

BOARD AFFAIRS & BYLAWS COMMITTEE MEETING

Wednesday, February 3, 2010

9:00 a.m.

MSC Annex

GVR's Mission Statement: "To provide recreational, social and leisure education opportunities that enhance the quality of our members' lives."

IN ATTENDANCE: Bob Barry (Chair), Linda Sparks (Vice-Chair), Jerry Belenker, Joan Browning, Joan Lewis, Frank Raymond, Dave Thomas

ABSENT: Leon Lies, Altie Metcalf

STAFF: Anndrea Blackshear (Executive Director), Ginny Bilbrey (Executive Assistant), Jim Cassidy (Finance Director), Kim Steinhilb (IT Manager), Allison Brown (Recreation Manager)

OTHER DIRECTORS: Ann Gillingham, Jim Burt

VISITORS: 1

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- ***Call to Order*** - Committee Chair Bob Barry called the meeting to order at 9:00 a.m.
 - ***Approval of the December 2nd Meeting Minutes*** – The minutes from the December 2, 2009 Board Affairs & Bylaws Committee meeting were approved as distributed.
 - ***Dissolvement of the Casa Paloma I Couples Saturday Night Bridge Club*** – Recreation Manager Allison Brown advised that the club requested to dissolve since they no longer meet. The club does not have any equipment or funds that are due to GVR so this is a just a formality in the process of dissolving a GVR club. Barry stated that a recommendation will need to go before the Board of Directors in order for the club to dissolve. At this time, Director Dave Thomas made the following motion: **“I move to recommend the dissolution of the Casa Paloma I Couples Saturday Night Bridge Club.”** Joan Lewis seconded the motion and it was **approved unanimously 6 – 0.** *(It should be noted that committee member Frank Raymond was not in attendance when this vote was taken.)*
 - ***Business Deposit FDIC Coverage*** – GVR's Finance Director Jim Cassidy stated that the original paragraph in the Corporate Policy Manual (CPM) pertaining to GVR's investment policy did not include any reference to funds being insured by the Federal Deposit Insurance Corporation (FDIC). He believes that with the recent increase in the number of banks failing, it is now important to address this issue. Cassidy informed that the previous text does not identify GVR's operating accounts and the risks involved with the new provisions that specify the current maximum amount of insurance coverage for each investment account. As stated in a memo provided to the committee, Cassidy advised that the operating accounts of GVR consist of a money market account that is used to fund the accounts payable and payroll accounts with the same bank. Annual member dues payments are received in December and January and the total deposits during this time will exceed five million dollars. During this time, there will be a period of time when GVR funds will not be covered under the FDIC insurance provisions. He will invest these funds to obtain FDIC coverage as quickly as possible to minimize the risk. Cassidy has purchased some T-bills which are not FDIC insured, but they are just as good. The T-bills accrue very little interest, but they are safe. Cassidy informed that the maturity dates for investments will fluctuate; however, he does not believe any investments need to exceed 18 months. The reason is that shorter term investments are used to fund operating expenses at maturity and long term investments

usually represent GVR reserves and are reinvested. Barry advised that this issue was recommended by the Planning & Fiscal Affairs Committee to be included in the revised version of the CPM. Raymond had concerns that the new text was limiting Cassidy's eligibility to invest GVR's funds in other government-backed securities if they were available. Discussion was held. After discussion, it was determined to change the sentence to read as follows: "**All investments shall be protected under the Federal Deposit Insurance Corporation (FDIC) provisions or other federal government-backed securities.**" (See paragraph 4. B.) At this time, Raymond made the following motion: **I move that we approve the text as modified.**" Barry seconded the motion and it was **approved unanimously 7 – 0.**

- **Corporate Policy Manual (CPM)** - Barry advised that since the revised CPM has not been reviewed or presented to the Board, he will need to submit this for inclusion into the old version of the CPM which will require changing the paragraph number. He also does not believe that the revised CPM will be presented to the Board for approval and it will go forward to the next committee to handle.
- **Bylaws** - Barry reported that at last week's Board Meeting, on advice from counsel, with a vote of 11 – 1, the Board is going to stay with the 2009 Bylaws as approved by a majority of the members, recognizing they are out of step with the Arizona statutes. He suggests that for the next meeting, committee members' should think about what they would like to pass on to the next Board Affairs & Bylaws Committee, such as Bylaw changes, etc.
- On a separate note, Barry advised that at last week's Candidate Forum, Jerry Belenker gave a great comment pertaining to 'confidentiality' that he would like to pass on to the next committee. Since this committee had a problem previously in defining 'confidential' Barry asked Belenker to review his comment on the issue. Belenker stated that there are times when an organization needs confidentiality in dealing with personnel matters that can be quite personal, or pending business transactions that you do not want to get out before you are ready to act, but he thinks a rule could read very similar to the following: "**All information of the corporation is presumed to be available to all members upon request except under certain circumstances such as: litigation, personnel matters, or prospective business transactions.**" If a member would request information, the presumption is because they are entitled to it, and the burden would then be placed on GVR to give it out. This specifically identifies what is not allowed by the corporation in the absence of exceptional circumstances. Discussion and brief comments were made about closed Board meetings. Executive Director Anndrea Blackshear stated that the Arizona Non-Profit Corporation Act clearly outlines what circumstances are eligible to have a closed meeting, which can be used to assist in developing a list of confidential information. Barry stated that in the revised Corporate Policy Manual pertaining to the Board Code of Conduct, there is not a definition of 'confidentiality' and he would like to add Belenker's comments to the text. Discussion was held on whether this should apply only to the Board Code of Conduct or to the corporation as a whole. Some committee members believe that it should apply to both Directors and the corporation while others do not agree with that fact. The end result was that Barry will pass this information on to the next committee.
- **Member's Comments** - None
- **Next meeting date** – The next committee meeting is scheduled for **March 3rd at 9:00 a.m.** in the **MSC Annex.**
- The meeting adjourned at 9:29 p.m.

Approved by:

Bob Barry, Chair

Date