegos			3:35

Members and guests are expected to show respect and common courtesy and refrain from using offensive language and behavior. The Board may recess or adjourn into Executive Session to consider legal or personnel issues, if necessary.

8	Board Project Status Reports				
A.	Solar Gain Status	Blumenthal			3:40
B.	Pickleball Complex Status Update	Blumenthal			3:45
9	New Business Comprehensive 5 Year Strategic Plan	Sieck			3:50
10	Member Comments (limit to 2 minutes each)				3:55
11	Adjournment				4:00

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A regular meeting of the GREEN VALLEY RECREATION, INC. BOARD OF DIRECTORS was held Wednesday, September 25, 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), Christine Gallegos, Denise Nichols, Gail Vanderhoof, Don Weaver, Mike Zelenak, Kent Blumenthal (CEO)(non-voting)

Directors Present Electronically: Tom Sadowski (Assistant Treasurer), Suzan Curtin

Directors Absent: Lynne Chalmers (Vice President)

Staff: Cheryl Moose (CFO), Jen Morningstar (Director of Administrative Services), David Jund (Facilities Director), Shelly Freeman (Sr. Arts & Entertainment Supervisor), Kris Zubicki (Recreation Services Director), David Webster (Accounting Supervisor), Miles Waterbury (Communications Specialist), Randy Cheatham (IT Director), Payton Snider (System Administrator), Conal Ward (IT Technician), Marie Wilbur (Meeting Scribe)

Visitors: 35 (includes additional staff)

1. Call to Order / Establish Quorum

President Sieck called the meeting to order at 2:00 pm MST.
Roll call by Secretary Thornton; Quorum established.

2. Adopt Agenda

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

3. Consent Calendar

A. Minutes: Board of Directors August 28, 2019 Meeting

MOTION: Weaver / Seconded. Approve August 28, 2019 Meeting Minutes as presented.

Passed: 10 yes / 1 abstain (Nichols)

B. August Financial Statements

MOTION: Vanderhoof / Seconded. Approve August 2019 Financial Statements, as presented.

Passed: unanimous

4. President Report

Good afternoon. I want to take a couple of minutes to review how Board meetings are run, Roberts Rules of Order. First off, we follow the agenda. It includes a combination of reports where information is presented to the Board, and motions, where the Board is asked take actions. Any member of the Board can make a motion at any time.

When a motion is made, it has to be seconded by another Director. The motion is then discussed. I will ask the Board members in the room first to comment, and then Directors on the phone. After that I will ask for comments from members in the audience. These

comments must be explicitly related to the motion that has been made and are limited to 1 minute. When all comments have been heard, the Board will vote on the motion. If the comments are repeating or not providing new information, any Director can 'call the question'. This immediately stops all discussion and a vote is taken on whether to vote on the motion. If that vote passes, the Board next votes on the actual motion that has been made. If the 'call the question' vote fails, discussion of the original motion is permitted to continue. All comments must be addressed to the Chair, which today is me.

At the end of the meeting, we open it up to member comments. Members have 2 minutes to say whatever they want on any topic.

Please be respectful of everyone in the meeting. I have the authority to ask any member to leave who is being disruptive. I want to remind everyone this meeting is being videotaped, as are all open Board meetings.

Moving on to the agenda, we are ready to take the next step into policy governance with the approval of our Policy Governance Manual. This document is not perfect but we need to take improvement over perfection. Approval of this document will enable the CEO to begin work on the reasonable interpretation of the Board's governance processes and the Board management delegation. It will also allow the creation of an annual agenda and monitoring schedule.

We are also going to address the recommendation from the financial consultant, Susan Vos. The Fiscal Affairs Committee met with Susan on Monday for 2.5 hours and the Board met with her this morning for another hour and a half in an open work session. We will not be going through the details of these recommendations. That happened this morning.

The Planning and Evaluation Committee has recommended funding to 3 projects that need to be voted on.

The Audit Committee has selected a new auditor and needs approval to proceed.

The Survey/Facility Access Committee has some final recommendations that need to be approved.

Finally, it is time to get started on the Member Assistance Program with the GVR Foundation. Please note that we are increasing the requested funding from the Foundation from \$20,000 to \$50,000.

Thank you.

5. CEO Report

Good afternoon fellow GVR members, Board, and staff. My CEO report covers GVR-related activities since our last regular session Board meeting on August 28, 2019.

1. FY2020 Budget Proposed to Fiscal Affairs Committee

Staff proposed a balanced annual budget for FY2020 to the Fiscal Affairs Committee (FAC) on August 22, 2019. The proposed annual budget includes operating and capital, though very limited non-reserve capital. We are awaiting further dialogue with the Fiscal Affairs Committee to wrap-up the budget so that the committee can present it to the Board.

2. Content Management Software Update

Staff continues to explore a new content management membership and activities database system. We were searching for a solution that would track and serve all 13,600+ GVR member properties and 26,000+ individual members integrated with 1,000+ classes, lectures and performing arts activities, as well as facilitating thousands of facility reservations each year.

Early last summer staff realized that GVR may require more than one software solution to meet our unique set of requirements. To track membership records, staff interviewed three content management system firms, and identified one strong candidate to provide software to meet our needs. We are exploring two companies that offer software for classes, activities and facility reservations. We expect to narrow down the second provider over the next couple of months. Once we are assured that the two systems can interface with each other, we will begin implementation.

3. Preparing for the Return of GVR Snowbirds

Staff is preparing a roster of special announcements and reminders for GVR Snowbirds who are expected to return to Green Valley soon. Included will be information about the GVR Smart phone app; Member Concierge Kiosks; GVR Free Libraries; SpotRX pharmaceutical dispensaries; and Pool & Fitness Center Rules.

4. Update on Solar Energy Installations

With the exception of a relatively small solar energy installation planned for the Facilities Maintenance Building where work may begin the week of October 14, work on all other solar installations throughout the GVR campus valued at \$4 million is winding down. Four systems are currently online and operational:

- **Casa Paloma 2**
- **Abrego South**
- **West Center**
- **Canoa Ranch**

This is the status of all other projects:

- **East Center:** Installation is 98% complete. Meter installed. Connectivity established. Transformer replacement scheduled for week of 9/30.
- **Canoa Hills:** Project is 100% complete. Connectivity established. Meter not yet installed.
- **Desert Hills:** The lower parking lot may reopen on 9/27. Connectivity established. Installation is 100% complete.
- **Santa Rita Springs:** The parking lot west of the Clay Studio and the Santa Cruz Building parking lot are scheduled to reopen the week of 9/30. Meter is installed. Project is 98% complete.
- **Administration Offices:** Installation is 98% complete; pavement repair work and repainting of parking stalls as planned.
- **Las Campanas Center:** The south parking lot closest to the center may reopen by 10/4. Canopy construction is 100% complete. Installation of rooftop panels is 75% complete.

GVR realizes energy cost savings as the solar installations go online and become operational. \$107,000 in energy cost savings is projected for next year. A celebratory GVR "ribbon-cutting" will be held at either Santa Rita Springs Center or at Desert Hills Center when they become operational.

5. Pickleball Center Update - Phase I Construction Contract

I am pleased to report tremendous progress in construction of the 24-court GVR Pickleball Center with work proceeding on-schedule and on-budget.

1. Site grading is 100% complete. Per Division II contractor, the area of the pickleball courts is graded, compacted, inspected, and ready for subcontractor Renner to begin the post-tensioned court work this week.
2. The Concrete Masonry Unit (CMU) install for building is ongoing. Roof trusses to be installed first week of October, with building expected to be "dried in" NLT mid-October. CMU is 80% complete. The building will be "topped out" next week.
3. The underground storm drain work is installed.
4. The underground on-site septic system is complete and ready for backfill (per Division II).
5. Electrical "partial" inspections for building ongoing.
6. The water trench is complete and coordination by Division II with Farmers Water is ongoing.

General contractor Division II will soon present a 'percentage completed' invoice for building and restroom construction. Once our architect approves the Division II invoice for payment, the GVR Foundation is expected to release the \$50,000 grant it received from Freeport McMoRan Foundation to apply to restroom construction.

This is a very good development. Early-on, several important construction-related activities had to be value engineered-out of the project to stay below the \$1.25 million Board authorization, including site security, signage, and some shade. Thanks to the GVR Foundation, we will add back some of these items while staying well within the budget authorization.

In other news, GVR's IT team is preparing to install a webcam atop the construction trailer at the Pickleball site. Our Wi-Fi vendor had to reschedule the Internet install at the Pickleball Center due to yesterday's rain. Install is rescheduled for next Thursday, October 3. This will delay our live construction Webcam until at least October 4.

6. Policy Governance – President Sieck reported. Reviewed **(A) Ownership Linkage** and **(B) Monitoring**.

C. Policy Decisions – Adopt Policy Manual

MOTION: Sieck / Seconded. Approve the attached Policy Governance Manual (dated September 25, 2019), excluding the two monitoring schedules: Board Policies and Ends/Executive Limitations Policies; further, insert the two monitoring schedules into the Policy Governance Manual once they are formally adopted by the Board of Directors at the October Board Meeting.

Passed: 9 yes / 2 no (Weaver, Zelanak)

7. Committee Reports

A. **Fiscal Affairs** – Director Crothers reported.

Movement of Funds from Reserves

Director Crothers noted that the provided items were intended for the Investments Committee so will not be addressed here.

Adopt Financial Consultant Recommendations

MOTION: Crothers / Seconded. Accept recommendations from Consultant Susan Vos as discussed at this morning's (9/25/2019) Board work session and enter these recommendations into today's minutes.

MOTION: Zelenak / No second. Table until Board has time to review recommendations.

Original Motion Passed: 10 yes / 1 no (Zelenak)

**MOTION: Crothers / Seconded. Extend Consultant Susan Vos contract for up to an additional \$10,000 to continue consulting with GVR.
Passed: unanimous**

B. Board Affairs – Director Curtin reported.

C. Planning & Evaluation – Director Coon reported.

Proposed Capital Projects

**MOTION: Coon / Seconded. Approve 2020 GVR Club Capital Project as presented by P&E Committee – Tennis Center Bleachers for \$6,000; funding source to be determined by Fiscal Affairs Committee.
Passed: unanimous**

**MOTION: Coon / Seconded. Approve 2020 GVR Club Capital Project as presented by P&E Committee – Pickleball Center Shade Structures for \$60,000; funding source to be determined by Fiscal Affairs Committee.
Failed: 4 yes / 7 no (Crothers, Curtin, Gallegos, Sadowski, Sieck, Thornton, Vanderhoof)**

MOTION: Coon / Seconded. Approve 2020 GVR Club Capital Project as presented by P&E Committee – Bocce Court Replacement at Canoa Hills for \$80,000; funding source to be determined by Fiscal Affairs Committee.

**MOTION: Weaver / Seconded. Call the question.
Passed: unanimous**

Original Motion Passed: unanimous

D. Audit – Director Vanderhoof reported.

Approval of Auditor for 2019

**MOTION: Vanderhoof / Seconded. Approve HBL CPAs, P.C. as GVR's 2019 auditor and request an Engagement Letter from them for signatures of our CEO and Board President.
Passed: unanimous**

E. Bylaws Ad Hoc – Director Curtin reported.

F. Survey / Facilities Access Ad Hoc – Director Thornton reported.

Final Committee Recommendations

MOTION: Thornton / Seconded. Board require an ADA Compliance review be done in-house of any GVR Main or Satellite Center undergoing major renovations; and, require GVR staff to evaluate the areas of concern the Facilities Access Ad Hoc Committee has identified and implement solutions as needed when appropriate to increase ease of facility access for GVR members with physical limitations.

MOTION: Thornton / Seconded. Table until October meeting after report has been reviewed by Board.

Passed: unanimous

8. Board Project Status Reports

- A. Solar Gain Status** – Refer to CEO Report: Update on Solar Energy Installations
- B. Pickleball Complex Status Update** – Refer to CEO Report: Phase I Construction Contract.

9. New Business

- A. 2020 Dues Invoices Update** – CEO Blumenthal reported.

Since the Board has already approved the member dues and fee schedule for 2020, Dues Invoices for next year will be mailed to members in mid-October. The dues notice includes a reference to making payments via electronic checks. GVR has accepted this form of payment for years. General instructions for making electronic check payments are included with the invoice. Specific instructions will vary depending upon the bank used.

- B. Update on Implementation of Property Acquisition Capital Fee** – CEO Blumenthal reported.

At the August 28, 2019 Board meeting, Directors approved a major change to the New Member Capital Fee (NMCF). A portion of the NMCF is contributed to GVR Initiatives Reserves.

Beginning October 1, the name of the fee changes to 'Property Acquisition Capital Fee' (PACF) and will be applied to the purchase of all GVR member properties, except when a member moves from a primary GVR residence to another primary GVR residence within 12-months, resulting in the following:

- A GVR member may relocate between member properties without the burden of paying the fee multiple times.
- GVR members who use GVR member properties as investments must pay the PACF.

PACF implementation guidelines are published and available in the West Center lobby at this meeting and at all staffed GVR Centers beginning this Friday.

Staff colleagues and I will present information about the Property Acquisition Capital Fee to local realtors at the monthly MLS meeting of the Green Valley/Sahuarita Association of Realtors on Tuesday, October 8.

C. Facility Utilization – President Sieck reported.

President Sieck has met with members of GVR Administration regarding the implementation of a new system to handle facility utilization scheduling. It is planned to be in place by the end of this year.

10. GVR Foundation Report – GVRF President Jim Counter reported that the Dennis Quaid concert was a wonderful, fun-filled afternoon. GVRF was there with their Javelina – the only one out of 60 in the area signed by Dennis Quaid. Over \$600 in raffle tickets were sold at the concert. The Javelina will be on display at West Center and raffle tickets will continue to be sold as a fundraiser for GVRF and GGV Foundation. GVRF continues to apply for grants and recently received confirmation that Walmart has granted \$1,000 for the Southern Arizona Senior Games. GVRF is in the process of sending out the Annual Campaign letter requesting funding for the MAP Program.

A. Application for MAP Grant

MOTION: Sieck / Seconded. Approve MAP Application for \$50,000 grant to be completed and submitted to GVRF.

Passed: unanimous

11. Member Comments: None

12. Adjournment

MOTION: Crothers / Seconded. Adjourn meeting at 4:23 p.m. MST

Passed: unanimous



Green Valley Recreation, Inc.

CONSOLIDATED FINANCIAL STATEMENTS

The accompanying pages are the Financial Reports for September 30, 2019. The four

Statement of Financial Position.

This is also known as a Balance Sheet or the Statement of Net Assets.

Statement of Activities

Also known as an Income and Expense statement. This report shows the types of Income, the categories of expense and the unrealized Investment Market changes for the year to date. The bottom line in this report is the net for all the reserve accounts maintained by GVR.

Statement of Changes in Net Assets

This report displays the financial activity of the four reserves that make up the Net Assets of Green Valley Recreation. These reserves are:

Unrestricted - These net assets include the Fixed Assets (land, buildings and equipment), undesignated current assets less the current liabilities and deferred revenue items.

Emergency - Designated by the Board of Directors, this reserve is held to provide liquidity when needed for operational emergencies.

Maint - Repair - Replacement - designated by the Board of Directors, this reserve is the accumulation of assets in support of the Reserve Study which is mandated for Common Interest Realty Associations like Green Valley Recreation. Annual amounts are budgeted and transferred into this reserve for the purposes of the name of this reserve.

Initiatives - This reserve is designated by the Board of Directors to help with the funding for new programs that evolve from member interests and demands. Innovation in programming enables GVR to respond to member expectations.

Investment Portfolios

This report displays the market values of investments at the beginning of the year, the dollar amounts of changes that occurred from January 1st to the date of the financial statements. The unrealized gain or loss on market value changes is shown on a separate line to result in the market value of investments as of the reporting month end. The investments related to each of the Reserves (Unrestricted and Designated) are included in separate columns.



Green Valley Recreation, Inc.

Statement of Financial Position

As of Date: September 30, 2019 and Dec 31, 2018

	September 30, 2019	Dec 31, 2018
	Total	Total
ASSETS		
Current Assets		
Cash/Cash Equivalents	894,747	1,099,888
Accounts Receivable	175,963	97,020
Prepaid Expenses	188,043	207,872
Restricted Investments (Charles S./SBH) 9,834,476 (1)		
Unrestricted Investments (Edward Jones) 2,607,326 (2)		
Investments	12,441,801 (3)	10,995,715
Total Current Assets	13,700,554	12,400,495
Fixed Assets		
Contributed Fixed Assets	17,593,785	17,593,785
Purchased fixed Assets	20,666,237	19,354,268
Sub-Total	38,260,022	36,948,053
Less - Accumulated Depreciation	(21,561,717)	(20,315,542)
Net Fixed Assets	16,698,305 (4)	16,632,511
Total Assets	30,398,858	29,033,006
LIABILITIES		
Current Liabilities		
Accounts Payable	143,680	342,959
Deferred Dues & Fees	1,606,319	1,106,509
Deferred Programs	146,749	260,046
Total Current Liabilities	1,896,748	1,709,514
TOTAL NET ASSETS	28,502,110 (5)	27,323,492
NET ASSETS		
Temporarily Restricted:		
Board Designated:		
Emergency	818,820 (6)	804,646
Maint - Repair - Replacement	6,658,128 (7)	5,881,453
Initiatives	2,357,528 (8)	1,996,087
Sub-Total	9,834,475 (1)	8,682,185
Unrestricted Net Assets	17,489,017	18,641,307
Net change Year-to-Date	1,178,618 (16)	-
Unrestricted Net Assets	18,667,635	18,641,307
TOTAL NET ASSETS	28,502,110	27,323,492



Green Valley Recreation, Inc.

Summary Statement of Activities

9 month period ending September 30, 2019

	Actual	Budget to Date	%
REVENUES:			
Member Dues	\$ 5,035,817	\$ 5,026,012	0.2%
Life Care, Guest Cards, Transfer, Tenant & Add'l Card Fees	593,154	564,480	5.1%
New Member Capital/Initial Fees	1,789,612	2,019,863	(11.4%)
Recreation Income	486,560	643,838	(24.4%)
Cell Tower Lease / Advertising Income	119,510	99,000	20.7%
Investment Income/Realized Gains	234,321	161,250	45.3%
Other Income	136,052	94,875	43.4%
Total Revenues	8,395,025	8,609,318	(2.5%)
EXPENSES:			
Facilities & Equipment	2,888,657	2,345,812	(23.1%)
Personnel	3,402,772	3,796,524	10.4%
Program	515,528	639,248	19.4%
Communications	118,626	159,940	25.8%
Operations	288,297	431,450	33.2%
Corporate Expenses	510,507	514,688	0.8%
Total Expenses	7,724,387	7,887,662	2.1%
Net Change in Net Assets from Operations	670,638	721,656	(7.1%)
From Investment Activity:			
Net Unrealized Market Value Change	507,979 ⁽¹⁵⁾	(13,500)	
Net Excess (Deficiency) GVR (All Reserves)	\$ 1,178,618 ⁽¹⁶⁾	708,156	



Green Valley Recreation, Inc. Summary Statement of Activities

YTD Period: 9 month period ending September 30, 2019

FY Budget Period: Jan 1, 2019 - Dec 31, 2019

	PRIOR YEAR COMPARISON				BUDGET COMPARISON				Fiscal Year Budget	Remaining FY Budget
	2018 YTD Actual	2019 YTD Actual	Year to Year Variance	%	YTD Actual	YTD Budget	YTD Variance	%		
Revenue										
Member Dues	4,968,192	5,035,817	67,626	1%	5,035,817	5,026,012	9,806	0%	6,701,349	1,665,532
LC, Trans., Crd Fees.	573,795	593,154	19,358	3%	593,154	564,480	28,674	5%	752,640	159,486
Capital Revenue	1,898,224	1,789,612	(108,612)	(6%)	1,789,612	2,019,863	(230,251)	(11%)	2,693,151	903,539
Programs	293,970	181,656	(112,314)	(38%)	181,656	320,250	(138,594)	(43%)	427,000	245,344
Instructional	270,857	304,903	34,047	13%	304,903	323,588	(18,684)	(6%)	431,450	126,547
Recreational Revenue	564,827	486,560	(78,267)	(14%)	486,560	643,838	(157,278)	(24%)	858,450	371,890
Investment Income	144,429	234,321	89,892	62%	234,321	161,250	73,071	45%	215,000	(19,321)
Advertising Income	83,789	93,518	9,729	12%	93,518	56,250	37,268	66%	75,000	(18,518)
Cell Tower Lease Inc.	31,112	25,992	(5,120)	(16%)	25,992	42,750	(16,758)	(39%)	57,000	31,008
Comm. Revenue	114,901	119,510	4,609	4%	119,510	99,000	20,510	21%	132,000	12,490
Other Income	102,027	83,122	(18,905)	(19%)	83,122	75,375	7,747	10%	100,500	17,378
Facility Rent	16,197	52,930	36,733	227%	52,930	17,250	35,680	207%	23,000	(29,930)
Marketing Events	-	-	-	-	-	2,250	(2,250)	(100%)	3,000	3,000
Other Revenue	118,224	136,052	17,827	15%	136,052	94,875	41,176	43%	126,500	(9,552)
Total Revenue	8,382,592	8,395,025	12,433	0%	8,395,025	8,609,318	(214,292)	(2%)	11,479,090	3,084,065
Expenses										
Major Proj.-Rep. & Maint.	345,690	534,756	(189,066)	(55%)	534,756	177,922	(356,834)	(201%)	237,229	(297,527)
Facility Maintenance	169,098	118,901	50,197	30%	118,901	362,601	243,700	67%	483,468	364,567
Fees & Assessments	13,232	36,117	(22,885)	(173%)	36,117	25,950	(10,167)	(39%)	34,600	(1,517)
Utilities	718,685	679,700	38,985	5%	679,700	563,824	(115,877)	(21%)	751,765	72,065
Depreciation	1,050,368	1,246,175	(195,808)	(19%)	1,246,175	981,832	(264,344)	(27%)	1,309,109	62,934
Furniture & Equipment	177,176	219,892	(42,715)	(24%)	219,892	173,231	(46,661)	(27%)	230,975	11,083
Vehicles	44,802	53,117	(8,315)	(19%)	53,117	60,453	7,336	12%	80,604	27,487
Facilities & Equipment	2,519,050	2,888,657	(369,607)	(15%)	2,888,657	2,345,812	(542,845)	(23%)	3,127,750	239,093
Wages, Benfts., PR Exp.	3,356,101	3,371,346	(15,245)	(0%)	3,371,346	3,753,024	381,678	10%	5,004,031	1,632,685
Conferences & Training	39,746	31,426	8,321	21%	31,426	43,500	12,074	28%	58,000	26,574
Personnel	3,395,847	3,402,772	(6,925)	(0%)	3,402,772	3,796,524	393,752	10%	5,062,031	1,659,260
Food & Catering	30,904	25,405	5,498	18%	25,405	38,700	13,295	34%	51,600	26,195
Recreation Contracts	444,617	415,874	28,743	6%	415,874	525,548	109,675	21%	700,731	284,857
Bank & Credit Card Fees	64,032	74,250	(10,217)	(16%)	74,250	75,000	751	1%	100,000	25,750
Program	539,552	515,528	24,024	4%	515,528	639,248	123,720	19%	852,331	336,803
Communications	70,533	69,729	803	1%	69,729	76,860	7,131	9%	102,480	32,751
Printing	56,789	48,896	7,893	14%	48,896	71,830	22,933	32%	96,353	47,457
Advertising	3,734	-	3,734	100%	-	11,250	11,250	100%	15,000	15,000
Communications	131,056	118,626	12,430	9%	118,626	159,940	41,314	26%	213,833	95,207
Supplies	230,150	198,609	31,541	14%	198,609	334,442	135,833	41%	445,923	247,314
Postage	8,739	9,422	(683)	(8%)	9,422	27,930	18,508	66%	37,240	27,818
Dues & Subscriptions	8,365	11,347	(2,982)	(36%)	11,347	4,913	(6,434)	(131%)	6,550	(4,797)
Travel & Entertainment	1,485	5,954	(4,469)	(301%)	5,954	17,550	11,596	66%	23,400	17,446
Other Operating Expense	27,417	62,965	(35,548)	(130%)	62,965	46,616	(16,349)	(35%)	62,154	(811)
Operations	276,156	288,297	(12,141)	(4%)	288,297	431,450	143,154	33%	575,267	286,970
Information Technology	56,915	54,464	2,451	4%	54,464	105,863	51,399	49%	141,150	86,686
Professional Fees	206,132	204,308	1,824	1%	204,308	218,550	14,242	7%	291,400	87,092
Commercial Insurance	162,834	212,911	(50,077)	(31%)	212,911	161,250	(51,661)	(32%)	215,000	2,089
Taxes	1,764	15,489	(13,725)	(778%)	15,489	11,025	(4,464)	(40%)	14,700	(789)
Provision for Bad Debt	16,711	23,336	(6,625)	(40%)	23,336	18,000	(5,336)	(30%)	24,000	664
Corporate Expenses	444,355	510,507	(66,152)	(15%)	510,507	514,688	4,180	1%	686,250	175,743
Expenses	7,306,016	7,724,387	(418,370)	(6%)	7,724,387	7,887,662	163,275	2%	10,517,462	2,793,075
Gross surplus(Rev-Exp)	1,076,576	670,638	(405,937)	(38%)	670,638	721,656	(51,017)	(7%)	961,628	290,989
Unrea. Gain/Loss on Invest.	(101,530)	507,979	609,509		507,979	(13,500)	521,479		(18,000)	(525,979)
Net from Operations	975,046	1,178,618	203,572	17%	1,178,618	708,156	470,462		943,628	(234,990)



Green Valley Recreation, Inc.
Investment Portfolios
Changes and Market Values
Beginning of Year and Curent Month End

	Totals	Unrestricted	Emergency Reserve Fund	Maint - Repair - Replace Reserve Fund	Initiatives Reserve Fund
Balance Dec 31, 2018 (at Market)	\$ 10,995,715 ⁽⁹⁾	2,313,529	804,646 ⁽¹²⁾	5,881,453 ⁽¹³⁾	1,996,087 ⁽¹⁴⁾
Changes since Jan 1, 2018:					
Principal additions	5,745,679	4,226,838	-	1,127,377	391,464
Investment income	234,321	56,541	10,899	120,382	46,499
Withdrawals	(5,006,066)	(3,994,175)	(84,764)	(779,158)	(147,969)
Investment Expenses	(35,827)	(157)	(5,185)	(22,692)	(7,793)
Net Change for 9 Months	938,107	289,047	(79,050)	445,908	282,201
Balance before Market Change at September 30, 2019	11,933,822	2,602,577	725,596	6,327,361	2,278,288
9 months Change in Unrealized Gain/(Loss)	507,979 ⁽¹⁵⁾	4,749	93,224	330,767	79,240
Balance at September 30, 2019 (at Market)	\$ 12,441,801 ⁽³⁾	2,607,326 ⁽²⁾	818,820 ⁽⁶⁾	6,658,128 ⁽⁷⁾	2,357,528 ⁽⁸⁾

Footnotes (1) - (14) page 2 - Statement of Financial Position
 (15) page 3 - Summary Statement of Activities

9,834,475 ⁽¹⁾



Green Valley Recreation, Inc.

Statement of Changes in Net Assets

As of Date: September 30, 2019 and Dec 31, 2018

	Totals	Unrestricted		Emergency Reserve Fund	Maint - Repair - Replacement Reserve Fund	Initiatives Reserv Fund
		Unrestricted	Fixed Assets			
Net change in net assets-GVR	\$ 1,178,618 ⁽¹⁶⁾	1,178,618	-	-	-	-
Transfers between unrestricted and reserves:						
Reserve Study Allocation	0	(966,323)	-	-	966,323	-
Principal Transfers	0	(103,065)	-	-	(288,400)	391,464
Depreciation	0	1,246,175	(1,246,175)	-	-	-
Purchase of Fixed Assets	0	(1,311,969)	1,311,969	-	-	-
Withdrawals	0	562,438	-	(84,764)	(329,705)	(147,969)
Allocations of Net Change components:						
Investment income	0	(177,779)	-	10,899	120,382	46,499
Investment Expenses	0	35,670	-	(5,185)	(22,692)	(7,793)
Unrealized Gains (Losses) on Market	0	(503,230)	-	93,224	330,767	79,240
Repairs and replacements	0	-	-	-	-	-
Net Change to September 30, 2019	1,178,618 ⁽¹⁶⁾	(39,465)	65,793	14,174	776,675	361,441
Net Assets at, Dec 31, 2018	27,323,492 ⁽¹¹⁾	2,008,795	16,632,511 ⁽¹⁰⁾	804,646 ⁽¹²⁾	5,881,453 ⁽¹³⁾	1,996,087
Net Assets as at, September 30, 2019	\$ 28,502,110 ⁽⁵⁾	1,969,330	16,698,305 ⁽⁴⁾	818,820 ⁽⁶⁾	6,658,128 ⁽⁷⁾	2,357,528

9,834,475 ⁽¹⁾

Footnotes (1) - (12) page 2 Statement of Financial Position



EXHIBIT

BOARD OF DIRECTORS

October 30, 2019

APPROVED

BOARD AFFAIRS COMMITTEE

October 14, 2019

Committee Responsibilities CPM Update

Recommendation:

The Board Affairs Committee unanimously recommends the Board of Directors approve updates to the Corporate Policy Manual as follows:

Section VI BOARD / BOARD COMMITTEES

Subsection 4. BOARD COMMITTEES DUTIES AND RESPONSIBILITIES

B. Committees of the Board of Directors

1. ~~Standing~~ **All** Committee Chairpersons shall be Directors, appointed by the Board President. ~~Ad Hoc and Special Committee Chairpersons shall be appointed by the President, but need not be Directors.~~ All Chairpersons must be approved by the Board.
2. The Board will establish the duties and responsibilities of the *standing* committees. *The purpose, duties and duration of special or ad hoc committees shall be established by the President with Board approval.* Each committee shall make policy recommendations to the Board for consideration.
3. Committee meetings will normally be open to all GVR members, but may be held in closed session, at the discretion of the committee ~~or subcommittee chairperson.~~
7. ~~At least one other committee member shall be a Director of the Board.~~ *Standing Committees shall be comprised of more than 50% of members who are not Directors.* Committee members shall be GVR members in good standing, appointed by the Chairperson, ~~and staff members selected by the Chief Executive officer.~~ To the extent possible, committees will include members knowledgeable about the functionality of that specific committee.

After updates the sections will read as follows:

1. All Committee Chairpersons shall be Directors, appointed by the Board President. All Chairpersons must be approved by the Board.
2. The Board will establish the duties and responsibilities of the standing committees. The purpose, duties and duration of special or ad hoc committees shall be established by the President with Board approval. Each committee shall make policy recommendations to the Board for consideration.
3. Committee meetings will normally be open to all GVR members, but may be held in closed session, at the discretion of the committee.
8. Standing Committees shall be comprised of more than 50% of members who are not Directors. Committee members shall be GVR members in good standing, appointed by the Chairperson. To the extent possible, committees will include members knowledgeable about the functionality of that specific committee.

Planning and Evaluation Committee Exhibit October 30, 2019 GVR Board Meeting

The Planning and Evaluation Committee (P&E) has successfully developed a system over the past three years to solicit, evaluate, and recommend funding for Club Requests to the GVR Board of Directors. The Committee believes that they now need to expand this process to include other membership needs that might not be incorporated within the traditional Club requests.

Secondly, the P&E Committee has established a Fitness Sub Committee and an Aquatic Sub Committee to study future needs and trends in these areas. Staff interaction and support with these Committees are necessary and the Board needs to clarify the role GVR staff will hold in regard to their involvement with the Committees in light of Policy Governance.

Therefore, the P&E Committee requests approval of the following motion.

Motion: To clarify the role of GVR staff to work with the P&E Committee to enhance the process developed by the Committee and to approve a standing position of staff liaison to the Committee who is authorized to receive and respond to Committee requests in an ongoing and timely manner.

Whistleblower Policy

One of the functions of an Audit Committee is to provide or update documents reported on the annual IRS Form 990 by a 501c4 charitable organization. Three documents are on the form 990 in Part VI Section B:

- Line 12 Conflict of Interest Policy,
- Line 13 Whistleblower Policy
- Line 14 Retention & Destruction Policy.

The Audit Committee drafted and unanimously approved an updated Whistleblower Policy for GVR on October 21.

We wrote in the names of the current CEO, Board President and Human Resources Manager but suggest that the policy inserted into the Employee Manual should list only the offices.

A Whistleblower Policy Major Points:

1. The whistleblower should promptly report the suspected or actual event to the human resources manager, board president, or CEO.
2. The whistleblower can report the event with his/her identity or anonymously.
3. GVR shall not retaliate or discriminate against any whistleblower who acted in good faith. Any member of staff who retaliates against the whistleblower will be subject to discipline, including termination of employment.
4. The responding party, the CEO or board president, must promptly act to investigate and to resolve the issue.
5. If the investigation of a report is not to the whistleblower's satisfaction, then he/she has the right to report the event to the appropriate legal or investigative agency.

I therefore move that the Board of Directors approve the Whistleblower Policy at shown below, and that copies be made available to staff, volunteers, board and members and be inserted into the Employees Manual and posted on staff bulletin boards.

GVR Whistleblower Policy

A whistleblower policy is a critical tool for protecting individuals who report activities believed to be illegal, dishonest, unethical, or otherwise improper. All incidents will be promptly investigated, and appropriate corrective action will be taken by the president of the board of directors or by the CEO. Crimes against person or property, such as assault, rape, burglary, etc., should immediately be reported to local law enforcement personnel.

Whistleblower Reporting

This whistleblower policy is intended to encourage and enable employees, volunteers and directors to raise concerns within the organization for appropriate resolution.

If an employee, volunteer, or director has knowledge or suspicion of an illegal or dishonest activity, the individual should immediately report the incident to the HR resources manager or to the board president.

If an issue is a minor administrative or staff issue, employees should discuss the issue with their immediate supervisor. However, if the individual is uncomfortable speaking with his or her supervisor, or the supervisor is a subject of the report, or if the individual is not satisfied with the supervisor's response, the employee should present a report directly to the human relations manager.

Suspected fraud or any concerns or suspected actions regarding corporate accounting practices, internal controls, tax issues or auditing should be reported directly to the president of the board of directors or the CEO immediately,

Any concerns may be submitted anonymously in writing, and sent directly to both the CEO and board president.

The whistleblower must exercise sound judgment to avoid baseless allegations. Any whistleblower who intentionally files a false report of wrongdoing will be subject to disciplinary action.

The whistleblower is not responsible for investigating the alleged illegal or dishonest activity, or for determining fault or corrective measures. The CEO and/or board president are charged with these responsibilities.

Submit oral or written reports to:

GVR's CEO
Kent Blumenthal

GVR's Board President 2019/20
Charlie Sieck csieck@gvrec.org

GVR's Human Resources Manager
Dee Schisel dees@gvrec.org Ext. 7218

Retaliation and Confidentiality

Any whistleblower who believes he/she is being retaliated against should contact the GVR board president, human resources manager or CEO immediately.

Whistleblower protections are provided in two important areas: confidentiality and retaliation. Insofar as possible, the confidentiality of the whistleblower will be maintained. However, identity

may have to be disclosed to conduct a thorough investigation, to comply with the law, or to provide accused individuals their legal rights of defense.

The organization will not retaliate against a whistleblower. No employee, volunteer, or director who, in good faith, reports a concern shall be subject to retaliation or adverse consequences. The organization may not discharge, threaten, or otherwise discriminate against an employee regarding the employee's compensation, terms, conditions, privileges of employment or threats of physical harm.

Moreover, a manager or employee who retaliates against someone who has reported a concern in good faith is subject to discipline up to and including termination of employment.

Handling of Reported Violations

The appropriate official shall address all reported concerns and immediately take action to resolve the issue. The official, (CEO or board president), has the authority to retain outside legal counsel, accountants, private investigators, or any other resource deemed necessary to conduct a full and complete investigation of the allegations. The identity of the whistleblower shall remain confidential, unless the issue requires investigation by law enforcement, in which case members of the organization are subject to subpoena.

The whistleblower shall receive a report within ten business days regarding the investigation, disposition or resolution of the issue. Follow-up reports will be received periodically and a final report will provide the scope of the investigation and the corrective action taken. If the investigation and resolution was complex and extensive, the final report may include a personal follow-up with the complainant. It will not be possible to acknowledge receipt of anonymously submitted concerns.

Employees with any questions regarding this policy should contact the board president and/or human resources manager.

Incident Reports

The CEO and the board president will be informed of all complaints and their resolution.

The board of directors will be informed of major issues and the proposed actions to be taken.

The chairs of Fiscal Affairs, Investments and Audit committees will be notified of incidents relating to accounting or alleged financial improprieties, and the corrective action being taken..

An annual or semi-annual report of all incidents and their status will be made to the Board.

Definitions

1. "*Whistleblower*" as defined by this policy is an employee, volunteer or director of GVR who reports an activity that he/she considers to be illegal, dishonest, unethical, or otherwise improper.
2. "*Whistleblower Policy*" creates a mechanism whereby, if an individual becomes aware of a violation of policy or law, this can be reported without retaliation.
3. "*Employee*" is a person who performs a service for wages or other remuneration under a contract of hire, written or oral, express or implied, for GVR.
4. "*Matter of concern*" includes, but is not limited to:
 - a. a violation of a state, federal, or municipal law, regulation, or ordinance;
 - b. a danger to public health or safety; and/or
 - c. mismanagement, illegal or dishonest activity, substantial waste of funds, or clear abuse of authority.

Q1	Q2	Q3	Q4
What were your goals when first seated on the GVR Board of Directors?	Do you consider that those goals were achieved?	What was the most favorable element about the GVR Board of Directors, and why?	What was the greatest impediment to the GVR Board of Directors?
	6 yes 4 no		
To be objective when reviewing/discussing issues that would affect GVR. I had no personal agendas when first elected to the Board.		We were able to discuss issues and although we may had disagreed, we kept in mind what was best for the long-term viability of the Corporation.	When directors started to be elected who had personal agendas to change the direction of GVR.
To add another voice of experience to the Board. It was a desire to make a positive contribution to the community of which I am a part.		For a period of time a majority of the Board was honestly interested in acting in the best interests of the organization and we accomplished some positive things	The Board was split between a dissident group interested in only advancing it's agenda and a moderate group trying to act in the community best interests. The result was too often gridlock and a toxic atmosphere.
Support staff, promote good decision-making		making things happen	The 50-50 split regarding goals for GVR and the lack of good leadership by the president of the board. In my opinion, the GVR4us-supported board members aimed at tearing GVR down. Certainly they seldom did anything positive and if anything positive was SAID, it was followed by a "but". It was a situation where the amateurs thought they could do a better job than the experts (both hired experts and staff.)
Open communication with members - transparency		By the second year we were working together harmoniously.	Selfish goals and lack of member participation in voting resulting in GVR for Us controlling the election and board
To make sure that GVR continued on a fiscally responsible path.		The ability to listen and respond to members concerns	Dealing with the constant negative attitude of a minority of members including their ongoing use of false and misleading information to portray the Board and GVR CEO in an inaccurate light.
Control excessive spending		Quality and dedication of some of the members	Even board count, divided board, lack of presidential leadership.
1- Improve GVR's financial status 2- Respond to member requests/concerns		Ten year Strategic Plan. Visionary goals where GVR should be in ten years. Also conducting the survey. The feedback was very important.	New Board members had personal goals not goals for the betterment of ALL members. Violated confidentially and did not adhere to policy. Did things their way and did not work as a team. These new Board members micromanaged. Did not understand their role as a Director and role of Management
To move forward with updating our facilities and being more responsive to member needs		All the board members worked together for the benefit of the full organization. While there were differences of opinions we all respected each other, listened and learned from each other.	The need to turn a preposterous 10 year plan into an affordable plan.
1) To maintain existing GVR facilities at the highest level possible 2) To utilize GVR resources in the most effective and efficient manner possible 3) To provide new activities and opportunities to GVR members as demand indicated		Everyone was willing to listen and learn.	GVR4US spreading false rumors about CPAC, boundary expansion, CEO, the WSM 10 year outlook
Two appointed terms		There was no favorable element. The board was split 50-50 on almost every issue. There was essentially no training. The officers ignored legal advice. They touted Policy Governance while ignoring it and harassing staff (which is still going on despite spending several thousands of dollars on Policy Governance training).	At the time I served I do not remember any impediment.

Q5

Q6

Q7

What would you propose to increase the chances of GVR Board of Directors success?	If not "termed out" would you run again for the GVR Board of Directors?	If not, why? What occurred during your time in office to change your mind about serving?
	5 yes 5 no	
Having board members who want to see GVR thrive and meet the recreation needs of its members would be a good start. The questions that GVR asks candidates to answer do not give the members enough information about what the candidate would like to see GVR become and how they could help. Also, some fact-checking of claimed experience would be helpful.		I would not serve at this time because of the behavior of the majority of the directors. They do not care about what is best for GVR -- now and in the future. They have personal agendas that are detrimental to the organization.
Having the board be more representative of the membership		The toxic atmosphere. I didn't retire from a stress situation to volunteer for another. It's unfortunate that mine is a prevalent view. I'll find some other way to contribute.
Open all meetings to the membership. Make sure that directors are accountable for their actions.		What happened while I was serving and what is happening this term convinces me that GVR needs board members who are supportive of GVR's mission and its staff.
Reduce the Board size to nine. Increase the recruiting efforts seeking qualified candidates.		I dedicated a great amount of time and effort and the membership did not bother to vote. Only 30% voted and it was controlled by GVR4US
Not micro manage		too many directors have personal agendas
Directors must understand that they are not management. Board members must understand bylaws and their role as a director is to set policy, not manage. Understand finance and how a nonprofit business like GVR operates.		Six years was enough.
The board leave the staff to do their job with guidance from the CEO. The board work with the CEO not against him. The board choose their committees wisely and include members with "history" of the committees to prevent repeating things that have not worked in the past.		Timed out
Governance training is important to begin with. Informal meetings should be held to prepare for board meetings; allowing Directors to discuss upcoming issues.		Age and time of life. Nothing.
Greater use of communication, using various mediums, with the membership to provide accurate information regarding both the challenges and opportunities that lie ahead for GVR.		
The BOD needs to have more confidence in the GVR staff. Directors need to recuse themselves from voting when they are impacted by the outcome (eg - single home owners)		