



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

**MINUTES  
INVESTMENT AD HOC COMMITTEE**

Tuesday, February 12, 2019  
10:30 AM Las Campanas Agave Room

Posting Approved by Tom Sadowski, February 26, 2019  
Pending Committee Approval

**ATTENDEES:** T. Sadowski; R. Myers, Associate Chair; G. Kasper; V. Mournian; S. Wilhelm; C. Crothers (Ex Officio); and C. Moose, Chief Financial Officer

**ABSENT:** S. Breither, Edward Jones Financial Adviser (non-voting)

**REMOTE ATTENDEES:** None

**GUESTS:** 4

**STAFF LIAISON:** D. Webster, Accounting Supervisor

**ADDITIONAL STAFF:** K. Blumenthal, Chief Executive Officer, and T. Demma, Meeting Scribe

**1.) CALL TO ORDER / ESTABLISH QUORUM**

Chair Sadowski called the meeting to order at 10:38 AM

Roll call by Sadowski. Quorum established.

**2.) MINUTES OF OCTOBER 9, 2018 MEETING**

**MOTION: Mournain / Seconded. Approve the December 11, 2018 minutes.**

**Passed: unanimous**

**3.) COMMITTEE CHAIR REPORT**

The Chair presented information regarding the competitive process the committee employed for settling upon a candidate person or firm that is to serve as a financial advisor to Green Valley Recreation, Inc.; informed that Segall Bryant Hamill (SBH) has been identified as the preferred candidate service provider; and the Board of Directors is to make a decision about engaging SBH with said decision to await the outcome of a report to be prepared by the Chief Financial Officer following the completion of an in-person meeting with SBH representatives.

#### **4.) MARKET UPDATE**

With S. Breither not in attendance the Chair asked committee members if they wished to offer their views on overall current market conditions and how they may affect GVR investments going forward.

#### **5.) ACCOUNTS REVIEW: Emergency; Maintenance, Repair and Replace; and New Initiatives Reserve Funds and Operations Cash Investment Account**

**The Chair summarized that committee members received the Edward Jones information documents prior to the meeting and of interest is that some investments have unrealized losses.**

**Having regard to the Operating Cash Account #16-319 Myers asked what is the way forward regarding the cash operating account where there are 5 certificates of deposit maturing in March 2019. It was asked if these funds are to remain with Edward Jones or is there another view about how they ought to be held. Rates of return was also discussed, including notional returns targets.**

**Myers informed that earlier in the year the Initiatives Reserve Fund experienced authorized swaps from other funds and questioned whether or not the swaps be reversed in such a way that all bonds would fall under one reserve account.**

#### **6.) INVESTMENT AD HOC COMMITTEE HISTORY**

The document titled Ad Hoc Investment Committee History, labeled as meeting Exhibit 1 which was part of the meeting information packet, was reviewed. The principal reason for this document being prepared was to be a resource document for successor Investment Ad Hoc Committee members and there was no intention of having it be in some way incorporated into the Corporate Policy Manual.

No action was taken regarding adopting or approving the document.

#### **7.) NEW BUSINESS**

##### Transition Status

Subsequent to the committee's work over the past number of weeks having regard to the competitive bidding process employed for identifying candidate persons or

firms that could serve as the GVR financial advisory the current status of the process was reviewed.

**Motion: Kasper /Seconded**

**The committee approves Segall Bryant Hamill (SBH) to be the financial advisor for managing the Initiatives, Emergency and Maintenance, Repair and Replace reserve accounts and this be recommended to the Board of Directors pending the committee's receipt of the Chief Financial Officer's written recommendation that is to follow the holding of an in-person meeting involving GVR and SBH representatives during which reasonable objections do not become evident.**

**Motion to Amend: Myers / Seconded - That the motion be amended to read as follows:**

**The Investment Ad Hoc Committee recommends to the GVR Board of Directors that Segall Bryant Hamill (SBH) be the financial advisor for managing the GVR Initiatives, Emergency and Maintenance, Repair and Replace reserve accounts. This recommendation to the Board of Directors is pending and awaits the outcome of the scheduled in-person meeting of GVR and SBH representatives, whereby, any reasonable objections discovered during the meeting are to be included in the Chief Financial Officer's written meeting summary.**

**Passed: 5 yes 2 No (Mournian and Moose)**

**Amended Motion: The approved amended motion reads as follows:**

**The Investment Ad Hoc Committee recommends to the GVR Board of Directors, that Segall Bryant Hamill (SBH) be the financial advisor for managing the GVR Initiatives, Emergency and Maintenance, Repair and Replace reserve accounts. This recommendation to the Board of Directors is pending and awaits the outcome of the scheduled in-person meeting of GVR and SBH representatives, whereby, any reasonable objections discovered during the meeting are to be included in the Chief Financial Officer's written meeting summary.**

**Passed: 4 Yes 3 No (Mournian, Myers, and Moose)**

Notification to Unsuccessful Bidders

The Chair called upon K. Blumenthal to provide information about how unsuccessful bidders are to be informed about the outcome of the competitive bidding process. There was consensus that letters of this nature ought to originate with the Chief Executive Officer and not the Investment Ad Hoc Committee and they be sent to the parties when there is certainty about the successful bidder being prepared to accept an engagement to be GVR's financial advisor.

**8.) MEMBER COMMENTS 2**

**9.) NEXT MEETING**

The next regular committee meeting is scheduled for 10:30 AM, Tuesday, March 12, 2019. The meeting venue is to be determined at a later time.

**10.) ADJOURNMENT**

**MOTION: Crothers / Seconded - Adjourn the meeting at 12:01 PM.**

**Passed: unanimous**

DRAFT