



AGENDA

BOARD OF DIRECTORS MEETING
Wednesday, March 17, 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 February 24, 2021		Y	
4. New Business			
A. EC Pool Replacement	Somers	Y	Y
B. Dues Analysis Questions	Sieck	Y	
5. Committee Reports			
A. Board Affairs	Gallegos		
B. Fiscal Affairs	Coon		
C. Planning & Evaluation	Howard		
D. Investments	Lawless		
E. Nominations & Elections	McIntosh		
F. Audit	Lawless		
6. Member Comments			
7. Adjournment			



A regular meeting of the GREEN VALLEY RECREATION, INC. BOARD OF DIRECTORS was held Wednesday, February 24, 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), Kathi Bachelor, Christine Gallegos, Bev Lawless, Mark McIntosh, Sandra Thornton, Gail Vanderhoof, Scott Somers (CEO)

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

Visitors: 23

1. Call to Order/Roll Call/Establish Quorum

President Weaver called the meeting to order at 2:12pm MST. Roll was called by Secretary Kelley and a quorum was established.

2. Adopt Agenda

MOTION: C. Gallegos/2nd. Adopt the Agenda as presented.

Passed: unanimously

3. Consent Calendar

MOTION: M. McIntosh/2nd. Approve the Consent Calendar – Minutes of January 27, 2021.

Passed: unanimously

4. New Business

A. 2021 CEO Work Plan

CEO Somers presented the 2021 CEO Work Plan with modifications made at the Board of Directors work session held on February 10, 2021. Suggestions were made to modify the Finance Department section at this meeting, deleting bullet point 4. CEO Somers asked that the Board approve the proposed work plan as amended.

MOTION: M. Kelley/2nd. Approve the 2021 CEO Work Plan as modified at this meeting.

Passed: unanimously

5. Committee Reports

A. Board Affairs Committee – C. Gallegos, Chair

i. Investments Committee Corporate Policy Manual (CPM) Changes

MOTION: Gallegos/2nd. Board Affairs Committee recommends the GVR Board of Directors approves changes to the CPM - Section VI, Subsection 4.6. Investments Committee, as presented.

Passed: Yes – 11; Abstain – 1 (Kelley)

Exhibit - Recommendation to Amend Corporate Policy Manual (CPM)

CORPORATE POLICY MANUAL

SECTION IV. 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, experiences 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 IN/IAs to confirm compliance with the applicable IPS.
 3. Make timely reports, in accordance with the IPS, to 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 updated 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.

ii. CPM Realignment

MOTION: C. Gallegos/2nd. Request that the Board of Directors directs the CEO to work with staff and the Board Affairs Committee to restructure the CPM,

with review by legal counsel as necessary, and with final approval by the Board of Directors.

Passed: unanimously

B. Fiscal Affairs Committee – D. Coon, Chair

Chair D. Coon reported on the Committee's work during the past month.

C. Planning & Evaluation Committee – R. Howard, Chair

Chair R. Howard reported on the Committee's work during the past month.

D. Investments Committee – B. Lawless, Chair

Chair B. Lawless reported on the Committee's work during the past month.

E. Nominations & Elections Committee – M. McIntosh, Chair

Chair M. McIntosh reported for the Committee, reminding the Board of the open BOD Candidate Q&A Forums to be held tomorrow, Thursday, February 25 from 10:00am-12 noon via Zoom, and Thursday, March 18 from 2:00pm-4:00pm outside on the Fiesta Deck at Santa Rita Springs.

6. Member Comments – reviewed during the meeting.

7. Adjournment

MOTION: M. Kelley/2nd. Move to adjourn the meeting at 3:20pm MST.

Passed: unanimously

Unanimous Consent dated Thursday, January 28, 2021 at request of President Don Weaver:

MOTION:

Approve adding Scott Somers, Chief Executive Officer, as an authorized signer for GVR banking and investment accounts.

Vote: Yes - Unanimous



Green Valley Recreation, Inc.
Board of Directors

EXHIBIT

East Center Pool & Spa

Prepared By: David Jund, Facilities Director Meeting Date: March 17, 2021

Presented By: David Jund, Facilities Director Consent Agenda: No

Originating Committee / Department: Planning and Evaluation Committee and Facilities Department

Action Requested: Direct staff to pursue the P&E and staff's recommendations for pool and spa replacement at East Center

Strategic Plan Focus Area: GVR Services

Background Justification:

Based on details presented to the Board of Director's at the March 17, 2021 work session, the board is being asked to direct staff to move forward with developing designs and cost estimation for a replacement pool and spa at East Center.

Fiscal Impact:

Original design and cost estimates were within the approved \$15,000 for a preliminary design. This funding was approved at the special meeting of the Board of Directors on October 7, 2020.

Additional designs and cost estimating will be captured within a phase that will go through to permitting the project.

Board Options:

1. Approve staff to acquire designs and cost estimations to replace the East Center pool and spa as proposed in staff's recommended design.
2. Approve staff to acquire designs and cost estimations to replace the East Center pool and spa with a modified design.
3. Provide alternative direction to staff.

Staff Recommendation:

Option #1

Recommended Motion:

I approve staff to continue with design and cost estimating for replacing the East Center pool and spa based on P&E and staff's recommended design.

Attachments:

None



MEMO

TO: Scott Somers
 FROM: David Webster
 DATE: March 10, 2021
 CC: Cheryl Moose
 RE: Dues Receivable

Per your request we have conducted the following research analysis:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Dues Invoiced	\$ 6,954,619	\$ 6,748,910	\$ 6,712,673
Feb 28 Outstanding Dues	\$ 687,981	\$ 352,904	\$ 529,343
Percentage Outstanding	9.9%	5.2%	7.9%

To avoid confusion, let's be clear that the above outstanding dues amounts are for current year dues billings only. When we conduct our regular Accounts Receivable Aging report analysis, the past due amounts are cumulative and include all dues receivable, late fees, and other charges. Several of our customer accounts have multiple years of dues that have not been paid.

Dividing the Dues Billed by the dues rate does not determine the number of owners that paid their dues. Dues billed is an accrual income amount that is added to Accounts Receivable and the collection of those dues are tracked through the Accounts Receivable. Considering the above analysis, the current year dues collections are somewhat behind average with an outstanding percentage of 9.9%. This may be due to COVID, delayed arrival of seasonal Members, and some other factors. We will continue to charge late fees and send statements to Members who have outstanding balances. GVR staff will continue to monitor all Accounts Receivables and will pursue additional recourses if necessary.

From: Charles Sieck <CSieck@gvrec.org>
Date: March 12, 2021 at 6:48:16 AM MST
To: Scott Somers <ssomers@gvrec.org>
Cc: Don Weaver <dweaver@gvrec.org>, Donna Coon <DCoon@gvrec.org>
Subject: Re: Agenda Item for next week's Board meeting

Scott,

This report is excellent. Please include this report in the meeting book for next week's Board meeting.

Additional questions are;

1. There are additional costs associated with unpaid dues that are charged back to the homeowner who did not pay their dues. If I remember correctly, there is a \$100 charge for an attorney to send a letter the homeowner. If that does not produce results, an additional \$80 charge is to create a lean on the homeowner's property. I want to verify these charges and communicate to the Board (and the membership) how these charges are accounted for. The cost of the letter and lean show up under legal fees as an expense. The question is where the charges to the homeowner show up as revenue. Do they count as dues or something else? [The fees that GVR bills for collections costs are combined with the Dues Late Fees Revenue Account.](#)
2. When a lean is cleared, perhaps due to a home sale, does all of that revenue for past years show up as dues in the current year? [No, the dues were reported as Income in the year they were earned. The collection is a reduction of Accounts Receivable.](#)
3. Do unpaid dues show up in accounts receivable until they are paid? [Yes, unless they are written off.](#)
4. What are the conditions under which the unpaid dues are written off as bad debt? [Death, Bankruptcy.](#)
5. The unpaid dues appear to be much lower at year end than at the end of February. Do homeowners normally bring their accounts up to date by year end or is there something else going on? [The Accounts Receivables typically decline about \\$100k in March and steadily declines \\$25-\\$50k each month for the remainder of the year.](#)

Addressing these questions in the Board meeting would be excellent. If it were up to me, I would want to understand why the homeowners are not paying their dues. However, I do not anticipate the Board taking any action at this time.

It is important that the next Board watch this situation closely.

This has the potential to be financially significant and should be pointed out to the auditor. The auditor needs to acknowledge any potential financial issues it is aware of in the audit report, even if the issue occurs after the audited year.

Thanks for addressing this critical issue.

Charlie