



AGENDA

BOARD OF DIRECTORS MEETING
Wednesday, February 24, 2021 2pm
ELECTRONIC MEETING

Directors: Don Weaver (President), Mike Zelenak (Vice President), Donna Coon (Treasurer), Mark Kelley (Assistant Secretary), Randy Howard (Assistant Treasurer), Kathi Bachelor, Christine Gallegos, Bev Lawless, Mark McIntosh, Charlie Sieck, Sandra Thornton, Gail Vanderhoof, Scott Somers (non-voting)

AGENDA TOPIC	DIRECTOR	EXHIBIT	ACTION
1. Call to Order / Roll Call – Establish Quorum	Weaver	Y	Y
2. Adopt Agenda	Weaver	Y	Y
3. Consent Calendar	Weaver		Y
A. Minutes January 27, 2021		Y	
4. New Business			
A. 2021 CEO Work Plan	Somers	Y	Y
5. Committee Reports			
A. Board Affairs	Gallegos		
i. Investments Committee CPM Changes		Y	Y
ii. CPM Realignment		Y	Y
B. Fiscal Affairs	Coon		
C. Planning & Evaluation	Howard		
D. Investments	Lawless		
E. Nominations & Elections	McIntosh		
6. Member Comments			
7. Adjournment			



A regular meeting of the GREEN VALLEY RECREATION, INC. BOARD OF DIRECTORS was held Wednesday, January 27, 2021 by teleconference. The President being in the chair and the Secretary being present.

Directors Present by Remote: Don Weaver (President), Mike Zelenak (Vice President), Mark Kelley (Secretary), Donna Coon (Treasurer), Charlie Sieck (Assistant Secretary), Randy Howard (Assistant Treasurer), Christine Gallegos, Bev Lawless, Mark McIntosh, Dale Sprinkle, Sandra Thornton, Gail Vanderhoof, Scott Somers (CEO)

Staff Present: Jen Morningstar (Director of Administrative Services), David Jund (Facilities Director), Marie Wilbur (Meeting Scribe)

Guests: Jim Counter, GVR Foundation

Visitors: 43

1. Call to Order/Roll Call/Establish Quorum

President Weaver called the meeting to order at 2:00pm MST. Roll was called by Secretary Kelley and a quorum was established.

2. Adopt Agenda

**MOTION: C. Gallegos/2nd. Amend agenda to add Item 4B – Updating the CPM.
Passed: Yes – 10; Abstain – 2 (Sieck, Thornton)**

**MOTION: D. Weaver/2nd. Adopt agenda as amended. Add Item 6G – CEO Report;
Item 4B – Updating the CPM.
Passed: unanimously**

3. Consent Calendar

**MOTION: M. Zelenak/2nd. Approve Consent Calendar – Minutes of 12/16/2020 and 12/29/2020 meetings and November 2020 Financial Statements.
Passed: unanimously**

Separated from Consent Calendar

**MOTION: Vanderhoof/2nd. Set Record Date for 2021 Election as Sunday, January 31, 2021 at 8:00pm MST.
Passed: unanimously**

4. Unfinished Business

A. Amended and Restated Bylaws (2/3rd vote required on Bylaws motions.)

MOTION: Zelenak/2nd. Move that the GVR Board of Directors authorize the updated, revised and restated bylaws to be placed on the 2021 ballot for approval by GVR members.

AMENDED MOTION: Sieck/2nd. Add the following to revised Policy Governance Manual (PGM):

- 1) Item 1.5 – remove “as established by the Board” from this statement.
- 2) Add a definition for the PGM as being the document containing policies which define how the Board will function and these policies shall be monitored periodically for compliance and suitability.
- 3) Sec. 10.6 being revised – In the event of conflict between Arizona Statutes, GVR Articles of Incorporation, Amended and Restated Bylaws, the Corporate Policy Manual (CPM), and the PGM, the following sequence of controls apply with the Arizona Non-profit Corporation Act having the highest authority and the CPM having the lowest authority. The highest is the Arizona Non-profit Corporation Act; 2nd is GVR Articles of Incorporation; 3rd is Amended and Restated Bylaws; 4th is the PGM; and, 5th is the CPM.

Discussion followed.

M. Zelenak “Called the Question.”

Amended Motion Vote: (2/3rd majority required)

Motion Failed: Yes – 5 (Kelley, Sieck, Sprinkle, Thornton, Vanderhoof); No – 7

Original Motion Vote: (2/3rd majority required)

Motion Failed: Yes – 7; No – 5 (Kelley, Sieck, Sprinkle, Thornton, Vanderhoof)

B. Updating the Corporate Policy Manual (CPM)

MOTION: Gallegos/2nd. Move to give the CPM back to staff so updates can be published and the Board can revisit the split at a later date.

Discussion followed.

MOTION: Kelley/2nd. Table this item for further consideration.

Discussion followed.

Christine Gallegos “Called the Question.”

Motion to Table Failed: Yes - 6; No – 6 (Gallegos, Howard, Lawless, McIntosh, Weaver, Zelenak)

Original Motion Vote:

Passed: Yes – 8; No – 4 (Kelley, Sieck, Sprinkle, Thornton)

5. New Business

A. Architecture and Engineering Services for Canoa Hills Clubhouse – R. Howard

Director Howard and David Jund (Facilities Director) presented an overview of progress to date on obtaining architectural services for the Canoa Hills Clubhouse and CEO Somers brought the Board up to date on the progress of the purchase and on the status of the GVR Foundation agreement regarding the parking lot and its planned usage.

MOTION: Howard/2nd. Move to approve an agreement with Scott Rumel Architect, not to exceed \$85,000, for architecture and engineering services for the expansion and tenant improvements of Canoa Hills Clubhouse (CHCH), with Initiatives Fund as the source of funding.

Passed: unanimously

B. Meditation Club – C. Gallegos

Director Gallegos presented on behalf of the Board Affairs Committee approval of a proposed GVR Meditation Club. She presented their strategic plan goal and background justification.

MOTION: Gallegos/2nd. The Board Affairs Committee recommends the GVR Board approve the proposed GVR Meditation Club as a GVR Club.

Passed: unanimously

C. President – Removal from Office

President Weaver turned the meeting over to Vice President Zelenak during this item. Vice President Zelenak assumed the chair and stated that President Weaver asked that this be conducted in open session rather than executive session.

Director Sieck read the following into the minutes:

Whereas, the current Board is unnecessarily embroiled in controversy which has been aggravated by:

- the use of executive sessions outside of the parameters established in the Bylaws in the naming of the pickleball complex
- the miscommunication of the confidentiality requirements of CEO candidates to legal counsel
- failure to negotiate the purchase of the Canoa Hills Clubhouse according to the motion approved by the Board
- sending an official position to the newspaper and publishing it in eBlast without Board approval

MOTION: Sieck/2nd. Move that Don Weaver be removed as President of the GVR Board of Directors.

Each Director was given the opportunity to address this issue. Each Director spoke to the issue.

Motion Failed: Yes – 5 (Kelley, Sieck, Sprinkle, Thornton, Vanderhoof); No – 7

Vice President Zelenak turned the chair back to President Weaver to continue the meeting.

6. Committee Reports

A. Board Affairs Committee – Chair C. Gallegos

Chair Gallegos reported on the work of the committee during the past month. President Weaver thanked the committee for their work.

B. Fiscal Affairs Committee - Chair D. Coon

Chair Coon updated the Board on the committee's work during the past month. President Weaver thanked the committee for their work.

C. Investments Committee – Chair B. Lawless

Chair Lawless reported on the committee's work during the past month and thanked her committee and the Finance Department for their hard work. Director Thornton asked if the Board could receive a copy of the Segall Bryant Hamill (SBH) Report for their review. Chair Lawless said she will ask CFO Moose and Director of Accounting David Webster regarding this request. There was discussion on possible revisions to the Investment Policy Statement (IPS). She announced that they have been informed that SBH is being bought out by a Canadian company and that they will be watching the results of this buyout. President Weaver thanked the committee for their work.

D. Nominations & Elections Committee – Chair M. McIntosh

Chair McIntosh reported on the committee's work over the past month. There are ten BOD candidates to date. The committee has held a BOD Candidate Meet & Greet and upcoming on February 4th is a BOD Candidate Orientation. Videos made with the candidates are posted online as well as their bios. Director Sieck asked why one candidate's bio is so much longer than the others. J. Morningstar (Liaison for N&E) stated that the original application was removed from the website and that the newest candidates, while not required to do so, were sent applications to complete that were Word documents and allowed more space for the candidates to respond than on the original application that was posted. Lengthy discussion followed on how to rectify this. It was determined that Liaison Morningstar will have IT re-establish the original application on the website for the new candidates to complete, if they choose to do so. President Weaver thanked the committee for their hard work.

E. Planning & Evaluation Committee – Chair R. Howard

Chair Howard reported on the committee's work to date. He noted Item 5A which dealt with the Canoa Hills Clubhouse and he updated the Board on the status of the East Center Pool. Facilities Director, David Jund, updated the Board on the status of the Clay Studio renovation at Santa Rita Springs. President Weaver thanked the committee for their work.

F. Policy Governance Ad Hoc Committee – Chair D. Coon

Chair Coon, who took over as Chair of this committee this month, reported on the committee's work. In regard to the lengthy discussion in this meeting regarding Policy Governance during this meeting, she proposed that the Board meet in conjunction with Policy Governance Committee during the Board's work session on February 24th to review the committee's work and discuss issues. President Weaver suggested inviting the Sun City Manager to come and talk about their facility's implementation of Policy Governance. He thanked the committee for their work.

G. CEO Report

CEO Somers stated that in the four weeks that he has been here, he has become involved in the plans for the Canoa Hills Clubhouse and the East Center Pool projects; he has met with many members of the Board, new BOD candidates and staff; he has toured the facilities; he has reached out to Susan Vos in regard to the calculation of annual surpluses and deficits and is awaiting a response back from her to coordinate a meeting with her; and, he has begun work on the Strategic Plan – working on the RFP with staff – awaiting the new Board being seated to move forward with this. Director Sieck requested that he expedite this rather than wait for the new Board. CEO Somers noted that he will probably bring this for approval to the existing Board in March and bring to the new

Board in April. Director Kelley raised a question for future consideration – “who is going to be the driver of the Strategic Plan?”

7. GVR Foundation Update – Jim Counter for new President Don Lathrop

Mr. Counter announced that Don Lathrop has taken over his position as President of the GVR Foundation beginning this month. He stated that since most ties with GVR, Inc. have been severed, does the Board wish to continue a monthly report to the Board from the Foundation? CEO Somers stated that a monthly report is not legally necessary and reporting could be on as needed basis. Mr. Counter informed the Board that the Foundation is working diligently on the best possible solution for both parties involved in the Canoa Hills Clubhouse parking lot. President Weaver thanked Mr. Counter for his hard work for the Foundation.

8. Member Comments - reviewed

There was discussion on the best way to address member comments. It was determined that questions should be reviewed before each vote to which they pertain, if possible. It was suggested that general questions could be forwarded to the Board to be addressed during a work session. Director Howard spoke to the fact that not many members attend as visitors at the committee meetings which are open to the public, but continue to complain about the fact that committees and the Board are not being open about their activities. He feels members are given ample opportunities to review all committees and the Board’s actions by following the zoom meetings and reviewing the documents posted on the website.

9. Adjournment

MOTION: Gallegos/2nd. Move to adjourn the meeting at 4:34pm MST.

Passed: unanimously



Green Valley Recreation, Inc.

EXHIBIT

Prepared By: Scott Somers, CEO

Meeting Date: February 24, 2021

Presented By: Scott Somers, CEO

Consent Agenda: No

Originating Committee / Department:

Office of the CEO

Action Requested:

Consider approval of the proposed 2021 Workplan

GVR Mission: *“To provide recreational, social and leisure education opportunities that enhance the quality of our members’ lives.”*

Background Justification:

The attached work plan was presented to the Board during the February 10, 2021 Board worksession. Minor modifications were made such as those in brackets.

Per the CEO’s employment agreement, the CEO must submit an annual workplan by January 31 of each year to be approved by the Board. The attached workplan was submitted to the Board on January 31 and indicates if funds are available for specific items in the FY 2021 budget. As previously discussed, many of the items on the workplan are initiatives staff had planned for this year and some are annual requirements such a completing the annual financial audit.

Fiscal Impact: Impact will vary depending on whether or not certain items move forward in 2021.

Board Options:

1. Consider approval of the proposed workplan as proposed.
2. Consider approval of the proposed workplan with amendments.
3. Provide alternative direction to staff.

Staff Recommendation:

Option #1

Recommended Motion: *I move to approve the proposed 2021 workplan as proposed.*

Attachments:

2021 Proposed Workplan



Memorandum

To: Board of Directors

From: Scott Somers, CEO

CC: GVR Senior Staff

Date: January 31, 2021

RE: 2021 Workplan

Administrative Services

- Institute policy and procedures to determine when an account should be sent to Jodi Grassmeyer (attorney authorized by the board) to collect past due member assessments (dues) by March 1, 2021.
- Develop an orientation manual for elected and appointed positions by March 31, 2021.
- With CEO, develop and hold successful Board orientation in April 2021. *Approx. \$3,000; budget.*
- Collect no less than 50% of the past due amounts this year (ending December 31, 2021).
- Fill the vacant communications position by May 1, 2021. *Budgeted.*
- Develop a communications plan/strategy by October 1, 2021.
- Draft and issue an RFP for website redo by December 31, 2021. *Not budgeted.*
- Draft and issue an RFP for digital scanning of documents by July 1, 2021. *Not budgeted.*
- Analyze and update membership records by December 31, 2021.

CEO's Office

- Finalize and issue RFP for strategic plan by February 15, 2021; kick off outreach and development of plan by mid-April 2021. *Approx. \$30,000; budgeted.*
- Finalize negotiations with GVR Foundation regarding the Canoa Parking lot by February 28, 2021. *Initiatives Fund.*
- Meet all staff by February 15, 2021.
- Hold weekly introductory meetings with members beginning no later than March 1, 2021.
- Finalize Board agreement on financial policies, specifically cash vs. accrual accounting and calculation of annual budget surplus/deficit [based on audited financials] by June 30, 2021.



Facilities Department

- Reduce GVR's electric energy consumption through lighting fixture and lamp conversions by 5% by December 31, 2021. *Budgeted.*
- By December 31, 2021, illuminate four facilities with $\geq 80\%$ LED lighting with energy savings lighting controls. *Budgeted.*
- With HR, develop a departmental new-hire orientation program by June 30, 2021.
- Implement CMMS (MicroMain) Mobile Maintenance platform to streamline the work order process by July 1, 2021. *Budgeted.*
- Increase facility security for GVR members, staff and guests by upgrading and/or installing new equipment and technologies by December 31, 2021. *Budgeted.*
- Replace 100% of standard operating restroom fixtures (faucets, flush valves, towel dispensers) and over 50% of all drinking fountains with hands-free operation by August 1, 2021. *Budgeted.*
- Develop a plan for enhanced outdoor spaces for more versatile use for GVR members by June 1, 2021. *Budgeted.*
- Install one indigenous garden at West Center by July 1, 2021. *Budgeted.*
- Work with newly formed Bicycle Club to install four bike repair stations on GVR properties along popular bike paths by June 30, 2021. *Not Budgeted.*
- Work with a landscape architect to develop designs for walking paths around Desert Hills and Las Campanas by June 30, 2021. *Budgeted.*
- With architect, present Canoa Hill Club House design options to Board by May 1, 2021. *Initiatives Fund.*
- Present pool designs to Board for East Center pool by July 1, 2021. *Initiatives Fund.*

Finance Department

- Receive unqualified audit opinion for 2020 financial audit.
- Complete new database system implementation for accounting by September 1, 2021. *Budgeted.*
- Incorporate 2019 and 2020 audit findings into accounting policies by May 1, 2021.
- Work with financial advisors to maximize investment earnings. Present recommendation to IC Committee by July 1, 2021 and then receive Board approval by September 1, 2021.
- Renew liability, worker's comp, and flood insurance policies by April 1, 2021.
- Perform successful worker's comp audit.
- Perform successful 401(k) audit.
- Research and consider implementation of financial transparency software by June 1, 2021; implement by October 1, 2021. *Not budgeted.*
- With CEO, research and develop plan for expanded budget document by September 1, 2021.



- Through research on best practices and GAAP recommendations, present and recommend to Fiscal Affairs Committee and Board of Directors surplus/deficit calculation by July 1, 2021.
- Update finance policies by October 1, 2021.
- Develop and present quarterly financial reports to Board during regular Board meetings.

Human Resources

- Finalize implementation of the new payroll system (PayCom) by March 31, 2021.
- Review and update of GVR's Employee Handbook by June 30, 2021.
- Research and implement employee wellness program by July 15, 2021. *Not budgeted.*
- Participate in annual contractual negotiations for Benefit Plans/ Open enrollment to be completed by May 31, 2021.
- Draft and issue RFP for compensation and classification plan by December 31, 2021. *Not budgeted.*

IT Department

- Update end of life workstations and laptops by September 31, 2021. *Budgeted.*
- Updated end of life servers by September 31, 2021. *Budgeted.*
- Install necessary routers in major centers by March 31, 2021. *Budgeted.*
- Continue managing member kiosks at six of the major centers.

Recreation Department

- With Facilities Department, create a new "Club Request Process" by December 31, 2021 to expand upon the current process in which clubs can request improvement funding, allowing all members with an avenue to suggest future facility improvements or needs.
- ActiveNet is the database replacing the current customer management software. Work with the implementation manager at ActiveNet and internal points-on-contact to ensure the system is set-up properly and appropriate staff are trained prior to rollout on April 5, 2021. *Budgeted.*
- By December 31, 2021, determine a new process for tracking member attendance (currently addressed through Class and lacking in its replacement, ActiveNet).
- Partner with Kathy Edwards (Club Liaison) to revise the Club website page by October 31, 2021, allowing Club officers to have a one-stop-shop for all their documents and reporting needs. *Not budgeted.*
- Work with IT to create online forms for Clubs to be able to utilize by October 31, 2021.
- Develop departmental communications plan to improve communication and information sharing information by June 30, 2021.



- Provide end-of-year survey to Recreation staff to gain feedback on communication.
- Partner with Nat Whitman (Communications Assistant) to create a comprehensive New Member Welcome Packet by June 30, 2021, highlighting who we are, what we offer, how to find information, locations, welcoming images, and more. This information will be designed to be shared with new members upon joining GVR and/or may be provided to potential buyers.
Budgeted.



Green Valley Recreation, Inc.

EXHIBIT

Prepared By: Karen Miars, BAC Liaison

Meeting Date: February 24, 2021

Presented By: BAC Chair Christine Gallegos

Consent Agenda: No

Originating Committee / Department: Investments Committee – approved by Legal Counsel
Action Requested: Approve changes to the Corporate Policy Manual (CPM) Section VI. Subsection 4. 6. Investments Committee.
Strategic Plan Goal:
Background Justification:
Fiscal Impact:
Board Options: Accept or deny proposed changes to the Corporate Policy Manual (CPM) Section VI. Subsection 4. 6. Investments Committee.
Staff Recommendation: Approve proposed CPM Changes.
Recommended Motion: Board Affairs Committee (BAC) recommends the GVR Board of Directors amend the Corporate Policy Manual (CPM) Section VI. Subsection 4. 6. Investments Committee as follows in the Exhibit.
Attachments: Exhibit – BAC Approved 02112021 - Investments Committee CPM Changes.



**Board of Directors
February 24, 2021**

EXHIBIT

**Board Affairs Committee Approved
February 11, 2021**

Recommendation to Amend Corporate Policy Manual (CPM)

CORPORATE POLICY MANUAL SECTION VI. BOARD / BOARD COMMITTEES SUBSECTION 4. BOARD COMMITTEES' DUTIES AND RESPONSIBILITIES

6. Investments Committee

- a. Membership. The Investments Committee ("IC") shall consist of at least two Green Valley Recreation Inc. ("GVR") members in addition to the IC Chairperson who shall be a director. The IC Chairperson shall be nominated by the President with Board approval. 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 IC has the following specific responsibilities and duties with respect to the IAs:
 1. Make timely recommendations to the Board of Directors concerning:
 - a. 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.
 - b. The terms and wording for any contract between GVR and an IM/IA.
 - c. The specific wording and specifications for the Investment Policy Statement ("IPS") set forth in Appendix I, Subsection 3 that governs each of the accounts that comprise the IAs and any changes thereto.

2. Perform the following ongoing functions:
 - a. Complete due diligence and evaluation of each IM/IA at the end of each quarter or more frequently if required.
 - b. Monitor the IM/IAs to confirm compliance with the applicable IPS.
3. Make timely reports, in accordance with the IPS, to the CFO, CEO and Board of Directors of the following:
 - a. A serious and meaningful violation of the IPS.
 - b. A potential replacement of an existing IM/IA.
 - c. Any update requested by the Board of Directors.
4. Collaborate with the CEO/CFO concerning the following:
 - a. What information and analysis the CEO/CFO will provide to the IC for the purpose of enabling the IC to perform its duties.
 - b. The specific actions required by the CEO/CFO in order to bring an IM/IA back into compliance with its applicable IPS.
5. In the process of completing its duties, the IC will generate the following documents:
 - a. An IPS for each of the accounts that comprise the IAs.
 - b. An investment management contract for each IM/IA hired by GVR.
 - c. Minutes of each meeting of the IC.



Green Valley Recreation, Inc.

EXHIBIT

Prepared By: Karen Miars, BAC Liaison

Meeting Date: February 24, 2021

Presented By: BAC Chair Christine Gallegos

Consent Agenda: No

Originating Committee / Department: Board Affairs Committee
Action Requested: Direct GVR Administration and Corporate Counsel to revise / restructure the Corporate Policy Manual (CPM), to be reviewed by BAC CPM Realignment Subcommittee upon completion.
Strategic Plan Goal: Have an updated version of the CPM, without redundancies, making it a more manageable and comprehensive governing document.
Background Justification:
Fiscal Impact:
Board Options: Accept or deny request for revision/restructure of CPM by GVR Administration and Corporate Counsel, to be reviewed by BAC CPM Realignment Subcommittee upon completion.
Staff Recommendation: Approve revision/restructure of CPM by GVR Administration and Corporate Counsel.
Recommended Motion: Board Affairs Committee (BAC) requests the Board to direct GVR Administration and Corporate Counsel to revise/restructure the Corporate Policy Manual (CPM), to be reviewed by a BAC CPM Realignment Subcommittee, with final review by the BAC, before recommending to the Board for approval.
Attachments: None