



AGENDA

BOARD OF DIRECTORS MEETING
 Wednesday, March 18, 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), Christine Gallegos, Mark McIntosh, Denise Nichols, Gail Vanderhoof, Don Weaver, Mike Zelenak, Jen Morningstar (Interim CEO) (non-voting)

	Agenda Topic	Member	Exhibit	Action
1	Call to Order / Quorum	Sieck		
2	Adopt Agenda	Sieck	X	X
3	Consent Calendar	Sieck		
A	February 26th Meeting Minutes		X	X
B	Preliminary February 2020 Financial Report		X	X
4	Policy Governance			
A	Ownership Linkage			
B	Monitoring			
1	Monitoring Report Assessment Process	Chalmers	X	X
C	Policy Decisions			
5	Committee Reports			
A	Planning & Evaluation Committee			
1	Pilot for Social Gathering Spot	Nichols	X	X
B	Audit Committee update	Vanderhoof		
C	Investment Committee			
1	Revised Investment Policy Statement	Crothers / Brown	X	X
6	New Business			
A	Search Committee Update	Chalmers		
7	Member Comments (limit to 2 minutes each)			
8	Adjourn			

*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 held Wednesday, February 26, 2020 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, Mark McIntosh, Denise Nichols, Gail Vanderhoof, Don Weaver, Mike Zelenak, Jen Morningstar (Interim CEO, remote) (non-voting)

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

Visitors: 200 (includes additional staff)

1. Call to Order / Establish Quorum

President Sieck called the meeting to order at 2:02pm MST. He announced, according to GVR Bylaws, Mark McIntosh is the successor Director to fill the unexpired term of Suzan Curtin, who is no longer a GVR member.

Roll call by Secretary Thornton; Quorum established.

2. Adopt Agenda

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

3. Consent Calendar

A. Minutes: Board of Directors January 29, 2020 Meeting

**MOTION: Vanderhoof / Seconded. Approve January 29, 2020 Meeting Minutes as presented.
Passed: 10 yes / 0 no / 2 abstain (McIntosh, Nichols)**

B. Preliminary 2019 Year-End Financial Report

**MOTION: Nichols / Seconded. Approve Preliminary 2019 Year-End Financial Statements as presented.
Passed: 11 yes / 0 no / 1 abstain (McIntosh)**

C. Preliminary January 2020 Financial Report

**MOTION: Crothers / Seconded. Approve Preliminary January 2020 Financial Statements as presented.
Passed: unanimous**

4. Committee Reports

A. Nominations & Elections Committee - Director Gallegos reported:
▪ Two additional N&E Board Candidate Forums scheduled:

- ❖ March 5, 2-3:30pm, Las Campanas Center, Ocotillo/Agave rooms
- ❖ March 12, 9:30-11am, Santa Rita Springs Center, Anza room
- Two GVR Voter assistance days scheduled:
 - ❖ March 6, 10am-12pm and 2-4pm, Las Campanas Center lobby
 - ❖ March 16, 10am-4pm, East Center lobby
- Deadline to request a paper ballot extended to 4pm on Wednesday, March 4.
- Directors whose terms were ending this year were recognized, along with the 2020 Board Candidates.

B. Planning & Evaluation Committee

1. Design of Clay Club Expansion into Fiesta Room

MOTION: Nichols / Seconded. GVR Board of Directors approve the recommendation from the P&E Committee to allow the Clay Studio to expand into the existing Fiesta Room at Santa Rita Springs. Staff will contact current users of the Fiesta Room and will work with those members to find suitable room space at other locations.

Passed: unanimous

C. Fiscal Affairs Committee

1. MRR Transfers for 4th Qtr 2019

MOTION: Crothers / Seconded. GVR Board of Directors approve transferring the capital expense for fourth quarter 2019 Maintenance, Repair and Replacement Fund (MRR) from the MRR Fund to the Operating Fund in the total amount of \$280,117.

Passed: unanimous

2. Credit Card Processing Change

MOTION: Sieck / Seconded. GVR Board of Directors endorses GVR transferring its merchant services and bank account provider to Bank of America; further, the Board of Directors will determine account signers related to the transfer.

Passed: unanimous

5. New Business

A. Cost of Pickleball Complex

MOTION: Sieck / Seconded. I move that the CEO report the total amount spent on the construction of the Pickleball Complex to the Board at the March 18, 2020 Board of Directors meeting.

Passed: unanimous

Interim CEO Jen Morningstar agreed to provide available information on March 18.

6. GVR Foundation Report – no report

7. Member Comments: 2

8. Adjournment – Meeting adjourned at 2:32pm MST.



Green Valley Recreation, Inc.

CONSOLIDATED FINANCIAL STATEMENTS

The accompanying pages are the Financial Reports for February 29, 2020. The four statements

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: February 29, 2020 and Dec 31, 2019

	February 29, 2020	Dec 31, 2019
	Total	Total
ASSETS		
Current Assets		
Cash/Cash Equivalents	1,451,085	2,505,270
Accounts Receivable	560,536	220,878
Prepaid Expenses	251,703	309,321
Designated Investments (Charles S./SBH)		
Emergency - Fund	795,382 (1)	880,329 (15)
MRR - Fund	7,970,250 (2)	7,055,756 (16)
Initiatives - Fund	2,260,976 (3)	2,500,602 (17)
Total Designated Investments (CS/SBK)	11,026,608 (4)	10,436,687 (18)
Undesignated Invest. (JP Morgan)	4,773,982 (5)	3,274,640 (19)
Investments	15,800,590 (6)	13,711,327 (20)
Total Current Assets	18,063,914	16,746,797
Fixed Assets		
Contributed Fixed Assets	17,593,785	17,593,785
Purchased fixed Assets	21,747,152	21,469,478
Sub-Total	39,340,936	39,063,263
Less - Accumulated Depreciation	(22,194,397)	(21,918,638)
Net Fixed Assets	17,146,540 (7)	17,144,625 (21)
Total Assets	35,210,453	33,891,421
LIABILITIES		
Current Liabilities		
Accounts Payable	268,158	371,932
Deferred Dues & Fees	5,566,256	4,263,434
Deferred Programs	157,480	279,418
Total Current Liabilities	5,991,894	4,914,784
TOTAL NET ASSETS	29,218,560 (8)	28,976,637 (22)
NET ASSETS		
Temporarily Designated:		
Board Designated:		
Emergency	795,382 (9)	880,329 (23)
Maint - Repair - Replacement	7,970,250 (10)	7,055,756 (24)
Initiatives	2,260,976 (11)	2,500,602 (25)
Sub-Total	11,026,608 (12)	10,436,687
Unrestricted Net Assets	17,950,030	18,539,950
Net change Year-to-Date	241,922 (13)	-
Unrestricted Net Assets	18,191,952 (14)	18,539,950
TOTAL NET ASSETS	29,218,560	28,976,637



Green Valley Recreation, Inc. Summary Statement of Activities

2 month period ending February 29, 2020

	Actual	Budget to Date	%
REVENUES:			
Member Dues	\$ 1,126,835	\$ 1,119,521	0.7%
Life Care, Guest Cards, Transfer, Tenant & Add'l Card Fees	184,798	193,931	(4.7%)
New Member Capital/Initial Fees	381,038	339,170	12.3%
Recreation Income	260,481	326,843	(20.3%)
Cell Tower Lease / Advertising Income	44,655	24,673	81.0%
Investment Income/Realized Gains	57,759	40,717	41.9%
Other Income	63,144	24,268	160.2%
Total Revenues	2,118,710	2,069,122	2.4%
EXPENSES:			
Facilities & Equipment	565,502	634,752	10.9%
Personnel	679,603	720,426	5.7%
Program	260,617	353,539	26.3%
Communications	26,443	21,665	(22.1%)
Operations	92,976	77,264	(20.3%)
Corporate Expenses	125,764	118,657	(6.0%)
Total Expenses	1,750,905	1,926,304	9.1%
Net Change in Net Assets from Operations	367,805	142,818	157.5%
From Investment Activity:			
Net Unrealized Market Value Change	(125,883) ⁽²⁶⁾		
Net Excess (Deficiency) GVR (All Reserves)	\$ 241,922 ⁽²⁷⁾	142,818	



GREEN VALLEY RECREATION, INC.

Green Valley Recreation, Inc. Summary Statement of Activities

YTD Period: 2 month period ending February 29, 2020

FY Budget Period: Jan 1, 2020 - Dec 31, 2020

	PRIOR YEAR COMPARISON			%	BUDGET COMPARISON			%	Fiscal Year Budget	Remaining FY Budget
	2019 YTD Actual	2020 YTD Actual	Year to Year Variance		YTD Actual	YTD Budget	YTD Variance			
Revenue										
Member Dues	1,120,285	1,126,835	6,550	1%	1,126,835	1,119,521	7,314	1%	6,717,125	5,590,290
LC, Trans., Crd Fees.	231,825	184,798	(47,026)	(20%)	184,798	193,931	(9,132)	(5%)	618,000	433,202
Capital Revenue	301,758	381,038	79,280	26%	381,038	339,170	41,868	12%	2,535,200	2,154,162
Programs	105,996	92,511	(13,485)	(13%)	92,511	145,464	(52,953)	(36%)	336,000	243,489
Instructional	161,553	167,970	6,416	4%	167,970	181,379	(13,409)	(7%)	460,000	292,030
Recreational Revenue	267,549	260,481	(7,068)	(3%)	260,481	326,843	(66,362)	(20%)	796,000	535,519
Investment Income	35,478	57,759	22,280	63%	57,759	40,717	17,042	42%	377,651	319,892
Advertising Income	19,780	37,849	18,069	91%	37,849	18,347	19,502	106%	110,000	72,151
Cell Tower Lease Inc.	6,720	6,806	87	1%	6,806	6,326	480	8%	36,000	29,194
Comm. Revenue	26,499	44,655	18,156	69%	44,655	24,673	19,982	81%	146,000	101,345
Other Income	15,695	45,713	30,018	191%	45,713	17,180	28,532	166%	100,500	54,787
Facility Rent	4,660	17,432	12,772	274%	17,432	7,087	10,344	146%	100,000	82,568
Marketing Events	-	-	-	0%	-	-	-	0%	3,000	3,000
Other Revenue	20,355	63,144	42,789	210%	63,144	24,268	38,877	160%	203,500	140,356
Total Revenue	2,003,749	2,118,710	114,961	6%	2,118,710	2,089,122	49,588	2%	11,393,476	9,274,766
Expenses										
Major Proj.-Rep. & Maint.	140,282	42,598	97,684	70%	42,598	57,890	15,092	26%	265,148	222,551
Facility Maintenance	10,125	35,523	(25,398)	(251%)	35,523	62,036	26,513	43%	704,554	669,031
Fees & Assessments	2,039	(5,657)	7,697	377%	(5,657)	403	6,060	1,503%	78,716	84,373
Utilities	181,988	180,347	1,641	1%	180,347	188,820	8,474	4%	892,031	711,684
Depreciation	262,706	275,759	(13,053)	(5%)	275,759	287,584	11,835	4%	1,869,644	1,593,885
Furniture & Equipment	48,206	24,179	24,027	50%	24,179	28,765	4,586	16%	284,764	240,585
Vehicles	12,053	12,754	(701)	(6%)	12,754	9,444	(3,310)	(35%)	73,624	60,870
Facilities & Equipment	657,398	565,502	91,896	14%	565,502	634,752	69,250	11%	4,148,481	3,582,979
Wages, Benfts., PR Exp.	716,349	676,350	39,998	6%	676,350	710,234	33,884	5%	4,616,520	3,940,170
Conferences & Training	6,900	3,253	3,647	53%	3,253	10,192	6,939	68%	88,000	84,747
Personnel	723,249	679,603	43,645	6%	679,603	720,426	40,823	6%	4,704,520	4,024,917
Food & Catering	5,152	5,732	(580)	(11%)	5,732	9,992	4,260	43%	45,031	39,299
Recreation Contracts	220,610	203,914	16,696	8%	203,914	274,162	70,248	26%	632,750	428,836
Bank & Credit Card Fees	56,347	50,971	5,376	10%	50,971	69,386	18,415	27%	96,146	45,175
Program	282,109	260,617	21,492	8%	260,617	353,539	92,922	26%	773,927	513,310
Communications	18,166	15,805	2,360	13%	15,805	18,456	2,651	14%	104,149	88,344
Printing	2,703	10,637	(7,934)	(294%)	10,637	3,209	(7,428)	(231%)	94,497	83,860
Advertising	-	-	-	0%	-	-	-	0%	5,000	5,000
Communications	20,869	26,443	(5,574)	(27%)	26,443	21,665	(4,777)	(22%)	203,646	177,204
Supplies	44,069	39,442	4,627	10%	39,442	49,135	9,693	20%	344,127	304,684
Postage	859	1,456	(597)	(70%)	1,456	401	(1,055)	(263%)	18,500	17,044
Dues & Subscriptions	2,237	2,739	(502)	(22%)	2,739	2,633	(105)	(4%)	8,102	5,363
Travel & Entertainment	1,406	4,468	(3,062)	(218%)	4,468	2,342	(2,126)	(91%)	16,580	12,112
Other Operating Expense	2,566	44,871	(42,305)	(16%)	44,871	22,752	(22,118)	(97%)	178,260	133,389
Operations	51,137	92,976	(41,839)	(82%)	92,976	77,264	(15,712)	(20%)	565,668	472,592
Information Technology	18,321	9,311	9,010	49%	9,311	16,750	7,439	44%	114,900	105,590
Professional Fees	47,652	49,505	(1,852)	(4%)	49,505	44,271	(5,233)	(12%)	311,749	262,244
Commercial Insurance	50,793	54,240	(3,447)	(7%)	54,240	53,636	(604)	(1%)	280,000	225,760
Taxes	-	-	-	0%	-	-	-	0%	18,000	18,000
Provision for Bad Debt	4,000	12,709	(8,709)	(218%)	12,709	4,000	(8,709)	(218%)	24,000	11,291
Corporate Expenses	120,766	125,764	(4,998)	(4%)	125,764	118,657	(7,107)	(6%)	748,649	622,885
Expenses	1,855,528	1,750,905	104,623	6%	1,750,905	1,926,304	175,399	9%	11,144,791	9,393,886
Gross surplus(Rev-Exp)	148,221	367,805	219,584	148%	367,805	142,818	224,987	158%	248,685	(119,120)
Unrea. Gain/Loss on Invest.	227,059	(125,883)	(352,942)		(125,883)	-	(125,883)		-	125,883
Net from Operations	375,280	241,922	(133,358)	(36%)	241,922	142,818	99,104	60%	248,685	6,763



Green Valley Recreation, Inc.
Cash Basis Statement by Fund
YTD Period: 2 month period ending February 29, 2020
FY Budget Period: Jan 1, 2020 - Dec 31, 2020

	Operations	Initiatives	MRR	Emergency	Consolidated	YTD Budget	YTD Variance	%
	2020	2020	2020	2020	2020	2020		
Revenue								
Member Dues	1,126,835	-	-	-	1,126,835	1,119,521	7,314	1%
LC, Trans., Crd Fees.	184,798	-	-	-	184,798	193,931	(9,132)	(5%)
Capital Revenue	381,038	-	-	-	381,038	339,170	41,868	12%
Membership Revenue	1,692,671	-	-	-	1,692,671	1,652,622	40,049	2%
Programs	92,511	-	-	-	92,511	145,464	(52,953)	(36%)
Instructional	167,970	-	-	-	167,970	181,379	(13,409)	(7%)
Recreational Revenue	260,481	-	-	-	260,481	326,843	(66,362)	(20%)
Investment Income	10,981	13,670	25,572	1,428	51,651	40,717	10,935	27%
Advertising Income	37,849	-	-	-	37,849	18,347	19,502	106%
Cell Tower Lease Inc.	6,806	-	-	-	6,806	6,326	480	8%
Comm. Revenue	44,655	-	-	-	44,655	24,673	19,982	81%
Other Income	45,713	-	-	-	45,713	17,180	28,532	166%
Facility Rent/Leases	17,432	-	-	-	17,432	7,087	10,344	146%
Marketing Events	-	-	-	-	-	-	-	0%
Other Revenue	63,144	-	-	-	63,144	24,268	38,877	160%
Total Operating Revenue	2,071,933	13,670	25,572	1,428	2,112,603	2,069,122	43,480	2%
Transfer to Initiatives	-	-	-	-	-	-	-	-
Transfer to MRR	(1,005,942)	-	1,005,942	-	-	-	-	-
Transfer to Emergency	-	-	-	-	-	-	-	-
Total Transfers to Reserves	(1,005,942)	-	1,005,942	-	-	-	-	-
Total Revenue Available	1,065,991	13,670	1,031,514	1,428	2,112,603	2,069,122	43,480	2%
Expenses								
Major Proj.-Rep. & Maint.	42,598	-	-	-	42,598	57,690	15,092	26%
Facility Maintenance	35,358	-	165	-	35,523	62,036	26,513	43%
Fees & Assessments	(5,657)	-	-	-	(5,657)	403	6,060	1,503%
Utilities	180,347	-	-	-	180,347	188,820	8,474	4%
Depreciation	-	-	-	-	-	-	-	0%
Furniture & Equipment	24,179	-	-	-	24,179	28,765	4,586	16%
Vehicles	12,754	-	-	-	12,754	9,444	(3,310)	(35%)
Facilities & Equipment	289,578	-	165	-	289,743	347,158	57,415	17%
Wages, Benfts., PR Exp.	787,378	-	-	-	787,378	710,234	(77,144)	(11%)
Conferences & Training	3,253	-	-	-	3,253	10,192	6,939	68%
Personnel	790,631	-	-	-	790,631	720,426	(70,205)	(10%)
Food & Catering	5,732	-	-	-	5,732	9,992	4,260	43%
Recreation Contracts	203,914	-	-	-	203,914	274,162	70,248	26%
Bank & Credit Card Fees	50,971	-	-	-	50,971	69,386	18,415	27%
Program	260,617	-	-	-	260,617	353,539	92,922	26%
Communications	15,805	-	-	-	15,805	18,456	2,651	14%
Printing	10,637	-	-	-	10,637	3,209	(7,428)	(231%)
Advertising	-	-	-	-	-	-	-	0%
Communications	26,443	-	-	-	26,443	21,665	(4,777)	(22%)
Supplies	39,442	-	-	-	39,442	49,135	9,693	20%
Postage	1,456	-	-	-	1,456	401	(1,055)	(263%)
Dues & Subscriptions	2,739	-	-	-	2,739	2,633	(105)	(4%)
Travel & Entertainment	4,468	-	-	-	4,468	2,342	(2,126)	(91%)
Other Operating Expense	27,763	4,258	11,583	1,267	44,871	22,752	(22,118)	(97%)
Operations	75,868	4,258	11,583	1,267	92,976	77,264	(15,712)	(20%)
Information Technology	9,311	-	-	-	9,311	16,750	7,439	44%
Professional Fees	49,505	-	-	-	49,505	44,271	(5,233)	(12%)
Commercial Insurance	54,240	-	-	-	54,240	53,636	(604)	(1%)
Taxes	-	-	-	-	-	-	-	0%
Provision for Bad Debt	-	-	-	-	-	-	-	0%
Corporate Expenses	113,055	-	-	-	113,055	114,657	1,602	1%
Total Operating Expenses	1,556,192	4,258	11,748	1,267	1,573,465	1,634,710	61,245	4%
Construction in Progress	2,118	169,501	83,332	-	254,951	-	-	-
Clubs Capital Projects	-	-	-	-	-	14,333	14,333	100%
Non-Reserve Capital Projects	22,722	-	-	-	22,722	50,900	28,178	55%
Initiatives	-	-	-	-	-	120,833	120,833	100%
MRR	-	-	-	-	-	128,024	128,024	100%
Emergency	-	-	-	-	-	-	-	0%
Total Capital Expenditures	24,841	169,501	83,332	-	277,674	314,090	36,416	12%
Total All Cash Outflows	1,581,033	173,759	95,080	1,267	1,851,139	1,948,801	97,662	5%
Net Cash Flow	(515,042)	(160,089)	936,434	161	261,464	120,322	(141,142)	(117%)



Green Valley Recreation, Inc.
Statement of Changes in Net Assets
As of Date: February 29, 2020 and Dec 31, 2019

	Totals	Unrestricted		Emergency Reserve Fund	Maint - Repair - Replacement Reserve Fund	Initiatives Reserve Fund
		Unrestricted	Fixed Assets			
Net change in net assets-GVR	\$ 241,922 ⁽¹³⁾	241,922	-	-	-	-
Transfers between unrestricted and reserves:						
Reserve Study Allocation	0	-	-	-	-	-
Principal Transfers	0	(1,005,942)	-	-	1,005,942	-
Depreciation	0	275,759	(275,759)	-	-	-
Purchase of Fixed Assets	0	(277,674)	277,674	-	83,332	169,501
Withdrawals	0	325,341	-	(15,000)	(46,282)	(264,059)
Allocations of Net Change components:						
Investment income	0	(40,670)	-	1,428	25,572	13,670
Investment Expenses	0	17,108	-	(1,267)	(11,583)	(4,258)
Unrealized Gains (Losses) on Market	0	114,243	-	(70,108)	(59,155)	15,021
Repairs and replacements	0	-	-	-	-	-
Net Change to February 29, 2020	241,922 ⁽¹³⁾	(349,913)	1,915	(84,947)	997,826	(70,125)
Net Assets at, Dec 31, 2019	28,976,637 ⁽²²⁾	1,395,326	17,144,625 ⁽²¹⁾	880,329 ⁽²³⁾	7,055,756 ⁽²⁴⁾	2,500,602 ⁽²⁵⁾
Net Assets as at, February 29, 2020	\$ 29,218,560 ⁽⁸⁾	1,045,413	17,146,540 ⁽⁷⁾	795,382 ⁽⁹⁾	7,970,250 ⁽¹⁰⁾	2,260,976 ⁽¹¹⁾
		18,191,952 ⁽¹⁴⁾			11,026,608 ⁽⁴⁾	

Footnotes refer to Statement of Financial Position and Statement of Activities

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GREEN VALLEY RECREATION, INC.

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, 2019 (at Market)	\$ 13,711,327 ⁽²⁰⁾	3,274,640 ⁽¹⁹⁾	880,329 ⁽¹⁵⁾	7,055,756 ⁽¹⁶⁾	2,500,602 ⁽¹⁷⁾
Changes since Jan 1, 2019:					
Principal additions	2,505,942	1,500,000	-	1,005,942	-
Investment income	51,651	10,981	1,428	25,572	13,670
Withdrawals	(325,341)	-	(15,000)	(46,282)	(264,059)
Investment Expenses	(17,108)	-	(1,267)	(11,583)	(4,258)
Net Change for 2 Months	2,215,145	1,510,981	(14,839)	973,649	(254,647)
Balance before Market Change at February 29, 2020	15,926,472	4,785,622	865,490	8,029,405	2,245,955
2 months Change in Unrealized Gain/(Loss)	(125,883) ⁽²⁶⁾	(11,640)	(70,108)	(59,155)	15,021
Balance at February 29, 2020 (at Market)	\$ 15,800,590 ⁽⁶⁾	4,773,982 ⁽⁵⁾	795,382 ⁽¹⁾	7,970,250 ⁽²⁾	2,260,976 ⁽³⁾

11,026,608 ⁽¹²⁾

Footnotes refer to Statement of Financial Position and Statement of Activities

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March 18, 2020

Policy Governance: Monitoring Report Assessment Process Motion

Motion: The Board will use Option ___ for Assessing/Evaluating Ends and Executive Limitations Monitoring Reports

Proposed Process for Assessing Monitoring Reports – Option 1:

1. CEO sends reports to directors no less than one week (or ten days???) before the Board meeting.
2. Directors review/assess report/s individually and send concerns, needed clarification, and conclusions to the President.
3. The President meets with the CEO to discuss concerns, needed clarification, and conclusions.
4. CEO has opportunity to make changes to the reports and resubmits to the directors no less than ___ days before the Board meeting.
5. Approval of the reports occurs at the Board meeting.

Proposed Process for Assessing Monitoring Reports – Option 2:

1. CEO sends reports to directors no less than one week (or ten days???) before the Board meeting.
2. The Board meets as a group to discuss the reports and documents concerns, needed clarifications, and conclusions. A summary is shared with the CEO who then has the option to make changes to the reports and resubmit to the directors ___ days before the Board meeting.
3. Approval of the reports occurs at the Board meeting.

Proposed Process for Assessing Monitoring Reports – Option 3:

1. CEO sends reports to directors no less than one week (or ten days???) before the Board meeting.
2. The Board meets as a group for an initial review.
3. Directors conduct an individual review and make final conclusions.
4. Approval of the reports occurs at the Board meeting.

Agenda Item

Social Gathering Space Pilot Program

The Facilities Expansion Subcommittee has been researching options to create a social gathering space at one of the GVR Centers. This idea was ranked high in the 2018 Survey of members. Their recommendation was presented to the P/E Committee earlier this month and passed unanimously. Their recommendation is for staff to explore a trial coffee bar/breakfast bar with accompanying gathering area to be up and running by November 2020 and serve the members through March 2021. The preferred location for this pilot program would be the West Center. The intent would be to contract with a cater to provide this service to the membership. GVR would be responsible for creating the “gathering space”.

Recommendation

To move that GVR staff explore and implement a pilot program creating a social gathering space which would be operational from November 2020 through March 2021.

Green Valley Recreation, Inc.

Investment Policy Statement

version February 21, 2020

1. Preamble

- a. This document provides instructions for the management of Green Valley Recreation's ("GVR's") Investment Accounts ("IAs"). It identifies and describes the:
 - i. IAs,
 - ii. Investment constraints and limitations with which each IA must comply,
 - iii. Comparative investment performance benchmarks for each IA,
 - iv. Investment objective for each IA,
 - v. Responsible party for each IA, whose duty it is to manage said IA on a day-to-day basis,
 - vi. Reporting requirements with respect to each IA, and
 - vii. Remediation procedure for each IA in the event that the applicable investment constraints and limitations are violated or if the applicable investment objective is not achieved.

2. Investment Accounts

- a. The IAs (as of March 2020) consist of the:
 - i. Operating Cash Investments Account,
 - ii. Initiatives Reserve Fund,
 - iii. Maintenance Repair/Replace Reserve Fund, and
 - iv. Emergency Reserve Fund.

3. Investment Constraints

a. Operating Cash Investments Account

- i. The Operating Cash Investments Account may only invest in the:
 1. US Dollar JPM Deposit Sweep (the cash sweep vehicle for GVR's account at JPMorgan Chase Bank, N.A.),
 2. JP Morgan Prime Money Market Fund, **VPMXX** (a money market fund),
 3. JP Morgan Managed Income Fund L, **JMGIX** (a bond mutual fund), and
 4. JP Morgan Floating Rate Income Fund, **JPHSX** (a bond mutual fund).
- ii. The Operating Cash Investments Account is prohibited from investing in any security or instrument not listed above.
- iii. The normal investment allocation (also known as the policy asset allocation) is as follows:
 1. 0% in the US Dollar JPM Deposit Sweep,
 2. 41% in the JP Morgan Prime Money Market Fund, **VPMXX**,
 3. 41% in the JP Morgan Managed Income Fund L, **JMGIX**, and
 4. 18% in the JP Morgan Floating Rate Income Fund, **JPHSX**.
- iv. The Responsible Party (identified below under Section 6.a.) for the Operating Cash Investments Account **is required** to rebalance the portfolio's allocation back to the policy asset allocation (identified above under Section 3.a.iii.) at least once each calendar-quarter.

b. Initiatives Reserve Fund

- i. The Initiatives Reserve Fund may only invest in the:
 - 1. Charles Schwab cash and bank sweep (the cash sweep vehicles for GVR’s account at Charles Schwab),
 - 2. Segall Bryant & Hamill Short Term Plus Fund (ticker symbol **SBAPX**),
 - 3. Segall Bryant & Hamill Plus Bond Fund (ticker symbol **WIIBX**),
 - 4. Individual common stocks,
 - 5. American Depository Receipts (ADRs),
 - 6. Global Depository Receipts (GDRs),
 - 7. 1940-Act mutual funds that provide daily access and are classified by Morningstar as “equity mutual funds,” and
 - 8. Daily access Exchange Traded Funds (ETFs) that are classified by Morningstar as “equity ETFs.”
- ii. The Initiatives Reserve Fund is prohibited from investing in any security or instrument not listed above.
- iii. The allocation to:
 - 1. The Charles Schwab cash and bank sweep may not exceed 1.50% of the total account value for a period exceeding 100 consecutive calendar days and
 - 2. Equities (stocks), both direct and indirect, may not exceed 50% of the total account value for a period exceeding 100 consecutive calendar days.

c. Maintenance Repair/Replace Reserve Fund

- i. The Maintenance Repair/Replace Reserve Fund may only invest in:
 - 1. The Charles Schwab cash and bank sweep (the cash sweep vehicles for GVR’s account at Charles Schwab),
 - 2. The Segall Bryant & Hamill Short Term Plus Fund (ticker symbol **SBAPX**),
 - 3. The Segall Bryant & Hamill Plus Bond Fund (ticker symbol **WIIBX**),
 - 4. Individual common stocks,
 - 5. American Depository Receipts (ADRs),
 - 6. Global Depository Receipts (GDRs),
 - 7. 1940-Act mutual funds that provide daily access and are classified by Morningstar as “equity mutual funds,” and
 - 8. Daily access Exchange Traded Funds (ETFs) that are classified by Morningstar as “equity ETFs.”
- ii. The Maintenance Repair/Replace Reserve Fund is prohibited from investing in any security or instrument not listed above.
- iii. The allocation to:
 - 1. The Charles Schwab cash and bank sweep may not exceed 1.50% of the total account value for a period exceeding 100 consecutive calendar days and
 - 2. Equities (stocks), both direct and indirect, may not exceed 70% of the total account value for a period exceeding 100 consecutive calendar days.

d. Emergency Reserve Fund

- i. The Emergency Reserve Fund may only invest in:

1. The Charles Schwab cash and bank sweep (the cash sweep vehicles for GVR's account at Charles Schwab),
 2. The Segall Bryant & Hamill Short Term Plus Fund (ticker symbol **SBAPX**),
 3. The Segall Bryant & Hamill Plus Bond Fund (ticker symbol **WIIBX**),
 4. Individual common stocks,
 5. American Depository Receipts (ADRs),
 6. Global Depository Receipts (GDRs),
 7. 1940-Act mutual funds that provide daily access and are classified by Morningstar as "equity mutual funds," and
 8. Daily access Exchange Traded Funds (ETFs) that are classified by Morningstar as "equity ETFs."
- ii. The Emergency Reserve Fund is prohibited from investing in any security or instrument not listed above.
 - iii. The allocation to:
 1. The Charles Schwab cash and bank sweep may not exceed 1.50% of the total account value for a period exceeding 100 consecutive calendar days and
 2. Equities (stocks), both direct and indirect, may not exceed 50% of the total account value for a period exceeding 100 consecutive calendar days.

4. Comparative Investment Benchmarks

a. Operating Cash Investments Account

- i. 100% Bank of America Merrill Lynch 91-Day U.S. Treasury Bill Index.

b. Initiatives Reserve Fund

- i. 1% Bank of America Merrill Lynch 91-Day U.S. Treasury Bill Index
- ii. 34.5% BBgBarcU.S. Govt/Credit 1-3 Year Index
- iii. 34.5% BBgBarcU.S. Aggregate Bond Index
- iv. 15% Russell 3000 Stock Index
- v. 7.5% MSCI Europe, Australasia and Far East Index (EAFE) Stock Index
- vi. 7.5% MSCI Emerging Markets Stock Index

c. Maintenance Repair/Replace Reserve Fund

- i. 1% Bank of America Merrill Lynch 91-Day U.S. Treasury Bill Index
- ii. 24.5% BBgBarcU.S. Govt/Credit 1-3 Year Index
- iii. 24.5% BBgBarcU.S. Aggregate Bond Index
- iv. 25% Russell 3000 Stock Index
- v. 12.5% MSCI Europe, Australasia and Far East Index (EAFE) Stock Index
- vi. 12.5% MSCI Emerging Markets Stock Index

d. Emergency Reserve Fund

- i. 1% Bank of America Merrill Lynch 91-Day U.S. Treasury Bill Index
- ii. 34.5% BBgBarcU.S. Govt/Credit 1-3 Year Index
- iii. 34.5% BBgBarcU.S. Aggregate Bond Index
- iv. 15% Russell 3000 Stock Index

- v. 7.5% MSCI Europe, Australasia and Far East Index (EAFE) Stock Index
- vi. 7.5% MSCI Emerging Markets Stock Index

5. Investment Objectives

a. Operating Cash Investments Account

- i. The investment objective for the Operating Cash Investments Account is to meet or exceed the performance of this IA's Comparative Investment Benchmark (identified above in Section 4.a.) during any and all rolling time windows of 2 years in length. This performance comparison will be made after any and all expenses, fees, and charges imposed by JPMorgan Chase Bank, N.A. have been deducted from performance.

b. Initiatives Reserve Fund

- i. The investment objective for the Initiatives Reserve Fund is to meet or exceed the performance of this IA's Comparative Investment Benchmark (identified above in Section 4.b.) during any and all rolling time windows of 5 years in length. This performance comparison will be made after any and all expenses, fees, and charges imposed by Segall Bryant & Hamill and by Charles Schwab have been deducted from performance.

c. Maintenance Repair/Replace Reserve Fund

- i. The investment objective for the Maintenance Repair/Replace Reserve Fund is to meet or exceed the performance of this IA's Comparative Investment Benchmark (identified above in Section 4.c.) during any and all rolling time windows of 5 years in length. This performance comparison will be made after any and all expenses, fees, and charges imposed by Segall Bryant & Hamill and by Charles Schwab have been deducted from performance.

d. Emergency Reserve Fund

- i. The investment objective for the Emergency Reserve Fund is to meet or exceed the performance of this IA's Comparative Investment Benchmark (identified above in Section 4.d.) during any and all rolling time windows of 5 years in length. This performance comparison will be made after any and all expenses, fees, and charges imposed by Segall Bryant & Hamill and by Charles Schwab have been deducted from performance.

6. Responsible Parties

a. Operating Cash Investments Account

- i. The parties responsible for the day-to-day management of the Operating Cash Investments Account are GVR's Chief Executive Officer and Chief Financial Officer.

b. Initiatives Reserve Fund

- i. The party responsible for the day-to-day management of the Initiatives Reserve Fund is Segall Bryant & Hamill.

c. Maintenance Repair/Replace Reserve Fund

- i. The party responsible for the day-to-day management of the Maintenance Repair/Replace Reserve Fund is Segall Bryant & Hamill.

d. Emergency Reserve Fund

- i. The party responsible for the day-to-day management of the Emergency Reserve Fund is Segall Bryant & Hamill.

7. Reporting Requirements

- a. At a minimum, the responsible party for each IA (as identified above in Section 6.) will provide the GVR Investment Committee with the following:
 - i. Account statement showing the:
 1. Individual positions (at the end of the calendar-quarter),
 2. Asset allocation (at the end of the calendar-quarter),
 3. Fees and expenses charged directly to the IA (during the calendar-quarter),
 4. Transactions (occurring during the calendar-quarter),
 5. Performance net of any and all fees, expenses, and charges (as of the end of the calendar-quarter), and
 6. Comparative Investment Benchmarks, shown above in Section 4. (as of the end of the calendar-quarter).
 - ii. These account statements will be delivered shortly after the end of each calendar-quarter.

8. Remediation

- a. If an IA is in violation of one or more of the Investment Constraints described above for a period of time greater than fifteen consecutive business days, then:
 - i. The Chairman of the GVR Investment Committee is to be immediately notified,
 - ii. The IA is to be brought back into compliance within fifteen business days of initial discovery, and
 - iii. Once the IA is back in compliance, the Chairman of the GVR Investment Committee is to be immediately notified.
- b. If an IA fails to achieve its Investment Objective (identified above under Section 5.), then the:
 - i. Chairman of the GVR Investment Committee is to be immediately notified and
 - ii. GVR Investment Committee is to meet within three calendar months to develop a recommendation on what actions, if any, should be taken to remedy this failure.