



REVISED AGENDA

(Removed New Website Presentation)

BOARD OF DIRECTORS REGULAR MEETING

Wednesday, September 27, 2023 - 2pm

West Center Auditorium / Zoom

Directors: Marge Garneau (President), Carol Crothers (Vice President), Bart Hillyer (Secretary), Jim Carden (Treasurer), Barbara Blake (Assistant Secretary), Joe Magliola (Assistant Treasurer), Nancy Austin, Kathi Bachelor, Beth Dingman, Steve Gilbert, Bev Lawless, Richard Sutherland, Scott Somers (non-voting)

AGENDA TOPIC

- 1. Call to Order / Roll Call – Establish Quorum**
- 2. Amend/Adopt Agenda**
- 3. President Report**
- 4. CEO Report**
- 5. Member Comments** – regarding Consent Agenda and/or Non-Agenda Items – Speakers are asked to provide their name and GVR member number. Please limit comments to two (2) minutes.
- 6. Committee Reports**
 - A. Audit (Austin)
 - B. Board Affairs (Crothers)
 - C. Fiscal Affairs (Carden)
 - D. Investments (Lawless)
 - E. Nominations & Elections (Dingman)
 - F. Planning & Evaluation (Bachelor)
- 7. Consent Agenda** – Consent Agenda items are routine items of business that are collectively presented for approval through a single motion. A Board member may request that an item be pulled from the Consent Agenda and placed under Action Items for separate discussion and action.
 - A. Minutes:
 - 1) BOD Work Session Minutes: August 16, 2023
 - 2) BOD Regular Meeting Minutes: August 23, 2023
 - 3) BOD Work Session Minutes: September 13, 2023
 - B. Financial Statements:
 - 1) August Financial Statements
- 8. Action Items**
 - A. Approve Proposed Changes to Bylaws and Bylaws Special Election (Crothers)
 - B. Approve Capital Improvement Policy and Process (Somers)
 - C. Approve Committee Action Plans (Somers)
 - D. Approve Corporate Policy Manual (CPM) Fiscal Affairs Committee Responsibilities (Webster)
- 9. Member Comments** - Please limit comments to two (2) minutes.
- 10. Adjournment**



MINUTES

BOARD OF DIRECTORS WORK SESSION

Wednesday, August 16, 2023, 2pm
West Center Auditorium / Zoom

Directors Present: Marge Garneau (President), Carol Crothers (Vice President), Bart Hillyer (Secretary), Jim Carden (Treasurer), Barbara Blake (Assistant Secretary), Nancy Austin, Kathi Bachelor, *Beth Dingman (*left at 3:23pm*), Steve Gilbert, Bev Lawless, Joe Magliola, Richard Sutherland, Scott Somers (non-voting)

Staff Present: David Jund (Facilities Director), David Webster (CFO), Natalie Whitman (COO), Kris Zubicki (Member Services Director), Karen Miars (Administrative Assistant)

Visitors: 17 (includes staff)

AGENDA TOPIC

1. Call to Order / Roll Call

Work Session Called to Order at 1:59pm by President Garneau. Secretary Hillyer called the role.

2. Amend / Approve Agenda

MOTION: Director Hillyer moved, Director Bachelor seconded to approve the Agenda.

Passed: unanimous

3. Update Committee Responsibilities

CEO Somers recapped the process to date in bringing before the Board the proposed changes to CPM Part 3: Committees, Section 1-7 for review. These proposed changes will be brought before the Board for approval at their August 23, 2023, Board Regular Meeting.

When reviewing Committee descriptions some factors considered were:

- Purpose of Committees
- Committees are advisory to the Board, do not take the place of the Board, and do not take the place of staff
- Many Committee responsibilities in the CPM have decreased due to staff responsibilities
- During the May Retreat the facilitator led a discussion focusing on whether all the Committees are needed and serve the needs of the Board

The following are Board consensus changes to the redlines in Part 3: Sec. 1-7 to go to the Board for approval on August 23, 2023:

SECTION 1 - GENERAL

- **3.1.1.M:** Add “except for closed meeting materials” at the end of the first sentence, to read “All materials for the Committee meeting will be available online three (3) business days before the meeting except for closed meeting materials.”

SECTION 2 – BOARD AFFAIRS COMMITTEE

3.1.1 Change to 3.2.1: Add “To the extent possible” and delete “the Chairperson, who shall be a Director, and.” Revised sentence reads “To the extent possible, the Board Affairs Committee shall consist of GVR members who should have knowledge of Corporate Bylaws and Policies.”

SECTION 2 – GVR CLUBS

- No changes made to Section 6.2.1 and 6.2.2.

SECTION 3 – FISCAL AFFAIRS COMMITTEE

- No changes made.

SECTION 4 – PLANNING & EVALUATION COMMITTEE

- **3.4.2.A:** Remove “evaluate,” add “the” in front of “capital projects,” add “for the capital improvement plan” after “capital projects.” Revised sentence reads “Meet quarterly, or as necessary, to review and recommend the capital projects for the Capital Improvement Plan to the Board, per the CPM.”

SECTION 5 - AUDIT COMMITTEE

- **3.5.1:** Add “To the extent possible” at the beginning of the sentence. Revised sentence reads “To the extent possible, the Audit Committee shall consist of two or more GVR members who should have knowledge of financial reporting and internal control procedures.”

SECTION 6 – NOMINATIONS & ELECTIONS COMMITTEE

- **3.6.1:** Add “To the extent possible” at the beginning of the first sentence in paragraph 1. Revised sentence reads “To the extent possible, the Nominations and Elections Committee (N&E) shall consist of the Chairperson, who shall be a Director, at least one (1) other Director on the Committee, and a minimum of two (2) members who shall represent various geographic areas to the extent possible.”

SECTION 7 - INVESTMENTS COMMITTEE

- **3.7.1:** Add “To the extent possible” at the beginning of the sentence. Revised sentence reads “To the extent possible, the Investments Committee (IC) shall consist of at least two GVR Members who should be knowledgeable in the investment of financial assets and, to the extent practical, experienced in investment management and/or investment oversight.”
- **3.7.2.A.5.b:** At the end of the sentence, change “CEO” to “Board President.” Revised sentence reads, “An Investment Management Contract for each IM/IA hired by GVR as signed and implemented by the GVR Board President.”

4. Security Cameras

President Garneau opened the discussion on Security Cameras.

Highlights from the discussion include:

- Fewer cameras focused near women’s locker rooms at a less expensive cost.
- Approve of the cameras in the buildings; biggest concern is cameras in parking lots; would like to see placement of cameras to see if they will cover all entry and exit doors.
- Reminder: Staff and experts will analyze the placement, visual range and coverage, not the Board.
- GVR is at risk of a lawsuit and really doesn’t have a choice as to whether to have cameras.
- Reminded Board if GVR goes with fewer cameras it is not a cost savings as would still need computer support for fewer cameras.
- Cameras are a one-time cost, majority of members voting on the survey want cameras, and liability issues need to be considered.

5. Membership Change Fee

Director Bachelor introduced this topic, referring to the CPM, the Articles of Incorporation, and her letter included in the Meeting Book.

Member Comments:

- Board reminded if they own multiple properties and would gain by any action by the Board, they need to recuse themselves from the discussion.
- Would like to see the Board vote in favor if you move from one primary house to another, no matter how many houses you own, you get the Membership Change Fee refunded.

6. Adjournment

MOTION: Director Carden moved, Director Hillyer seconded to adjourn the meeting at 4:25pm.

Passed: unanimous

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MINUTES

BOARD OF DIRECTORS MEETING

Wednesday, August 23, 2023, 2pm

West Center Auditorium / Zoom

Directors: Marge Garneau (President), Carol Crothers (Vice President), Bart Hillyer (Secretary), Jim Carden (Treasurer), Barbara Blake (Assistant Secretary), Nancy Austin, Kathi Bachelor, Beth Dingman (arrived at 2:07pm), Steve Gilbert, Bev Lawless, Joe Magliola, Richard Sutherland, Scott Somers (non-voting)

Staff Present: David Jund (Facilities Director), Nanci Moyo (Administrative Supervisor), David Webster (CFO), Natalie Whitman (COO), Kris Zubicki (Member Services Director)

Visitors: 43 Including support staff

AGENDA TOPIC

1. Call to Order / Roll Call – Establish Quorum

The President being in the chair and the Secretary being present.

President Garneau called the meeting to order at 2pm MST. Secretary Hillyer called the roll; quorum established.

2. Amend/Adopt Agenda

MOTION: Director Garneau moved, Director Hillyer seconded to amend the Agenda to add the CEO Report after the President report.

Passed: unanimous

3. President Report

- Welcome to Richard Sutherland and Joe Magliola as new Board Directors replacing two Directors who resigned.
- Reminder: Operating under Robert's Rules of Order. A Director introducing an item has ten minutes to speak. Once a motion is made on the item presented there will be two rounds for response from Directors allowing three minutes for each response. The vote will be called for after the two rounds. If a Director chooses to abstain, state the purpose for abstention.
- Talk directly into the microphone for all attending in person and on Zoom to hear.

4. CEO Report

- Glass Arts space at Santa Rita Springs: Major construction shall be completed in 2 to 3 weeks. Mechanical, electrical, ceiling and lighting fixtures, masonry, stucco roofing, and exterior painting need to be completed. There are plans for an October grand opening.
- Del Sol Clubhouse: Parking lot plans and construction documents are currently under final review by the architects' consultants and engineers. The final drawings should be at Pima County soon for approval. Waiting for a cost estimator to have a general idea for the cost. Permitting will be about a ten-week period. Once this is completed the project will go out for bid and then will be able to recommend an award of contract.

- Canoa Hills Center: Closed for remodeling. Pool deck has been resurfaced. Construction has begun in the restrooms, locker rooms, lobby, auditorium and fitness rooms. Planning to reopen Canoa Hills Center in October.
- West Center Expansion: Staff has been meeting with the architect for the Lapidary, Artisan Shop, and Woodworking area to review programming notes developed by each of these clubs. Cost estimation work is underway. When high-level concept drawings and cost estimation are available this will be brought back to the Board to seek direction on moving forward.
- Desert Hills: Design upgrades and cost estimates are being developed for expansion of locker rooms. The goal is to have the cost estimate for the recommended budget so work may begin next year.
- Club Funding Request for 2023: Request for the Wood Shop vacuum system was approved by the Board. Construction documents have been completed and approved by Pima County. The building permit should be issued soon and proposals will be sought by multiple contractors. If the bids come in over \$100,000, per the procurement policy, it will come to the Board for approval.

5. Member Comments: 0

6. Presentations

- Quarterly Financial Report – David Webster presented a high-level overview for the quarter.

7. Committee Reports – All reports received and placed on file.

- Audit
- Board Affairs
- Fiscal Affairs
- Investments
- Nominations & Elections
- Planning & Evaluation

8. Consent Agenda

MOTION: Director Carden moved, Director Blake seconded to approve Consent Agenda.

Passed: unanimous

- Minutes:
 - BOD Regular Meeting Minutes: June 28, 2023
- Financial Statements:
 - May, June, and July

9. Action Items

- Approve Updated Committee Responsibilities

MOTION: Director Garneau moved, Director Sutherland seconded to accept the Committee pages and reports as presented to the Board and worked on at the Work Session.

MOTION TO AMEND: Director Austin moved, Director Hillyer seconded to remove “or auditors” in Section 1 General, 3.1.1.E. to read “Committees do not have authority to create policy, contract for services, expend or commit funds, or contact Board-appointed contractors such as, but not limited to, attorneys.”

Passed: 9 yes / 3 no (Bachelor, Gilbert, Lawless)

MOTION TO AMEND: Director Carden moved, Director Bachelor seconded to remove Section 3 Fiscal Affairs Committee from the vote for this meeting and present Section 3 at the Regular Meeting in September to allow the Fiscal Affairs Committee extra time to review.

Passed: unanimous

MOTION TO AMEND: Director Crothers moved, Director Blake seconded to change 3.1.1.F to state a minimum of two (2) members from minimum of five (5) members.

Failed: 4 yes (Blake, Crothers, Hillyer, Magliola) / 8 no

AMENDED MOTION PASSED: Passed: 11 yes / 1 no (Crothers)

Amended Motion: To accept the Committee pages and reports as presented to the Board and worked on at the Work Session, with the exception of the Fiscal Affairs Committee which was withdrawn and will be presented at the next regular meeting, and including the amendment to 3.1.1.E. removing "or auditors".

B. BAC Recommended Board Approval for Membership Change Fee

MOTION: Director Crothers moved, Director Hillyer seconded to approve the recommended wording from the Board Affairs Committee for the Corporate Policy Manual Part 1 Membership and Facilities: 1.1.6.B Membership Change Fee as follows: The Membership Change Fee shall be refunded to the GVR member owner of a sold primary residences who buys another primary residence within a 12-month period after presenting GVR with background material showing this was a change in primary residence and approve staff recommended implementation beginning October 1, 2023, as follows:

A. Upon transfer of title of a GVR membership property, the new owner shall pay a Membership Change Fee.

Exemptions:

1. The Membership Change Fee shall not apply to the transfer of legal ownership of a GVR deeded property from a trust if the resulting legal owners of the property are identical to the trustees of the trust immediately prior to the transfer.
2. A person or legal entity who acquires ownership of a legal or beneficial interest of the GVR property resulting from death, sells it within six (6) months of the date of death will be exempt from the Membership Change Fee (and Transfer Fee) provided they do not elect to utilize the facilities or have Tenants in the property who wish to utilize the facilities.

B. The Membership Change Fee shall be refunded if the following apply:

1. A Member has owned and occupied a GVR property within 365 days of transfer of title, provided that the Member demonstrates that she/he has moved from one owner occupied primary GVR residence to another owner occupied primary GVR residence and has presented GVR with background material showing this was a change in primary residence.
2. The Member(s) has owned and occupied the GVR property being sold for at least one (1) year.
3. A tenant card has not been issued on the property within the twelve (12) months immediately prior to the sale of the owner-occupied property.

- 4. **The Member(s) submit a refund request for the MCF. GVR will review the property transaction details to confirm ownership and eligibility for both properties. Refunds will be processed upon verification.**
- C. **Revenue from the Membership Change Fee may be used as will most effectively further the general purpose of The Corporation to provide for current and future needs. A portion of the revenue from Membership Change Fee is to be used to fund contributions to the Initiatives Reserve Fund as determined by the Board.**
Passed: 7 yes / 5 no (Bachelor, Dingman, Gilbert, Lawless, Sutherland)

MOTION TO AMEND: Director Bachelor moved, Director Lawless seconded to defer the Membership Change Fee back to staff and the Fiscal Affairs Committee for the budget process.
Failed: 5 yes (Bachelor, Dingman, Gilbert, Lawless, Sutherland) / 7 no

- C. **Contract Approval for Security Cameras**
MOTION: Director Hillyer moved, Director Blake seconded to award a contract to Preventronics for security camera provision and installation, with a scope of work to include cameras in locations to be determined by GVR staff, set contract in an amount not to exceed \$50,000 and yearly maintenance, thereafter, not to exceed \$5,000.
Passed: 7 yes / 5 no (Bachelor, Dingman, Gilbert, Lawless, Sutherland)

THIS MOTION WAS NOT VOTED ON SINCE THE FIRST MOTION PASSED - MOTION: Director Bachelor moved, Director Gilbert seconded to award a contract to Preventronics for security camera provision and installation, with a scope of work to include member entrances, lobbies, adjacent walkways, and parking lots in an amount not to exceed \$170,000, but with the understanding this amount will be less since the scope of work has decreased.

- D. **Board Officer Assistant Treasurer Election**
 - 1) **Assistant Treasurer**
 - a) **Nomination**
 - Austin 1 will not run
 - Gilbert 1 will not run
 - Magliola 3 will run
 - Sutherland 4 will run
 - b) **Election**
 - **Magliola 6 Assistant Treasurer**
 - Sutherland 5

10. Member Comments: Comments held during the meeting

11. Adjournment

MOTION: Director Carden moved, Director Magliola seconded to adjourn the meeting at 4:29pm.
Passed: unanimous



MINUTES

BOARD OF DIRECTORS WORK SESSION

Wednesday, September 13, 2023, 2pm

WC Auditorium / Zoom

Directors Present: Marge Garneau (President), Carol Crothers (Vice President), Bart Hillyer (Secretary) (left meeting at 3:23pm), Jim Carden (Treasurer), Barbara Blake (Assistant Secretary), Joe Magliola (Assistant Treasurer), Nancy Austin, Kathi Bachelor, Beth Dingman, Steve Gilbert, Bev Lawless, Richard Sutherland, Scott Somers (non-voting)

Staff Present: David Jund (Facilities Director), Nanci Moyo (Administrative Supervisor), David Webster (CFO), Natalie Whitman (COO), Kris Zubicki (Member Services Director)

Visitors: 8 including support staff

AGENDA TOPIC

1. Call to Order / Roll Call

Work Session Called to Order at 2:02pm by President Garneau. Secretary Hillyer called the role.

2. Amend / Approve Agenda

MOTION: Director Crothers moved, Director Blake seconded to approve the Agenda as presented.

Passed: unanimous

3. Board Affairs Committee (BAC) Proposed Bylaws Change

Director Crothers, Chair of BAC, gave an overview of the BAC proposed top five Bylaws with the main goal to make the Bylaws more understandable and to align with Arizona Nonprofit Law. The first of the top five is Proposed Action #1 - Article VI Powers, Duties, and Responsibilities of the Board of Directors, Section 2 Limits of Authority and Indebtedness:

PROPOSED: Article VI Powers, Duties and Responsibilities of the Board of Directors, Section 2 Limits of Authority and Indebtedness to read: The Board of Directors is not authorized to enter into any contract for new or initiative-type Capital projects that requires an annual payment that exceeds ten twelve percent (~~10~~12%) of the annual budget latest audited approved annual net revenue (does not include investments). Any contract for new or initiative-type Capital projects requiring an annual payment that exceeds this figure ten twelve percent (~~10~~12%) of the annual budget ~~latest audited approved annual net revenue~~, shall only be valid if approved, in advance, by the affirmative vote of regular members representing a majority of the total votes cast, provided that the total number of votes cast equals at least twenty percent (20%) of the total votes in The Corporation. Contracts for unique projects may not be broken up so as to avoid the requirement of this section.

CURRENT Bylaws states: The Board of Directors is not authorized to enter into any contract that requires an annual payment that exceeds ten percent (10%) of the annual budget. Any contract requiring an annual payment that exceeds ten percent (10%) of the annual budget shall only be valid if approved, in advance, by the affirmative vote of regular members representing a majority of the total votes cast, provided that the total number of votes cast equals at least twenty percent (20%) of the total votes in The Corporation.

The Directors' discussed Article VI, Section 2 bringing forth these issues:

- Dollar amount of current cost of projections is higher due to inflation
- Include or not to include the CPI or COLA
- Include or not include investments in the calculation
- Increase from ten percent to 12 percent is a 20 percent increase in Board authority
- Change from annual budget(s) to latest audited approved annual net revenue
- Change the ten percent to either 12, 13 or 15 percent
- Include the calculated number as a line item in the audit for members to find easily

The CFO was asked to present to the Board at the upcoming Regular Meeting two numbers for the proposed Bylaw change: 1) approved annual net revenue, and 2) annual revenue of all income sources.

Discussion was held on Proposed Action #4 – Article II Membership Property and Members, Section 6 Voting Rights adding F:

PROPOSED ADD F: A GVR Member in good standing has the right to serve on the Board of Directors provided no other member of their household (whether related by marriage, cohabitation, or otherwise) is on the board during the same time period.

CURRENT Bylaws: No F

The Directors' discussed Article II, Section 6.F bringing forth these issues:

- Can this Bylaw be enforced?
- If two people are on the title then both can run for the Board

Discussion was held on Proposed Action #3 – Article IV Board of Directors, Section 1 Number of Directors:

PROPOSED: 1) Article IV, Section 1: The affairs of GVR shall be governed by a Board of Directors consisting of ~~twelve (12)~~ nine (9) voting members who shall be elected from the members of The Corporation ~~residing within the jurisdiction of GVR~~ who have voting rights as defined in Article II Section 6.

CURRENT: 1) Article IV, Section 1: The affairs of GVR shall be governed by a Board of Directors consisting of twelve (12) voting members who shall be elected from the members of The Corporation residing within the jurisdiction of GVR.

The Directors' discussed Article IV, Section 1 bringing forth these issues:

- Needs to be stated a level of residency within GVR jurisdiction
- State in the Bylaws a member must reside in Green Valley
- The Attorney's opinion on current Bylaws is the voting member must reside in GVR jurisdiction not an elected Board Director

4. Capital Improvement Policy Process

CEO Somers reviewed the Capital Improvement Policy Process. The Directors added these comments:

- Addressed whether the process will help alleviate one Board overturning a previous Board decision on a project. Staff stated this process helps to minimize turn overs by future Boards on current projects.
- The Capital Improvement Policy will begin as a pilot program.
- Include "Improvement" in the "Five-Year Capital Improvement Plan" (CIP). Some places "Improvement" has been left out.
- Suggested changes in the Assessment Form: 1) marketability and/or competitive advantage numbering from 0,3,6 to 0,1,3, 2) change for the interest level of improvement to the general membership change from 1,2,3 to 1,3,6. This change is to address the membership needs first. 3) Change in the long-term costs section from 4,3,2,1 to 4,2,0,0, and 4) the last question about adverse effect on another group or GVR members could be 2 or 3 instead of 1.

5. Committee Action Plans

- Planning and Evaluation Committee (P&E) asked to have the first bullet in the Timeline for Established Priorities be removed: “GVR Capital Improvement Project Policy and Process: Present to the Board at the September meeting.” The second bullet needs to have “Improvement” added: “Five-Year Capital Improvement Plan (CIP).”

6. Adjournment

MOTION: Director Sutherland moved, Director Bachelor seconded to adjourn the meeting at 4:11pm.

Passed: unanimous

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Green Valley Recreation, Inc.
Statement of Financial Position

As of Date: August 31, 2023 and Dec 31, 2022

	August 31, 2023		Dec 31, 2022		
	Total		Total		
ASSETS					
Current Assets					
Cash/Cash Equivalents		378,103		1,732,899	
Accounts Receivable		243,640		197,896	
Prepaid Expenses		331,352		207,263	
Maintenance Inventory		11,522		23,044	
Designated Investments (Charles S./SBH)					
Emergency - Fund	532,104	(1)	490,701	(18)	
MRR - Fund	7,655,803	(2)	7,043,208	(19)	
Initiatives - Fund	1,795,313	(3)	2,531,557	(20)	
Pools & Spas - Fund	789,376	(4)	576,963	(21)	
Total Designated Investments (CS/SBH)	10,772,597	(5)	10,642,430	(22)	
Undesignated Invest. (JP Morgan Long Term)	1,622,936	(6)	1,565,673	(23)	
Undesignated Invest. (JP Morgan)	1,454,372	(7)	3,361,830	(24)	
Investments		13,849,904	(8)	15,569,933	(25)
Total Current Assets		14,814,520		17,731,035	
Fixed Assets					
Contributed Fixed Assets		18,316,183		18,017,085	
Purchased fixed Assets		29,393,040		27,908,195	
Sub-Total		47,709,223		45,925,280	
Less - Accumulated Depreciation		(27,013,668)		(26,748,166)	
Net Fixed Assets		20,695,555	(9)	19,177,114	(26)
Operating Lease ROU, Net of Accum. Amortization		467		467	
Finance Lease ROU, Net of Accum. Amortization		111,355		111,355	
Total Assets		35,621,897		37,019,971	
LIABILITIES					
Current Liabilities					
Accounts Payable		359,104		514,060	
Deferred Dues Fees & Programs		2,435,558		4,684,821	
Accrued Payroll		66,410		153,683	
Compensation Liability		-		-	
MCF Refund Liability		205,900		197,120	
In-Kind Lease Liability -Current		1,333		4,000	
Operating ROU Liability - Current		439		439	
Financing ROU Liability - Curent		39,319		39,319	
Total Current Liabilities		3,108,064		5,593,441	
In-Kind Lease Liability - LT		50,667		50,667	
Notes Payable		11,000		11,000	
Financing ROU Liability - LT		84,261		84,261	
Total Long Term Liabilities		145,928	3,253,992	145,928	
TOTAL NET ASSETS		32,367,906	(10)	31,280,602	(27)
NET ASSETS					
Temporarily Designated:					
Board Designated:					
Emergency	532,104	(11)	490,701	(28)	
Maint - Repair - Replacement	7,656,769	(12)	7,043,208	(29)	
Initiatives	1,795,126	(13)	2,531,557	(30)	
Pools & Spas	789,376	(14)	576,963	(31)	
Sub-Total	10,773,375	(15)	10,642,430		
Unrestricted Net Assets		20,507,226		20,638,172	
Net change Year-to-Date		1,087,304	(16)	-	
Unrestricted Net Assets		21,594,530	(17)	20,638,172	
TOTAL NET ASSETS		32,367,906		31,280,602	



GREEN VALLEY RECREATION, INC.

Green Valley Recreation, Inc. Summary Statement of Activities

YTD Period: 8 month period ending August 31, 2023

FY Budget Period: Jan 1, 2023 - Dec 31, 2023

	PRIOR YEAR COMPARISON				BUDGET COMPARISON				Fiscal Year Budget	Remaining FY Budget
	2022 YTD Actual	2023 YTD Actual	Year to Year Variance	%	YTD Actual	YTD Budget	YTD Variance	%		
Revenue										
Member Dues	4,649,523	4,705,659	56,136	1%	4,705,659	4,703,900	1,759	0.0%	7,055,850	2,350,191
LC, Trans., Crd Fees.	582,216	525,197	(57,019)	(10%)	525,197	553,217	(28,020)	(5%)	757,137	231,940
Capital Revenue	2,360,176	1,955,460	(404,716)	(17%)	1,955,460	2,392,122	(436,662)	(18%)	3,328,040	1,372,580
Programs	70,913	86,095	15,182	21%	86,095	164,170	(78,075)	(48%)	225,310	139,215
Instructional	208,340	244,804	36,464	18%	244,804	233,550	11,254	5%	333,997	89,193
Recreational Revenue	279,253	330,899	51,646	18%	330,899	397,720	(66,821)	(17%)	559,307	228,408
Investment Income	243,608	246,666	3,058	1%	246,666	196,948	49,718	25%	286,884	40,217
Advertising Income	-	-	-	0%	-	-	-	0%	-	-
Cell Tower Lease Inc.	28,346	31,493	3,147	11%	31,493	22,878	8,615	38%	34,195	2,703
Comm. Revenue	28,346	31,493	3,147	11%	31,493	22,878	8,615	38%	34,195	2,703
Other Income	71,949	61,269	(10,680)	(15%)	61,269	68,373	(7,104)	(10%)	80,281	19,012
Facility Rent	10,370	11,839	1,469	14%	11,839	4,087	7,752	190%	6,000	(5,839)
Marketing Events	-	-	-	0%	-	-	-	0%	-	-
In-Kind Contributions	2,667	2,667	-	0%	2,667	-	2,667	0%	-	(2,667)
Contributed Income	-	-	-	0%	-	2,666	(2,666)	(100%)	3,698	3,698
Other Revenue	84,985	75,775	(9,210)	(11%)	75,775	75,126	649	1%	89,979	14,204
Total Revenue	8,228,107	7,871,149	(356,958)	(4%)	7,871,149	8,341,912	(470,762)	(5.6%)	12,111,392	4,240,243
Expenses										
Major Proj.-Rep. & Maint.	176,268	243,034	(66,766)	(38%)	243,034	325,043	82,008	25%	478,281	235,246
Facility Maintenance	172,055	189,697	(17,642)	(10%)	189,697	165,781	(23,916)	(14%)	228,478	38,781
Fees & Assessments	6,942	12,695	(5,753)	(83%)	12,695	26,303	13,608	52%	30,725	18,030
Utilities	604,550	694,976	(90,426)	(15%)	694,976	681,576	(13,399)	(2%)	938,066	243,091
Depreciation	1,063,197	873,064	190,133	18%	873,064	939,661	66,597	7%	1,409,492	536,428
Furniture & Equipment	180,680	202,034	(21,355)	(12%)	202,034	175,854	(26,180)	(15%)	268,444	66,409
Vehicles	61,942	71,882	(9,941)	(16%)	71,882	64,785	(7,097)	(11%)	101,012	29,129
Facilities & Equipment	2,265,633	2,287,382	(21,749)	(1%)	2,287,382	2,379,004	91,622	4%	3,454,498	1,167,115
Wages	2,613,285	2,567,543	45,742	2%	2,567,543	2,835,868	268,325	9%	4,336,945	1,769,402
Payroll Taxes	203,629	199,892	3,737	2%	199,892	228,320	28,428	12%	347,276	147,384
Benefits	659,367	587,486	71,881	11%	587,486	707,818	120,333	17%	1,039,758	452,272
Personnel	3,476,281	3,354,920	121,360	3%	3,354,920	3,772,006	417,086	11%	5,723,980	2,369,059
Food & Catering	17,564	16,291	1,274	7%	16,291	21,338	5,048	24%	32,211	15,920
Recreation Contracts	261,106	252,491	8,615	3%	252,491	295,128	42,637	14%	413,188	160,697
Bank & Credit Card Fees	54,767	62,252	(7,485)	(14%)	62,252	64,265	2,013	3%	71,896	9,644
Program	333,437	331,034	2,404	1%	331,034	380,731	49,698	13%	517,295	186,261
Communications	73,135	65,004	8,131	11%	65,004	75,761	10,757	14%	107,974	42,970
Printing	80,418	65,630	14,788	18%	65,630	90,088	24,458	27%	104,407	38,776
Advertising	13,776	23,940	(10,164)	(74%)	23,940	15,024	(8,916)	(59%)	22,524	(1,416)
Communications	167,330	154,574	12,755	8%	154,574	180,873	26,299	15%	234,905	80,330
Supplies	278,467	359,979	(81,513)	(29%)	359,979	298,218	(61,762)	(21%)	424,090	64,110
Postage	8,569	7,686	883	10%	7,686	9,436	1,750	19%	20,909	13,223
Dues & Subscriptions	8,646	9,240	(594)	(7%)	9,240	10,095	855	8%	16,710	7,470
Travel & Entertainment	948	1,245	(297)	(31%)	1,245	9,555	8,310	87%	10,700	9,455
Other Operating Expense	57,545	94,692	(37,147)	(65%)	94,692	73,571	(21,121)	(29%)	128,622	33,930
Operations	354,174	472,842	(118,668)	(34%)	472,842	400,875	(71,967)	(18%)	601,031	128,189
Information Technology	49,962	80,724	(30,762)	(62%)	80,724	79,983	(741)	(1%)	115,638	34,914
Professional Fees	152,722	240,262	(87,539)	(57%)	240,262	131,966	(108,296)	(82%)	148,393	(91,869)
Commercial Insurance	226,156	223,318	2,838	1%	223,318	212,271	(11,047)	(5%)	321,601	98,283
Taxes	28,630	24,782	3,848	13%	24,782	15,936	(8,846)	(56%)	30,026	5,245
Conferences & Training	15,941	14,141	1,801	11%	14,141	33,911	19,770	58%	39,515	25,374
Employee Recognition	3,739	2,349	1,390	37%	2,349	18,267	15,918	87%	20,731	18,381
Provision for Bad Debt	-	4,239	(4,239)	0%	4,239	-	(4,239)	0%	-	(4,239)
Corporate Expenses	477,151	589,815	(112,664)	(24%)	589,815	492,334	(97,480)	(20%)	675,904	86,089
Expenses	7,074,006	7,190,567	(116,561)	(2%)	7,190,567	7,605,824	415,256	5.5%	11,207,612	4,017,044
Gross Surplus(Rev-Exp)	1,154,102	680,582	(473,519)	(41%)	680,582	736,088	(55,506)	(8%)	903,781	223,198
Net Gain/Loss on Invest.	(1,613,515)	406,721	2,020,236	(337%)	406,721	-	406,721	-	-	(406,721)
Net from Operations	(459,413)	1,087,304	1,546,717	(337%)	1,087,304	736,088	351,216		903,781	(183,523)



Green Valley Recreation, Inc.
Statement of Changes in Net Assets
As of Date: August 31, 2023 and Dec 31, 2022

	Totals	Unrestricted		Emergency Reserve Fund	Maint - Repair - Replacement Reserve Fund	Initiatives Reserve Fund	Pools & Spas Reserve Fund
		Unrestricted	Fixed Assets				
Net change in net assets-GVR	1,087,304 ⁽¹⁶⁾	1,087,304	-	-	-	-	-
Transfers between unrestricted and reserves:							
Reserve Study Allocation	-	-	-	-	-	-	-
Principal Transfers							
Transfers For Funding	-	(1,847,727)	-	-	1,179,941	378,381	289,405
Transfers Prev. Yr. Surplus	-	(428,596)	-	-	-	428,596	-
Transfers Curr. Yr. Surplus	-	-	-	-	-	-	-
Transfers Between Funds	-	-	-	-	-	-	-
Depreciation	-	265,502	(265,502)	-	-	-	-
Disposal of Fixed Assets	-	-	-	-	-	-	-
Purchase & Contributed Fixed Assets	288,334	737,641	1,783,943	-	(832,546)	(1,298,927)	(101,777)
Withdrawals	(0)	419,002	-	-	(87,353)	(325,639)	(6,010)
Allocations of Net Change components:							
Investment income	-	(187,796)	-	4,445	129,318	42,121	11,912
Investment Expenses	-	61,104	-	(2,546)	(41,364)	(13,332)	(3,861)
Net Gains (Losses) in Investments	-	(380,183)	-	39,504	265,566	52,368	22,744
Net Change to August 31, 2023	1,375,638 ⁽¹⁶⁾	(273,749)	1,518,441	41,403	613,562	(736,432)	212,413
Net Assets at, Dec 31, 2022	31,280,602 ⁽²⁷⁾	1,461,058	19,177,114 ⁽²⁶⁾	490,701 ⁽²⁸⁾	7,043,208 ⁽²⁹⁾	2,531,557 ⁽³⁰⁾	576,963 ⁽³¹⁾
Net Assets as at, August 31, 2023	32,656,240 ⁽¹⁰⁾	1,187,310	20,695,555 ⁽⁹⁾	532,104 ⁽¹¹⁾	7,656,769 ⁽¹²⁾	1,795,126 ⁽¹³⁾	789,376 ⁽¹⁴⁾
		21,882,864 ⁽¹⁷⁾		10,773,375 ⁽¹⁵⁾			

Footnotes refer to Statement of Financial Position and Statement of Activities





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	Pools & Spas Reserve Fund
Balance Dec 31, 2022 (at Market)	15,569,933 ⁽²⁵⁾	4,927,503 ⁽²⁴⁾	490,701 ⁽¹⁸⁾	7,043,208 ⁽¹⁹⁾	2,531,557 ⁽²⁰⁾	576,963 ⁽²¹⁾
Changes since Jan 1, 2022:						
Principal Transfers	3,026,323	750,000	-	1,179,941	806,977	289,405
Investment income	310,092	122,296	4,445	129,318	42,121	11,912
Withdrawals	(5,402,252)	(2,750,000)	-	(919,900)	(1,624,566)	(107,787)
Investment Expenses	(61,104)	-	(2,546)	(41,364)	(13,332)	(3,861)
Net Change for 8 Months	(2,126,941)	(1,877,704)	1,899	347,995	(788,800)	189,669
Balance before Market Change at August 31, 2023	13,442,992	3,049,800	492,600	7,391,203	1,742,758	766,632
8 Months Net Change in Investments Gain/(Loss)	407,690	27,507	39,504	265,566	52,368	22,744
Balance at August 31, 2023 (at Market)	\$ 13,850,682 ⁽⁸⁾	3,077,307 ⁽⁷⁾	532,104.34 ⁽¹⁾	7,656,769 ⁽²⁾	1,795,126 ⁽³⁾	789,376 ⁽⁴⁾

10,773,375 ⁽¹⁵⁾

Footnotes refer to Statement of Financial Position and Statement of Activities

4



Green Valley Recreation, Inc.
Board of Directors Regular Meeting

Proposed Bylaws Changes

Prepared By: Carol Crothers

Meeting Date: 9/27/2023

Presented By: Carol Crothers

Consent Agenda: No

<p>Originating Committee / Department: BAC with input from Staff and Attorney</p>
<p>Action Requested: Approve putting individual proposed Bylaw changes on the ballot for member vote</p>
<p>Strategic Plan Goal: Goal 5: Provide sound, effective governance Goal 3: Promote increased involvement of GVR members Goal 4: Cultivate and maintain a sound financial base that generates good value Goal 1: Provide excellent facilities for members Goal 2: Provide quality services and programs that meet the needs of our members.</p>
<p>Background Justification: The Bylaws represent the contract between GVR and its members. They have served GVR well since its founding. There have been several updates/changes to the bylaws over time but no major rewrites. Twice in the past 5-6 years total rewrites were put on the ballot and failed to get the necessary 2/3 vote to pass. The second time less than 50% voted approval. The “justification” for the rewrites was to update the Bylaws to match Arizona statues but the only significant change was to modify the Limits of Board Authority section to say “budgets” instead of “budget.” To provide clarification where there might be ambiguity, address member input on possible areas of improvement and update any areas that conflict with AZ law, the BAC identified the top 5 areas of concern and recommends that each be voted on separately to get member input and approval to change. Please see the attachment for actual wording of the existing section of the bylaws and proposed change. Proposed Action #1 Limits of Authority</p> <ul style="list-style-type: none"> - Two changes recommended by staff: this section should only deal with new initiative-type capital projects and individual projects can not be broken up to avoid the requirements of this section. - To address the ambiguity of “budget” vs “budgets” the BAC with FAC review and approval recommends that the latest annual approved audited net revenue (does not include investments) be used instead of “budget.” - Since the audited number could be over 1 year old and to account for ongoing inflation, BAC recommends increasing the percent from 10% to 12%. <p>Advantages:</p> <ol style="list-style-type: none"> 1. Audited Net Revenue uses a fixed, relatively consistent measurement as a starting

point. Our annual net revenue doesn't change that much and is a generally increasing number.

2. Annual revenue has to cover both operations and capital over time.
3. Although we are a year behind using the audited revenue number, it is an actual number rather than an estimate like a budget.
4. The focus of this section is on new capital projects rather than repairs, maintenance, or other operating costs.
5. Member involvement and approval continues for major new large scale capital projects.

Proposed Action #2: Article XII Miscellaneous, Section 2 Availability of Records

- This area was highlighted during the previous two Bylaw change elections
- To add clarity and avoid issues our new attorney recommended the proposed language.

Proposed Action #3: Decrease the number of Directors from 12 to 9 and clarify language as recommended by the attorney.

- Results in an odd number of Directors for definitive votes.
- Instead of 4 new Directors each year, there would be 3 new ones elected.
- Move from 12 to 9 within 3 years.
- Reduce some staff and CEO overhead by working with 9 instead of 12 Directors.

Proposed Action #4: Article II, Right to Vote and Serve on the Board of Directors

- Clears up confusion on what happens if more than one person from the same GVR household votes (first vote counts)
- Suggested by the Attorney and common in many HOAs, only one person from a household can serve on the Board at any one time.

Proposed Action #5: Add clarity and consistency with Arizona law on voting methods

- Specifically calls out that no proxies are permitted.
- Clarifies that electronic voting is permissible and the written ballot (hardcopy or electronic) carries the same weight as if voted on in an Annual or Special meeting.

The BAC recommends a special election this fall to vote on the proposed Bylaw changes.

Advantages:

- Remove the potential politics of electing Directors from the decision to update our Bylaws.
- Be able to elect 3 Directors instead of 4 in the next election
- Settle on the Limits of Authority in case we have a capital project coming forward that might require a membership vote.
- Gain the confidence of our members that we value their input and are working on their behalf to improve our Bylaws
- If we get a positive response, move forward with other possible updates that might be more controversial in areas such as membership and committees.

Fiscal Impact:

None unless we hold a special election. Special election costs \$33.5K

Board Options:

- 1) Review each recommendation and vote to proceed to a vote of the membership.
 - 2) Modify one or more recommendations and vote to proceed to a vote of the membership.
 - 3) Decide whether to hold a special election to address the proposed Bylaw changes.
- 2)

Staff Recommendation:**Recommended Motion:**

For each proposed Bylaw change: Move to recommend the specific language recommended by BAC (or changed by the Board) to the membership as a change to GVR Bylaws to be voted on in the next election.

Move to hold a special election in the Fall of 2023 to vote on proposed Bylaw changes.

Move to ask Staff to develop a thorough education and publicity campaign to explain the proposed changes and urge the members to vote.

Attachments:

- 1) List of each proposed change with new and old language
- 2) Redlined update of the Bylaws that includes the proposed changes.

Corrections to Attachment 1 for the September Board meeting Bylaws action item
(Pages 18-21 of the original meeting book document).

Proposed Action #2: Go back to what was voted on and approved in the August meeting. In the September meeting, BAC voted to make the changes regarding special meetings in the CPM if that is needed.

Proposed Action #3: Go back to the approved language from the August BAC meeting (remove the final phrase because our attorney offered the clarifying phrase as a substitute).

Proposed Action #4: Go back to the approved language. Item C, add "or online" between "written" and "ballot."

Proposed Action #5: Just looks like a typo in the last sentence. Should say "upon" instead of "up on."

Proposed Action #1:

To amend GVR's Bylaws Article VI POWERS, DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS, Section 2 - AUTHORITY AND INDEBTEDNESS as follows:

Proposed Bylaws Language: The Board of Directors is not authorized to enter into any contract for new or initiative-type Capital projects that requires an annual payment that exceeds ten twelve percent (~~10~~12%) of the annual budget latest audited approved annual net revenue (does not include investments). Any contract for new or initiative-type Capital projects requiring an annual payment that exceeds this figure ten twelve percent (12%) of the latest audited approved annual revenue, shall only be valid if approved, in advance, by the affirmative vote of regular members representing a majority of the total votes cast, provided that the total number of votes cast equals at least twenty percent (20%) of the total votes in The Corporation. Contracts for unique projects may not be broken up so as to avoid the requirements of this section.

Current Bylaws states: The Board of Directors is not authorized to enter into any contract that requires an annual payment that exceeds ten percent (10%) of the annual budget. Any contract requiring an annual payment that exceeds ten percent (10%) of the annual budget shall only be valid if approved, in advance, by the affirmative vote of regular members representing a majority of the total votes cast, provided that the total number of votes cast equals at least twenty percent (20%) of the total votes in The Corporation.

Proposed Action #2:

To amend GVR's Bylaws to comply with Arizona Nonprofit Act: Article XII MISCELLANEOUS, Section 2 - AVAILABILITY OF RECORDS as follows:

Proposed Bylaws Language: The books, records and papers of The Corporation shall, for specific and proper purpose, and consistent with the applicable provisions of the Arizona Nonprofit Act, at all reasonable times during business hours be subject to examination by any regular ~~GVR M~~member of The Corporation or any Assigned Member that has been given voting rights, upon written demand to The Corporation at least five (5) business days before the requested examination date.

Current Bylaws state: The books, records and papers of The Corporation shall, for specific and proper purpose, at all reasonable times during business hours be subject to examination by any regular member of The Corporation upon written demand to The Corporation.

Proposed Action #3:

To amend GVR's Bylaws Article IV BOARD OF DIRECTORS, Section 1 NUMBER OF DIRECTORS, and Article V ELECTION OF DIRECTORS, Section 1 TERM OF OFFICE as follows:

Proposed Bylaw Language: 1) Article IV Section 1: The affairs of GVR shall be governed by a Board of Directors consisting of nine (9) ~~twelve (12)~~ voting members who shall be elected from the members of The Corporation who have

voting rights as defined in Article II Section 6 ~~residing within the jurisdiction of GVR.~~

And

2) Article V Section 1: The term of office of a Director elected by the membership shall be for three (3) years. Each year the term of office of ~~four (4)~~ three (3) Directors shall expire and ~~four (4)~~ three (3) Directors shall be elected for a term of three (3) years to succeed those Directors whose terms expire. No Director may serve more than two (2) consecutive terms including time served as an appointed Director. A former Director may be re-elected after one (1) or more years' absence from the Board.

Current Bylaws state: 1) Article IV Section 1: The affairs of GVR shall be governed by a Board of Directors consisting of twelve (12) voting members who shall be elected from the members of The Corporation residing within the jurisdiction of GVR.

And

2) Article V Section 1: The term of office of a Director elected by the membership shall be for three (3) years. Each year the term of office of four (4) Directors shall expire and four (4) Directors shall be elected for a term of three (3) years to succeed those Directors whose terms expire. No Director may serve more than two (2) consecutive terms including time served as an appointed Director. A former Director may be re-elected after one (1) or more years' absence from the Board.

Proposed Action #4:

To amend GVR's Bylaws Article II MEMBERSHIP PROPERTY AND MEMBERS, Section 6 VOTING RIGHTS – A. and add F as follows:

Proposed Bylaw Language: Section 6: Voting Rights

A. A GVR Member in good standing is entitled to one (1) vote for each GVR Property owned; provided, however, that there shall be only one (1) vote per GVR Property. If any GVR Member casts a vote representing a certain GVR Property, it will thereafter be conclusively presumed for all purposes that such individual was acting with the authority and consent of all other owners of the same GVR Property. In the event that more than one (1) vote is cast for a particular GVR Property, ~~none of the votes~~ only the first vote cast shall be counted ~~and all of the votes for such GVR Property shall be deemed void.~~

B. It shall be the duty of each GVR Member to keep The Corporation advised of his/her current mailing address.

C. All voting by GVR Members shall be by written ballot. **NOTE:** See Proposed Action #5 second proposed (Highlighted) action captures C's change.

D. The right to vote and serve on the Board of Directors on behalf of a GVR Property may be assigned to one (1) or more Assigned Members occupying such GVR Property in writing and signed by all owners of such property. Additional rights may be determined by the Board of Directors.

E. A Tenant shall not have the right to vote or serve on the Board of Directors.

F. A GVR Member in good standing has the right to serve on the Board of Directors provided no other member of their household (whether related by marriage, cohabitation, or otherwise) is on the board during the same time period.

Current Bylaws state: Section 6: Voting Rights

A. A GVR Member in good standing is entitled to one (1) vote for each GVR Property owned; provided, however, that there shall be only one (1) vote per GVR Property. If any GVR Member casts a vote representing a certain GVR Property, it will thereafter be conclusively presumed for all purposes that such individual was acting with the authority and consent of all other owners of the same GVR Property. In the event that more than one (1) vote is cast for a particular GVR Property, none of the votes shall be counted and all of the votes for such GVR Property shall be deemed void.

B. It shall be the duty of each GVR Member to keep The Corporation advised of his/her current mailing address.

C. All voting by GVR Members shall be by written ballot.

D. The right to vote and serve on the Board of Directors on behalf of a GVR Property may be assigned to one (1) or more Assigned Members occupying such GVR Property in writing and signed by all owners of such property. Additional rights may be determined by the Board of Directors.

E. A Tenant shall not have the right to vote or serve on the Board of Directors.

Proposed Action #5:

To amend GVR's Bylaws Article XI MEMBERSHIP VOTING, Section 1 VOTING AT A MEETING and Section 2 Alternative Voting Methods combined in Section 1 Voting and Article II MEMBERSHIP PROPERTY AND MEMBERS Section 6.C VOTING RIGHTS as follows:

Proposed Bylaw Language: Article XI, Section 1: The election of Directors, the amendment of Bylaws and any matter that requires approval of the members, and any action, including proposed amendments to these Bylaws or the election of Directors, which can be properly taken by the members of GVR at an Annual or Special meeting of said members, shall be taken by written ballot ~~may be taken by written ballot~~ communicated to and received from every GVR member entitled to vote by either mail, ~~facsimile~~, Email, or other written form of communication as the Board of Directors shall determine from time to time, including online electronic voting, with the same force and effect as though acted upon at an Annual or Special meeting.

Current Bylaws state: Article XI, Section 1 Voting at a Meeting: The election of Directors, the amendment of Bylaws and any matter that requires approval of the members shall be taken by written ballot.

Section 2: Alternative Voting Methods

Any action, including proposed amendments to these Bylaws or the election of Directors, which can be properly taken by the members of GVR at an Annual or Special meeting of said members, may be taken by written ballot communicated to every GVR member entitled to vote by either mail, facsimile, Email, or other written form of communication as the Board of Directors shall determine from

time to time with the same force and effect as though acted upon at an Annual or Special Meeting.

And

Proposed Bylaw Language: Article II, Section 6.C: Voting Rights

C. All voting by GVR Members shall be by written ballot or electronic voting, consistent with Arizona Nonprofit Corporation Act. See Article XI. No proxies are permitted.

Current Bylaw states: Article II, Section 6: Voting Rights

C. All voting by GVR Members shall be by written ballot.



Green Valley Recreation, Inc.
Board of Directors Work Session
Capital Projects Policy and Process

Prepared By: Scott Somers, CEO

Meeting Date: September 27, 2023

Presented By: Scott Somers, CEO

Consent Agenda: No

Originating Committee / Department:

Administration

Action Requested:

Consider approval of the recommended Capital Improvement Project Policy and Process as a one-year pilot program.

Strategic Plan Goal:

GOAL 5: Provide sound, effective governance and leadership for the corporation

Background Justification:

At the May 17, 2023, June 21, 2023, and September 13, 2023 Work Sessions, the Board discussed draft versions of the Capital Improvement Project Policy and Process. Before this discussion, there was no policy that describes the roles and responsibilities of staff, committees, and the Board in completing Capital Improvement Projects. This has led to confusion, assumptions, unnecessary expense, and most important to members, project delays.

GVR is currently lacking policy describing the Board's responsibilities to advance projects initiated by previous Boards. Projects have been abandoned mid-stream or been subject to significant changes when a new Board is seated. This has contributed to low member confidence in the Board's ability to make important decisions in a timely manner, advance the best interests of the general membership, and work collaboratively in a professional and productive manner (see 2022 Member Survey).

The attached recommended policy and process and has been updated based on Board feedback during the September 13, 2023, Work Session, and identifies the general scope of work each participating entity can anticipate, and establishes a process flow on which members, staff, and the Board can rely.

Once the Board is ready to adopt this policy, staff recommends the motion to adopt include creating this policy as a pilot program for one year, in which all capital projects will be assessed based on the policy, to allow for modifications and amendments to the policy prior to inclusion in the Corporate Policy Manual (CPM).

Fiscal Impact:

N/A

Board Options:

- 1) Consider approval of the Capital Improvement Project Policy and Process as written.
- 2) Amend and then approve of the Capital Improvement Project Policy and Process.
- 3) Provide Alternative direction to staff.

Staff Recommendation:

Option #1

Recommended Motion:

I move to approve of the Capital Improvement Project Policy and Process as written, and to implement such a policy as a one-year pilot program, after which time, the Board will consider inclusion in the Corporate Policy Manual (CPM).

Attachments:

- 1) Recommended Capital Improvement Project Policy and Process
- 2) Capital Improvement Project Assessment
- 3) May 17, June 21, and September 13, 2023, Board Work Session Minutes

GVR Capital Improvement Project Policy and Process

Definition

Capital improvement project: Any equipment or other fixed asset costing \$5,000 or more and with a useful life of greater than one year.

Policy

Staff develops the Five-Year Capital Improvement Plan (CIP) and the Capital Improvement Budget (the first year of the CIP, including estimated costs). However, any member in good standing may submit a proposal for a capital improvement project. There are two paths to fund capital improvement projects:

Type I: CURRENT YEAR UNPLANNED/UNBUDGETED CAPITAL IMPROVEMENT PROJECTS - Each year, GVR will earmark \$100,000 in the Non-Reserve Capital Budget solely for the purpose of funding unplanned and unbudgeted non-reserve capital improvement projects. Funding and inception of these projects begin in the current year. These projects tend to be smaller in scope and do not generally require much planning or lead time. Proposal rounds for these funds open twice each year, given funds remain available for Round 2.

Round 1: January 1, with funding allocated and scheduled April 1

Round 2: June 1, with funding allocated and scheduled September 1

Staff provides an initial review by following the listed process:

1. Does the proposed project meet the definition of a capital improvement project? If yes, then proceed to #2.
2. Is the proposed project:
 - i. unplanned and unbudgeted?
 - ii. under an estimated cost of \$50,000?
 - iii. anticipated to begin in current year?
 - iv. not included in the MRR study?
 - v. not a club responsibility per the CPM and Club Agreement?

If all questions can be answered in the affirmative, the proposal may qualify as a Type I capital improvement project. Proceed to Assessment Phase.

Type II: FUTURE AND LONG-TERM CAPITAL IMPROVEMENT PROJECTS

- Each year, GVR staff will develop a Five-Year Capital Improvement Plan (CIP) and Capital Improvement Budget accordingly for such capital improvement projects from capital reserve funds and capital non-reserve funds. Funding and inception of these projects begin in subsequent years. These projects tend to be larger in scope and require significant planning.

Staff provides an initial review by following the listed process:

1. Does the proposed project meet the definition of a capital improvement project? If yes, then proceed to #2.
2. Is the proposed project:
 - vi. unplanned and unbudgeted?
 - vii. anticipated to begin in a future year?
 - viii. not a club responsibility per the CPM and Club Agreement?

If all questions can be answered in the affirmative, the proposal may qualify as a Type II capital improvement project. Proceed to Assessment Phase.

Assessment Phase

Staff completes the Capital Improvement Project Assessment for all completed and timely applications.

Score <7 The proposal will not be considered at this time. Notify source party.

Score =>7 Follow Type I or Type II steps below for all other proposals.

The following apply only to Type I Capital Improvement Projects:

1. Staff evaluates proposals and notifies the Board of Directors of the approved project proposals. Project(s) moves forward with no further review or approval required.
2. If funding is left over after round one, members will be invited to apply again for round two (opening June 1 each year) and all steps will be repeated.

The following apply only to Type II Capital Improvement Projects:

1. Upon annual staff reassessment and recommendation of projects and plans, Staff presents the Five-Year Capital Improvement Plan (CIP) to

the Planning and Evaluation Committee (P&E). The P&E Committee recommends the Five-Year Capital Improvement Plan (CIP) to the Board of Directors for consideration during the annual budget approval process.

2. Staff presents the Five-Year Capital Improvement Plan (CIP) and the Capital Improvement Budget to the Fiscal Affairs Committee (FAC). The FAC recommends the Five-Year Capital Improvement Plan (CIP) and the Capital Improvement Budget to the Board of Directors during the annual budget approval process.
3. Staff presents the Five-Year Capital Improvement Plan (CIP) and the Capital Improvement Budget to the Board of Directors. The Board of Directors considers approval of the Five-Year Capital Improvement Plan (CIP) and Capital Improvement Budget as part of the annual budget approval process.

Project Planning

1. Begins in January of the project inception year.
2. Staff conducts member/user groups outreach, if necessary.
3. If necessary, staff works with an architect to develop high-level concept drawings and cost estimates.
4. Staff presents concept drawings and associated cost estimates to the Board of Directors for approval.
5. If rejected, staff repeats steps 3 and 4 until a concept is approved by the Board of Directors, or until the Board of Directors provides alternative direction.
6. Once and if approved, Staff pursues construction documents and permits and goes out for bid per policy.
7. Staff reviews bids or proposals and brings a recommendation to the Board of Directors for consideration.
8. Board of Directors awards a contract.

Project Name: _____ Proposed by: _____
 Proposed Inception Year: _____ Proposed Completion Year: _____

Criteria/Assessment	Rating		Details
If this is a request for new or expanded club space, has the Club taken steps to maximize utilization?	Yes No		If No, stop assessment. Club should take appropriate steps and reapply in the future.
Does the request conform to the CPM?	Yes No		If No, stop assessment and re-categorize request (ex. Club responsibility)
Does this request support GVR's mission and vision and align with the 5-year strategic plan?	Yes No		If No, project will not be considered at this time without extenuating circumstances.
Are there health & safety impact/benefits tied to this project/request?	Yes No		If Yes, stop assessment and reallocate request (ex. Operations) for alternative resolution
Would the project improve member accessibility?	Yes No		If Yes, stop assessment and reallocation request for alternative resolution
What are the 3-5 year participation trends related to the recreation amenity affected by this proposal?	Unknown Decreasing No change Increasing N/A	0 0 2 4	Consider in-house attendance data or research of national/regional trends.
Does this project improve GVR's marketability and/or competitive advantage?	No Moderately Yes	0 1 2	Consider: growing trends, what is offered elsewhere, etc.
Estimated additional annual maintenance costs (E.g., Long-term costs? Annual replacements? Additional staff required?)	Decrease or 0 1-5% increase 5-10% increase 10-15% increase	4 3 2 1	If proposal would add or remove services that exceed 5% of operating budget, a vote of the membership is required.
Rate the interest level of this improvement to the general membership	Limited Moderate Broad	1 2 3	Examples: <i>Limited</i> : Enhances a smaller club with modest anticipated growth trends <i>Moderate</i> : An emerging sport <i>Broad</i> : A pool or fitness center
Would this request have an adverse effect on another group or GVR members?	Yes No	0 1	
	Total Score		

Scoring Range	
Will not be considered at this time	<7
Will be considered this round	= or >7

Aggregate Score

Notes:

Additional Considerations:

- Club's history of Capital Funding Requests reviewed and included?**
Review data sheet of previous requests and awards, include in report



MINUTES

BOARD OF DIRECTORS WORK SESSION

Wednesday, May 17, 2023, 10am

WC Room 2 / Zoom

Directors Present: Marge Garneau (President), Carol Crothers (Vice President), Bart Hillyer (Secretary), Jim Carden (Treasurer), *Barbara Blake (Assistant Secretary), Kathi Bachelor, Ted Boyett, Beth Dingman, Bev Lawless, Scott Somers (non-voting)

Directors Absent: Laurel Dean, Nancy Austin, Steve Gilbert

Staff Present: David Jund (Facilities Director), Nanci Moyo (Administrative Supervisor), David Webster (CFO), Natalie Whitman (COO), Kris Zubicki (Member Services Director)

Visitors: 7

AGENDA TOPIC

1. Call to Order / Roll Call

Work Session Called to Order at 10:01am by President Garneau. Secretary Hillyer called the role.

2. Amend / Approve Agenda

MOTION: Director Boyett moved, Director Dingman seconded to approve the amended Agenda to include discussion on the Photography Club request for Tenant Improvement.

Passed: unanimous

3. Del Sol Clubhouse

CEO Somers reviewed the plans for the Del Sol Clubhouse and the parking lot. Highlights include:

- Del Sol Clubhouse has two levels. The upper level has the main entrance, ADA accessible bathrooms, bar area, kitchen area, staircase in the middle to connect upper and lower floors, recreation area includes three pool tables, foosball table, darts, and room with poker tables, and outdoor patio space. The lower level will include at least 5 billiard tables and at least one snooker table, due to expansion possibilities. This level will be a great billiard hall. Bathrooms on the lower level will have access from inside the space and from outside for the walkers on the County path.
- The budget for the Del Sol Clubhouse is \$1.2 million.
- Pima County will be asked to assist with the cost of the bathrooms on the lower level due to the use of the County walking path.

*Barbara Blake arrived at 10:11am

Highlights from Board/Staff discussion:

- Discussion on how many parking places is needed per the occupancy of Del Sol Clubhouse. Have architect review the spaces needed in their reports.
- Install access for GVR members to use member card for the outside bathroom when bathrooms are locked to the public in the evenings.

- Del Sol Clubhouse will be on the Board Regular Meeting on May 24, 2023, for an approval to move forward with construction documents and for architectural report on number of parking spaces needed per occupancy of the Clubhouse.

4. Lapidary/Woodshop Expansion

CEO Somers reviewed Lapidary and Woodshop Clubs expansions. Highlights include:

- Primary goal is to consolidate the three Lapidary locations including East Center and Desert Hills to the West Center, building out to the easement on the west side of the building and south side for the Woodshop.
- Staff will meet with Lapidary and Woodshop to fine tune their needs and present to the Board for next steps. The project is still in the planning and discussion stages and is not ready for architectural/construction documents.
- A survey conducted by the Lapidary Club showed the members were optimistic about expanding the West Center space and not to build an Art Center at West Center. There is strong interest from the Club members as a whole to consolidate Desert Hills to West Center.
- For 2023 there is a \$50,000 budget for Lapidary and a \$30,000 budget for Woodshop for studies and conceptual drawings from the Initiatives Fund.

Highlights from Board/Staff discussion include:

- This is early in the planning stages and will not come before the Board at the next regular meeting in May.
- The Board is comfortable with staff working on discussions with both clubs and reviewing possibilities.
- Preliminary work was completed with the architects and the clubs providing a high-level drawing pushing out the west and south walls. Cost estimates will be provided as the process moves forward.

5. Ceramics Expansion

CEO Somers reviewed the Ceramics Expansion including these highlights:

- The budget is \$150,000 this year for the Ceramics expansion.
- The Ceramics expansion will be considered after the decision for Lapidary is finalized. If Lapidary is consolidated at the West Center it will open up space for the expansion of Ceramics into that space.
- Two options: 1) Build out Ceramics into the sidewalk which will give Ceramics a total of 3,488 square feet of space. 2) Utilize the Lapidary space at Desert Hills which will make the Ceramics space a total of 3600 square feet and is the most cost-effective expansion.
- The existing kiln room needs to be built to code.
- There is a possibility for the Ceramics Club to utilize the fitness room for temporary storage for their molds. This will be the time for the Club to sort through the molds and figure out how to store efficiently.

Highlights from Board/Staff discussion:

- Keep kilns where they currently are so not to cause a disruption to the club. Staff will discuss with the architects how to move this forward. If the kiln room is done first, it will lock the decision for Ceramics into option 2.
- Wheelchairs and walkers can use the room currently – it is just difficult.
- This will not go forward to the Board at this time.
- The Board is leaning to Option 2 and this helps give staff direction.

6. Capital Projects Policy and Process

CEO Somers reviewed the work on the Capital Projects Policy and Process and held a lengthy discussion with the Board.

Staff will rewrite the Capital Projects Policy and Process using items from the discussion and bring before the Board in a June Work Session.

7. Photography Club

President Garneau asked the Board to review the Photography Club request. This will come before the Board at the May 24, 2023, Regular Meeting for approval.

Adjournment: The Work Session was adjourned at 12:44pm.



MINUTES

BOARD OF DIRECTORS WORK SESSION

Wednesday, June 21, 2023, 2pm

WC Room 2 / Zoom

Directors Present: Marge Garneau (President), Carol Crothers (Vice President), Bart Hillyer (Secretary), Jim Carden (Treasurer), Barbara Blake (Assistant Secretary), Laurel Dean (Assistant Treasurer), Nancy Austin, Kathi Bachelor, Beth Dingman, Steve Gilbert, Bev Lawless, Scott Somers (non-voting)

Absent: Ted Boyett

Staff Present: David Jund (Facilities Director), Nanci Moyo (Administrative Supervisor), David Webster (CFO), Natalie Whitman (COO), Kris Zubicki (Member Services Director)

Visitors: 12

AGENDA TOPIC

1. Call to Order / Roll Call

Work Session Called to Order at 2:00pm by President Garneau. Secretary Hillyer called the role.

2. Amend / Approve Agenda

MOTION: Director Austin moved, Director Blake seconded to approve the Agenda.

Passed: unanimous

3. Capital Improvement Projects Process

CEO Somers reviewed the Capital Improvement Projects Process. Highlights of the review and discussion include:

- Capital Improvement definition is all equipment and other fixed assets costing \$5,000 or more with a useful life of greater than one year.
- Type I: The Board will budget, each year, \$100,000 in the Non-Reserve Capital Budget for the current year unplanned/unbudgeted capital projects.
- Type I: Round 1 funding would begin in January 1 with allocations in April. If money is left over from the first round, the second round will begin in June for another set of requests. Staff will provide initial review using a determined process.
- There was consensus from the Board at the last Work Session in May to allow Type 1 to be for all members and not specifically for clubs, though club requests can be submitted.
- Type II: Future and Long-term Capital Projects. This includes major capital projects and comes from a different pool of money based on the five-year Capital Improvement Plan (CIP).
- Assessment Phase: This is a suggested plan, but can be improved on. Assessment is for both Type I and Type II. The Board approves the budget every year and assessments can be repeated for Type II projects to make sure it is still relevant and needed.

- Type I Assessment does not need to go to the P&E Committee if it is under \$50,000. Staff will assess the request and inform the Board on what projects were approved and will move forward.
- Board consensus during the meeting is to remove #2 of the Assessment Phase and remove “Proposals under \$50K estimated cost:” in #1.
- Type II: 5-Year Capital Plan is recommended by the P&E Committee to the Board for consideration during the Annual Budget approval process. The change in the document is to have each one of the projects go through the assessment or reassessment process annually by staff before the P&E reviews the projects. Then P&E would recommend to the Board the projects.
- Change the title at the top of page 5 from Board Approves the Budget to the Board Approves the 5-Year Capital Plan.
- Staff was asked to make the changes discussed during the meeting and send out to the Board for review. The Capital Projects Policy will be scheduled for a Board meeting to be determined.

4. Membership Change Fee

President Garneau withdrew the Membership Change Fee from the Agenda.

Adjournment:

MOTION: Director Hillyer moved, Director Austin seconded to adjourn the meeting at 3:49pm.

Passed: unanimous



MINUTES

BOARD OF DIRECTORS WORK SESSION

Wednesday, September 13, 2023, 2pm

WC Auditorium / Zoom

Directors Present: Marge Garneau (President), Carol Crothers (Vice President), Bart Hillyer (Secretary) (left meeting at 3:23pm), Jim Carden (Treasurer), Barbara Blake (Assistant Secretary), Joe Magliola (Assistant Treasurer), Nancy Austin, Kathi Bachelor, Beth Dingman, Steve Gilbert, Bev Lawless, Richard Sutherland, Scott Somers (non-voting)

Staff Present: David Jund (Facilities Director), Nanci Moyo (Administrative Supervisor), David Webster (CFO), Natalie Whitman (COO), Kris Zubicki (Member Services Director)

Visitors: 8 including support staff

AGENDA TOPIC

1. Call to Order / Roll Call

Work Session Called to Order at 2:02pm by President Garneau. Secretary Hillyer called the role.

2. Amend / Approve Agenda

MOTION: Director Crothers moved, Director Blake seconded to approve the Agenda as presented.

Passed: unanimous

3. Board Affairs Committee (BAC) Proposed Bylaws Change

Director Crothers, Chair of BAC, gave an overview of the BAC proposed top five Bylaws with the main goal to make the Bylaws more understandable and to align with Arizona Nonprofit Law. The first of the top five is Proposed Action #1 - Article VI Powers, Duties, and Responsibilities of the Board of Directors, Section 2 Limits of Authority and Indebtedness:

PROPOSED: Article VI Powers, Duties and Responsibilities of the Board of Directors, Section 2 Limits of Authority and Indebtedness to read: The Board of Directors is not authorized to enter into any contract for new or initiative-type Capital projects that requires an annual payment that exceeds ten twelve percent (~~10~~12%) of the annual budget latest audited approved annual net revenue (does not include investments). Any contract for new or initiative-type Capital projects requiring an annual payment that exceeds this figure ten twelve percent (~~10~~12%) of the annual budget latest audited approved annual net revenue, shall only be valid if approved, in advance, by the affirmative vote of regular members representing a majority of the total votes cast, provided that the total number of votes cast equals at least twenty percent (20%) of the total votes in The Corporation. Contracts for unique projects may not be broken up so as to avoid the requirement of this section.

CURRENT Bylaws states: The Board of Directors is not authorized to enter into any contract that requires an annual payment that exceeds ten percent (10%) of the annual budget. Any contract requiring an annual payment that exceeds ten percent (10%) of the annual budget shall only be valid if approved, in advance, by the affirmative vote of regular members representing a majority of the total votes cast, provided that the total number of votes cast equals at least twenty percent (20%) of the total votes in The Corporation.

The Directors' discussed Article VI, Section 2 bringing forth these issues:

- Dollar amount of current cost of projections is higher due to inflation
- Include or not to include the CPI or COLA
- Include or not include investments in the calculation
- Increase from ten percent to 12 percent is a 20 percent increase in Board authority
- Change from annual budget(s) to latest audited approved annual net revenue
- Change the ten percent to either 12, 13 or 15 percent
- Include the calculated number as a line item in the audit for members to find easily

The CFO was asked to present to the Board at the upcoming Regular Meeting two numbers for the proposed Bylaw change: 1) approved annual net revenue, and 2) annual revenue of all income sources.

Discussion was held on Proposed Action #4 – Article II Membership Property and Members, Section 6 Voting Rights adding F:

PROPOSED ADD F: A GVR Member in good standing has the right to serve on the Board of Directors provided no other member of their household (whether related by marriage, cohabitation, or otherwise) is on the board during the same time period.

CURRENT Bylaws: No F

The Directors’ discussed Article II, Section 6.F bringing forth these issues:

- Can this Bylaw be enforced?
- If two people are on the title then both can run for the Board

Discussion was held on Proposed Action #3 – Article IV Board of Directors, Section 1 Number of Directors:

PROPOSED: 1) Article IV, Section 1: The affairs of GVR shall be governed by a Board of Directors consisting of ~~twelve (12)~~ nine (9) voting members who shall be elected from the members of The Corporation ~~residing within the jurisdiction of GVR~~ who have voting rights as defined in Article II Section 6.

CURRENT: 1) Article IV, Section 1: The affairs of GVR shall be governed by a Board of Directors consisting of twelve (12) voting members who shall be elected from the members of The Corporation residing within the jurisdiction of GVR.

The Directors’ discussed Article IV, Section 1 bringing forth these issues:

- Needs to be stated a level of residency within GVR jurisdiction
- State in the Bylaws a member must reside in Green Valley
- The Attorney’s opinion on current Bylaws is the voting member must reside in GVR jurisdiction not an elected Board Director

4. Capital Improvement Policy Process

CEO Somers reviewed the Capital Improvement Policy Process. The Directors added these comments:

- Addressed whether the process will help alleviate one Board overturning a previous Board decision on a project. Staff stated this process helps to minimize turn overs by future Boards on current projects.
- The Capital Improvement Policy will begin as a pilot program.
- Include “Improvement” in the “Five-Year Capital Improvement Plan” (CIP). Some places “Improvement” has been left out.
- Suggested changes in the Assessment Form: 1) marketability and/or competitive advantage numbering from 0,3,6 to 0,1,3, 2) change for the interest level of improvement to the general membership change from 1,2,3 to 1,3,6. This change is to address the membership needs first. 3) Change in the long-term costs section from 4,3,2,1 to 4,2,0,0, and 4) the last question about adverse effect on another group or GVR members could be 2 or 3 instead of 1.

5. Committee Action Plans

- Planning and Evaluation Committee (P&E) asked to have the first bullet in the Timeline for Established Priorities be removed: “GVR Capital Improvement Project Policy and Process: Present to the Board at the September meeting.” The second bullet needs to have “Improvement” added: “Five-Year Capital Improvement Plan (CIP).”

6. Adjournment

MOTION: Director Sutherland moved, Director Bachelor seconded to adjourn the meeting at 4:11pm.

Passed: unanimous



Green Valley Recreation, Inc.
Board of Directors Work Session
Committee Action Plans

Prepared By: Nanci Moyo, Admin. Sup. **Meeting Date:** September 27, 2023
Presented By: Marge Garneau, President **Consent Agenda:** No

Originating Committee / Department: Board of Directors
Action Requested: Review the Committee Action Plans from the Board Affairs Committee (BAC), Audit Committee, Fiscal Affairs Committee (FAC), Investment Committee, Nominations and Elections Committee (N&E), and Planning and Evaluation Committee (P&E).
Strategic Plan Goal: GOAL 5: Provide sound, effective governance and leadership for the corporation
Background Justification: The Corporate Policy Manual (CPM) in Part 3 Committees, Section 1 General – 3.1.1.H it states: Responsibilities of Committee Chairpersons, along with Committee members, and staff liaison, are to identify goals in conjunction with the Strategic Plan; provide Committee action plans to the Board for approval; provide, at least, quarterly updates to the Board; and at year-end identify accomplishments of the Committee and continuing tasks for the next year. Part 3 Committees, Section 1 General changed under last year’s BAC and H was added as stated above. The procedure of the Chairperson, Committee members, and staff liaison to provide a Committee Action Plan needs to be completed soon after the Committee is formed. This year it was put later on the calendar due to other priority topics before the Board.
Fiscal Impact: N/A
Board Options: 1) Approve the Committee Action Plan as presented. 2) Provide amendments to the proposed Committee Action Plan and approve as amended. 3) Provide alternative direction to Committee Chairpersons.
Staff Recommendation: Option #1 or #2
Recommended Motion: Move to approve Committee Action Plans as presented for these committees: Board Affairs, Audit, Fiscal Affairs, Investment, Nominations and Elections, and Planning and Evaluation.

Attachments:

- 1) Board Affairs Committee Action Plan
- 2) Audit Committee Action Plan
- 3) Fiscal Affairs Committee Action Plan
- 4) Investment Committee Action Plan
- 5) Nominations and Elections Committee
- 6) Planning and Evaluation Committee



Committee Work Plan

2023-2024

Board Affairs Committee

Chair: Carol Crothers

Staff Liaison: Nanci Moyo

Committee Members: Barbara Blake, Bart Hillyer, Ed Knop, Pat Reynolds, Dick Sutherland, Gail Vanderhoof, Jodie Walker, Marge Garneau (ex-officio), Scott Somers (CEO)

Committee Responsibilities:

3.2.1 Responsibilities

- A. Recommend modifications in organizational policies and governing values to help guide the Board in achieving its strategic goals. Assist the Board in effectively carrying out its governing functions in such a manner so as to clearly delineate the roles and responsibilities between governance and management.
- B. Review and recommend revisions, when appropriate, to the governing documents of The Corporation.
- C. Forward all BAC proposed revisions of the Articles of Incorporation or Bylaws to staff for submission to legal counsel for appropriate action. Any BAC approved change to the CPM which staff determines needs legal review will also be submitted. Should legal counsel recommend a revision to a governing document, it will be returned to the Committee for final review before being presented to the Board for appropriate action.
- D. If a committee, member or staff would like to have the BAC review a change to the CPM or other governing documents before it is taken to the Board, the requested change and rationale should be sent to the chair and staff liaison of BAC at least a week prior to the next BAC meeting.

Priorities Established for 2023-2024:

- Propose revisions to the Bylaws for the Board for a possible membership vote.
- Review and propose to the Board revisions to the CPM

Timeline for Established Priorities:

- Bylaws revision: Present to the Board at September 2023 meeting BAC top five for a Membership Special Election.
- Continue work on more comprehensive changes.
- CPM revisions: continue work on more comprehensive changes for 2023-2024

Resources Needed:

- Attorney approval for possible Bylaw Changes
- Attorney review of other policy proposals

Communication Plan:

- Bylaw revisions: Work with staff on education and member feedback for recommended Bylaws changes.
- "Get out the vote" activities.



Committee Action Plan

2023-2024 Audit Committee

Chair: Nancy Austin

Staff Liaison: David Webster, CFO

Committee Members: Mark Kelley, Dale Sprinkle, Gail Vanderhoof

Committee Purpose:

3.5.2 Responsibilities

- A. The Audit Committee functions in the capacity of an overseer of GVR's financial reporting process and internal controls. This oversight is conducted by review of the reporting and communication from a qualified independent auditing firm. The Committee is not involved in The Corporation's daily accounting functions.
- B. The principal functions of the Audit Committee are:
 1. To recommend a CPA firm to the GVR Board to act as The Corporation's independent auditor.
 2. To review the independent auditor's terms of engagement.
 3. To review the results of each audit including opinion qualifications or expectations.
 4. To review the auditor's management letter and GVR management's response.
 5. To review issues and disputes that may arise between GVR management and the independent auditor during an audit.
 6. To review the adequacy of internal financial controls with GVR management and the audit firm.
 7. Items explicitly authorized by the Board of Directors.

Priorities Established for 2023-2024:

- Review the Audit

Timeline for Established Priorities:

- March 2024



Committee Action Plan
2023-2024
Fiscal Affairs Committee

Chair: Jim Carden

Staff Liaison: David Webster, CFO

Committee Members: Carl Charette, Nellie Johnson, Joe Magliola, Pat Reynolds, Steve Reynolds, Lanny Smith, Eric Sullwold, Dick Sutherland

Committee Purpose:

3.3.2 Responsibilities

- A. 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.
- B. Monitor progress toward achievement of annual fiscal objectives.
- C. Review financial statements (operations, capital analysis and balance sheet), and report to the Board, as appropriate.
- D. Coordinate with the GVR Audit Committee.
- E. Review and recommend policy to assure financial control.
- F. Recommend the establishment and the amount of Tenant Fees, membership dues, Initial Fees, Transfer Fees, and assessments.
- G. Recommend the financing method to be adopted for specific major projects recommended by the Planning and Evaluation Committee (P&E) for Board approval.
- H. Coordinate with the P&E Committee as it relates to proposed expenditures for capital improvements.

Priorities Established for 2023-2024:

- Update objectives for FAC (review CPM and relationship to other committees)
- Update and recommend financial policies (provide in put for the 10% rule and recommend a Surplus policy)
- Develop a plan for economic downturns (As part of the annual budget development process with staff, develop contingency plans, such as decreasing expenditures by 10%, 20%, etc. – include in CPM 4.3.1 as a section in Financial Policies)
- Clarify capital budgeting process and reporting
- Identify options and tradeoffs for revenue diversification
- Provide continuous education for Board, and FAC about GVR financial management to make decisions to monitor effectively.



Committee Action Plan

2023-2024 Investment Committee

Chair: Bev Lawless

Staff Liaison: David Webster, CFO

Committee Members: Nellie Johnson, Robert Quast, Eric Sullwold, Jack Van Den Beldt

Committee Purpose:

3.7.2 Responsibilities

- A. The IC has the following specific responsibilities and duties with respect to the GVR Reserve and Operational Investment Accounts:
 1. Make timely recommendations to the Board 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 Reserve and Operational Investment Accounts.
 - 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 1, Section 3 that governs each of the accounts that comprise the Reserve and Operational Investment Accounts.
 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 desired/needed.
 - 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 the Board 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.
 4. Collaborate with the CEO/CFO concerning the following:
 - a. The invested Operational Funds regarding

- compliance with the applicable IPS and performance.
- b. What information and analysis the CEO/CFO will provide to the IC for the purpose of enabling the IC to perform its duties.
 - c. 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 Reserve and Operational Investment Accounts.
 - b. An Investment Management Contract for each IM/IA hired by GVR as signed and implemented by the GVR Board President.
 - c. Minutes of each meeting of the IC.

Priorities Established for 2023-2024:



Committee Action Plan
2023-2024
Nominations and Elections Committee

Chair: Beth Dingman

Staff Liaison: Nanci Moyo

Committee Members: Bev Lawless, Marilyn Querciagrossa, Lou Sampson, Sandra Thornton

Committee Purpose:

3.6.1 Responsibilities

- A. Nominations
 - 1. Submit a slate of qualified candidates to the Board at least ninety (90) days prior to the Annual Meeting.
 - 2. Submit a slate of qualified petition candidates to the Board at least sixty (60) days prior to the Annual Meeting.
- B. Election Process
 - 1. Recommend to the Board a record date to determine the eligible roster of voting members which shall be no more than thirty (30) days prior to the election. If the Board fails to set a record date, the record date shall be the date of ballot delivery.
 - 2. The counting of ballots, at the discretion of the Board may be conducted by an independent organization (e.g., Pima County Elections or electronic voting firm), in which case the results shall be obtained from the organization by the Nominations and Elections (N&E) Chairperson or their representative. (*Bylaws Article V Section 3*)
 - 3. In the election of Directors, if there are fewer than fifty (50) valid votes separating the last successful candidate and the first unsuccessful candidate in the election, or less than a fifty (50) vote difference on any other ballot issue, then the Board may, at its sole discretion, order a recount.
- C. Election Forums for Members

Arrange two (2) election forums for members to attend to hear the candidates answer questions arranged by the N&E Committee and questions from the members.
- D. Election Results
 - 1. The Chairperson shall notify the Board Secretary of the

- results of the election.
2. The Committee Chairperson shall report the establishment of a quorum and the election results at the Annual Meeting. Successful candidates shall be announced in the order of the total votes received. The results of the ballot for any other matters shall be announced in the order in which the items appeared on the ballot.

Priorities Established for 2023-2024:

- Provide a Record Date for the Elections to the Board for Approval
- Hold Informational Meeting for possible Candidates
- Provide the Board with Candidate and Petitioner Information
- Hold an Orientation for Candidates
- Hold Interviews of Candidates for the Website
- Hold two Forums for Candidates for Question and Answer for Members

Timeline for Established Priorities:

- Record Date set at September N&E Meeting
- Candidates running for election will be provided to the Board in December
- Petitioners running for election will be provided to the Board in January.



Committee Action Plan
2023-2024
Planning & Evaluation Committee

Chair: Kathi Bachelor

Staff Liaison: David Jund

Committee Members: Beth Dingman, Christine Gallegos, Ed Knop, Robert Quast, Lanny Smith, Kathy Zollinger, Marge Garneau (ex officio), Scott Somers (CEO)

Committee Responsibilities:

3.4.2 Responsibilities

- A. Meet quarterly, or as necessary, to review and recommend the capital projects for the Capital Improvement Plan to the Board, per the CPM.
- B. To be knowledgeable of the Strategic Plan and Five-Year Capital Plan to ensure that all planned capital projects comply with these plans.

Priorities Established for 2023-2024:

- Review and recommend to the Board of Directors the adoption of the GVR Capital Improvement Project Policy and Process.
- Upon annual staff assessment and recommendation of projects and plans, Committee (P&E) recommends Five-Year Capital Plan (CIP) to the Board of Directors for consideration during the annual budget approval process.

Timeline for Established Priorities:

- ~~GVR Capital Improvement Project Policy and Process: Present to the Board at the September meeting.~~
- Five-Year Capital Improvement Plan (CIP): Present to the Board at the October 2023 meeting.

Resources Needed:

- ~~Updated GVR Capital Improvement Project Policy and Process.~~
- Staff recommended Five-Year Improvement Capital Plan (CIP) FY2024-2028.

GVR encourages members to voice concerns and comments in a professional, business-like, and respectful manner.



Green Valley Recreation, Inc.

Board of Directors Regular Meeting

CPM Part 3 Section 3

Fiscal Affairs Committee Responsibility Update

Prepared By: Nanci Moyo, Admin. Sup.

Meeting Date: September 27, 2023

Presented By: Scott Somers, CEO

Consent Agenda: No

<p>Originating Committee / Department: Board of Directors</p>
<p>Action Requested: Approve the proposed changes to CPM Part 3 Committees Section 3 Fiscal Affairs Committee (FAC)</p>
<p>Strategic Plan Goal: GOAL 5: Provide sound, effective governance and leadership for the corporation</p>
<p>Background Justification: During the facilitated and dedicated Work Session on committee improvements in May 2023, the Board, with the facilitation of a consultant, Jenny Carrillo of Alexander/Carrillo Consulting, discussed needed improvements to GVR's committee structure. Ms. Carrillo suggested that the Board review all of its committees, paying particular attention to the purpose and responsibility assigned to each committee. She, along with Board members, discussed the possibility of eliminating some of the committees, if necessary, since committees should not perform the duties of staff or act in place of the Board since their purpose is to advise the Board on policy matters. It was decided that the Chair of each committee, along with each staff liaison and the CEO would develop recommended changes to committees as a whole as well as individual committees for Board consideration.</p> <p>The Committee responsibility updates were discussed at the August 16 Work Session and approved at the Regular Board Meeting of August 23 except for the FAC. The FAC wanted to review it at the September committee meeting.</p>
<p>Fiscal Impact: None</p>
<p>Board Options: 1) Approve the proposed changes to Part 3, Section 3 as written. 2) Approve the proposed changes to Part 3, Section 3, with amendments.</p>
<p>Recommended Motion: Move to approve the changes to the CPM in Part 3 Fiscal Affairs Committee as recommended by the Board Affairs Committee and Fiscal Affairs Committee.</p>
<p>Attachments: 1) CPM Part 3 Committees Section 3 Fiscal Affairs Committee (FAC) – Redline and Clean</p>

SECTION 3 – FISCAL AFFAIRS COMMITTEE

3.3.1 Membership Considerations

To the extent possible, the Committee will include members knowledgeable ~~about of capital projects and/or experience in~~ financial management.

3.3.2 Responsibilities

- A. Review and ~~assist in presenting~~recommend the annual budgets, including any fees or dues changes to the Board. Such review will consist of recommending funding, financing, and usage of Reserves, ~~the disposition of the Revenue/Expense Adjustment, and the amount of the Capital Fund Cash Account.~~
- B. Monitor progress toward achievement of annual fiscal objectives.
- C. Review financial statements (~~operations~~Operational Statmement of Financial Position and Statement of Activities and, capital purchases analysis and balance sheet), and report to the Board, as appropriate.
- ~~D. Coordinate with the GVR Audit Committee.~~
- H.D. Review and recommend to the Board policy changes if necessary to assure financial control.
- ~~F. Recommend the establishment and the amount of Tenant Fees, membership dues, Initial Fees, Transfer Fees, and assessments.~~
- ~~G. Recommend the financing method to be adopted for specific major projects recommended by the Planning and Evaluation Committee (P&E) for Board approval.~~
- ~~Coordinate with the P&E Committee as it relates to proposed expenditures for capital improvements.~~
- H.E. Recommend the disposition of Operational Surplus or Deficit.

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3.3.1 Membership Considerations

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- B. Monitor progress toward achievement of annual fiscal objectives.
- C. Review financial statements (Operational Statement of Financial Position, Statement of Activities, and capital purchases), and report to the Board, as appropriate.
- D. Review and recommend to the Board policy changes if necessary to assure financial control.
- E. Recommend the disposition of Operational Surplus or Deficit.