



AGENDA

Board Affairs Committee

Tuesday, July 11, 2023

1:30-3:00pm MST

West Center Room 2 / Zoom

GVR's Mission Statement: "To provide excellent facilities and services that create opportunities for recreation, social activities, and leisure education to enhance the quality of our members' lives."

Committee: Carol Crothers (Chair), Barbara Blake, Bart Hillyer, Ed Knop, Pat Reynolds, Dick Sutherland, Gail Vanderhoof, Jodie Walker, Marge Garneau (ex-officio), Scott Somers (CEO), Nanci Moyo (Administrative Supervisor/Liaison)

Agenda Topic

- 1. Call to Order / Roll Call – Establish Quorum**
- 2. Approve Meeting Minutes:** June 12, 2023
- 3. Chair Comments**
- 4. Business**
 - a. Fee for Changing Resident Issue
 - b. Board Affairs Committee Charge (Part 3 and Part 6)
 - c. Bylaws: Top 5 or 6 Recommendations
- 5. Member Comments**
- 6. Adjournment**

Next Meeting: Tuesday, August 8, 2023, West Center, Room 2/Zoom, 1:30-3:00pm



MINUTES

Board Affairs Committee

Monday, June 12, 2023, 1:30pm
WC Room 2 / Zoom

Committee: Carol Crothers (Chair), Barbara Blake, Bart Hillyer, Ed Knop, Pat Reynolds, Dick Sutherland, Gail Vanderhoof, Jodie Walker, Marge Garneau (ex-officio), Scott Somers (CEO), Nanci Moyo (Liaison/Administrative Supervisor)

Absent: Bart Hillyer

Board Attendees: Kathi Bachelor, Jim Carden

Visitors: 2

1. Call to Order / Roll Call – Establish Quorum

Chair Crothers called the meeting to order at 1:29pm MST. Roll call by Nanci Moyo. Quorum established.

2. Approve Meeting Minutes: May 9, 2023

MOTION: Sutherland moved / Blake seconded to approve May 9 2023, Meeting Minutes as presented.

Passed: unanimous

3. Chair Comments: No comments

4. Business

a. CPM Part 3 Committees – BAC Charge

The consensus to Part 3 BAC Charge include:

- Remove H from redlined and E clean versions.
- Change G from redlined and D clean versions to "Forward all BAC proposed revisions of governing documents to staff for review. Staff will decide the need for legal counsel or go directly to the Board for review and appropriate action. When legal counsel reviews a proposed revision, it will be returned to Committee for final review before going to the Board for its review and appropriate action." Include G redlined and D clean versions in all Committee Charges with changing Committee name in the Charge.
- Remove E from redlined and C from clean versions.

Staff will write up the BAC Charge changes and send to BAC to review before the next meeting in July.

b. CPM Part 6 Clubs – Changes due to Part 3 Committee BAC Charge

BAC consensus is to accept all the changes in Part 6 in regards to the BAC.

Staff found one other mention of BAC in Part 6 and will send the redlined and clean copy with the other mention to the BAC for review.

- c. CPM Appendix – Section 3: 1.3.5.B.1.e.1) Removal
BAC consensus is to remove all of 1), and keep the Table labeled Maintenance Repair/Replace Reserve Fund Part “B”. Recommend to the Board at the next Regular Meeting.
- d. CPM Part 2 – Section 3 Meetings: 2.3.3.C Suggested Changes
BAC discussed changing the Agenda section for agenda items to be submitted for consideration from six (6) days to four (4) days for the Work Sessions. Staff is unable to accommodate this request due to time constraints. Further discussion led to changing the Work Session from the third Wednesday to the second Wednesday.

BAC consensus is to bring back to the BAC in July the change in the CPM to move the Work Sessions to the second Wednesday of the month. The change will be in Part 2 Board of Directors, Section 3 Meetings – 2.3.1.D.2.

- e. Bylaws – Attorney and Staff Report, and BAC Top 5 Suggestions
Chair Crothers reviewed input on Bylaws received so far and distributed input to the BAC as it was received. A potential list of the top 5 items was included in the Meeting Book.

CEO Somers reviewed Bylaw changes from the staff. BAC discussed the following in detail and asked for further details from staff:

- Article II: Membership Property and Members - Section 3 Definitions:
A.1:
 - Membership Class: seek legal counsel to find out if having two classes of membership is legal.
 - Trust and Partnership class: Seek legal counsel on if there needs to be clarity on how many people can be Members on the Title. Possibly charging an extra fee for more people then two people on the Title. It was suggested to grandfather in those who currently have more than two on a title and change for future. Staff will ask about how many properties this may affect and bring back to the BAC at next meeting.
 - Article II: Section 7 Initial Fees; Members in Good Standing: BAC discussed two members from the same household serving on the Board at the same time. This needs to be worded in a way to keep this from happening.
- Article V: Election of Directors – Section 2 Nominating Process:
 - Staff suggested to eliminate A and B.
 - BAC suggested thinking this through, possibly leaving B, to make sure there are enough qualified people to run for an election.
- Article VI: Powers, Duties and Responsibilities of the Board of Directors – Section 2 Limits of Authority and Indebtedness:
 - CEO Somers added changes to the wording(italicized): 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 percent (10%) of the *total* annual budget, *which*

includes Operations and Capital Budgets. Any contract for new or initiative-type Capital projects requiring an annual payment that exceeds ten percent (10%) of the annual total budget, which includes Operations and Capital Budgets, 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.

- BAC discussed to use revenue budget vs. operations and capital budgets. Possible language to use is "previous year's Audited Revenue Budget."
- BAC discussed to increase the percentage to 15 percent and to use examples that help members understand the need for change.
- CEO Somers will rewrite this paragraph to include an increase to 15% and use the wording "previous year's Audited Revenue Budget." This will come back to the BAC for further discussion at the next BAC meeting.

Chair Crothers suggested having surveys and forums in early fall to explain the proposed Bylaw changes and get feedback from the members.

BAC will continue working on the Bylaws suggested changes with top recommendations and bring back to the next meeting.

5. Member Comments: Comments and Zoom questions were asked and answered during the meeting.

6. Adjournment

MOTION: Blake moved / Walker seconded to adjourn meeting at 3:20pm.

Passed: unanimous

Next Meeting: Tuesday, July 11, 2023, West Center, Room 2/Zoom, 1:30 – 3:30pm



Green Valley Recreation, Inc.
Board Affairs Committee

Fee for Changing Resident Issue

Prepared By: Nanci Moyo, Admin. Sup.

Meeting Date: July 11, 2023

Presented By: Carol Crothers, Chair

<p>Originating Committee / Department: Board Affairs Committee</p>
<p>Action Requested: Review the fee for changing residents.</p>
<p>Strategic Plan Goal: Goal 4: Cultivate and maintain a sound financial base that generates good value for our members</p>
<p>Background Justification: Background material on the Membership change fee for the BAC meeting July 2023</p> <p>During the August 2019 Board meeting directors approved the following: “Amended Motion: GVR Board of Directors approve updates to the Corporate Policy Manual (CPM) under Section II – Membership, Subsection 3. Annual Dues, Annual Dues Installment Payment Plan, Initial Fees, Fees for Services, E. New Member Capital Fee to add #2 and to change the name New Member Capital Fee to Property Acquisition Capital Fee, effective date October 1, 2019. (see Exhibit 3)”</p> <p>The following is Exhibit 3 with my highlights: SUGGESTED: E. New Member Capital Fee – adopted 12/17/2015 1. <i>Upon transfer of title to a GVR membership property, the new owner thereof shall pay a New Member Capital Fee unless such owner was a GVR membership property owner at the time of the transfer or within twelve months prior thereto.</i> 2. When purchasing 1 or more additional GVR membership properties, the new owner shall pay the New Member Capital Fee for each such additional property, except for transfer of title, as described in #1 of this section E. 3. Revenue from the New Member Capital Fees may be used as will most effectively further the general purpose of the Corporation to provide for current and future needs.</p> <p>In the September 2019 Board meeting the CEO included the following: “Update on Implementation of Property Acquisition Capital Fee. At the August 28, 2019 Board meeting, Directors approved a major change to the New Member Capital Fee (NMCF). A portion of the NMCF is contributed to GVR Initiatives Reserves. Beginning October 1, the name of the fee changes to ‘Property Acquisition Capital Fee’ (PACF) and will be applied to the purchase of all GVR member properties, except when a member moves from a primary GVR residence to another primary GVR residence within 12-months, resulting in the following: o A GVR member may relocate between member properties without the burden of paying the fee multiple times. o GVR members who use GVR member properties as investments must pay the PACF. PACF implementation guidelines are published and available in the West Center lobby at this meeting and at all staffed GVR Centers beginning this Friday. Staff colleagues and I will present information about the Property Acquisition Capital Fee to</p>

local realtors at the monthly MLS meeting of the Green Valley/Sahuarita Association of Realtors on Tuesday, October 8.”

At some point the CPM was updated with the following language (highlights are mine showing that this language does not reflect what was voted on by the board or explained by the CEO):

A. Property Acquisition Capital Fee

1. Upon transfer of title to a GVR membership property, the new owner shall pay a Property Acquisition Capital Fee.
2. *The GVR Member is entitled to a refund of the Property Acquisition Capital Fee if the titleholder(s) own a single GVR membership property and held title to a single GVR membership property within 365 days prior.*
3. When acquiring one or more additional GVR membership properties, the new the new owner shall pay the Property Acquisition Capital Fee for each such additional property, except for transfer of title, as described in #2 of this section E.
4. Revenue from the Property Acquisition Capital Fees may be used as will most effectively further the general purpose of the Corporation to provide for current and future needs.

It is unknown who came up with this language since it doesn't represent what was voted on by the board or explained by the CEO. Practice at that time was for the CEO to contact the corporate attorney to review the language for compliance with AZ law, but she claims she didn't approve this.

This misrepresentation of what the Board approved was discovered during the reorganization of the CPM. The following motion was introduced at the 12/6/2021 Board meeting: “I move that the present board endorse the long-standing practice that a member should only have to pay a new member fee once even though they change their primary residence (within a 12 month period). The CPM language and administrative procedures should be corrected immediately to reflect the board and previous CEO's understanding that a member should have to pay only one new member fee (or property acquisition fee) for their primary residence if they changed homes within a 12 month period. Owning additional properties should not make a difference.” This motion was defeated 6-5 by the Zelenak/Campfield Board and the totally reorganized CPM was later approved.

An example: Bob and his wife moved to Green Valley. They bought a home and paid the new member fee. His brother was disabled and Bob wanted to spend more time with him. He found a small townhouse in GV and decided to buy it so his brother could visit. Bob paid a second new member fee for the townhouse. After a while Bob's wife died and he decided he wanted to move into a smaller home. He sold his house and bought another townhouse close to the one his brother stayed in. He moved into the second townhouse (within 12 months of selling his original home). Should Bob have to pay a third new member fee? In 2019 the board and administration decided no.

Recommendation: BAC consider the impact of the misrepresentation of the Board's 2019 vote to change the membership/capital fees and if appropriate, move to recommend to the present Board to correct the CPM as follows: The GVR member/owner of a personal residence who sells that residence and buys another personal residence within a 12 month period is entitled to a refund of the second capital/membership fee after presenting GVR with background material showing this was a change in personal residences.

Areas of consideration:

1. Fairness and consistency for all members

2. Financial impact on GVR
3. Administrative impact

Regarding 1) fairness and consistency, it is hard to come up with any rationale for discrimination against members who may own multiple GVR properties (and pay multiple capital fees plus dues). The only possible justification I've heard is "They must be rich if they own multiple properties so let's make them pay....."

The financial impact on GVR is probably well under \$10,000/yr. This is based on the following calculations:

1. Our voter records say we have 300 multiple property owners represent approximately 2.5% of the population of GVR property owners.
2. We give under 100 refunds each year to GVR members who change their personal residence within 12 months. In 2022 we gave 74 refunds and had 1095 resales. This suggests that far less than 1% of our member/owners change personal residences each year (0.6% in 2022).
3. If property owners who have multiple properties change primary residences at the same rate as other owners, we could have had 1-2 extra refund requests in 2022 (300 * 0.6%) at a cost of approximately \$2,900 - \$5,800.

Finally, to help administration, there may be a way to "prove" that the refund request is for a change of residence. Residences are taxed less than other properties so realtors or title companies have a form that is sent to the county tax office certifying when a property is a personal residence. A copy of the form could become a part to the refund request package.

Fiscal Impact:

Currently none.

Committee Options:

- 1) Hold discussion and consider options.



Green Valley Recreation, Inc.
Board Affairs Committee
CPM Part 3 and Part 6

Prepared By: Nanci Moyo, Admin. Sup.

Meeting Date: July 11, 2023

Presented By: Carol Crothers, Chair

<p>Originating Committee / Department: Board Affairs Committee</p>
<p>Action Requested: Review the final changes to CPM Part 3 Committee – Section 2 Board Affairs Committee responsibilities and review the final changes to CPM Part 6 that address the BAC: 6.2.1.F.G.H, 6.2.2.C, and 6.2.8.A.</p>
<p>Strategic Plan Goal: GOAL 5: Provide sound, effective governance and leadership for the corporation</p>
<p>Background Justification: Part 3: All Committee staff liaisons and Committee Chairs have been asked to review the specific Committee Charge in Part 3 of the CPM. The staff liaison will meet with CEO Somers in mid-June to review staff suggestions for change to the Committee Charge. The liaison, Committee Chair, and CEO Somers will meet at end of June to finalize suggestions for Committee Charge. The Chair will provide the Committee with suggested changes for input and approval. The BAC will review changes at the July meeting and recommend for approval to the Board at the possible August or September 27 Regular Meeting. Part 6: To keep the CPM document consistent, when changes are made that affect two or more Parts the changes need to be made at the same time, if possible. The changes in Part 3 – Section 2 Board Affairs Committee affect Part 6 GVR Programs and Clubs – Section 2 GVR Clubs. Three places in Part 6 refer to the BAC needing to be a part of the process: 6.2.1.F.G.H, 6.2.2.C, and 6.2.8.A. The BAC can review Part 6 and make the necessary changes to be consistent with Part 3 – Section 2.</p>
<p>Fiscal Impact: None</p>
<p>Committee Options: 1) Review final suggested changes in Part 3 and Part 6 for recommended Board approval at the possible August or September 27 Regular Meeting.</p>
<p>Staff Recommendation: Option #1</p>

Recommended Motion:

Move to approve Part 3 Committees: Section 2 BAC Charge and Part 6 GVR Programs and Clubs: Section 2 - 6.2.1.F.G.H, 6.2.2.C, and 6.2.8.A. removing BAC actions. Recommend these changes be forwarded to the Board for approval.

Attachments:

- 1) Part 3 Board Affairs Committee Section 2 Redlined
- 2) Part 3 Board Affairs Committee Section 2 Clean
- 3) Part 6 Clubs Section 2 Redlined
- 4) Part 6 Clubs Section 2 Clean

SECTION 2 - BOARD AFFAIRS COMMITTEE

3.1.1 Committee Members

The Board Affairs Committee shall consist of the Chairperson, who shall be a Director, and GVR members who should have knowledge of Corporate Bylaws and Policies.

3.2.1 ~~Duties and 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. ~~Endeavor to maintain a community link with residents of the greater Green Valley community. CEO function – Part 4, 4.1.1.D~~
- D. ~~Review and recommend Board action on group applications for GVR “Club Status.”~~
- E. ~~Where appropriate, recommend modification to GVR Club policies, in keeping with the best interest of The Corporation.~~
- F. ~~Review the Articles of Incorporation, the CPM, and the Bylaws for updates and revisions. Changes may be editorial, necessary for continuity between governing documents, necessary due to changes made in Board or Committee meetings, or proposed by member input.~~
- G. Forward all BAC proposed revisions ~~to of governing documents to staff for review. Staff will decide need for legal counsel or to go directly to the Board for review and appropriate action. the Articles of Incorporation and Bylaws to legal counsel for legal review, editing and opinion, including particular concerning the any effect on tax exempt status. After consultation, the specific wording of the recommended modifications shall be When legal counsel reviews a proposed revision, it will be returned to Committee for final review before going forwarded to the Board for their review and appropriate action.~~
- H. ~~Develop pro and/or con statements for ballot proposals being submitted to the membership for a vote. GVR Members are strongly encouraged to present their positions to the Committee for consideration, and possible inclusion, in the pro and con statements.~~
- I. ~~If a Committee wishes to make changes to the CPM:~~
 1. ~~The Committee will provide a paragraph stating the purpose and goal of the proposed changes to the Board Affairs Committee (BAC).~~
 2. ~~If the BAC approves the purpose and intent, BAC will forward to GVR’s Legal Counsel to draft changes.~~
 3. ~~The draft changes will be presented to BAC and the Committee submitting the request.~~
 4. ~~If approved by both the BAC and the Committee, the draft will be~~

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Commented [NM1]: Carol would like A, B, F, and G combined into one. I already eliminated F and rewrote G to combine F and G. A and B could be rewritten into one or B could be added into G. ie: BAC reviews and recommends revisions, then forwards all BAC proposed revisions....

Commented [NM2]: Per staff – thoroughly vetted by staff and CEO – staff will recommend to the Board for approval.

Commented [NM3]: Removed at the BAC June 12, 2023, meeting.

Commented [NM4]: Changes made at the BAC June 12, 2023, meeting.

Commented [NM5]: Removed at the BAC June 12, 2023, meeting.

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~~forwarded as a recommendation to GVR Board for approval.~~

F. 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.

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Commented [NM7]: Suggestion from Chair Crothers to replace "I"

SECTION 2 - BOARD AFFAIRS COMMITTEE

3.1.1 Committee Members

The Board Affairs Committee shall consist of the Chairperson, who shall be a Director, and GVR members who should have knowledge of Corporate Bylaws and Policies.

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 governing documents to staff for review. Staff will decide need for legal counsel or to go directly to the Board for review and appropriate action. When legal counsel reviews a proposed revision, it will be returned to Committee for final review before going to the Board for review and 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.

SECTION 2 - GVR CLUBS

6.2.1 Organization

- A. Any group with thirty-five (35) or more GVR Members, interested in pursuing a particular field of interest, consistent with the mission of GVR, may join together and form a GVR Club, as long as a similar club doesn't already exist within GVR.
- B. All members of a group requesting "Club Status" must be members of GVR.
- C. The group may formally request that the Board grant them GVR "Club Status," which entitles the group to a scheduling priority for reserving GVR facilities on an annual basis.
- D. A club application, available online and at the Administrative Offices, must be submitted to the GVR Club Liaison.
- E. The Club Liaison shall review the completed application and submit a written recommendation to the CEO or designee.
- ~~F. If the CEO agrees that the club request is in order, a copy of the club's information is given to the BAC Chairperson, for inclusion in the next scheduled Committee meeting, agenda permitting.~~
- ~~G.F. Representatives of the prospective club shall be invited to the Committee meeting to speak on behalf of the club.~~
- ~~H.G. If the BAC When the CEO or designee~~ approves the prospective club for recommendation to the Board, representatives from the club shall be invited to attend the next meeting of the Board to speak on behalf of the club.
- ~~I.H. If the Board approves the request for club status, the Club Liaison will notify the Club President.~~
- ~~J.I. If a prospective club request is denied the CEO shall notify the Club Representative in writing.~~
- ~~K.J. The newly established club will operate independently of GVR but will be required to follow all rules and guidelines set forth by the Board.~~
- ~~L.K. The Club Liaison will retain a club file in his/her office.~~

6.2.2 Membership/Guests/Monitoring

- ~~M.A. Club membership shall be open to all GVR Members and they shall be entitled to participate in any meeting or activity. Clubs may not grant honorary membership, or their equivalent, to anyone who is not a GVR Member. Any GVR Member who is refused admission to a club shall notify the Club Liaison at once. All Club Officers shall be club members.~~
- ~~N.B. Clubs may establish prerequisites for joining their activity such as training or an orientation.~~
- ~~O.C. Clubs that fail to maintain at least twenty-five (25) active members jeopardize their "Club Status." If a club's membership falls below 25, the Club Liaison will contact the Club President and offer suggestions on ways to increase membership. If efforts to increase membership are not successful, the Club Liaison will advise the CEO. If~~

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necessary, the CEO ~~will bring the issue to the BAC, who~~ shall make a recommendation to the Board as to whether Club Status should be revoked.

P.D. If it is determined by the Club Liaison that there is a fifty-percent (50%) or more crossover in activities and/or interests in two or more clubs of the same type, those clubs may be consolidated.

Q.E. Clubs may not affiliate with any national, state, or regional organization that requires GVR members to join its external organization. Optional membership in such organizations is allowed.

R.F. Clubs may grant guest privileges, at their discretion, to guests of GVR Members and, if authorized by the Board, other non-GVR members upon payment of a guest fee to GVR.

S.G. GVR Clubs shall establish an effective monitoring system to ensure that only GVR Members and eligible guests attend meetings and activities of the club.

T.H. GVR Clubs that present performances to the membership and general public will be permitted to use non-GVR individuals in performing or production roles under the following circumstances:

1. Club members with the necessary qualifications are not available.
2. Approval must be obtained from the GVR Club Liaison on a case-by-case basis.
3. Each non-GVR individual must sign an agreement acknowledging that he/she will not be covered by GVR Corporate Worker's Compensation nor listed as an additional insured in any GVR commercial insurance policy.
4. The agreement will note the terms and conditions of their involvement in the production and will not last beyond the specified performance(s).
5. Should the individual be a minor, then the parent/guardian must sign the agreement on his/her behalf.
6. GVR will permit student participation in a production with the acknowledgment and sponsorship of the student's school administration.

U.I. GVR teams participating in competitive events must be comprised solely of GVR Members.

V.J. The non-GVR guest policy for competition or participation in clubs is as follows:

1. GVR Clubs may host competitive events and allow non-GVR members or guests to participate. The club must notify GVR's Club Liaison prior to the scheduled event. Documentation outlining the nature of the competition(s) will be required for each event. Non-GVR members or guests are only authorized to use GVR facilities associated with the event, including warm-ups/practice time.
2. League play may occur if there is a reciprocal agreement to play at each other's facilities.
3. Outside of league play, Clubs may grant participation to guests at their discretion, as long as those individuals are eligible guests as defined in Part 1 Section 2: 1.2.2.

W.K. Non-GVR Member Club Participant Policy:

1. Clubs listed as Social or Dance Clubs on GVR's website may allow non-GVR members to attend their events.
2. Non-members must sign a waiver.
3. Non-members will pay an event fee of no more than one half of the daily guest fee approved by the Board. Staff will work with the Clubs to establish the event fee if requested.
4. Clubs will remit fee and record of attendance to GVR Club Liaison.

6.2.8 Club Reporting and Records Management

- A. All GVR Clubs are required to sign and submit an Annual Club Agreement which outlines the club's responsibilities to GVR and what they can expect from GVR in return. If a club refuses to sign or does not fulfill their requirements, GVR may require the club to meet with the CEO or designee. BAC for review.

SECTION 2 - GVR CLUBS

6.2.1 Organization

- A. Any group with thirty-five (35) or more GVR Members, interested in pursuing a particular field of interest, consistent with the mission of GVR, may join together and form a GVR Club, as long as a similar club doesn't already exist within GVR.
- B. All members of a group requesting "Club Status" must be members of GVR.
- C. The group may formally request that the Board grant them GVR "Club Status," which entitles the group to a scheduling priority for reserving GVR facilities on an annual basis.
- D. A club application, available online and at the Administrative Offices, must be submitted to the GVR Club Liaison.
- E. The Club Liaison shall review the completed application and submit a written recommendation to the CEO or designee.
- F. When the CEO or designee approves the prospective club for recommendation to the Board, representatives from the club shall be invited to attend the next meeting of the Board to speak on behalf of the club.
- G. If the Board approves the request for club status, the Club Liaison will notify the Club President.
- H. If a prospective club request is denied the CEO shall notify the Club Representative in writing.
- I. The newly established club will operate independently of GVR but will be required to follow all rules and guidelines set forth by the Board.
- J. The Club Liaison will retain a club file in his/her office.

6.2.2 Membership/Guests/Monitoring

- A. Club membership shall be open to all GVR Members and they shall be entitled to participate in any meeting or activity. Clubs may not grant honorary membership, or their equivalent, to anyone who is not a GVR Member. Any GVR Member who is refused admission to a club shall notify the Club Liaison at once. All Club Officers shall be club members.
- B. Clubs may establish prerequisites for joining their activity such as training or an orientation.
- C. Clubs that fail to maintain at least twenty-five (25) active members jeopardize their "Club Status." If a club's membership falls below 25, the Club Liaison will contact the Club President and offer suggestions on ways to increase membership. If efforts to increase membership are not successful, the Club Liaison will advise the CEO. If necessary, the CEO shall make a recommendation to the Board as to whether Club Status should be revoked.
- D. If it is determined by the Club Liaison that there is a fifty-percent (50%) or more crossover in activities and/or interests in two or more clubs of the same type, those clubs may be consolidated.

- E. Clubs may not affiliate with any national, state, or regional organization that requires GVR members to join its external organization. Optional membership in such organizations is allowed.
- F. Clubs may grant guest privileges, at their discretion, to guests of GVR Members and, if authorized by the Board, other non-GVR members upon payment of a guest fee to GVR.
- G. GVR Clubs shall establish an effective monitoring system to ensure that only GVR Members and eligible guests attend meetings and activities of the club.
- H. GVR Clubs that present performances to the membership and general public will be permitted to use non-GVR individuals in performing or production roles under the following circumstances:
 - 1. Club members with the necessary qualifications are not available.
 - 2. Approval must be obtained from the GVR Club Liaison on a case-by-case basis.
 - 3. Each non-GVR individual must sign an agreement acknowledging that he/she will not be covered by GVR Corporate Worker's Compensation nor listed as an additional insured in any GVR commercial insurance policy.
 - 4. The agreement will note the terms and conditions of their involvement in the production and will not last beyond the specified performance(s).
 - 5. Should the individual be a minor, then the parent/guardian must sign the agreement on his/her behalf.
 - 6. GVR will permit student participation in a production with the acknowledgment and sponsorship of the student's school administration.
- I. GVR teams participating in competitive events must be comprised solely of GVR Members.
- J. The non-GVR guest policy for competition or participation in clubs is as follows:
 - 1. GVR Clubs may host competitive events and allow non-GVR members or guests to participate. The club must notify GVR's Club Liaison prior to the scheduled event. Documentation outlining the nature of the competition(s) will be required for each event. Non-GVR members or guests are only authorized to use GVR facilities associated with the event, including warm-ups/practice time.
 - 2. League play may occur if there is a reciprocal agreement to play at each other's facilities.
 - 3. Outside of league play, Clubs may grant participation to guests at their discretion, as long as those individuals are eligible guests as defined in Part 1 Section 2: 1.2.2.
- K. Non-GVR Member Club Participant Policy:
 - 1. Clubs listed as Social or Dance Clubs on GVR's website may allow non-GVR members to attend their events.
 - 2. Non-members must sign a waiver.
 - 3. Non-members will pay an event fee of no more than one half of the daily guest fee approved by the Board. Staff will work with the

- Clubs to establish the event fee if requested.
4. Clubs will remit fee and record of attendance to GVR Club Liaison.

6.2.8 Club Reporting and Records Management

- A. All GVR Clubs are required to sign and submit an Annual Club Agreement which outlines the club's responsibilities to GVR and what they can expect from GVR in return. If a club refuses to sign or does not fulfill their requirements, GVR may require the club to meet with the CEO or designee.



Green Valley Recreation, Inc.
Board Affairs Committee

Bylaws: Top 5 or 6 Recommendations

Prepared By: Nanci Moyo, Admin. Sup.

Meeting Date: July 11, 2023

Presented By: Carol Crothers, Chair

<p>Originating Committee / Department: Board Affairs Committee</p>
<p>Action Requested: Review the top 5 or 6 Bylaws recommendations for Ballot consideration.</p>
<p>Strategic Plan Goal: GOAL 5: Provide sound, effective governance and leadership for the corporation</p>
<p>Background Justification: Refer to the attachment provided by Chair Crothers.</p>
<p>Fiscal Impact: None currently</p>
<p>Committee Options: 1) Review and discuss the top 5 or 6 Bylaws recommendations for Ballot consideration.</p>
<p>Recommended Motion: Move to approve these Bylaws recommendations for the BAC to move forward and provide clear wording to present to the Board of Directors at the September Board Meeting.</p>
<p>Attachment: 1) Chair Crothers' Email from July 5, 2023</p>

Prioritized top Bylaws recommended changes.

1. Limits of Board authority
2. Significant conflicts with or clarifications regarding AZ law
 - a. Request for records
 - b. Online voting? Maybe priority 5
3. Number of directors
4. Qualifications to run for the Board of Directors

Number 1: Limits of Board authority Article VI Powers, Duties and Responsibilities of the Board of Directors

Existing language:

Section 2: Limits of Authority and Indebtedness

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.

New language based on staff input and discussion at the last committee meeting:

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 percent (10%) {or 12% or 15%} of the annual *revenue* budget {or *latest annual revenue*}. Any contract *for new or initiative type projects* requiring an annual payment that exceeds ten percent (10%) {or 12% or 15%} of the annual *revenue* budget {or *latest 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.*

New language is in italics and possible options are in { }. If we qualify contracts as *for new or initiative type capital projects*, we may be able to leave the cut-off percent at 10% or maybe 12%. There was some discussion to substitute the *latest annual revenue* for *revenue budget*.

Number 2: Conflicts with AZ law. Our new attorneys pointed out very few problems here and most were so minor that the general statement that AZ law takes precedence should cover them. However, since in the last Bylaws proposal, such a big deal was made out of the fact that our existing Bylaws didn't match AZ law in the Request for Records section, we may want to make this more explicit.

Existing language:

ARTICLE XII – MISCELLANEOUS

Section 2: Availability of Records

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.

New language from attorneys:

The books, records and papers of The Corporation shall, for specific and proper purpose, and consistent with the applicable provisions of the AZ Nonprofits act at all reasonable times during business hours be subject to examination by any *GVR* member or any *Assigned Member* who has been given voting rights upon written demand to The Corporation at least five {three? two?} business days before the requested review date.

Number 3: Number of Directors: Change from 12 Directors to 9 Directors to make the Board size more manageable and have an uneven number for votes. This requires changes in two places:

Existing language:

ARTICLE IV— BOARD OF DIRECTORS

Section 1: Number of Directors

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.

ARTICLE V — ELECTION OF DIRECTORS

Section 1: Term of Office

A. 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.

Suggested changes to move from 12 Directors to 9 Directors and clarify that directors are elected by members who have voting rights as defined in Article II Section 6: Voting Rights. New language:

Section 1: Number of Directors

The affairs of GVR shall be governed by a Board of Directors consisting of *nine (9)* voting members who shall be elected from the members of The Corporation who have voting rights *as defined in Article II Section 6*.

ARTICLE V — ELECTION OF DIRECTORS

Section 1: Term of Office

A. The term of office of a Director elected by the membership shall be for three (3) years. Each year the term of office of *three (3)* Directors shall expire and *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.

Number 4: Qualifications to be a Director. The easiest change is to add an "f" to Article II, Section 6: Voting Rights that states there can only be one Director from each GVR property. We could also add a Section 9 to Article IV: Board of Directors that states Qualifications.

Alternative 1 in Article II Section 6. This would limit one Director per property owned.

F. A GVR Member in good standing has the right to serve on the Board of Directors for each GVR Property owned, provided, however, that there shall be only one (1) director serving per GVR property.

Alternative 2 in Article IV Board of Directors. Add Section 9

Section 9: Qualifications

1. *Must be a member in good standing*
2. *Only one Director per living unit*
3. *Must live at least part time in a GVR residence. ???*

This needs further discussion and I'm open to suggestions.

Number 5: Clearing up language vs AZ law regarding voting rights – adding online voting and prohibiting proxy voting.

Existing language:

ARTICLE XI — MEMBERSHIP VOTING

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.

New language suggested by the attorney:

ARTICLE XI — MEMBERSHIP VOTING

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 *or online electronic voting consistent with the AZ Nonprofit Corporation Act. No proxies are allowed.*

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 *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.

Additional possible changes:

1. Minor changes suggested by the attorney to more clearly align with AZ law. I didn't see much that would be worth the effort, but I'm not an attorney

2. Redo membership section including limiting memberships to no more than 2 per household. Very complex and involved. Will need considerable study and buy-in by membership. Well worth doing but maybe stage 2.
3. Changing the election/nomination process. This could be controversial, especially doing away with petitions. They have been needed in the past.
4. Changing the committee section. Need to wait until the Board sorts this out and decides how many committees are needed and how they are structured. Too controversial at this point.
5. Others??