

GREEN VALLEY RECREATION, INC.
REGULAR MEETING OF THE BOARD OF DIRECTORS

Tuesday, May 25, 2010

1:30 p.m.

Las Campanas – Agave & Ocotillo Rooms

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

PRESENT: Marge Garneau (President), Chuck Catino (Vice-President), Ann Gillingham (Secretary), Joyce Finkelstein (Treasurer), Mike Banks, Gunnar Bonthron, Stan Riddle, Linda Sparks, Anndrea Blackshear (Ex-Officio)

VIA

TELEPHONE: Bob Barry

ABSENT: Jerry Belenker, Dave Thomas

STAFF: Ginny Bilbrey (Executive Assistant), Jim Cassidy (Finance Director), Kim Woolley (Incoming Finance Director), Kim Steinhilb (IT Manager), John Adderley (Building Services Manager), Allison Brown (Recreation Manager)

VISITORS: 9 Members

I. Call to Order/Quorum/Approval of Agenda

- President Marge Garneau called the meeting to order at 1:32 p.m.
- Garneau advised that a quorum was achieved with Director Bob Barry via telephone.
- The agenda was approved as distributed.

II. President's Comments – Advised that she continues checking the Board Hotline and no new calls have been left since the last meeting. She reported that Vice President, Chuck Catino attended the GVR employees' staff meeting and thought it was well done. Catino will also go to club meetings with Karen Rans, GVR Club Liaison when the need arises.

Garneau clarified her "one bite of the apple" format at the monthly Board meetings. She will allow the members to make one comment on each item with a two-minute time limit and the audience members must stay on the topic being addressed at the time. The Directors have a 10-minute time limit to make comments on each topic.

III. Acceptance of the Minutes

- Acceptance of the previous Board of Directors' Meeting Minutes of April 27, 2010. Since there were no corrections, they were approved as distributed.
- Acceptance of the Board of Directors' Closed Executive Session Meeting Minutes of May 18, 2010. Copies of the Closed Executive Session Meeting Minutes were distributed for review by the Directors. Since the minutes were quite lengthy and the Directors did not have adequate time to read them in their entirety, Garneau asked that they be tabled until the next meeting. She asked the Directors to stop by MSC and read them at their convenience prior to the next meeting.

IV. Operational Reports

- 1) GVR's Finance Director, Jim Cassidy, gave the Revenue & Expense Summary report as follows for **April 30, 2010:**

April Revenue & Expense Summary

	<u>Actual</u>	<u>Budget</u>
Operating Revenue	\$2,902,832	\$2,693,165
Operating Expenses	<u>2,665,820</u>	<u>2,783,645</u>
Net Fund	\$ 237,012	\$ (90,840)

Capital Additions	0	35,850
Major Maintenance Projects	25,344	166,500
Major Equipment Purchases	32,172	166,500
Replace Tennis Courts (Desert Hills)	15,625	270,000
Addition Reserve Contribution - (Desert Creek)	39,988	48,444

Cassidy reported that thus far, GVR has written off \$13,933 related to foreclosures. In the 2010 budget, GVR placed \$30,000 in the account, but that amount may not be enough to cover these expenses before the end of the year.

Questions/Comments by the Directors (Summarized)

- **M. Garneau** – She asked Cassidy that when he reports that GVR has written off \$13,900 for foreclosures, she thought that GVR received it all once the bank placed it in foreclosure. Cassidy advised that when the bank takes possession, GVR can recoup dues and extra fees prior to the bank taking over, but not after. And, it doesn't usually amount to too much. Recreation Manager, Allison Brown clarified Cassidy's statement in that once GVR receives notice, GVR cannot charge any additional fees. Once the bank takes over, GVR can assess new fees such as late fees, which is why the bank wants to turn them over as quickly as possible. At that time, GVR can recover some late fees and pro-rated dues. The lien remains on the property. Brown also stated that bankruptcies are handled a little different so each one is handled on a case-by-case basis.
- 2) Building Services Manager, John Adderley gave an update on the following:
- **Energy Savings** – With the recent lighting initiatives at Canoa Hills, a 6,520 KWH reduction has been accomplished. GVR has received over \$12,000 in rebates with the pool pump installations. Solar domestic water heating installation is underway at Las Campanas.
 - **Sustainability** – Landscaping is implementing water conservation at the centers with rain water harvesting during the monsoon season. Their goal is to develop a small green house at Abrego South that will grow future plant stock with no cost to GVR. Drought tolerant plants are being planted at the centers and staff is harvesting spa water to water the plants. The West Center courtyard is the newest improvement.
 - **Project Updates at the Centers** – Highlighted the improvements at East Center, Madera Vista, Santa Rita Springs, Desert Hills, and Canoa Hills.
 - **Update on the Tennis Courts** – Advised that the concrete slabs were poured at both Desert Hills and West Center and will now cure for 30 days. The fencing and cabanas have been installed.
 - **Safety Record** – He is proud to report that staff has completed 420 days with no lost time due to any accidents. The Risk Management Team is providing direction and training to improve operations. Internal training on hazmat handling and accident response is being held. Business Continuation (BC) plan has been developed to assure GVR operations continue during a crisis.
 - **Fitness** – Staff conducted surveys and held focus group meetings with members at the various centers for their input before purchasing fitness equipment and placement. The members also had an opportunity to try out the different types of equipment prior to actually purchasing the equipment.

Questions/Comments by the Directors (Summarized)

- **G. Bonthron** – He asked Adderley how the water from the spa and pool could be used to water the plants when it contained so much chlorine. Adderley advised that we will purchase containment tanks for the water and after one week's time, it will be safe to use on the plants.
- **J. Finkelstein** – Asked if any of the gardening clubs in Green Valley are involved in GVR's attempt to grow their own plants or is it being done only by staff. Adderley reported that a GVR employee is involved with the Rose Society with the rose garden and entry area at East Center and we look forward to receiving input from them in the future.
- **M. Garneau** – She informed that Adderley has changed his staffing qualities and abilities as he hires new employees. He hires individuals that have expertise in their fields so that projects can be done in-house instead of outsourcing, which can result in higher costs.

Questions/Comments (Summarized)

- J. Adderley was asked what was done with the old fencing that surrounded the Desert Hills and West Center Tennis Courts. He advised that the contractor, R. L. Renner hauled it away for free. Adderley informed that the fence did not have any scrap value. Executive Director, Anndrea Blackshear advised that it was part of the scope of the project, which included hauling it away.
- 3) Recreation Manager, Allison Brown highlighted the 2010 Winter Class Session as follows: The 2010 Winter session offered 234 types of courses, with a total of 567 individual courses. Fifty-nine of the 234 were new offerings. Some of the successful new courses include Watercolor Workshop, Evolution Explained, It's Time to Downsize, Knitting 101, Music Appreciation, Seascape Workshop, Strength and Flexibility, Traditional American Folk Music, Belly Dancing and Just-ONCE Facebook, and Twitter for Busy People. The number of registrations increased approximately 9% from last winter, with revenue up 6.5%. The Winter 2010 season exceeded the projected \$162,000 budget by taking in \$190,885 overall. She reported that nearly 21% of the courses were cancelled, which was the same number as last year. The top money makers continue to be fitness, art, bridge, and dance. This reflects classes that are both active and passive that are being attended by the members. The members are very satisfied with the classes and instructors that GVR offers. She also provided an update on the Concert VIP Season Tickets. In 2010, 2,968 season tickets were sold, which totaled \$52,958 and included 11,970 participants. The 2010 Winter Movies were enjoyed by 4,455 individuals; brought in \$4,396 in revenues; and cost GVR \$2,711.

Questions/Comments (Summarized)

- Brown informed that GVR instructors are paid for their services. There is a contract between the instructor and GVR in which they receive 70% of the total class payment and GVR receives 30%. When it involves a class being taught by a club member of a dedicated GVR club, the split is 80% to the instructor and 20% to GVR.
- 4) Executive Director, Anndrea Blackshear gave the following updates:
- On May 10, 2010 the Arizona Superior Court, Pima County, granted GVR a motion for Summary Judgment pursuant to a claim that was filed against GVR on December 23, 2009. The court ruled as follows: granting GVR's Motion for Summary Judgment on all counts as to all plaintiffs and denied Plaintiffs partial motion for summary judgment on all counts. Inasmuch as the lawsuit has not come to a formal conclusion, Green Valley Recreation does not believe it is appropriate to comment on the judge's ruling other than to say that the judge's ruling is a matter of public record and Green Valley Recreation believes the judge reached the correct decision in ruling in favor of Green Valley Recreation. Green Valley Recreation is hopeful the judge's ruling will resolve the present challenges made to mandatory membership in Green Valley Recreation and avoid similar questions being raised in the future.
 - Summer office hours began on May 3, 2010. Center offices that will remain open are Canoa Hills, East Center, and Las Campanas from 8:00 a.m. to 4:00 p.m. each Monday through Friday. Las Campanas will remain open from 10:00 a.m. to 2:00 p.m. every Saturday, Sunday and on holidays.

Questions/Comments (Summarized)

- Blackshear was asked if any members of the pending lawsuit had paid their GVR dues and she reported that they all had except for one member. She informed that the judge advised the members in May 2009 that they are obligated to pay dues and suggested they do so.

V. Committee Reports

- Board Affairs & Bylaws Committee
Committee Chair, Ann Gillingham reported that the Committee held their first meeting on May 12th. They reviewed the Committee's duties and responsibilities, and had a brief review on the protocol of the committee. She also reported that the committee unanimously approved the dissolution of the Green Valley Women's Club from GVR status. The remainder of the meeting was dedicated to reviewing the Corporate Policy Manual and it is hopeful that the manual can be finalized at the next meeting. Then it can be forwarded to the Board for their

consideration and approval. A copy of the report is attached to the recording secretary's minutes.

At this time, Gillingham read the following motion:

“I move the Board of Directors approve the dissolution and club status of the Green Valley Women’s Club effective April 1, 2010.”

The motion received a second. **Vote on the motion was approved 9 – 0.**

VI. Unfinished Business - None

VII. New Business

- ***Conflict of Interest Statement – Board of Directors***
President Marge Garneau made the following motion:

“I move the Board of Directors approve the Conflict of Interest Statement as discussed at the Board Spring Planning Day and distributed to the Board as Item #7 dated 05/20/10.”

The motion received a second. Garneau informed that the Board worked on this at the Planning Session.

Questions/Comments by the Directors (Summarized)

- **L. Sparks** – What will happen if a Board member or a Candidate refuses to sign this? Then what? As far as she can tell, nothing will happen to them! They will still be a Board member and they still will not have signed it. She can write a clause in there that would state “or refusal to sign this agreement may result in the removal from the Board,” but she is not sure that the Bylaws would substantiate the statement. Sparks continued stating that if you don't have the “if then” included in the agreement, it's useless.
- **President Garneau** – She asked Blackshear what would happen if they don't sign it. The Board has already signed the one statement and this new proposed version replaces the previous one. Blackshear stated that the Board has a problem because they have a member that is a Director on the Board and is obligated to follow what has been laid out as far as confidentiality is concerned. She continued by saying that members seem to think that the Board does not have the right to remove a Director from the Board, but they need to read the Bylaws because they do state that the Board has the authority to do so. The procedure to do that is included in the Corporate Policy Manual and that is what the Board Affairs & Bylaws Committee is currently working on. She stated that you could include a clause in the agreement that indicates a person could be removed from office for refusal to sign the document. However, it will need to be forwarded to legal counsel for review before it can be included.

Garneau explained that when a Director takes a position on the Board of Directors, they sign a statement that indicates the Director will avoid a conflict of interest. It is a brief statement that all of the current Directors have signed, and was approved by legal counsel. The Board decided to expand the statement to bring it in compliance with the Bylaws, which will make the statements regarding confidentiality more defined. We are still working on it and do not have a finished document at this time. Eventually, the Directors would like to have a document that a candidate running for the Board will sign. The document will provide the candidate with an understanding, before being elected, they will receive confidential information, and as a Director, will be required to uphold the confidentiality of the information, as well as after they leave the Board. Garneau asked the Directors if they would like to forward this issue to the attorney for their review.

Questions/Comments by the Directors (Summarized)

- **B. Barry** – How does the plan work in conjunction with the Code of Conduct as a more generic document dictating the Board's behavior with the very explicit confidentiality clause?

