



AGENDA
BOARD AFFAIRS COMMITTEE

Tuesday, March 12, 2019
1:30 pm Santa Rita Springs – Anza Room

COMMITTEE: Gail Vanderhoof (Chair), Charles Sieck (Associate Chair), Gail Ault, Lynne Chalmers, Carol Crothers (ex officio), Suzan Curtin, John Haggerty, Jerry Humphrey, Bob Northrup, Sandra Thornton

CEO: Kent Blumenthal

GVR STAFF: Jen Morningstar, Tom Demma

1. CALL TO ORDER
2. ROLL CALL/ESTABLISH QUORUM
3. ADOPT AGENDA
4. MINUTES
Approve minutes of February 12, 2019
Approve minutes of January 8, 2019
5. NEXT MEETING:
BAC Meeting 1:30 Santa Rita Springs Fiesta Rm.is on the calendar as a workshop. It will be an open regular meeting, not a workshop.
6. ACTION ITEMS: (As time allows)
Two Cards per Primary Property (Section II – Membership, Subsection 2)
Audit Committee – Bylaw Compliance
Board Meetings and Legal Reviews Section VI, Sub 3
Member Approval for Public Access Projects
7. DISCUSSION: (As time allows)
Members' comments may be cancelled due to time restraints.
8. ADJOURNMENT

Comments will be allowed on the 2 Card Issue only. Time restraints prevent comments on other issues.

Guidelines for comments:

One comment per guest (1 minute)

Be concise and stay on subject under discussion

No personal comments

Rudeness ends comments for all guests.

When the committee is ready for the vote, no other comments are allowed.

The chair reserves the right to limit guest's speaking time.

Two Cards Per Property Explanation and Reasoning

1. The bylaws do not mention "membership cards". They only mention ID cards
2. The bylaws require that the following receive ID cards at no additional fee: GVR Members, Assigned Members, CRCF Residents and Life Care users. The number cannot be limited.
3. The bylaws states that the "trustee" shall be the regular member. Nothing on the number so if more than Trustee it could be argued that they each get an ID card. I used 2 for this purpose.
4. The bylaws state that the GVR member may be a corporation or other legal entity. The bylaws are silent on who shall be the regular member or the number of ID cards. Again I used 2 for this purpose.
5. The bylaws state that an Additional Card Holder be issued an ID Card for a fee established by the Board. I think that fee can be set at zero for the first card holder under certain circumstances. This also covers the members spouse who is not an owner. Proof of residency is required.
6. Second and subsequent Additional Card Holder ID cards can be issued for a fee.
7. The "single use only" guest card can be issued to the single owner with no one else residing with them. Rules relating to "guests" would apply.

I believe this will cover all situations we have discussed.

Concerning B. Guest Policy, the following apply

1. Life Care user deleted (attorney opinion) and CRCF added.
3. Added Assigned Members and CRCF Residents
4. Deleted because it is redundant. See # 5.
11. Deleted because it is redundant. See # 6.
14. Deleted. replaced with new 13.
15. Deleted. per attorney's opinion.
13. Added to cover single owner situation.

Single Card Explanation of Wendy's Changes

Wendy proposed changes:

Section A(1)(d)(1)

“Upon proof of residency, an individual sharing a common household with a GVR Member who is the sole owner of a GVR Property (or his/her Assigned Member) shall be an Additional Card Holder and issued a GVR identification card without payment of a fee.”

I disagree with her proposed change for the following reasons:

Although the bylaws control, Wendy's change redefines an Additional Card Holder as an individual who resides with a “sole owner” of a GVR property. We have Additional Card Holders residing with two-owner's of the same GVR property (mom and dad and an adult child). Also, her language allows for more than one Additional Card Holder at no fee as if that individual is residing with a “sole owner”.

Her use of the phrase (or his/her Assigned Member) is confusing. We can have a single (1) Assigned Member (assignee) of a property owned by two or more individuals (assignors). Her wording would restrict a no fee Additional Card Holder to those Assigned members who were assigned their rights but a sole owner.

Example: my wife and I own a GVR property. We assign our GVR rights to our only child. That child is a sole Assigned Member by definition. Because there are two owners of the GVR property, the child would not qualify for a no-fee Additional Card Holder.

Wendy does raise a point on the use of the word “single”. For that reason I have amended the section to read as follows:

(1) GVR identification shall be issued at no fee for one (1) Additional Card Holder where the individual is residing with a sole owner GVR member or a sole Assigned Member and proof of residency has been provided to GVR.

Section A(1)(d)(2)

Wendy's suggestion that this be removed makes sense. It is better stated in Section B. For that reason, I have removed it from Section A.

Section B.

“13. Without payment of a fee, an Annual Guest Card for use by one (1) named individual shall be issued to a GVR Member who is the sole owner of a GVR Property (or his/her Assigned Member) and does not have an Additional Card Holder issued under Section A.”

I disagree in part with this proposed change. The phrase “by one named individual” limits the use of the guest card to that named individual. The intent is to have a guest card that could be used by only one individual at a time.

I do not use her language concerning or his/her Assigned Member for the reasons noted above.

I added a definition of a Single User Only annual guest card. I believe my rewrite of 13. now 11. is clearer than Wendy's wording. For example, a sole owner could have someone else residing with them who is not an additional card holder because that individual does not want one or has never requested one.

Subject: Two ID cards per rooftop – Paraphrased Version

The Legal Opinion received from Wendy Ehrlich by email March 6, 2019 has been paraphrased below for use of the Board Affairs Committee.

Wendy Ehrlich email March 6, 2019:

BAC phrase: “approach that would allow for two membership or ID cards per dues paying household.”

Comments:

Limiting to two could be interpreted as violating the bylaws. Some properties have more than two owners. The Bylaws state that all title owners are “members” entitled to membership cards. Article II, Section 2 of the Bylaws might be understood as *each* trustee named in the trust be a member. Therefore the new Section A(1)(b) might conflict with the Bylaws.

Corporations may be limited to two individuals per the new Section A(1)(c).

The use of the word “single” in the new Section A(1)(d)(1) could mean “unmarried” or “one.”

Suggestion: New Section A(1)(d)(1) read:

- (1) Upon proof of residency, an individual sharing a common household with a GVR Member who is the sole owner of a GVR Property (or his/her Assigned Member) shall be an Additional Card Holder and issued a GVR identification card without payment of a fee.

Suggestion: Removing new Section (A)(1)(e) as it discusses ID cards – not guests – and is also addressed in new Section B(13). If we use the term “Single User Only Annual guest card”, we need to provide a definition and address guest cards for the properties that have an Assigned Member. She suggests changing (13) to”

13. Without payment of a fee, an Annual Guest Card for use by one (1) named individual shall be issued to a GVR Member who is the sole owner of a GVR Property (or his/her Assigned Member) and does not have an Additional Card Holder issued under Section A.

Suggestion: Delete (B)(2) as (B)(1) already defines a guest as living “*outside* a twenty (20) mile radius of established GVR Boundaries”

Comment: (B)(5) – renumber (B)(4) – may cause problems if two individuals own two properties. They could buy one Annual Guest Card for each of the properties.

Suggestion:

(4) Regardless of how many GVR Properties are owned by one (1) or more GVR Members, only one (1) Annual Guest Card shall be issued to such GVR Member(s).

Suggestion: Renumber Section (A) – there is no need to have a subsection (1) without a subsection (2). Remove number (1) and number the provisions so they are consistent with Section (B).

A. GVR Identification Cards

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

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

Audit Committee – Bylaw Compliance

Bring CPM on Audit Committee in compliance with the bylaws. Bylaws state: The detailed duties and responsibilities are to be included within The Corporate Policy Manual.

SECTION VI – BOARD/BOARD COMMITTEES

SUBSECTION 4. BOARD COMMITTEES' DUTIES AND RESPONSIBILITIES

C. Duties and Responsibilities of Board Committees

4. Audit Committee (Updated 10/28/2014) **The financial records of The Corporation shall be audited following the close of each fiscal year by an independent auditing firm. (From bylaws)**

a. **The Chairperson shall be a Director and neither an officer of The Corporation nor a member of the Fiscal Affairs Committee. (From bylaws)**

a.b Membership:

The Audit Committee shall consist of two or more GVR members who **are not directors and who** should have knowledge of financial reporting and internal control procedures. **(From bylaws)**

b.c Responsibilities:

1. ~~The Audit Committee functions in the capacity of an overseer of GVR's financial reporting process and internal controls.~~ **The Audit Committee shall occupy an oversight role of the financial structure, internal controls, etc. of The Corporation with access to the books and records and the activities of Management and Staff personnel. (From Bylaws)** The committee is the conduit between GVR and the independent auditing firm. The Committee is not involved in the Corporation's daily accounting functions.

2. ~~The principal~~ **F**functions of the Audit Committee are:

a) To recommend a CPA firm to the GVR Board to act as the corporation's independent auditor.

b) To review the independent auditor's terms of engagement.

c) To review **and report to the Board** the results of each audit including opinion qualifications or expectations.

d) To review **and report to the Board** the auditor's management letter and GVR management's response.

e) To review **and report to the Board** issues and disputes that may arise between GVR management and the independent auditor during an audit.

f) To review **and report to the Board** the adequacy of internal financial controls with GVR management and the audit firm

Membership Voting – Public Access Capital Projects Section VIII Sub 1

SECTION VIII – GVR PROGRAMS/CLUBS

SUBSECTION 1. GVR PROGRAMS

A. Objective

The objective is to provide recreation, social, and leisure education opportunities that enhance the quality of our members' lives.

B. Acceptance of Grant Funding

GVR is permitted, by policy, to solicit grant funding to subsidize operational expenses related to special events and cultural programs. It is acknowledged that accepting grants from publicly supported funding agencies may dictate that these programs be open to the public. **Any capital project which will be open to the public more often than for an occasional special use must be voted on by the membership.** The fact that grant monies may have been received shall not interfere with GVR's ability to provide advertised **and full** services to its members, as prescribed by governing directives. GVR shall retain final approval of specific programs supported by grants.

C. GVR Activities Open To the General Public

1. Activities available to non-members, for a fee, e.g. concerts, plays, and classes.
2. Activities which are funded or partially funded by public agencies, e.g. U. S. Service Bands, Senior Olympics, Arizona Commission on the Arts programs.
3. Special events approved by the Chief Executive officer, e.g. Craft Fairs, Town Halls.
4. Any group renting a GVR facility may invite the general public.