



AGENDA

BOARD OF DIRECTORS MEETING
 Wednesday, January 29, 2020 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	September 25, 2019 Meeting Minutes				
B	December 11th Meeting Minutes		X	X	
C	November Financial Report		X	X	
4	Policy Governance				
A	Ownership Linkage January 30th Membership Forum	Chalmers			2:10
B	Monitoring	Sieck			
	1 B.M.D 4.1 - Unity of Control		X	X	2:12
	2 B.M.D. 4.2 - Accountability of the CEO		X	X	2:15
C	Policy Decisions				
	1 CPM issue relative to campaigning	Sieck	X		2:20
	2 CPM update on surplus/deficit calculation	Crothers	X	X	2:35
	3 CPM update on timing of transfers	Crothers	X	X	2:40
	4 CPM change "they" to "commercial vendors"	Curtin	X	X	2:45
	5 CPM change add word "permanent"	Curtin	X	X	2:48
	Reorganization of CPM content to Policy		X	X	
	6 Governance documents	Sieck			2:50
5	Committee Reports				
A	Nominations & Elections Committee	Gallegos			3:05
B	Board Affairs	Curtin			
	GVR Cycling Club approval				3:07
6	New Business				
A	Election Record Date (February 3rd, 2020)	Blumenthal		X	3:10
B	Internal Audit Proposal	Sadowski	X	X	3:15
C	GVR Yard Sale Proceeds	Blumenthal	X	X	3:25
D	Administrative Office Construction	Blumenthal	X		3:30
E	Equipment Storage Room	Blumenthal	X		3:40
7	GVR Foundation Report	Counter			3:45
8	BMD 3.1 - Governing Style	Crothers	X	X	3:50
9	Member Comments (limit to 2 minutes each)				3:55
10	Adjournment				4:00
11	Executive Session (if needed)				4:15

*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.*



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 2:00pm 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 4:23pm MST

Passed: unanimous

FINAL REPORT

Budgeting & Board Reporting
Susan M. Vos, CPA/CFE
RCM CPAs, Tucson, Arizona
12-11-19

From: Susan Vos <svos@rcmlp.com>
Sent: Wednesday, December 11, 2019 8:39 AM
To: Cheryl Moose <cheryl@gvrec.org>
Cc: Kent Blumenthal <KBlumenthal@gvrec.org>; Jen Morningstar <jen@gvrec.org>; David Webster <DavidW@gvrec.org>
Subject: RE: final report

Hi Cheryl,
I had sent to Charlie, I apologize you didn't get a copy. I'm out of town and just now had access to forward to you.

Regards,

Susan M. Vos, CPA/CFE
RCM CPAs
(520) 624-8229

From: Cheryl Moose <cheryl@gvrec.org>
Sent: Tuesday, December 10, 2019 8:48 AM
To: Susan Vos <svos@rcmlp.com>
Cc: Kent Blumenthal <KBlumenthal@gvrec.org>; Jen Morningstar <jen@gvrec.org>; David Webster <DavidW@gvrec.org>
Subject: final report
Importance: High

Hi Susan,

Hope you're doing well. We're going to be meeting with the new auditor today. Could we please get an unaltered copy of your recommendations? It would help to be able to talk to her about the changes. Thanks.

Regards ,

Cheryl Moose
Chief Financial Officer

GREEN VALLEY RECREATION
Recommendations for Budgeting and Board Reporting

Budget Process:

1. Develop a budget to include a comparison of the prior year's actual amounts. If the preceding year is not yet complete, projections should be made to estimate the prior year final actuals. **This recommendation is currently being implemented.**
2. When developing the budget, goals should be determined first. For example, what are the goals for next year? Each annual budget should be part of a longer-term budget based on a strategic plan or long-range planning. A strategic plan would assist in implementing this recommendation. All stakeholders should be involved in the strategic plan development with the assistance of a consultant that specializes in helping organizations with strategic planning.
3. The budget should include a separate column for each cash category to track the inflows and outflows of each cash account. This will allow for the tracking of operating cash transferred to the reserves and for the tracking of expenditures (both capital and expense) from each reserve cash account.
 - a. Operations
 - b. Maintenance and Replacement Reserve
 - c. Initiatives Reserve
 - d. Emergency Reserve
4. Prepare the budget based on cash inflows and outflows. Green Valley Recreation ("GVR") is required to maintain its accounting records in accordance with generally accepted accounting principles ("GAAP"), as such the budget should not be prepared on a pure cash basis. Non-cash items such as depreciation and allowance for bad debt should be excluded from the budgeted line items. It is important to keep in mind that excluding the non-cash items will create a potential significant variance in the net change in net assets (net income) when comparing to the audited statement of activities.
5. The monthly budget that is provided to the Board of Directors for monitoring throughout the year should be prepared with seasonality built-in. A seasonal budget will depict more the actual fluctuations of revenue and expense, so it is easier to determine if GVR is on track to meet budgeted amounts throughout the year.
6. The Board of Directors and/or the FAC shall allow the Chief Executive Officer to present the budget to the Board of Directors for approval. The CEO's presentation of the budget should include all assumptions made. The CEO's presentation will allow board members to ask questions and determine if goals are in line with the overall goals of the organization and if assumptions are reasonable.

(continued)

Funding of Reserve Accounts:

7. Per the Corporate Policy Manual, the Maintenance and Replacement Reserve account should be funded from operations in accordance with the Reserve Study to achieve a funding level of not less than 85% but not exceed 100%. GVR has utilized a professional firm to perform reserve studies. GVR should follow recommendations of this professional firm.
8. Per the Corporate Policy Manual, the Initiatives Reserve account should be funded from the New Member Capital Fee and Initial Fee assessed. GVR should follow the Corporate Policy Manual. **This recommendation is currently being implemented.**
9. Clearly define calculation for Emergency Reserve account annual contribution. Per the Corporate Policy Manual, calculations are “at the close of each fiscal year. The Board of Directors shall determine the amount, if any, to contribute from excess Revenue-Over-Expenses plus depreciation expense less Reserve contributions to the MRR Reserve Fund.” ‘Revenue over expense’ is not clearly defined. Define if this is solely operating revenue and expense, excluding all expenditures from reserve funds and capital expenditures from operations. A calculation should be developed and followed consistently. It should also be established if the result of this calculation is used only to fund the Emergency reserve or other reserve accounts as well.

Cash Policies:

10. A best practice for most non-profit organizations is to maintain a minimum of 90 days cash on hand up to 120 days. (Days cash on hand is the number of days that an organization can continue to pay its operating expenses, given the amount of cash available.) Cash on hand can include liquid savings or money market accounts. If a liquid savings account (Money Market or High Yield Savings) is utilized, keep 45 days of cash in the checking and the remaining kept in the savings vehicle.
11. If the recommendation in #3 above (four budgets) is not adopted, an alternative to tracking expenditures by reserve account would be to maintain a checking account for each reserve account. This would also eliminate the need to transfer cash from the reserve accounts to the operating cash account.

Financial Reporting Policies:

12. Fully implement Carver Policy Governance in which Board of Directors monitors the CEO’s performance through Executive Limitations. Utilize Policy Governance Consultant to develop necessary policies. **This recommendation is currently being implemented.**
13. Simplify financial reports for the Board of Directors and Fiscal Affairs Committee. Consider reducing the amount of reporting to the Balance Sheet (Statement of Financial Position), Income Statement (Statement of Activities), Cash flow (cash needs report) integrated with Budget to Actual. Or even more simplified dashboard with Key Performance Indicators.



A regular meeting of the GREEN VALLEY RECREATION, INC. BOARD OF DIRECTORS held Wednesday, December 11, 2019 at West Center, the President being in the chair and the Secretary being present.

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

Directors Present Electronically: Suzan Curtin.

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

Visitors: 73 (includes additional staff)

1. Call to Order / Establish Quorum

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

2. Adopt Agenda

MOTION: Crothers / Seconded. Adopt Agenda as amended, add 4.C.5 Wording Changes to Support Policy Governance, add 6.D. Request for Financial Data, add 8. BMD 3.1 – Governing Style, and remove 4.B. BMD 4.0 – Global Board Management Connection.

Passed: 10 yes / 1 no (Zelenak)

3. Consent Calendar

A. Minutes: Board of Directors October 30, 2019 Meeting

MOTION: Sadowski / Seconded. Approve October 30, 2019 Meeting Minutes as presented.

Passed: unanimous

B. Minutes: Board of Directors November 20, 2019 Special Meeting

MOTION: Sadowski / Seconded. Approve November 20, 2019 Special Meeting Minutes as presented.

Passed: unanimous

4. Policy Governance

A. Ownership Linkage: December 12, 2019 Membership Forum – Director Chalmers gave an update.

B. Monitoring: EL 2.5 – Emergency CEO Succession – CEO Kent Blumenthal reported.

MOTION: Chalmers / Seconded. GVR Board of Directors accept CEO's monitoring report on Executive Limitations 2.5 (policy manual, page 10). [see Exhibit]

Passed: unanimous

C. Policy Decisions - Proposed Bylaws Changes

~~ Suzan Curtin joined the meeting.

1. Signing of Checks

MOTION: Chalmers / Seconded. GVR Board of Directors approve to place the following Bylaws amendment on the 2020 ballot:

Article VII - OFFICERS AND CHIEF EXECUTIVE OFFICER

Section 4: Responsibilities of Officers

E. Signing of Checks

All checks \$2,500 and over are to be signed by any two officers of The Corporation or by one Officer and the Chief Executive Officer. Checks less than \$2,500 can be approved by the CEO with the stipulation that a log is kept for which 2 department heads reviewed the checks before the CEO's signature is put on the check. Month end statements will be reviewed by two officers of the Board of Directors as soon as they are available. [see Exhibit]

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

2. Approval of Contracts / 3. Moving Planning & Evaluation Committee from Board to Operations / 4. Removal of CEO from Board

MOTION TO TABLE: Nichols / Seconded. Table the following proposed Bylaw amendments: procedure for approving contracts, changing Planning & Evaluation Committee to Operations committee, and removal of CEO from Board of Directors.

Passed: 8 yes / 4 no (Crothers, Curtin, Sieck, Vanderhoof)

5. Wording Changes to Support Policy Governance

MOTION: Vanderhoof / Seconded. GVR Board of Directors approve to change "Corporate Policy Manual" to either "Board Practices Manual" or "Policy Governance Manual" in Bylaws Articles V, VII, and VIII to place on the 2020 ballot.

Failed: 7 yes (Chalmers, Crothers, Curtin, Sadowski, Sieck, Thornton, Vanderhoof) / 5 no

[Amendments to the Bylaws may be proposed by two-thirds (2/3) of the total number of directors.]

5. Committee Reports

A. Nominations & Elections

Director Gallegos introduced slate of 2020 Board Candidates: Kathi Bachelor, Lenore Bell, Nina Campfield, Donna Coon, Rich Derr, Randall Howard, Mark Kelley, Beverly Lawless, Barbara Mauser, Dale Sprinkle, and Beverly Tobiason.

B. Investments Committee

1. CPM Changes

MOTION: Sadowski / Seconded. GVR Board of Directors approve making the following interim changes to the Corporate Policy Manual (CPM):

- **Section VI. Board/Board Committees, Subsection 4. Board Committees' Duties and Responsibilities, C. Duties and Responsibilities of Board Committees to add sub-paragraph 6. [see Exhibit I]**
- **Section VI. Board/Board Committees, Subsection 4. Board Committees' Duties and Responsibilities, C. Duties and Responsibilities of Board Committees, 2. Fiscal Affairs Committee, b. Responsibilities to delete #6 and renumber 7, 8, and 9. [see Exhibit 2]**
- **Appendix I. Board Policies, Subsection 3. GVR Investment Policy to delete 8. Review and Monitoring and renumber 9, 10, and 11. [see Exhibit 3]**
- **Section V. Fiscal/Accounting, Subsection 2. Reserve Policy, F. Initiatives Reserve Fund to add 5. Investment Parameters. [see Exhibit A]**

Passed: unanimous

~~ Tom Sadowski left the meeting.

2. Checking Accounts for Reserve Funds - CEO Blumenthal to place temporary hold on establishing separate checking accounts for Reserve funds and affirm with Board and Fiscal Affairs Committee they have the information they seek.

6. New Business

- A. Pickleball \$50K Disposition – Director Nichols led the discussion asking the Board of Directors, “How does the \$50,000 Freeport-McMoRan Foundation grant to the contractor impact GVR’s financial liability for the Pickleball Center?”

B. Authorization for Officers to Sign Checks

MOTION: Vanderhoof / Seconded. GVR Board of Directors approve adding Board Officers as signatories to Chase Bank checking account. [see Exhibit]

Passed: unanimous

C. Support of Member Assistance Program

MOTION: Sieck / Seconded. GVR Board of Directors approve the donation of \$25,000 (from advertising income from MedAvail-SpotRx) to GVR Foundation, the first week of January 2020, to support the Member Assistance Program (MAP). [see Exhibit]
Passed: 10 yes / 1 no (Zelenak)

D. Request for Financial Data – President Sieck

MOTION: No Motion made. GVR Board of Directors approve the following financial-related requests by President Sieck:

- **Provide list of individuals having corporate credit cards with corresponding number for each card by Friday, December 13, 2019.**
- **Provide requested data for checks issued between April 1, 2018 and November 30, 2019 in an Excel spreadsheet ('raw data,' per President Sieck), containing one row per check, using a format documented in emails to the CEO by Friday, December 20, 2019.**
- **Provide a summary of total capital spent on the Facility Maintenance Building and the Administrative Offices by year, and the corresponding depreciation on each facility by year, by February 15, 2020. [see Exhibit]**

Passed: 6 yes / 5 no (Coon, Gallegos, Nichols, Weaver, Zelenak)

7. **GVR Foundation Report** - GVRF President Jim Counter announced GVRF has donated office space located in the Continental Plaza.

GVRF Appointed Director

MOTION: Crothers / Seconded. GVR Board of Directors approve Regina Ford as a GVR Appointed Director on the GVR Foundation Board of Directors, to fill a three-year term expiring January 2023.
Passed: unanimous

GVR Week Proposal

MOTION: Sieck / Seconded. GVR Board of Directors endorses the 1st annual "Green Valley Recreation Week" to be held January 26 - February 1, 2020, a GVR Foundation initiative. [see Exhibit]
Passed: unanimous

8. **BMD 3.1 – Governing Style** – Director Chalmers reported.
9. **Member Comments:** 4
10. **Adjournment** – Meeting adjourned at 5:22pm MST.

4.B. Policy Governance – Monitoring: Emergency CEO Succession

REVISED EXHIBIT

BOARD OF DIRECTORS MEETING

December 11, 2019

POLICY GOVERNANCE: MONITORING REPORT #1

EXECUTIVE LIMITATIONS POLICY

Emergency CEO Succession

Policy E.L. – 2.5 (Emergency CEO Succession): “In order to protect the board from sudden loss of Chief Executive Officer (CEO) services, the CEO will have no fewer than two other executives sufficiently familiar with board and CEO issues and processes to enable either to take over with reasonable proficiency as an interim successor.”

Interpretation

I interpret “executives” to mean senior staff at the department level and higher (according to GVR’s employee organizational chart) and I interpret “interim successor” to mean a person or persons who can fill-in as an acting CEO for up to six months until a new CEO is chosen by the board.

Compliance with this policy will be achieved when:

1. A team consisting of each department head (4/people) acknowledges receiving, reading and understanding staff’s basic operational handbook detailing administrative, financial, personnel, technological, board and marketing/communications procedures and issues.
2. One department head will serve as lead with the board-interim CEO relationship.
3. In compliance with Bylaws, at least two (2) board officers in addition to the interim CEO (department head lead) are registered as authorized check signers with GVR’s bank (TBD).
4. At least two (2) department heads who have worked with the organization for six months or longer have filled-in as Manager on Duty (MOD) while the CEO was away from the office for a period of at least one week at a time, and have subsequently indicated a willingness and ability to assist in filling-in on an interim basis (up to six months) if needed.
5. Each department head has been made aware of this policy and the CEO’s interpretations of same.

This interpretation is reasonable and based upon generally accepted practices as noted in the following published article and benchmark template:

- 1) Tim Wolfred, “Planning for Leadership Emergencies in Nonprofits”, *Nonprofit Quarterly*, 2/11/2014.
- 2) Monitoring Report VII: Emergency Executive Director/CEO Succession, adopted by *The Association for Institutional Research*, 10/29/2018.

Evidence:

Observable Condition	Data
1. Four (4) department heads have operational handbook.	CFO; Director of Administrative Services; Facilities Director; Recreation Director have operational handbook.
2. One (1) department head will serve as lead for board-interim CEO relationship.	Director of Administrative Services will serve as lead.
3. At least two (2) board officers have bank authorized check signing authority in addition the interim CEO (department head lead).	TBD – board president to identify officers for bank signing authority in addition to CEO.
4. Two staff members have filled-in as a Manager on Duty.	CFO Cheryl Moose (hired in 2014) has served as Manager on Duty on at least five (5) different occasions for at least two weeks total; Director of Administrative Services Jen Morningstar (hired in 2013) has served as Manager on Duty on at least (2) different occasions for at least one week.
5. Each department head is aware of this policy and interpretations.	Each department head has acknowledged receiving a copy of all board policies and all CEO interpretations (including this one) and acknowledges their willingness to serve in this capacity.

Compliance: I report compliance with this policy except #3.

Compliance with #3 will be achieved when:

- 1) Board adopts a Resolution authorizing two officers and the department head lead for board-interim CEO relationship as check signers; followed by,
- 2) Board-authorized check signers are registered with GVR’s bank as approved check signers.

Kent J. Blumenthal, Ph.D., CAE
Chief Executive Officer

Date: _____

4.C.1. Policy Governance – Policy Decisions – Proposed Bylaw Changes: Signing of Checks

Signing of Checks

The current GVR Bylaws state:

ARTICLE VII — OFFICERS AND CHIEF EXECUTIVE OFFICER

Section 4: Responsibilities of Officers

E. Signing of Checks. All checks are to be signed by any two officers of The Corporation or by one Officer and the Chief Executive Officer.

GVR processes approximately 350 checks per month. This puts significant burden on the officers of The Corporation. The process until recently used a stamp to put the signatures on checks. This does not follow the intent of the Bylaws that requires two fiduciaries of The Corporation review each check before it is signed.

Of these 350 checks per month, 50% of them are less than \$285. These small checks only amount to 2.2% of the total check payments each month but are half the checks that need to be signed. The large volume of checks needed to be signed limits the amount of time that the documentation for each check can be reviewed. Checks are typically issued once per week.

Proposal:

Replace ARTICLE VII, Section 4, Subsection E with:

E. Signing of Checks. All checks over \$XXX are to be signed by any two officers of The Corporation or by one Officer and the Chief Executive Officer. Check less than \$XXX can be approved by the CEO with the stipulation that a log is kept for which 2 managers reviewed the checks before the CEO's signature is put on the check.

Value of \$XXX	Checks Signed per Month	Percent of Spending Approved by Officer
\$0	350	100%
\$285	175	97.8%
\$500	140	96.2%
\$1,000	102	93.0%
\$2,500	52	83.1%
\$5,000	28	74.8%
\$10,000	15	64.4%

Note: These are tentative values based on 2 months of data.

The final values will be determined once the requested data is provided.

5.B.1. Committee Reports – Investment Committee: CPM Changes

EXHIBIT I INVESTMENT COMMITTEE

Section VI, Subsection 4, paragraph C of the Green Valley Recreation, Inc. Corporate Policy Manual shall be amended to add the following sub-paragraph 6:

6. Investment Committee Membership and Board, Staff, and Committee Responsibilities

a. **Membership.** The Investment Committee ("IC") shall consist of at least two Green Valley Recreation Inc. ("GVR") members in addition to the IC Chairperson. The IC Chairperson is appointed by the President of the Board of Directors ("BoD"). The IC chairperson and IC members should be knowledgeable in the investment of financial assets and, to the extent practical, experienced in investment management and/or investment oversight.

b. **Responsibilities.** The responsibilities of GVR's Chief Executive Officer and Chief Financial Officer (collectively, the "CEO/CFO"), IC, and BoD with respect to the GVR's Investment Accounts ("IAs") are delineated as follows:

i. Preamble

1. The purpose of this document is to identify the specific ownerships, responsibilities, and duties of the CEO/CFO, IC, and BoD with respect to the administration and management of GVR's IAs.

2. The IAs (as of November 2019) consist of the:

- a. Operating Cash Investments Account.
- b. Initiatives Reserve Fund.
- c. Maintenance Repair/Replace Reserve Fund.
- d. Emergency Reserve Fund.

ii. Generalized Approach to the Assignment of Duties

1. In a general sense and at the highest level, the:

a. CEO/CFO are responsible for delivering proactive leadership and forward looking effective management of the IAs. Such leadership and management are expected to be in full alignment with the decisions made and communicated by the BoD and IC to the CEO/CFO.

b. IC is responsible for:

- i. Making recommendations to the BoD concerning how the IAs should be structured and managed.
- ii. Deciding what information and analysis the IC requires in order to fulfill their duties.

c. BoD is responsible for making decisions concerning the structure and management of the IAs. The BoD will make their decisions in alignment with the full range of overarching GVR needs, objectives, and resource limitations.

iii. Investment Committee

1. The IC has the following specific ownerships, responsibilities, and duties with respect to the IAs:
 - a. Make timely recommendations to the BoD concerning:
 - i. The hiring, termination, and replacement of the Investment Manager and/or Investment Adviser (collectively, the "IM/IA") for each of the accounts that comprise the IAs.
 - ii. The terms and wording for any contract between GVR and an IM/IA.
 - iii. The specific wording and specifications for the Investment Policy Statement ("IPS") that governs each of the accounts that comprise the IAs.
 - iv. Changes to the wording and specification of any already existing IPS.
 - b. Perform the following ongoing functions:
 - i. Complete due diligence and evaluation of each IM/IA once each year, and more frequently if required.
 - ii. Monitor the IM/IAs to confirm compliance with the applicable IPS.
 - iii. When non-compliance with the IPS is identified, issue appropriate remedial instructions to the CEO/CFO designed to eliminate said non-compliance within a time period not to exceed 60 calendar days.
 - iv. Measure and evaluate the IM/IA's actions and results, in the context of the applicable IPS, in order to determine if modifications to the relationship are warranted.
 - c. Report to the BoD if:
 - i. An IPS is in serious and meaningful violation.
 - ii. The IC is considering the possible replacement of an already existing IM/IA.
 - iii. The BoD requests an update from the IC.
 - d. Communicate to the CEO/CFO concerning:
 - i. What information and analysis the CEO/CFO will provide to the IC for the purpose of enabling the IC to perform its duties. This communication may specify format (paper or electronic and associated layout), frequency, timeliness, and delivery mechanism (in person, telephone, or live-video).

- ii. The specific actions the CEO/CFO are required to take in order to bring an IM/IA back into compliance with its applicable IPS.
2. When executing its duties and responsibilities, the IC will consider the full range of fiduciary investment criteria. However, the IC will place special emphasis on the following six criteria (for each of the accounts that comprise the IAs):
 - a. **Cost.**
 - b. **Investment Time Horizon.**
 - c. Probability or likelihood of loss when measured over the applicable rolling **Investment Time Horizons.**
 - d. **Measures and metrics** tracked by the IC to alert the IC that modifications to an IM/IA relationship or to its associated IPS might be warranted.
 - e. **Sustainability and anti-fragility** of a particular investment approach.
 - f. **Continuity in investment approach over the span of years.**

iv. Chief Executive Officer and Chief Financial Officer

1. The CEO/CFO have the following specific ownerships, responsibilities, and duties with respect to the IAs:
 - a. Deliver proactive leadership and forward-looking effective management of the IAs.
 - b. Demonstrate initiative in their ongoing daily management of the IAs.
 - c. Faithfully execute and implement the instructions received from the IC and BoD within a timely and prudent time period.
 - d. Serve as the primary (and at times exclusive) point of contact and coordination with all IM/IAs.

v. Board of Directors

1. The BoD has the following specific ownerships, responsibilities, and duties with respect to the IAs:
 - a. Based, in part, upon the recommends that the BoD receives from the IC, make decisions concerning:
 - i. Who the IM/IA will be for each of the accounts that comprise the IAs.
 - ii. The terms and wording of any investment management contract between an IM/IA and GVR.
 - iii. The terms and wording of the IPS that govern each of the accounts that comprise the IAs.
 - iv. Replacement of any existing IM/IA with a new IM/IA.

- b. Oversee the CEO/CFO to confirm that their execution and implementation of IC and BoD decisions concerning the IAs are consistent with the full range of overarching GVR's overarching needs and objectives.
- c. Communicate to the IC the BoD's requirements and expectations concerning periodic reporting by the IC to the BoD.

c. Associated Documents {held separately from the Corporate Policy Manual}

- i. In the process of completing its duties, the IC will generate the following documents:
 - 1. An IPS for each of the accounts that comprise the IAs.
 - 2. An investment management contract for each IM/IA hired by GVR.
 - 3. Minutes of each meeting of the IC.
- ii. These associated documents will be archived by both the IC and the CEO/CFO and will not be a part of (or otherwise be included within) GVR's Corporate Policy Manual.

d. Definitions and Clarifications

- i. The following terms are used above. The following provides additional definition and/or clarifications regarding the intended meaning of these terms:
 - 1. **Cost** is defined as the direct and indirect costs (both hidden and revealed) resulting from the use of a specific investment. For example, for a daily access mutual fund these would include the internal expense ratio, trading fees, custody charges, and advisory fees.
 - 2. **Investment Time Horizon** is defined as the specific number of years or months that a portfolio will be invested before withdrawals are made from it. For example, a particular account might have a very short Investment Time Horizon such as one month. In such a circumstance, one would want to avoid investing in higher risk securities because with just a one-month investment time period, there is no opportunity to recover from market declines. In contrast, if a different account had a very long Investment Time Horizon such as twenty years, then one could consider holding riskier investments. In such a circumstance, with this long twenty-year time horizon, one could recover from significant market declines. The specific Investment Time Horizon for each of the accounts that comprise the IAs will be identified in the applicable Investment Policy Statement.
 - 3. **Sustainability and anti-fragility of a particular investment approach.** Not all investment approaches or investment instruments will survive or thrive over time. Some investments are as yet unproven or overly susceptible to failure during severe market declines. For example, a new embryonic mutual fund with just \$25 million of assets is highly susceptible to closure during a significant market decline. Similarly, new burgeoning securities such as cryptocurrencies and cannabis are as yet unproven and untested. It remains unclear as to the viability much less the durability of such niche areas of the marketplace. The IC is expected to consider issues of sustainability and anti-fragility as it decides what Investment Managers to hire and how to construct the associated Investment Policy Statements.

4. Continuity in investment approach over the span of years. Every investment management approach takes time to prove itself. Moreover, the longer the associated Investment Time Horizon, the longer the time period required for the investment approach to prove itself out. Successful investing requires that approaches to investing be given the time they require to grow, mature, and bear fruit. Moreover, by its inherent structure, the IC experiences a continuous turnover of membership. This high pace of turnover presents a potential challenge. It may make it difficult for the IC to have the required patience required to give each investment approach the time it requires to mature and bear fruit. For this reason, the IC is expected to apply particular attention to issues of continuity in investment approach across an ever-changing composition of the IC membership.

DRAFT

EXHIBIT 2
INVESTMENT COMMITTEE

SECTION VI - BOARD/BOARD COMMITTEES

Section VI was approved by the GVR Board of Directors January 28, 2014; except as amended.

SUBSECTION 1. POWERS, DUTIES, AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

SUBSECTION 2. BOARD OFFICERS: NOMINATIONS AND ELECTIONS

SUBSECTION 3. BOARD MEETINGS updated 5/24/2016

SUBSECTION 4. BOARD COMMITTEES' DUTIES AND RESPONSIBILITIES

C. Duties and Responsibilities of Board Committees

2. Fiscal Affairs Committee

b. Responsibilities:

1. Review and assist in presenting the annual budgets to the Board. Such review will consist of recommending Reserve, the disposition of the Revenue/Expense Adjustment, and the amount of the Capital Fund Cash Account.

2. Monitor progress toward achievement of annual fiscal objectives.

3. Review financial statements (operations, capital analysis and balance sheet), and report to the Board, as appropriate.

4. Coordinate with the GVR Audit Committee

5. Review and recommend policy to assure financial control.

~~6. Review and recommend guidelines for corporate investment policy.~~

→ 6. Recommend the establishment and the amount of tenant fees, membership dues, initial fees, transfer fees, and assessments.

⊗ 7. Recommend the financing method to be adopted for specific major projects recommended by the Planning and Evaluation Committee for Board approval.

⊗ 8. Coordinate with the Planning and Evaluation Committee as it relates to proposed expenditures for capital improvements.

EXHIBIT 3

Investment Committee

Corporate Policy Manual
Appendix 1, Subsection 3

8. Review and Monitoring

a. GVR's Board of Directors is responsible for GVR's Investment policies, activities, and performance.

b. The Chief Executive officer (CEO) shall have oversight of and the Chief Financial officer (CFO) is responsible for: a) Monitoring the activities of GVR's financial advisor(s) b) Day to day coordination with Advisor regarding investment activity and decisions.

c. The Investments Committee's responsibilities are listed below.

1. Select, hire and terminate professional outside investment advisor(s) with notice to the CEO

2. Revise GVR's Investment Policy Statement subject to Board approval

3. Monitor, measure, and report on investment advisor's or advisors' performance(s)

a) For Equities the following benchmarks shall be considered:

i. Russell 1000 (large cap equities)

ii. Russell 2000 (small cap equities)

iii. MSCI EAFE (international equities)

b) For Fixed Income the following benchmark shall be considered:

i. Bloomberg Barclays US Intermediate Govt/Credit Index

4. Ensure CVR management implements and complies with GVR's Investment Policy Statement

5. Meet at least once each calendar quarter to perform its assigned duties and report to the Board

EXHIBIT A INVESTMENT COMMITTEE

Recommendation:

Add a new paragraph 5 - Investment Parameters as shown below to CPM Section V - Fiscal/Account, Subsection 2 - Reserve Policy, paragraph F- Initiatives Reserve Fund.

F. Initiatives Reserve Fund (previously Initiatives & Innovations Reserve Fund)

1. Purpose:

The fund shall be used to support new initiatives and innovation opportunities that add value to member services and facilities and/or significantly improve GVR's position in the marketplace.

2. Target Balance:

This fund reserve shall be of sufficient size as determined by the Board of Directors to make opportunistic investments in real property, facilities and infrastructure.

3. Funding Source:

Within 30 days after the end of each fiscal quarter GVR shall transfer the following to the Initiatives Reserve Fund based on the applicable fee (the "Initiatives Reserve Funding Formula"):

- a Twenty percent (20%) of the Property Acquisition Capital Fee (NMCF) assessed on each GVR member property sold rounded up to the next \$5.00 and
- b Twenty-five percent (25%) of the Initial Fee assessed on each GVR member property sold rounded up to the next \$5.00.

At its discretion, the Board of Directors may make an additional Initiatives Reserve contribution from the annual net surplus.

4. Authorization:

The Board of Directors shall authorize any monies spent from this fund.

5. Investment Parameters: Monies contributed to this fund shall be invested in accordance with GVR's Investment Policy Statement.

6.B. New Business: Authorization for Officers to sign checks

Authorization to Sign Checks

Currently the GVR CEO, Dr. Kent Blumenthal, and the CFO, Cheryl Moose, are authorized with the Chase Bank to sign checks. Cheryl Moose is on the account of administrative purposes and does not sign checks. CEO, Dr. Blumenthal, is the only person who is authorized to sign a check based on the Bylaws and Chase Bank authorization.

If situations arises that Dr. Blumenthal is not available, GVR cannot issue checks.

The Chase Bank can add directors to the account with a motion of the Board. The bank also requires that the directors also be registered with the Arizona Corporation Commission. Changes have been submitted to the Arizona Corporation Commission to add all Board officers to the GVR's registration with the Arizona Corporation Commission.

I move that President Sieck, Vice President Chalmers, Secretary Thornton, and Treasurer Crothers be added for approval to sign checks at Chase Bank.

Approved:

Date:

6.C. New Business: Support of Member Assistance Program

Financial Support for the GVR Member Assistance Program

Part of the strategy in approving the SpotRX agreement was that part of the revenue would be donated to the GVR Foundation for the Member Assistance Program. Concerns relative to legal constraints prevented the Board from approving the transfer of funds at that time.

The Board of Directors has received a very clear legal opinion that GVR can donate to the GVR Foundation for the Member Assistance Program.

The 2020 budget approved at the November 20th, 2019 Board meeting included \$25,000 for support of the Member Assistance Program through the GVR Foundation.

I move that \$25,000 be donated to the GVR Foundation during the first week of January 2020, for the purposes of supporting the Member Assistance Program.

6.D. New Business: Request for Financial Data

Whereas the CEO provided the Board with a 2,755 page PDF file of checks issued between April 1st, 2018 and November 30th, 2019 that contained \$588,784 in credit card expenses on 27 separate credit cards; and

Whereas the CEO has refused to provide a list of who the 27 separate credit cards have been issued to.

I move that the CEO be instructed to provide a list of the 27 individuals who have been issued a corporate credit card and the correspond number for each card before Friday, December 12th.

Whereas the CEO provided the Board with a 2,755 page PDF file of checks issued between April 1st, 2018 and November 30th; and

Whereas the PDF file only lends itself to manual review of the data contained in it.

I move that the CEO provide the requested data for checks issued between April 1st, 2018 and November 30th, in an Excel spreadsheet containing one row per check using a format documented in emails to the CEO, before December 18th.

Whereas the value of fixed assets has decreased from \$17,628,077 to \$16,798,931 from January 1st, 2014 to October 31st, 2019; and

Whereas GVR spent a total of \$7,123,952 in capital purchases for that same period time; and

Whereas GVR fixed assets depreciated by a total of \$7,953,099 for that same period of time; and

Whereas there have been significant capital purchases on a new maintenance facility and the administrative offices, both of which only benefit members indirectly.

I move that the CEO provide a summary of total capital spent on each facility by year and the corresponding depreciation on each facility by year, before December 24th.

7. GVR Foundation Report: GVR Week Proposal

GREEN VALLEY RECREATION WEEK PROCLAMATION

WHEREAS, Green Valley Recreation, Inc. (GVR) membership constitutes 80% of all residents of Green Valley, Arizona and contributes to the quality of life of the Green Valley community, Pima County and Southern Arizona beyond GVR's membership through diverse recreational, sports, cultural and entertainment programs; and

WHEREAS, GVR supports the Southern Arizona Senior Games which attracts approximately 1,000 participants annually by providing extensive recreation and sports facilities along with volunteers and staff; and

WHEREAS GVR supports the annual Southern Arizona CultureFest celebration, co-hosted by the GVR Foundation and Greater Green Valley Community Foundation by providing performing arts facilities, volunteers and staff; and

WHEREAS GVR offers more than 1,000 leisure education classes annually for community residents and members that engage individuals in stimulating life-long learning; and

WHEREAS GVR provides thousands of community members and guests opportunities to participate in concerts and lecture series; and

WHEREAS GVR in conjunction with the GVR Foundation, provides 1-19 highway cleanup initiatives through ADOT's Adopt-a-Highway program; and

WHEREAS GVR offers first-aid and CPR training monthly at no-cost to community residents and members; and,

WHEREAS GVR supports an annual health fair for community residents and members that promotes ideal living through healthy practices by providing facilities along with volunteers and staff; and

WHEREAS Green Valley Recreation, Inc. is a major economic development and tourism contributor to Green Valley and Pima County, Arizona, being recognized as one of the top places to retire in the U.S. by many reputable sources.

WHEREAS the competent, dedicated GVR staff and volunteers consistently strives to meet member needs through exceptional customer service and programs.

BE IT HEREBY RESOLVED that the week of January 26-February 1, 2020 shall be recognized in Pima County and Southern Arizona as the first annual celebration of "Green Valley Recreation Week."

Adopted by the GVR Foundation Board of Directors
Thursday, November 14, 2019


GVR Foundation Board President



**Fiscal Affairs Committee Meeting
Tuesday, December 18, 2019**

**Financial Report
As of November 30, 2019**

The enclosed Financial Statements and supplemental schedules provide relevant financial information for the Fiscal Year as of November 30, 2019.

- The Statement of Financial Position (p.2) reports the Total Net Assets to be \$28,743,392 which is a \$198,614 increase from the prior month.
- The cash on hand is \$2,000,253. Combined with Operations Investments, Operational Cash equals a total of \$4,117,888 cash which is a \$788,876 from the prior month. Dues receipts continue to increase through November and to date in December.
- With the 2020 annual invoices being mailed and receipts arriving earlier than last year, the operating cash balance is better than previously projected through the end of the 2019 calendar year (p. 11).
- The Net Fixed Assets are \$16,798,198 which includes \$1,842,909 of Capital purchases through November 2019 (pages 6 and 10).
- Total Current Liabilities are \$2,659,391 which is an increase from prior reporting due to the increase in Deferred Dues and Fees which is normal at year end.
- Restricted Assets equal \$10,007,064 (detailed on page 5) and can be expected to decrease with the Board approved transfers occurring in December.
- The Statement of Activities (page 4) reports that Total Revenue is \$10,213,968 which is 2.9% under budget year to date and 1.4% over the prior year.
 - The largest Revenue variance is Capital Revenue which is \$288,364 under budget, an increase in this negative variance from the prior month.
 - Home resales in November were 74 units and the Year to Date number of resales is 1,034 which is 91 less than prior year (page 9).
 - Program Revenue is \$179,866 under budget year to date and is expected to remain under budget for 2019.
 - Total Expenses are 1.8% under budget and 3.0% over from the prior year.
 - The Major category of Facilities and Equipment is \$481,791 over budget which is an improvement from the prior month and includes the previously reported \$300,000 expected variance.
- The Gross Surplus for the year is \$753,783 (pages 3 and 4) and is 15% under budget.



GREEN VALLEY RECREATION, INC.

- The Unrealized Gain on Investments remains very high thus far this year with Gains of \$666,117 (Page 4).
- The current projection for 2019 estimates that total Revenue for 2019 to be 3.8% under budget for the year and that total Expenses will be close to budget at year end.

The Variance Report on page 7 provides additional detail explanations.

The 2019 Cash Basis Statement by Fund is included on page 10 and excludes Depreciation and Provision for Bad Debt (non-cash items).

The Cash Requirements Reports for 2019 and 2020 are included on pages 11 and 12. These cash balances are projections only.



Green Valley Recreation, Inc.

CONSOLIDATED FINANCIAL STATEMENTS

The accompanying pages are the Financial Reports for November 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.

Green Valley Recreation, Inc.

Statement of Financial Position

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

	November 30,	
	2019	Dec 31, 2018
	Total	Total
ASSETS		
Current Assets		
Cash/Cash Equivalents	2,000,253	1,099,888
Accounts Receivable	161,817	97,020
Prepaid Expenses	137,816	207,872
Designated Investments (Charles S./SBH)	10,007,064 ⁽¹⁾	
Undesignated Invest. (EJ/JP Morgan)	2,117,635 ⁽²⁾	
Investments	12,124,700 ⁽³⁾	10,995,715
Total Current Assets	14,424,586	12,400,495
Fixed Assets		
Contributed Fixed Assets	17,593,785	17,593,785
Purchased fixed Assets	21,197,177	19,354,268
Sub-Total	38,790,962	36,948,053
Less - Accumulated Depreciation	(21,812,764)	(20,315,542)
Net Fixed Assets	16,978,198 ⁽⁴⁾	16,632,511
Total Assets	31,402,783	29,033,006
LIABILITIES		
Current Liabilities		
Accounts Payable	160,461	342,959
Deferred Dues & Fees	2,352,332	1,106,509
Deferred Programs	146,599	260,046
Total Current Liabilities	2,659,391	1,709,514
TOTAL NET ASSETS	28,743,392 ⁽⁵⁾	27,323,492
NET ASSETS		
Temporarily Designated:		
Board Designated:		
Emergency	858,829 ⁽⁶⁾	804,646
Maint - Repair - Replacement	6,778,986 ⁽⁷⁾	5,881,453
Initiatives	2,369,250 ⁽⁸⁾	1,996,087
Sub-Total	10,007,064 ⁽¹⁾	8,682,185
Unrestricted Net Assets	17,316,428	18,641,307
Net change Year-to-Date	1,419,900 ⁽¹⁶⁾	-
Unrestricted Net Assets	18,736,328	18,641,307
TOTAL NET ASSETS	28,743,392	27,323,492



Green Valley Recreation, Inc.

Summary Statement of Activities

11 month period ending November 30, 2019

	Actual	Budget to Date	%
REVENUES:			
Member Dues	\$ 6,153,493	\$ 6,142,903	0.2%
Life Care, Guest Cards, Transfer, Tenant & Add'l Card Fees	694,165	689,920	0.6%
New Member Capital/Initial Fees	2,180,358	2,468,722	(11.7%)
Recreation Income	597,614	786,913	(24.1%)
Cell Tower Lease / Advertising Income	159,088	121,000	31.5%
Investment Income/Realized Gains	276,722	197,083	40.4%
Other Income	152,526	115,958	31.5%
Total Revenues	10,213,968	10,522,499	(2.9%)
EXPENSES:			
Facilities & Equipment	3,348,895	2,867,104	(16.8%)
Personnel	4,309,696	4,640,195	7.1%
Program	630,920	781,304	19.2%
Communications	157,599	195,482	19.4%
Operations	359,988	527,328	31.7%
Corporate Expenses	653,087	629,063	(3.8%)
Total Expenses	9,460,185	9,640,476	1.9%
Net Change in Net Assets from Operations	753,783	882,024	(14.5%)
From Investment Activity:			
Net Unrealized Market Value Change	666,117 ⁽¹⁵⁾	(16,500)	
Net Excess (Deficiency) GVR (All Reserves)	\$ 1,419,900 ⁽¹⁶⁾	865,524	



Green Valley Recreation, Inc. Summary Statement of Activities

YTD Period: 11 month period ending November 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	6,070,860	6,153,493	82,634	1%	6,153,493	6,142,903	10,590	0%	6,701,349	547,856
LC, Trans., Crd Fees.	666,638	694,165	27,527	4%	694,165	689,920	4,245	1%	752,640	58,475
Capital Revenue	2,197,068	2,180,358	(16,710)	(1%)	2,180,358	2,468,722	(288,364)	(12%)	2,693,151	512,793
Programs	327,661	211,551	(116,110)	(35%)	211,551	391,417	(179,866)	(46%)	427,000	215,449
Instructional	348,498	386,063	37,566	11%	386,063	395,496	(9,433)	(2%)	431,450	45,387
Recreational Revenue	676,158	597,614	(78,544)	(12%)	597,614	786,913	(189,298)	(24%)	858,450	260,836
Investment Income	186,483	276,722	90,240	48%	276,722	197,083	79,639	40%	215,000	(61,722)
Advertising Income	104,219	124,124	19,905	19%	124,124	68,750	55,374	81%	75,000	(49,124)
Cell Tower Lease Inc.	39,999	34,965	(5,034)	(13%)	34,965	52,250	(17,285)	(33%)	57,000	22,035
Comm. Revenue	144,218	159,088	14,871	10%	159,088	121,000	38,088	31%	132,000	(27,088)
Other Income	105,952	89,616	(16,336)	(15%)	89,616	92,125	(2,509)	(3%)	100,500	10,884
Facility Rent	23,822	62,910	39,088	164%	62,910	21,083	41,826	198%	23,000	(39,910)
Marketing Events	-	-	-	-	-	2,750	(2,750)	(100%)	3,000	3,000
Other Revenue	129,774	152,526	22,752	18%	152,526	115,958	36,567	32%	126,500	(26,026)
Total Revenue	10,071,199	10,213,968	142,769	1%	10,213,968	10,522,499	(308,531)	(2.9%)	11,479,090	1,265,122
Expenses										
Major Proj.-Rep. & Maint.	454,316	572,897	(118,580)	(26%)	572,897	217,460	(355,437)	(163%)	237,229	(335,668)
Facility Maintenance	232,788	154,051	78,738	34%	154,051	443,179	289,128	65%	483,468	329,417
Fees & Assessments	13,918	36,664	(22,746)	(163%)	36,664	31,717	(4,947)	(16%)	34,600	(2,064)
Utilities	844,076	785,786	58,289	7%	785,786	689,118	(96,668)	(14%)	751,765	(34,021)
Depreciation	1,442,233	1,497,223	(54,989)	(4%)	1,497,223	1,200,017	(297,206)	(25%)	1,309,109	(188,114)
Furniture & Equipment	216,863	239,050	(22,188)	(10%)	239,050	211,727	(27,323)	(13%)	230,975	(8,075)
Vehicles	54,505	63,224	(8,720)	(16%)	63,224	73,887	10,663	14%	80,604	17,380
Facilities & Equipment	3,258,699	3,348,895	(90,196)	(3%)	3,348,895	2,867,104	(481,791)	(17%)	3,127,750	(221,145)
Wages, Benfis., PR Exp.	4,170,225	4,271,828	(101,604)	(2%)	4,271,828	4,587,029	315,200	7%	5,004,031	732,203
Conferences & Training	51,421	37,868	13,553	26%	37,868	53,167	15,299	29%	58,000	20,132
Personnel	4,221,646	4,309,696	(88,051)	(2%)	4,309,696	4,640,195	330,499	7%	5,062,031	752,335
Food & Catering	37,247	31,333	5,914	16%	31,333	47,300	15,967	34%	51,600	20,267
Recreation Contracts	561,585	516,720	44,865	8%	516,720	642,337	125,617	20%	700,731	184,011
Bank & Credit Card Fees	68,282	82,868	(14,586)	(21%)	82,868	91,667	8,799	10%	100,000	17,132
Program	667,114	630,920	36,193	5%	630,920	781,304	150,383	19%	852,331	221,410
Communications	85,750	87,438	(1,688)	(2%)	87,438	93,940	6,502	7%	102,480	15,042
Printing	65,032	70,161	(5,129)	(8%)	70,161	87,792	17,631	20%	96,353	26,192
Advertising	3,734	-	3,734	100%	-	13,750	13,750	100%	15,000	15,000
Communications	154,516	157,599	(3,083)	(2%)	157,599	195,482	37,883	19%	213,833	56,234
Supplies	227,277	240,786	(13,509)	(6%)	240,786	408,763	167,977	41%	445,923	205,137
Postage	12,305	15,679	(3,374)	(27%)	15,679	34,137	18,457	54%	37,240	21,561
Dues & Subscriptions	10,361	12,271	(1,910)	(18%)	12,271	6,004	(6,267)	(104%)	6,550	(5,721)
Travel & Entertainment	5,164	6,866	(1,702)	(33%)	6,866	21,450	14,584	68%	23,400	16,534
Other Operating Expense	27,167	84,386	(57,219)	(211%)	84,386	56,975	(27,411)	(48%)	62,154	(22,232)
Operations	282,273	359,988	(77,714)	(28%)	359,988	527,328	167,340	32%	575,267	215,279
Information Technology	136,948	62,963	73,985	54%	62,963	129,388	66,425	51%	141,150	78,187
Professional Fees	205,517	269,367	(63,850)	(31%)	269,367	267,117	(2,250)	(1%)	291,400	22,033
Commercial Insurance	205,727	268,466	(62,739)	(30%)	268,466	197,083	(71,382)	(36%)	215,000	(53,466)
Taxes	20,750	20,367	383	2%	20,367	13,475	(6,892)	(51%)	14,700	(5,667)
Provision for Bad Debt	28,088	31,925	(3,837)	(14%)	31,925	22,000	(9,925)	(45%)	24,000	(7,925)
Corporate Expenses	597,030	653,087	(56,057)	(9%)	653,087	629,063	(24,024)	(4%)	686,250	33,163
Expenses	9,181,278	9,460,185	(278,907)	(3%)	9,460,185	9,640,476	180,290	2%	10,517,462	1,057,277
Gross surplus(Rev-Exp)	889,920	753,783	(136,138)	(15%)	753,783	882,024	(128,241)	(15%)	961,628	207,845
Unrea. Gain/Loss on Invest.	(178,910)	666,117	845,027		666,117	(16,500)	682,617		(18,000)	(684,117)
Net from Operations	711,010	1,419,900	708,890	50%	1,419,900	865,524	554,376	64%	943,628	(476,272)



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	5,584,625	4,226,838	-	966,323	391,464
Investment income	276,722	66,059	12,523	147,398	50,743
Withdrawals	(5,345,013)	(4,494,175)	(84,764)	(618,105)	(147,969)
Investment Expenses	(53,467)	(252)	(6,339)	(34,817)	(12,060)
Net Change for 11 Months	462,868	(201,530)	(78,579)	460,800	282,178
Balance before Market Change at November 30, 2019	11,458,583	2,111,999	726,066	6,342,253	2,278,264
11 months Change in Unrealized Gain/(Loss)	666,117 ⁽¹⁵⁾	5,637	132,762	436,733	90,986
Balance at November 30, 2019 (at Market)	\$ 12,124,700 ⁽³⁾	2,117,635 ⁽²⁾	858,829 ⁽⁶⁾	6,778,986 ⁽⁷⁾	2,369,250 ⁽⁸⁾

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

10,007,064 ⁽¹⁾



Green Valley Recreation, Inc.
 Statement of Changes in Net Assets
 As of Date: November 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	\$ 1,419,900 ⁽¹⁶⁾	1,419,900	-	-	-	-
Transfers between unrestricted and reserves:						
Reserve Study Allocation	0	(966,323)	-	-	966,323	-
Principal Transfers	0	(103,065)	-	-	(288,400)	391,464
Depreciation	0	1,497,223	(1,497,223)	-	-	-
Purchase of Fixed Assets	0	(1,842,909)	1,842,909	-	-	-
Withdrawals	0	562,438	-	(84,764)	(329,705)	(147,969)
Allocations of Net Change components:						
Investment income	0	(210,664)	-	12,523	147,398	50,743
Investment Expenses	0	53,216	-	(6,339)	(34,817)	(12,060)
Unrealized Gains (Losses) on Market	0	(660,481)	-	132,762	436,733	90,986
Repairs and replacements	0	-	-	-	-	-
Net Change to November 30, 2019	1,419,900 ⁽¹⁶⁾	(250,665)	345,686	54,183	897,533	373,163
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, November 30, 2019	\$ 28,743,392 ⁽⁵⁾	1,758,130	16,978,198 ⁽⁴⁾	858,829 ⁽⁶⁾	6,778,986 ⁽⁷⁾	2,369,250

10,007,064 ⁽¹⁾

Footnotes (1) - (16) page 2 Statement of Financial Position

Policy	Examples of Acting Consistently with This Policy	Examples of Acting Inconsistently with This Policy
B.M.D. 4.1 – Unity of Control		
4.1 Only officially passed motions of the Board are binding on the CEO.		
4.1.1 Decisions or instructions of individual Directors, officers, or committees are not binding on the CEO except in rare instances when the Board has specifically authorized such exercise of authority.		Director gets upset by CEO decision to not do what an individual director requests.
4.1.2 In the case of Directors or committees requesting information or assistance without Board authorization, the CEO can refuse such requests that require, in the CEO’s opinion, a material amount of staff time or funds or is disruptive.	The CEO respectfully declines a request from an individual director.	

Policy	Examples of Acting Consistently with This Policy	Examples of Acting Inconsistently with This Policy
B.M.D. 4.2 – Accountability of the CEO		
4.2 The CEO is the Board’s only link to operational achievement and conduct, so that all authority and accountability of staff, as far as the Board is concerned, is considered the authority and accountability of the CEO.		
4.2.1 The Board must never give instructions to persons who report directly or indirectly to the CEO.	Instructions for the staff are sent to the CEO who reacts accordingly.	Committee liaisons are sometimes directed by committee chairmen
4.2.2 The Board must not evaluate, either formally or informally, any staff other than the CEO.		A director tells an employee that he did a good job.
4.2.3 The Board must view CEO performance as identical to organizational performance, so that organizational accomplishment of Board stated Ends and avoidance of Board proscribed means must be viewed as successful CEO performance.	Board evaluates CEO performance on attaining ends and monitoring reports.	Activities, instead of results, are sited as accomplishments.



EXHIBIT

**Board of Directors Meeting
January 29, 2020**

Policy Governance: ‘Any Reasonable Interpretation’: CPM Facilities Use Rules

Overview

Subject to the Board-approved Policy Governance Manual, CEO Kent J. Blumenthal made a ‘reasonable interpretation’ of CPM Facilities Use rules to allow private member functions to host activities that may be associated with GVR candidates for election to the Board.

In accordance with Policy Governance, it is the Board’s responsibility to consider the reasonableness of the CEO’s interpretation and determine if amendments (if any) are required to the current CPM Facilities Use rules.

Email correspondence between CEO Blumenthal, President Sieck, Director Curtin, and staff regarding this subject are detailed within this Exhibit (below).

Recommendation

Board discuss the current CPM Facilities Use rules to determine changes (if any) are needed. Consideration should be given to the following factors:

- 1) Rights of GVR members to use GVR property
- 2) Requirement to declare the purpose of a private function facility rentals
- 3) Enforceability of Facilities Use rules
- 4) Appropriate sanctions for violation of Facilities Use rules

- **See Exhibit Appendix A for CPM Facilities Rules (attached)**
- **See Exhibit Appendix B for Policy Governance Rules (attached)**

Email Correspondence Related to the Facility Use Rules Issue

- January 7, 2020 at 7:21:10 PM, Director Suzan Curtin sent an email to the Board complaining that the ‘Friends of GVR’ group violated Corporate Policy Manual’s facilities use rules.

(see Appendix A-Curtin email, 1/9/20).

- Thursday, January 9, 2020 at 12:54 PM, CEO Blumenthal responded to Director Curtin via email with cc: to the full Board. In the reply, Blumenthal stated that a reasonable interpretation [according to Board-approved Policy Governance] of the CPM facilities use section is to ensure that there is no interference in the general operations of GVR by any individual or member group; that member groups can reserve facility space for their private functions; that private member functions are permitted; and that these private function rentals create no interference with GVR operations. In closing, Blumenthal wrote, ***“I leave it to the GVR Board of Directors to interpret this policy differently than staff has, and if so, to inform staff how implementation of the current Facilities Use policy should be altered.”***

(see Appendix B-Blumenthal email, 1/9/20).

- Thursday, January 9, 2020 at 2:45 PM, President Sieck informed CEO Blumenthal that he would add the item to the 1/29/19 Board Agenda and that until this was decided [by the Board] to operate under the assumption that the Board does not approve of meetings in conference rooms to support or oppose certain policies or candidates for election.

(see Appendix C-Sieck email, 1/9/20).

- Thursday, January 9, 2020 at 3:34 PM, CEO Blumenthal sent Recreation Director Kris Zubicki and Director of Administrative Services Jen Morningstar (with cc: to the Board) an email referring them to President Sieck's 1/9/20 email directive and instructing them to immediately cancel any facility space reservation currently held by either the Friends of GVR or GVR4Us; take no further reservations from either group; to immediately notify the contact person for each group of this action; and that Pres. Sieck will add this item to the agenda for the next GVR board meeting, scheduled for Wednesday, January 29.

(see Appendix D-Blumenthal email, 1/9/20).

- After staff had informed CEO Blumenthal that in most cases staff cannot discern what private GVR member functions involve, questions about how staff would determine the appropriate use of each member group and its enforcement, Blumenthal sent President Sieck a message (with cc: to Board) on Monday, January 13, 2020 11:07 AM that he had re-thought the facilities use policies and would stand by his initial reasonable interpretation to allow members to conduct private functions in facility space until the Board determines otherwise at the Board's 1/29/20 meeting.

(see Appendix E-Blumenthal email, 1/13/20).

EXHIBIT - APPENDIX A

CORPORATE POLICY MANUAL

SECTION IV – FACILITY USE

SUBSECTION 1. GENERAL FACILITIES RULES AND REGULATIONS (updated 9/25/2018)

- A. GVR facilities are established for use and enjoyment of GVR members, eligible guests and visitors who abide by the GVR Member Code of Conduct.
- B. The use of facilities by nonmembers shall not interfere with the effectiveness of the recreation operation.
- C. Members, guests, and visitors who use GVR facilities and equipment, do so at their own risk, and shall indemnify and hold harmless GVR, its employees and agents.
- D. All GVR facility reservations and arrangements shall be made through the central reservation office located at the Administrative Offices. A *GVR Facility Reservation Agreement* must be completed for all facility reservations and rentals.
- E. All members and guests are required to carry their membership cards or other authorized GVR identification while using GVR facilities. Individuals must produce GVR identification when requested by staff or any staff-authorized volunteer. Members and guests are required to sign-in or swipe their membership card. Clubs and other authorized groups must provide an attendance roster or similar document which lists each person utilizing a GVR facility.
- F. Staff and staff-authorized volunteers are empowered to enforce rules and regulations.
- G. GVR member and nonmember individuals and groups may rent facilities subject to current rules, regulations, and fees.
- H. GVR member individuals and groups have priority in facility rentals before nonmember individuals and groups.
- I. The Chief Executive officer may authorize use of GVR facilities on a complimentary or fee basis for any GVR-sponsored, GVR co-sponsored, or GVR Foundation event or activity. Authorization of GVR Foundation activities are subject to terms of the GVR/GVR Foundation Resource Sharing Agreement (see APPENDIX I – BOARD POLICIES, Subsection 4).
- J. GVR classes may preempt drop-in use of GVR facilities.
- K. Fees may be charged to recover the cost of any specialized services, events or programs.
- L. GVR facilities will not be used by any member for commercial purposes. Personal sales resulting from hobby pursuits are permitted.
- M. Individual members, visitors, guests, and groups using or renting GVR facilities are responsible for maintaining those facilities in a neat and orderly condition.
- N. Printed materials made available to attendees during the meeting/rental period must be removed at the end of the rental period.
- O. Individuals who damage GVR equipment due to improper or careless use are responsible for the repair or replacement of that equipment. Members are responsible for damages caused by their guests.
- P. Special GVR shop/facility rules and regulations must be complied with by individual members, visitors, guests, and groups.
- Q. No alcoholic beverages shall be sold on GVR premises without a valid special sales permit or liquor license. (*See Section VIII, Subsection 4 for the complete Liquor Policy.*)
- R. Non-member “Personal Assistants” may accompany a member to a GVR facility in order to help them with walking, showering, dressing or undressing, or with other non-therapeutic tasks as necessary and may not use GVR facilities for their own personal use.
- S. Animals are not permitted in or on GVR property, with the exception of Service animals, unless otherwise authorized by the GVR Chief Executive officer (CEO) to accommodate community events or other special circumstances.
- T. No firearms are allowed on your person on any GVR property or in any GVR facilities except law enforcement or licensed security.
- U. It is the policy of Green Valley Recreation, Inc. to provide and maintain a Drug-Free Environment for its members and employees. As such, Green Valley Recreation, Inc. prohibits the use of illegal drugs on GVR premises.

- V. GVR facility areas may be rented for political party meetings, campaign events, polling places, and informational presentations such as candidate forums or town hall meetings, subject to space availability and GVR fees at nonmember rates, regardless of GVR member affiliation.
- W. Advertising or promotional signage for non-GVR elected positions (e.g., public sector election campaigns), including solicitation of support/opposition regarding candidates or ballot issues is NOT permitted on GVR property except as follows: (1) within rented meeting space during the rental period; or (2) in public areas and parking lots of a GVR facility being used as a polling place on election day or as an early voting site during the period of early voting.

SUBSECTION 2. SPECIAL FACILITIES USAGE

A. General Usage

1. GVR facilities are provided for the use of GVR members and their guests.
2. GVR reserves the right to deny access to GVR facilities by anyone (member or non-member).
Reasons for denial of use include, but may not be limited to the following:
 - a. If there is a reasonable concern that the group may advocate or promote an activity that is prohibited by local, state or federal statute.
 - b. It is determined that the group is involved in a discriminatory endeavor.
 - c. There is a reasonable concern that appearance of the group could lead to a civil disruption.
 - d. There are other legal or safety concerns.
 - e. The CEO has the authority and discretion to make all final decisions
3. The Chief Executive Officer may authorize the use of GVR facilities for any GVR sponsored event of community interest.
4. GVR facilities may be used by any group, entity or individual that is not wholly comprised of GVR members, subject to appropriate rental agreements and fees.
5. An "indemnity clause" that has been reviewed and approved by GVR's legal counsel, MUST be included within the "Rental Agreement". Any group, entity or individual that is not wholly comprised of GVR members utilizing a GVR facility MUST state their purpose and sign the "Rental Agreement". This MUST be signed by a person or persons authorized to speak for the group, as part of the application process.
6. GVR classes may preempt drop-in use of GVR facilities.
7. Use of meeting rooms must authorized in accordance with the established reservation procedure before occupancy.
8. Non-member "personal assistants may accompany a member to a GVR facility in order to help them with walking, showering, dressing or undressing, or with other non-therapeutic tasks as necessary and may not use GVR facilities for the own personal use.

Denial of Use of GVR Facilities

1. Based on GVR legal review and opinion, GVR reserves the right to deny the use of its facilities by member or nonmember individuals or groups whose purposes are deemed contrary or adverse to GVR's as determined in the sole discretion of the CEO.
2. A decision by the CEO to deny use of GVR facilities shall be based on one or more of the following conditions:
 - a. There is a reasonable concern that the individual or group may advocate or promote any activity that is prohibited by local, state or federal statute.
 - b. There is a reasonable concern that the individual or group is involved in discriminatory behavior based on sex, age, race, ethnicity, nationality, disability, sexual orientation, gender identity, religious and political opinions.
 - c. There is a reasonable concern that use of facilities by an individual or group could lead to a civil disruption.

- d. There is a reasonable concern that the individual or group promotes a position that may be detrimental to GVR.
- e. There is a reasonable concern about other legal or safety issues.

SUBSECTION 3. CIRCULATION OF GVR-RELATED POLITICAL MATERIALS; GVR-RELATED SURVEYS, POLLS, QUESTIONNAIRES

- A. GVR petitions, solicitation of support or opposition regarding GVR candidates or ballot issues by GVR members shall only be permitted in GVR facility lobby areas, common areas, or curbsides and parking lots. Further guidance may be found in the GVR Corporate Operations Manual.
 - B. Surveys, opinion polls and questionnaires related to GVR affairs, and distributed on GVR property, may be circulated by members only after being reviewed by GVR administration for accuracy and suitability.
-

CORPORATE OPERATIONS MANUAL

SECTION IV – FACILITY USE

SUBSECTION 5. RESERVATION POLICY

- A. All facility reservations are made through the Reservations Office in person, by email or by telephone.
- B. GVR members, or individuals representing the group making the space reservation, must review and sign the Facility Reservation Contract. This serves as the contract for the space reserved and is the final verification of the reservation.
- C. Reservation priorities are established as follows:
 - a) Board of Directors
 - b) Recreation Staff (e.g. special events, classes, concerts, programs, annual festivals and performances)
 - c) Regularly scheduled club events (weekly and monthly)
 - d) Clubs with dedicated space are required to use their dedicated space for meetings and events. Exceptions will be made for special events that cannot be accommodated in a club dedicated space.
 - e) Community events (e.g. HOA) and rentals
 - f) Club one-time special events or parties
 - g) Private member functions
 - h) Club additional ongoing activity requests
- D. Advance reservations are permitted for groups who have GVR “Club Status” and for some annual community events that require advance reservations for planning. All other groups/members may make reservations in three (3) month increments only.
- E. The Reservations Office will establish a calendar, each year, indicating when groups may begin to renew their annual agreements.
- F. GVR reserves the right to match the size of the facility with the size of the group in order to maximize facility use for the entire membership.
- G. GVR further reserves the right to limit reservations during the month of December, on holidays, and on certain other designated days; e.g., election days. In those cases regular reservations may be suspended or moved to make space available for seasonal or community events.

EXHIBIT – APPENDIX B

POLICY GOVERNANCE® SOURCE DOCUMENT **(Board Approved 10/30/2019)**

PRINCIPLES OF POLICY GOVERNANCE

9. **Any Reasonable Interpretation:** In delegating further decisions—beyond the ones recorded in Board policies — the Board grants the CEO the right to use any reasonable interpretation of those policies.

GOVERNING POLICIES

G.P. 3.4 - Chief Governance Officer's (Board President) Role

3.4.2.2 The Board President has no authority to make decisions about policies created by the Board within Ends and Executive Limitations policy areas. Therefore, the Board President has no authority to supervise or direct the CEO.

G.P. 3.8 – Board Members/Directors' Code of Conduct

3.8.3 Directors may not attempt to exercise individual authority over the organization. Specifically,

3.8.3.1 Directors' interaction with the CEO or with staff must recognize the lack of authority vested in individuals except when explicitly Board authorized.

EXHIBIT – APPENDIX C

From: Suzan Curtin <scurtin@gvrec.org>

Date: January 7, 2020 at 7:21:10 PM MST

To: Charles Sieck <CSieck@gvrec.org>, Carol Crothers <ccrothers@gvrec.org>, Lynne Chalmers <LChalmers@gvrec.org>, Sandra Thornton <SThornton@gvrec.org>

Cc: Gail Vanderhoof <GVanderhoof@gvrec.org>, Tom Sadowski <tsadowski@gvrec.org>, Mike Zelenak <mzelenak@gvrec.org>, Christine Gallegos <cgallegos@gvrec.org>, Donna Coon <Dcoon@gvrec.org>, Denise Nichols <dnichols@gvrec.org>, Don Weaver <dweaver@gvrec.org>

Subject: CPM Violation

It has come to my attention that Friends of GVR have reserved GVR rooms for the purpose of campaigning for their endorsed GVR candidates. This is a clear violation of the CPM rules, and those reservations must be cancelled immediately! As Chair of the BAC, I feel compelled to speak up and point out this violation to the Board so corrective action can be taken right away.

Here is the CPM reference:

SECTION IV – FACILITY USE

SUBSECTION 3. CIRCULATION OF GVR-RELATED POLITICAL MATERIALS; GVR-RELATED SURVEYS, POLLS, QUESTIONNAIRES

A. GVR petitions, solicitation of support or opposition regarding GVR candidates or ballot issues by GVR members shall only be permitted in GVR facility lobby areas, common areas, or curbsides and parking lots. Further guidance may be found in the GVR Corporate Operations Manual.

B. Surveys, opinion polls and questionnaires related to GVR affairs, and distributed on GVR property, may be circulated by members only after being reviewed by GVR administration for accuracy and suitability.

Here is the information from the Friends of GVR website:

The screenshot shows the 'Home' page of the Friends of GVR website. It features a header with the text 'Home' and 'Friends of GVR Proudly Supports these Board Candidates:'. Below this are four portrait photos of board candidates: Donna Coon, Randy Howard, Bev Lawless, and Beverly Tobiason. To the right of the photos is a list of their names. Below the photos is a section titled 'UPCOMING "FRIENDS OF GVR" EVENTS' which lists three events: a general meeting on Tuesday, Jan 7; campaign training on Thursday, Jan 9; and a town hall meeting on Thursday, Jan 30. At the bottom left, there is a section titled 'What is Friends of GVR?' with a brief description of the organization.

Suzan
GVR Director and BAC Chair

EXHIBIT – APPENDIX D

From: Kent Blumenthal <KBlumenthal@gvrec.org>

Sent: Thursday, January 9, 2020 12:54 PM

To: Suzan Curtin <scurtin@gvrec.org>

Cc: Carol Crothers <ccrothers@gvrec.org>; Charles Sieck <CSieck@gvrec.org>; Christine Gallegos <cgallegos@gvrec.org>; Denise Nichols <dnichols@gvrec.org>; Don Weaver <dweaver@gvrec.org>; Donna Coon <DCoon@gvrec.org>; Gail Vanderhoof <GVanderhoof@gvrec.org>; Kent Blumenthal <KBlumenthal@gvrec.org>; Lynne Chalmers <LChalmers@gvrec.org>; Mike Zelenak <mzelenak@gvrec.org>; Sandra Thornton <SThornton@gvrec.org>; Suzan Curtin <scurtin@gvrec.org>; Tom Sadowski <tsadowski@gvrec.org>

Subject: FW: CPM Violation

Hi Suzan,

I've discussed your concerns with fellow staff about the rental of GVR facility space to member groups who may be active in the election of candidates to GVR Board.

A reasonable interpretation of the CPM section you reference is to ensure that there is no interference in the general operations of GVR by any individual or member group interested in circulating petitions or soliciting support or opposition regarding GVR candidates or ballot issues.

These types of activities that might otherwise be disruptive if conducted during a GVR class, lecture, performing arts event or meeting must be done in common areas, curbside, etc.

Historically, GVR permits member groups who may either support or oppose certain policies or candidates for election to the GVR Board to reserve facility space for their private functions. This is true for both the Friends of GVR group and the GVR 4Us group. Any GVR member who wants to participate in these private functions may do so and by definition 'opts-in' to attending. These private function rentals create no interference with GVR operations.

That said, I leave it to the GVR Board of Directors to interpret this policy differently than staff has, and if so, to inform staff how implementation of the current Facilities Use policy should be altered.

Thank you.

K

Copy: GVR Board; GVR Staff Leadership Team

Kent J. Blumenthal, Ph.D., CAE

Chief Executive Officer

EXHIBIT – APPENDIX E

From: Charles Sieck <CSieck@gvrec.org>
Sent: Thursday, January 9, 2020 2:45 PM
To: Kent Blumenthal <KBlumenthal@gvrec.org>; Suzan Curtin <scurtin@gvrec.org>
Cc: Carol Crothers <ccrothers@gvrec.org>; Christine Gallegos <cgallegos@gvrec.org>; Denise Nichols <dnichols@gvrec.org>; Don Weaver <dweaver@gvrec.org>; Donna Coon <DCoon@gvrec.org>; Gail Vanderhoof <GVanderhoof@gvrec.org>; Lynne Chalmers <LChalmers@gvrec.org>; Mike Zelenak <mzelenak@gvrec.org>; Sandra Thornton <SThornton@gvrec.org>; Tom Sadowski <tsadowski@gvrec.org>
Subject: Re: CPM Violation

Kent,

I agree this is an issue that needs to be decided by the Board.

I will put it on the agenda for the next Board meeting on January 29th.

Until this is decided, please operate under the assumption that the Board does not approve of meetings in conference rooms to support or oppose certain policies or candidates for election. These activities are permitted in the lobbies and common areas of our facilities.

In preparation of the Board meeting on January 29th, could you send the Board the section from the GVR Corporate Operations Manual that is referenced in the CPM?

Charlie Sieck
President, GVR Board of Directors

EXHIBIT – APPENDIX F

From: Kent Blumenthal

Sent: Thursday, January 9, 2020 3:34 PM

To: Kris Zubicki <KrisZ@gvrec.org>; Jen Morningstar <jen@gvrec.org>

Cc: Carol Crothers <ccrothers@gvrec.org>; Charles Sieck <CSieck@gvrec.org>; Christine Gallegos <cgallegos@gvrec.org>; Denise Nichols <dnichols@gvrec.org>; Don Weaver <dweaver@gvrec.org>; Donna Coon <DCoon@gvrec.org>; Gail Vanderhoof <GVanderhoof@gvrec.org>; Kent Blumenthal <KBlumenthal@gvrec.org>; Lynne Chalmers <LChalmers@gvrec.org>; Mike Zelenak <mzelenak@gvrec.org>; Sandra Thornton <SThornton@gvrec.org>; Suzan Curtin <scurtin@gvrec.org>; Tom Sadowski <tsadowski@gvrec.org>

Subject: FW: CPM Violation

TO: Recreation Director Kris Zubicki; Dir. of Administrative Services Jen Morningstar

COPY: GVR Board of Directors

PLEASE SEE EMAIL RECEIVED FROM GVR PRES. CHARLES SIECK THIS AFTERNOON (BELOW).

At Pres. Sieck's direction, no group or organization that is either directly or indirectly affiliated with supporting or opposing candidates for election to the GVR board is permitted to rent facility space from GVR.

Please immediately cancel any facility space reservation currently held by either the Friends of GVR or GVR4Us, and take no further reservations from either group. Also, immediately notify the contact person for each group of this action.

Pres. Sieck will add this item to the agenda for the next GVR board meeting, scheduled for Wednesday, January 29. Until then, no reservation requests by either of these groups will be permitted. This policy alteration may change following the outcome of the GVR board meeting on January 29.

Thank you.

Kent J. Blumenthal, Ph.D., CAE
Chief Executive Officer

EXHIBIT – APPENDIX G

From: Kent Blumenthal

Sent: Monday, January 13, 2020 11:07 AM

To: Charles Sieck <CSieck@gvrec.org>

Cc: Carol Crothers <ccrothers@gvrec.org>; Christine Gallegos <cgallegos@gvrec.org>; Denise Nichols <dnichols@gvrec.org>; Don Weaver <dweaver@gvrec.org>; Donna Coon <DCoon@gvrec.org>; Gail Vanderhoof <GVanderhoof@gvrec.org>; Kent Blumenthal <KBlumenthal@gvrec.org>; Lynne Chalmers <LChalmers@gvrec.org>; Mike Zelenak <mzelenak@gvrec.org>; Sandra Thornton <SThornton@gvrec.org>; Suzan Curtin <scurtin@gvrec.org>; Tom Sadowski <tsadowski@gvrec.org>

Subject: RE: CPM Violation

Charlie,

I re-thought the facilities use policies, and I stand by my initial reasonable interpretation that current GVR policy does allow members to exercise free speech rights within the confines of a private function rental of facility space. This is the same free speech right that current Board policy grants to any political party that wants to rent GVR facility space (e.g., Democrats, Republicans, Green Party, etc.).

Consistent with my obligation to follow Policy Governance, I cannot presume that the board would come to a different conclusion than I have without a discussion and vote of directors. Therefore, GVR will continue to allow facility space reservations by GVR members for private functions either directly or indirectly related to the annual GVR board elections until such time as the board determines otherwise.

Thank you for adding this item to the Board agenda for its next regular session meeting on January 29.

K

Copy:

- GVR Board
- GVR Staff Leadership Team

Kent J. Blumenthal, Ph.D., CAE
Chief Executive Officer

Motion to adopt CPM changes recommended by the FAC:

The FAC recommends two changes to the section of the CPM that deals with our Reserve Policy. The first is to document the Susan Vos recommendation for calculating Surplus/Deficit and the second is to transfer the previously defined Initiatives Funding from Property Acquisition Capital Fees (PACF) and Initial Fees within 10 business days after the end of the month rather than quarterly.

I move that the board adopt the following CPM changes:

SUBSECTION 2 - RESERVE POLICY - updated 10/25/2016

A. Overview

Green Valley Recreation, Inc. (GVR) maintains three (3) financial reserve funds to ensure its long term solvency and sustainability as part of the Corporation's Financial Planning Principles. For each reserve fund, the following information describes the purpose, desired target range, funding source, authorization and investment parameters. In executing its oversight role, the GVR Board of Directors may elect to revise these factors over time, as needs of the Corporation evolve and as opportunities and investment markets may suggest.

B. Reserve Study Policy

C. Maintenance of GVR Financial Reserve System

1. Definitions:

2. Reserve Contributions and the Annual Budget:

Reserve Contributions to the Reserve Accounts shall be an integral part of the annual budget.

The annual operating budget shall generate sufficient Excess Revenue-Over-Expenses to make the Reserve Contribution to the Maintenance, Repair and Replacement Reserve Fund called for in the Annual Reserve Study unless such Reserve Contribution generates a Percent Funded greater than 100% in which case the Reserve Contribution may be reduced to achieve a Percent Funded not less than 85%.

Reserve Contributions to the Initiatives Reserve Fund shall be funded from a portion of the Property Acquisition Capital Fee and/or from the Initial Fee based on the applicable fee when a GVR member property is sold.

Contributions to the Emergency Reserve Fund shall be recommended by the Chief Financial Officer (CFO) to the Board for consideration and approval.

3. Paying from reserve accounts or reimbursing operating cash account for reserve expenditures:

4. Priority of making contributions to Reserve Accounts:

GVR shall make contributions to Reserve Accounts in this order of priority:

- a. Maintenance, Repair and Replacement Reserve Fund
- b. Initiatives Reserve Fund
- c. Emergency Reserve Fund.

5. Rebalancing Reserve Accounts

D. Emergency Reserve Fund (previously the Operating Reserve Fund)

4. Funding Source:

At the close of each fiscal year, the Board of Directors shall determine the amount, if any, to contribute from operational surpluses.

Operational Surplus or Deficit is calculated as follows: using the Audit Report (GAAP) as Net Changes in Net Assets without donor restrictions less unrealized gains/losses, plus Depreciation expense, less Purchases of Capital Assets before accumulated Depreciation, plus transfers from Reserves to Operation, less realized investment income relating to Reserve Accounts, and less Reserve Accounts (MRR, IR, ER) Funding during the year.

Withdrawals from this reserve shall be repaid from operations as determined by the Board of Directors but not to exceed five (5) fiscal years.

F. Initiatives Reserve Fund (previously Initiatives & Innovations Reserve Fund) UPDATED (2/26/2019)

1. Purpose:

The fund shall be used to support new initiatives that contribute to meeting GVR Ends.

2. Target Balance:

This fund reserve shall be of sufficient size as determined by the Board of Directors to make value added investments in real property, facilities and infrastructure.

3. Funding Source:

Within 10 business after the end of each month GVR shall transfer the following to the Initiatives Reserve Fund based on the applicable fee (the "Initiatives Reserve Funding Formula"):

- a. Twenty percent (20%) of the Property Acquisition Capital Fee (PACF) assessed on each GVR member property sold rounded up to the next \$5.00 and
- b. Twenty-five percent (25%) of the Initial Fee assessed on each GVR member property sold rounded up to the next \$5.00.

At its discretion, the Board of Directors may make an additional Initiatives Reserve contribution from the annual net surplus.

4. Authorization:

The Board of Directors shall authorize any monies spent from this fund.

EXHIBIT 1

CORPORATE POLICY MANUAL SECTION II – MEMBERSHIP SUBSECTION 2. GENERAL

GVR property and member definitions, use of facilities, suspension of privileges and voting rights are as set forth in the bylaws of the Corporation or the Corporate Policy Manual.

A. GVR IDENTIFICATION CARDS

It is the policy of GVR that each authorized user of GVR facilities be issued a **permanent** GVR identification card as set forth herein.

1. A GVR identification card shall be issued to each GVR member, each Assigned Member, each CRCF user and each Life Care user.
2. A spouse of a GVR member shall be issued a GVR membership identification card regardless of whether the spouse is on title to the property unless the spouse has disclaimed interest in the property.
3. If a GVR property is held in a trust, each trustee shall be issued a GVR identification card unless the trust specifies otherwise.
4. If a GVR property is owned by a corporation, LLC, or similar entity, a GVR identification card shall be issued to up to two (2) managing partners.
5. Additional Card Holder:
 - a) GVR identification shall be issued at no fee for one (1) Additional Card Holder where the individual is residing with a sole owner GVR member or sole Assigned Member and proof of residency has been provided to GVR.
 - b) For a fee established by the Board of Directors, GVR identification shall be issued to other Additional Card Holders where proof of residency has been provided to GVR

EXHIBIT 2

CORPORATE POLICY MANUAL SECTION VIII – GVR PROGRAMS/CLUBS SUBSECTION 2. GVR CLUBS

C. INSURANCE

1. GVR shall provide liability insurance for all GVR clubs and club activities sanctioned by GVR.
2. Club Directors and officers (D&O) insurance is not provided by GVR. Clubs desiring this coverage need to contact a commercial insurance broker. If purchased, a copy of the Binder shall be provided to the GVR Club Liaison.
3. When a club holds an Arts and Crafts Fair, festival, or any large event open to the general public, ~~they~~ **commercial vendors** must list GVR as an Additional Insured when completing the application for the Special Events Liability insurance policy.
4. GVR is responsible for insurance coverage and personal property taxes on GVR owned property only. It shall be the responsibility of each club to obtain necessary insurance on any equipment not owned by GVR, but located on GVR property, e.g., music instruments, computers, radios.

Transition of CPM to Policy Governance

Motion:

In order to align the CPM content with Policy Governance, I move that the existing CPM content be separated into 4 new documents.

The first new document will be controlled by the CEO/Operations and will be titled the GVR Operations/Customers Manual. It will contain content from the CPM that is related to operations, customers of GVR, and how our facilities are used.

The second new document will be titled the GVR Owners/Membership Manual and will be controlled by the Board through the Board Affairs Committee. It will contain content from the CPM that is related ownership of GVR properties and rights and responsibilities of the membership.

The third new document will be titled GVR Board Practices Manual and will be controlled directly by the Board. This manual contains detailed Board practices that are in the current CPM but not specifically called out in detail in the Policy Governance Manual.

The fourth new document will be titled GVR Board Archive and will contain the history of motions passed by the Board. The CEO/Operations will continue to maintain this archive.

The CEO will assemble these sections into the new GVR Operations/Customer Manual by the February 26th, 2020 Board meeting. Any changes made to the current CPM content and all future changes to the GVR Operations/Customer manual must be announced to the Board and the membership 30 days prior to the effective date of these changes.

The Board Affairs Committee will assemble the content for the GVR Owners/Membership Manual for approval at the February 26th, 2020 Board meeting.

The President will appoint an Ad Hoc Committee to assemble the appropriate CPM content into the GVR Board Practices Manual for approval at the February 26th, 2020 Board meeting.

Any changes made to the current CPM content that is being transitioned to the GVR Owner/Membership manual or the GVR Board Practices manual and all future changes these manuals must be approved by the Board.

Note that changes to these documents include any insertions, deletions, updates, or modifications to the documents.

CPM Table of Contents

	Page	Policy Governance Manual	Owners/Member Manual	Operations/Customers Manual	Board Practices
SECTION I - GENERAL					
A. Name of the Corporation	3	Cover by Articles of Incorporation and Bylaws			
B. Business of the Corporation	3				
C. Operation of the Corporation	3				
D. Mission of the Corporation (January 23, 2007)	4				x
E. Vision of the Corporation (September 27, 2016)	4				x
SECTION II - MEMBERSHIP	5		x		
SUBSECTION 1. CODE OF CONDUCT	5		x		
SUBSECTION 2. GENERAL	5		x		
A. GVR Identification Cards	5		x		
B. Guest Policy - effective 1/1/2020	6		x		
C. Life Care Privilege (updated 6/26/2018)	7		x		
SUBSECTION 3. ANNUAL DUES, ANNUAL DUES INSTALLMENT PAYMENT PLAN, INITIAL FEES, FEES FOR SERVICES (updated 9/25/2018)	8		x		
A. General	8		x		
B. Annual Dues	8		x		
C. Annual Dues Installment Payment Plan	9		x		
D. Initial Fees	9		x		
E. Property Acquisition Capital Fee - updated 8/28/2019	9		x		
F. Other Fees updated 12/17/2015	10		x		
SUBSECTION 4. DELINQUENCY AND PENALTIES	10		x		
A. General	10		x		
B. Effect of Non-Payment	10		x		
SUBSECTION 5. SUSPENSION OF PRIVILEGES	11		x		
A. Member Not in Good Standing	11		x		
B. Suspended Member	11		x		
C. Suspension of Member Privileges	11		x		
SUBSECTION 6. EXAMINATION OF CORPORATE DOCUMENTS	13			x	
A. Authority	13			x	
B. Charge for Documents	13			x	
SECTION III - HUMAN RESOURCES	15	Oversight		x	
SUBSECTION 1. EMPLOYMENT PRACTICES	15	Oversight		x	
A. Non-Discrimination Policy:	15	Oversight		x	
B. Non-Discrimination Practices	15	Oversight		x	
SUBSECTION 2. CORPORATE PERSONNEL POLICY STATEMENT	15	Oversight		x	
EQUAL EMPLOYMENT OPPORTUNITY POLICY	15	Oversight		x	
A. General	15	Oversight		x	
B. Policy	16	Oversight		x	

CPM Table of Contents

	Page	Policy Governance Manual	Owners/Member Manual	Operations/Customers Manual	Board Practices
SUBSECTION 3. VOLUNTEER PERSONNEL	16	Oversight		x	
SUBSECTION 4. GVR 401(K) CONTRIBUTION PLAN	16	Oversight		x	
SUBSECTION 5. RECORDS RETENTION POLICY	16	Oversight		x	
SECTION IV - FACILITY USE	17	Oversight		x	
SUBSECTION 1. GENERAL FACILITIES RULES AND REGULATIONS		Oversight		x	
(updated 9/25/2018)	17	Oversight		x	
SUBSECTION 2. SPECIAL FACILITIES USAGE	18	Oversight		x	
A. General Usage	18	Oversight		x	
B. Use of Hobby Shops and Studios	19	Oversight		x	
C. Use of Kitchens	19	Oversight		x	
D. Use of Caterers	20	Oversight		x	
E. Use of Storage	20	Oversight		x	
F. Use of Equipment	20	Oversight		x	
G. GVR Pool Management Policies	20	Oversight		x	
H. Rentals and Fees	21	Oversight		x	
I. GVR Property Rights	21	Oversight		x	
J. Denial of Use of GVR Facilities	21	Oversight		x	
K. Smoke-Free Zone at Facilities	22	Oversight		x	
L. Vaping-Free Zone at Facilities - adopted	22	Oversight		x	
SUBSECTION 3. CIRCULATION OF GVR-RELATED POLITICAL MATERIALS;		Oversight		x	
GVR-RELATED SURVEYS, POLLS, QUESTIONNAIRES	22	Oversight		x	
SECTION V - FISCAL/ACCOUNTING	23	Oversight		x	
SUBSECTION 1. FISCAL POLICY - GENERAL	23	Oversight		x	
A. Definitions	23	Oversight		x	
B. Accounting	23	Oversight		x	
C. Purchasing	23	Oversight		x	
D. Investment Policy - updated 4/24/2019	23	Oversight		x	
E. Financing	24	Oversight		x	
F. Revolving Line of Credit	24	Oversight		x	
G. Member Payment Transactions	24	Oversight		x	
SUBSECTION 2 - RESERVE POLICY - updated 10/25/2016	25	Oversight		x	x
SECTION VI - BOARD/BOARD COMMITTEES	33	x			
SUBSECTION 1. POWERS, DUTIES, AND RESPONSIBILITIES OF THE		x			
BOARD OF DIRECTORS	33	x			
A. Powers of The Board - updated 5/24/2017	33	x			
B. Board Code of Conduct - adopted 7/22/14	34	x			
C. Board of Directors Email Policy - (updated September 25, 2018)	35	x			
D. GVR email Administrator	35	Oversight		x	

CPM Table of Contents	Page	Policy Governance Manual	Owners/Member Manual	Operations/Customers Manual	Board Practices
E. Prohibited Email Communications	35	x			
F. Chief Executive Officer Compensation	36	x			
G. Chief Executive Officer - Performance Appraisal Process	36	x			
H. Vacancies - updated 10/25/2016	38	x			x
I. Indemnification	39	x			
SUBSECTION 2. BOARD OFFICERS: NOMINATIONS AND ELECTIONS	39	x			x
A. General	39	x			x
B. The Nominating Ballot	39	x			x
C. The Electing Ballot	39	x			x
SUBSECTION 3. BOARD MEETINGS updated	40	x			
A. RULES OF ORDER FOR AGENDA PREPARATION - Adopted 06/03/14 40		x			
B. Protocol and Conduct for Board Meetings updated 5/24/16	40	x			
C. Minutes of Board Meetings - updated 9/25/2018	42	x			
D. Use of Legal Counsel - updated 5/22/2019	42	x			
SUBSECTION 4. BOARD COMMITTEES' DUTIES AND RESPONSIBILITIES	42	x			
A. Terms of Board Committee Chairpersons	42	x			
B. Committees of The Board of Directors (updated May 22, 2018)	43	x			
C. Duties and Responsibilities of Board Committees	43	x			x
1. Board Affairs Committee	43	x			x
2. Fiscal Affairs Committee	44	x			x
3. Planning and Evaluation Committee (updated 9/27/2016)	45	x			x
4. Audit Committee (Updated 10/28/2014)	45	x			x
5. Nominations & Elections Committee (updated May 22, 2018)	45	x			x
6. Investments Committee (updated 12/11/2019)	48	x			x
SECTION VII - CHIEF EXECUTIVE OFFICER	53	x			
SUBSECTION 1. AUTHORITY OF THE CHIEF EXECUTIVE OFFICER	53	x			
A. Fiscal Authority	53	x			
B. Programmatic Authority	54	x			
C. Human Resources	54	x			
D. Board Relationship	54	x			
E. Other	55	x			

CPM Table of Contents	Page	Policy Governance Manual	Owners/Member Manual	Operations/Customers Manual	Board Practices
SECTION VIII - GVR PROGRAMS/CLUBS	57		x		
SUBSECTION 1. GVR PROGRAMS	57		x		
A. Objective	57		x		
B. Acceptance of Grant Funding	57		x		
C. GVR Activities Open To the General Public	57		x		
D. General Public Ticket Surcharges	57		x		
E. GVR As Ticket Outlet for Non-GVR Sponsored Programs	57		x		
SUBSECTION 2. GVR CLUBS - (updated 9/23/14)	58		x		
A. Organization	58		x		
B. Membership/Guests/Monitoring (updated 8/29/2017)	58		x		
C. Insurance	60	Oversight		x	
D. Financial and Tax Requirements	60	Oversight		x	
E. Sales Tax	61	Oversight		x	
F. Facilities	62	Oversight		x	
G. Reservations (Revised 9/23/2014)	62	Oversight		x	
H. Clubs and Class offerings	62	Oversight		x	
I. Club Reporting and Records Management	63	Oversight		x	
J. Club Bylaws	63	Oversight		x	
K. Member Code of Conduct	64		x		
L. Dissolution of a Club	65	Oversight		x	
SUBSECTION 3. HOBBY SHOPS AND STUDIO CLUBS	65	Oversight		x	
A. Basic Services	65	Oversight		x	
B. Equipment	66	Oversight		x	
D. Merchandise/Product Sales	66	Oversight		x	
SUBSECTION 4: LIQUOR POLICY	67	Oversight		x	
SECTION IX- RISK MANAGEMENT	69	Oversight		x	
SUBSECTION 1. GENERAL POLICY	69	Oversight		x	
SUBSECTION 2. DISASTER RECOVERY	69	Oversight		x	
A. Priorities	69	Oversight		x	
B. Disaster Manual	69	Oversight		x	
C. Disaster Recovery Team	69	Oversight		x	
SUBSECTION 3. INSURANCE	70	Oversight		x	
SECTION X- MISCELLANEOUS	71	Oversight			
SUBSECTION 1. COMMUNICATIONS POLICY	71	Oversight	x	x	
SUBSECTION 2. PETITIONS FOR BOARD CANDIDATES AND PROPOSED		Oversight		x	
BYLAW AMENDMENTS	77	Oversight		x	

CPM Table of Contents

	Page	Policy Governance Manual	Owners/Member Manual	Operations/Customers Manual	Board Practices
APPENDIX I - BOARD POLICIES	79	x			x
SUBSECTION 1. BUDGET DEVELOPMENT POLICY (updated 1/31/2017)	79	x			
SUBSECTION 2. GVR FACILITIES POLICY STATEMENT (8/25/2015)	81	Oversight		x	
SUBSECTION 3. GVR INVESTMENT POLICY (updated 4/24/2019)	82	x	x		
SUBSECTION 4. GVR GVR FOUNDATION RESOURCE SHARING AGREEMENT (11/29/2016)	89	x	x		
SUBSECTION 5. GVR ADVERTISING & SPONSORSHIP POLICY (1/31/2017) 94		x			
BOARD RESOLUTIONS	97	Board Archives			



EXHIBIT

BOARD OF DIRECTORS JANUARY 29, 2020

Overview:

A record date determines the roster of members in good standing who are eligible to vote in the annual election. The record date for GVR's annual election shall be no more than thirty (30) days prior to the election.

Recommendation

The GVR Board of Directors set the record date for the 2020 annual election as February 3, 2020. Members who are not in good standing as of 4pm (MST) on this date will not be eligible to vote in the 2020 election.

Internal Controls

Over the last month or two, several Directors have been concerned over whether GVR's established internal control policies have been followed and whether the appropriate level of review has occurred in approving and paying for services, I therefore move that GVR hire SBL in conjunction with its annual financial audit engagement to review GVR's existing internal control policies and procedures. Additionally, if improvements can be made, SBL will review our existing policies and make recommendations to the Board for changing these policies. Finally, SBL will conduct a review of transactions processed in calendar years 2018 and 2019 to determine if invoices were reasonable, appropriate, and were approved.



EXHIBIT

Board of Directors Meeting

January 29, 2020

Disposition of Proceeds from GVR Yard Sales

Overview

For many years, staff has organized an annual GVR yard sale of no longer used and broken 'odds & ends' materials and equipment. All GVR yard sale proceeds have been donated to the Member Assistance Program (MAP).

A GVR Director recently questioned the donation of GVR yard sale proceeds to MAP. Therefore, staff will not conduct further GVR yard sales of no longer used or broken materials and equipment until the Board formally determines the disposition of yard sale proceeds.

Types of GVR yard sale items include:

Description	Quantity	Approximate Value (each)
Dell Optiplex 7020 Workstation	10	\$50.00
Samsung SCX-5835 LaserJet Printer/Copier	2	\$30.00
Strap Style Chaise Lounge	24	\$10.00
48" Round Table	8	\$20.00
24" Round Table	1	\$8.00
Power/volume/splitter face plate	3	\$10.00
Shure system processor	1	\$50.00
Shure Audio Processor	1	\$50.00
Rolls Mixer RM82	1	\$75.00
Tascam CD / Tape player	1	\$30.00
Peavey IP-8.5C amp	1	\$50.00
M-1400 Mackie amp	1	\$100.00
Bose ceiling speakers with metal frames	18	\$60.00
ceiling speakers with metal frames	3	\$20.00
Cerwin Vega Monitors-Vision	2	\$150.00
JBL monitors	2	\$100.00
Samson Wireless headset mic	1	\$15.00
Samson Wireles system	1 comp- set	\$75.00
Shure VHS wireless system	1 comp-set	\$25.00
Shure VHS wireless system	1	\$10.00
Shure VHS wireless system	1	\$10.00
Shure VHS wireless system	1	\$10.00
Shure VHS wireless system	1	\$10.00
Shure VHS wireless system	1	\$10.00

Quartet portable screen 5'x5'	1	\$25.00
Sony DVD/VHS Player + remote	1	\$5.00
Magnavox DVD/VHS	1	\$5.00
Eiki LCD projector + remote	1	\$50.00
Eiki LCD projector	1	\$50.00
box of assorted electronics to pick through	1	\$1.00 each item
Concert Chairs - blue	500	\$10.00
Card tables	12	\$5.00

Recommendation

Determine disposition of GVR yard sale proceeds.



EXHIBIT

**Board of Directors Meeting
January 29, 2020**

Administrative Offices – Tenant Improvement Funding Request

Overview

As part of the 2016 WSM Long-range Strategic Facilities Plan, the Facilities Department was to vacate from the Administrative Offices (AO) and move to the former nursery building across from West Center, thereby removing the 25-vehicle fleet from the AO rear parking lot freeing up space within the parking lot and the AO building for other purposes. Since then, a designated facility for the GVR Metal Working Crafts Club has been constructed in the former facilities parking lot.

A WSM-proposed 'HUB' concept at West Center that would have established a major fitness center for members and new employee offices was not pursued. Consequently, there remains a need for AO tenant improvements to be completed to accommodate staffing so that the employees can best serve members.

Tenant improvements will accommodate six new offices and a small conference/meeting room. It will provide needed office space for staff currently located within an AO hallway, a supply room, and a room too small to accommodate the three (3) employees who currently work there, plus allow for the GVR Volunteer office and volunteer work space to return to the AO from the Las Campanas Center. Executive Office staff (including the CEO and Human Resources Manager) will relocate into the former facilities area with the AO; the Accounting Department staff will relocate to where the Executive Office area is currently situated. The CEO's office space in the tenant improvement will shrink from approximately 13'x16' (208 sq. ft.) to 10'x15' (150 sq. ft.) or approximately 38.7% smaller than the CEO's current office space.

The AO tenant improvement area is 1,525 s.f. The AO tenant improvement area changes the interior AO footprint, but does not increase the total square footage of the facility. See two (2) attached documents for the Old Floor Plan and New Floor Plan and seating arrangements.

In 2017, the Board of Directors authorized \$20K in "Non-Reserve Capital" funding for the 2018 budget to initiate phased work on the tenant improvements in the former facilities department area. Due to other pressing facilities needs and time constraints, work on this activity in 2018 was not pursued. In December 2018, \$30K funding from "Non-Reserve Capital" to begin the AO tenant improvements was approved by the Board within the 2019 budget. This funding was fully expended in 2019 with the AO tenant improvements unfinished.

In regard to MRR contributions towards the AO project, particular components may be applied to replacement and rehab of portions of the project area only. This includes components such as flooring replacement, interior painting, and interior door replacements. The estimated MMR contribution toward the project is between \$6,000 and \$7,500.

Recommendation

Recommend that the Board of Directors provide up to \$35K funding to complete tenant improvements in the former facilities area at the Administrative Offices from either of following options:

1) Initiatives Reserves funding

(NOTE: In FY2020 budget, the Board approved \$150K in 'non-earmarked' funding from Initiatives Reserves).

2) Repurpose Board-authorized FY2020 "Non-Reserve Capital" projects funding.

Possible repurposed projects are:

- **\$25K Abrego South – pave east parking lot (10-year master plan)**
- **\$25K East Center - window upgrades**

3) Combination of Initiatives Reserves funding and repurposed FY2020 "Non-Reserve Capital" projects.



SRA Scott Rummel Architect
 10301 E. Green Street Tucson, Arizona 85710
 www.scottrummelarchitect.com

GREEN VALLEY RECREATION INC.
 TENANT IMPROVEMENT for MEMBER SERVICES CENTER
 OFFICE RENOVATION
 1073 S. CALLE DE LAS CASITAS
 GREEN VALLEY, AZ 85614

REFERENCE
 FLOOR PLAN

Revisions
 11/10/2019

JOB NO 12020 219
 DATE 5/17/19

SHEET 3 of 13

rA1

PROJECT GENERAL NOTES AND SPECIFICATIONS

1. ALL WORK SHALL COMPLY WITH 2012 IRC AND ALL LOCAL CODES AND ORDINANCES.
2. FIELD VERIFY ALL EXISTING CONDITIONS PRIOR TO START OF WORK. INFORMATION REGARDING EXISTING CONSTRUCTION AND UTILITIES WAS OBTAINED FROM FIELD OBSERVATION AND OWNER FURNISHED INFORMATION. NOTIFY ARCHITECT AND OWNER OF DISCREPANCIES PRIOR TO PROCEEDING WITH WORK.
3. REFER ALSO TO MECHANICAL AND ELECTRICAL NOTES FOR ADDITIONAL GENERAL NOTES AND INFORMATION REGARDING EXISTING CONDITIONS, REMOVALS, RELOCATIONS AND LAYOUTS OF THE WORK.
4. EXISTING BUILDING AND SITE PLAN FEATURES ARE TO REMAIN, TYPICALLY, EXCEPT AS NOTED OTHERWISE.
5. CONTRACTOR IS RESPONSIBLE FOR THE SAFETY OF ALL WORKERS, AND FOR MEETING ALL MINIMUM STATUTORY REQUIREMENTS PERTAINING TO SAFETY THROUGHOUT THE COURSE OF THE WORK. THE CONTRACTOR SHALL MAINTAIN WORKMANS COMPENSATION AND GENERAL LIABILITY COVERAGE INCLUDING AUTOSURVEY FOR THE DURATION OF THE PROJECT, WITH LIMITS OF COVERAGE ACCEPTABLE TO THE OWNER. OWNER SHALL NOTIFY BUILDERS RISK COURSE OF CONSTRUCTION COVERAGE.
6. THE CONTRACTOR SHALL PAY ALL SALES TAXES APPLICABLE TO THIS PROJECT.
7. DURING THE COURSE OF THE PROJECT, THE CONTRACTOR SHALL KEEP AREA OF THE PROJECT FREE FROM ACCUMULATION OF WASTE AND FINISH AREAS OF WORK SHALL BE KEPT CLEAN AS SUITED FOR THE REQUIREMENTS OF THE INSTALLED WORK. KEEP ON-SITE AND OFF-SITE PROPERTIES BEYOND THE LIMITS OF WORK CLEAN OF CONSTRUCTION DRUMMINGS AND DEBRIS. WASTE OR RUBBISH INTENDED FOR DISPOSAL SHALL BE SUITABLY STORED AND DISPOSED OF IN A LEGAL MANNER. TOOLS, OR OTHER ITEMS NO LONGER IN USE SHALL BE REMOVED.
8. AT FINAL CLEANING, ALL SURFACES SHALL BE CLEAN AND FREE FROM SOIL, HANGERS, PAINT SPATTERS, ETC.
9. CONTRACTOR SHALL SUBMIT CLOSE OUT DOCUMENTS TO OWNER TO INCLUDE ALL REQUIRED OPERATING INSTRUCTIONS, MANUALS, WARRANTIES AND LIEN WAIVERS AS APPLICABLE.
10. THERMAL AND MOISTURE PROTECTION 25 YEAR PORTABLE ADHESIVE LATCHES BELANDTS AND CALKING TYPICAL AT ALL EXTERIOR AND INTERIOR JANTS AND PENETRATIONS.
11. FINISHES: FINISHED TO USE MANUFACTURERS TOP OF THE LINE FIRST QUALITY PRODUCTS.
12. IT IS THE CONTRACTORS RESPONSIBILITY TO REVIEW AND COORDINATE THE WORK OF ALL SUBCONTRACTORS, TRADES AND SUPPLIERS WITH THE REQUIREMENTS OF THE CONTRACT BEFORE COMMENCING CONSTRUCTION AND TO ASSURE THAT ALL PARTIES ARE AWARE OF ALL REQUIREMENTS. REGARDLESS OF WHEN THE REQUIREMENTS OCCUR IN THE CONTRACT DOCUMENTS, WHICH MIGHT AFFECT THE WORK OF THAT PARTY.
13. CONTRACTOR IS RESPONSIBLE FOR THE ACCURACY OF ALL MEASUREMENTS AND FOR ESTIMATING THE MATERIAL QUANTITIES REQUIRED TO SATISFY THESE SPECIFICATIONS.
14. THE CONTRACTOR SHALL TAKE PRECAUTIONS TO MAINTAIN AND PROTECT NEW WORK AS WELL AS EXISTING CONDITIONS AND ELEMENTS WHICH ARE TO REMAIN. ANY DAMAGE TO SUCH SYSTEMS AND ELEMENTS SHALL BE IMMEDIATELY REPAIRED IN A MANNER ACCEPTABLE TO THE OWNER. IF SATISFACTORY REPAIRS CANNOT BE MADE, THE CONTRACTOR SHALL REPLACE SYSTEMS AND ELEMENTS WITH LIKE NEW QUALITY ACCEPTABLE TO THE OWNER. ALL REPAIRS AND REPLACEMENT COST SHALL BE THE FINANCIAL RESPONSIBILITY OF THE CONTRACTOR.
15. THE DRAWINGS AND NOTES ESTABLISH MINIMUM REQUIREMENTS FOR THE DESIGN AND CONSTRUCTION OF THE PROJECT. THE CONTRACTOR IS TO COMPLY WITH ALL APPLICABLE STATE, FEDERAL, COUNTY AND LOCAL REQUIREMENTS AND FEDERAL STANDARDS WHETHER REFERENCED IN THE CONTRACT DOCUMENTS OR NOT.
16. ALL PARTS OF THE WORK, INCLUDING MATERIALS, METHODS, ASSEMBLIES, ETC. MUST COMPLY WITH THE MINIMUM REQUIREMENTS OF THE GOVERNING REGULATIONS OF ALL FEDERAL, STATE AND LOCAL AUTHORITIES HAVING JURISDICTION OVER THE PROJECT AS WELL AS THOSE GREATER REQUIREMENTS INDICATED BY THE CONTRACT DOCUMENTS. NO PART OF THE CONTRACT DOCUMENTS MAY BE CONSIDERED TO CONTRADICT OR BE IN CONFLICT WITH A GOVERNING REGULATION.
17. INSTALL ALL MATERIALS & SYSTEMS PER MANUFACTURERS WRITTEN REQUIREMENTS.
18. STUCCO SYSTEM SHALL COMPLY WITH 2012 IRC SECTION 905.1 AND SHALL CONSIST OF SYSTEM EQUAL TO PERMACOAT OR UNICOAT FIBER REINFORCED STUCCO WALL SYSTEM AS MANUFACTURED BY BOWEN INDUSTRIES LTD.

FIRE SPRINKLER GENERAL NOTES

1. THE BUILDING CONTAINS AN EXISTING WET PIPE SPRINKLER SYSTEM. CONTRACTOR SHALL VERIFY THIS SYSTEM TO CONFORM WITH ANY CHANGES IN THE FLOOR PLAN FROM THE EXISTING CONFIGURATION.
2. THE SYSTEM SHALL COMPLY WITH ALL REQUIREMENTS OF THE 2012 IRC, MFC 13, AND LOCAL AND FEDERAL CODES THAT GOVERN SUCH WORK.
3. CONTRACTOR SHALL VERIFY THAT ANY ADJUSTMENTS AS MAY BE REQUIRED, SHALL SATISFY APPROVAL BY THE GOVERNING FIRE MARSHAL OR DESIGNATED AGENCY. PROVIDE DEFERRED SUBMITTAL TO BUILDING DEPT. AS REQUIRED.
4. NO CHANGES SHALL BE MADE IN THE MONITORING AND CONTROL OF THE EXISTING FIRE SPRINKLER SYSTEM.



Administrative Offices
 New Floorplan



EXHIBIT

Board of Directors Meeting

January 29, 2020

GVR Maintenance/Fitness Equipment Storage Room

Overview

President Sieck recently asked CEO Blumenthal to provide information about the a small storage facility located behind the shuffleboard courts at West Center that now houses maintenance equipment and older fitness equipment held in reserve as temporary replacements for broken equipment and for spare parts. Specifically, President Sieck also asked for the square footage of the storage room and usage data on employees who may use the fitness equipment stored there that is still in working order. CEO Blumenthal wrote a 'Kent's Korner' column about the supply room on January 17, 2020 ([attached](#)).

The older fitness equipment in the storage room was formerly kept in the now-vacated former facilities department workshop area located in the rear of the Administrative Offices (AO) building. When Board-approved tenant improvement work began in 2019 on the AO's former facilities department area, the used fitness equipment had to be moved. It was relocated to the current storage room.

- The fitness supply room square footage is approx. 400+/- . Approximately 25% of this area is used for facilities department maintenance storage and approximately 75% of this area is used for used and replacement fitness equipment & related fitness room supplies.
- CEO Blumenthal allows staff to access still-operable fitness equipment housed in the storage room. We believe that only four or five staff have actually taken advantage of the opportunity on an infrequent basis.

Maintaining Heavily Used Fitness Equipment

**“A good plan executed right now is far better
than a perfect plan executed next week.”**

--General George S. Patton

I heard a doozy of a rumor last Monday that staff had established their own private fitness center at the West Center.

Huh?

It took me a few moments to gather myself and contemplate what I just heard. Then I realized that the latest rumor must be about the Pump Room.

The Pump Room is a small, elongated storage facility located behind the shuffleboard courts at West Center. It functions as a holding pen for a small number of used, mostly older fitness equipment being held in reserve. This used fitness equipment is held in reserve in case needed to replace broken equipment sent out for repair. Sometimes, this used fitness equipment may be cannibalized for spare parts. As an analogy, think of when you take your car in for service and are provided rental vehicle to use in the meantime while your car is being fixed.

Our goal for storing the used fitness equipment is to be able to replace fitness equipment as quickly as possible with whatever we have on hand that may still safely function as a temporary fix. This approach is used when it becomes known that broken equipment will take weeks or months before being put back into service, either because parts are on back order or because they are shipped from overseas. Using this procedure gives members the ability to do their usual exercise regimens while their favorite equipment is awaiting repair. Some 'odds and ends' dumbbells are also stored in the Pump Room, and are used to replace fitness center dumbbells that go missing. Yes, sadly enough that does happen. When used equipment is no longer useful in any manner, it may be taken to the landfill or disposed for salvage.

I permit staff to use out-of-service fitness equipment stored in the Pump Room at their own risk during work breaks or after hours. Very few employees have taken me up on the offer. The Pump Room is a large supply closet that contains Facility Department construction materials also stored with the used fitness equipment.

Here are some recent examples where used equipment stored in the Pump Room was put back into service:

- In October 2019, a “missing” 25-lb dumbbell set at Desert Hills Fitness Center (DH) was replaced by a reserve set stored at the equipment storage Pump Room.
- In December 2019, a faulty set of 55-lb dumbbells at Las Campanas Fitness Center (LC) was replaced by a reserve set stored at the equipment storage Pump Room.

- In December 2019, a member at the Canoa Ranch Fitness Center (CR) reported that a newer model elliptical machine was not appreciated or used much by CR patrons. An older model TechnoGym elliptical machine stored in the Pump Room was sent to CR replacing the newer equipment. The newer model elliptical was stripped of two parts (a heartrate monitor and safety cable) that were then used to repair an elliptical at Santa Rita Springs Center (SRS).
- An older TechnoGym recumbent bike was out-of-order due to lack of available repair parts for four (4) weeks at Canoa Hills Center (CH) beginning in October 2019. During this time, an older recumbent bike held in reserve in the Pump Room (which was previously removed for a defective power cable) was shipped to CH for use until the TechnoGym recumbent bike was repaired.
- An older Woodway treadmill was replaced at Las Campanas by a 2020 model, courtesy of funding from the Maintenance, Repair & Replacement Reserves. The older Woodway still has usable parts and is stored in the Pump Room. It was stripped of wiring in the monitor that is used to register accurate distance traveled, but the removed wiring does not affect safety features of the treadmill. This treadmill serves as reserve equipment and will be put back into temporary service when a treadmill currently in use requires servicing.

Here are some recent photos of the Pump Room.

Is the Pump Room a necessary GVR maintenance storage facility or a private staff fitness center?
You be the judge.

Enjoy your weekend!

###