



REVISED AGENDA

(Date Change and Added Item 7.E.1)

BOARD OF DIRECTORS REGULAR MEETING

Friday, May 24, 2024 - 2pm

West Center Auditorium / Zoom

*Code of Conduct

Directors: Marge Garneau (President), Bart Hillyer (Vice President), Jim Carden (Secretary), Carol Crothers (Treasurer), Candy English (Assistant Secretary), Nellie Johnson (Assistant Treasurer), Nancy Austin, Kathi Bachelor, Barbara Blake, Beth Dingman, Bev Lawless, Joe Magliola, Scott Somers (non-voting)

AGENDA TOPIC

1. **Call to Order / Roll Call – Establish Quorum**
2. **Amend/Adopt Agenda**
3. **President’s Report**
4. **CEO Report**
 - A. CEO Monthly Report
5. **Committee Reports**
 - A. Audit (Austin)
 - B. Board Affairs (Hillyer)
 - C. Fiscal Affairs (Crothers)
 - D. Investments (Johnson)
 - E. Nominations & Elections (Blake)
 - F. Planning & Evaluation (Carden)
6. **Consent Agenda** – Consent Agenda items are routine items of business that are collectively presented for approval through a single motion. A Board member may request that an item be pulled from the Consent Agenda and placed under Action Items for separate discussion and action.
 - A. Minutes:
 - 1) Special Meeting Minutes: March 20, 2024
 - 2) Work Session Minutes: April 10, 2024
 - 3) Regular Meeting Minutes: April 24, 2024
 - 4) Special Meeting Minutes: May 8, 2024
 - 5) Work Session Minutes: May 8, 2024
 - B. Financial Statements:
 - 1) April Financials
7. **Action Items**
 - A. Approval of Committee Action Plans (President)
 - B. Approve Moving Forward on Construction Documents and Permitting for the Metal Arts Improvements/Expansion in the Shotgun Building at West Center (Whitman)
 - C. Approve Leaving Surplus from 2023 Budget in Operations (Webster)
 - D. Approve Adjustment to the 2024 Budget: Decrease the Initiatives Fund for the Desert Hills Locker Room Expansion Project from \$445,000 to Approximately \$299,000 since \$145,000 Total Project Cost will come from MRR Fund (Webster)

* GVR encourages members to voice concerns and comments in a professional, business-like, and respectful manner.

E. Approve Emergency Fund Transfer to Initiatives (Webster)

1) Board Report from Director Crothers

F. Limiting Board Directors to Two Times to Speak on a Topic (Johnson)

G. Add Member Comments to the Agenda of Work Session (Johnson)

8. Member Comments - Please limit comments to two (2) minutes. Speakers are asked to provide their name and GVR member number. This time is for comments, not for questions and answers.

9. Adjournment

MEMORANDUM

TO: Board of Directors
FROM: Scott Somers, CEO
DATE: May 22, 2024
RE: Monthly CEO Report

Important Dates

- May 17, 9am: **Training by Community Foundation Greater Green Valley on Good Governance is a Team Sport**
- May 21, 1:30pm: **Fiscal Affairs Committee meeting**
- May 22, 2pm: **Regular Board Meeting**
- June 12, 2pm: **Board Work Session Tentative**

Strategic Plan/Annual Workplan

- **Administration**
 - 5.1.1 Provide staff support to the Board of Directors to enable proactive, complete communications about Board decisions.
 - With Communications, synthesize Board actions/decisions to communicate with the Members. (Ongoing) **Provided in the Eblast the Friday after a Regular Meeting.**
- **Board and Committees**
 - 5.4.1 Encourage staff and Board to attend training and conferences and participate in professional associations.
 - Research and identify Board training opportunities. (February) **Online training April 8 was held; Retreat set for May 8, cancelled; Opportunity for Best Practices in Governing on May 17 attended by 2 Directors and 1 staff**
 - 5.2.3 Utilize staff liaisons and the Strategic Plan to support continuity of direction.
 - Staff liaison functions to be facilitated by Administration to ensure committee continuity. (February) **Staff Liaisons and Committee Chairs have been provided Committee Action Plan templates to use with their committees at the April meetings to submit to the Board for approval at the May Regular Meeting; scheduled for May 22**
- **Communications**

1.3.3 Improve interior and exterior signage: complete, consistent, accessible, concise, and attractive.

- Complete the Aid Station Project. (March) **Complete**
- Survey members on topics as needed (Ongoing) **See recreation note**

- **Facilities Department**

1.1.3 Continue to identify and execute a process for regular upkeep and maintenance/predictive maintenance procedures.

- Develop and implement center-specific Standard Operating Procedures (SOP) book for custodial. **Completed; SOP binders have been issued for each center**
- Improve implementation of daily/monthly/quarterly inspection reports for custodial, aquatics, landscaping and maintenance. **Completed for aquatics. Ongoing for Custodial, Landscaping and Maintenance, tentative completion month of July**

1.2.2 Assess spaces for specific activities and equip those spaces properly, such as art class space with washable floors.

- With architect, present WC expansion options and cost estimates. (March) **Concept drawings complete. Cost estimates coming soon.**

1.2.4 Evaluate and improve capital request process.

- With Board, Recreation, and Finance, review and amend Capital Improvement Plan Policy as needed. (June) **Process is currently in use and being evaluated.**

1.4.2 Design peripheral grounds to provide outdoor recreation opportunities: park-like settings, walking trails, outdoor games, and activities.

- Identify and begin implementing campus-wide locations for landscaping improvements to include native pollinator species. **(Ongoing) Landscape renovation at Canoa Hills complete. Landscaping Supervisor is continuing to review sites to implement landscaping improvements:**
 - Las Campanas behind pool wall towards to the west side there is plenty of space.
 - Canoa Ranch has a lot of real-estate behind the basketball courts and the pickleball courts.
 - CP1 horseshoe pit area as it looks to be abandoned in usage. (Could be possible used for *Concrete Ladder Toss*)
 - East Center could house some *“Concrete Cornhole”* in the front where the social gathering space was created.

- **Finance**

4.3.4 Provide continuous education for Board, committees, and staff about GVR financial management and positions so that they can make decisions to monitor effectively.

- The 2023 Audit is complete and was presented to the Board for acceptance.

- **Human Resources**

2.2.2 Implement standardized customer service training for all staff, based on clarified policies and expectations, to ensure consistency in service. (See also 5.3.3)

- Standards for Dress drafted and set to launch by the end of April. Name tags and uniforms were ordered for staff in member-facing positions. **Launch Standards for Dress early May for all departments**

2.2.4 Clarify communications procedures and distribute messaging to all staff so members receive consistent, trustworthy information from all GVR representatives

- Website careers' page branding and messaging update. (February) **Complete: <https://www.gvrec.org/about/job-openings/>**
- Additional layering of accurate, up-to-date information sent directly to staff. Continue weekly "Staff Bulletin." (Ongoing)
- Added IT newsletter component to ongoing weekly Staff Bulletin.
- Looking at adding a monthly Wellness Series to staff communications.

5.3.3 Provide training and team activities to help people demonstrate these GVR values.

- Explore, develop, and provide in-service and training opportunities for supervisors on Performance Management plans and strategies. (September) **Initial training complete. In-service training in development.**
- With the CEO and department heads, develop plans and agendas, and schedule regular meetings with all staff and departmental groups to inform employees about and demonstrate values. (Ongoing)
- May 1st Employee Wellness and Benefits fair scheduled and shared with employees. **45 attendees at the Benefits Fair**

5.3.4 Incorporate values into performance management

- Update and re-launch a performance management plan with GVR values incorporated. (February) **Launch Complete. Move to Ongoing: Performance Management plan launched. Managers and Directors trained in system and tools.**

5.4.1 Encourage staff and Board to attend training conferences and participate in professional associations

- Continue to work with staff to explore and encourage attendance. (Ongoing)
- With Operations identified and enrolled 15 staff as members of the Arizona Parks and Recreation Association. Training and professional development is available through membership.

- **Membership Services Department**

2.2.1 With Field Services, implement a quality assurance system to ensure that exceptional customer service is happening, such as secret shopper, a review schedule to see how systems and processes are operating.

- Partner with attorney to work toward becoming the expert with regard to GVR's boundary, master development agreements, deed restrictions, title agreements, and collections. **Work in progress, ongoing**
- Continue to explore and find solutions to identify and decrease membership and guest card misuse. **CSRs and Membership Specialists are submitting potential card misuse scenarios, tracked weekly; communications sent as needed**
- Implement survey plan to obtain feedback from members regarding recent customer service interactions with staff (October) **Finalizing a draft of a Member Experience Survey that members are asked to complete after an interaction with Member Services staff. Trial form created in Microsoft Forms, will test for 3 months**

- Work toward documenting Membership SOPs and creating a comprehensive handbook. **Revised version of the CSR Handbook completed and currently being reviewed and trialed. Working on documenting Membership processes; comprehensive handbook underway**
- Partner with Communications to create a comprehensive New Member Welcome Packet (March) **With Communications, we have created a mailer packet to send to non-GVR VDR optional properties across Green Valley. We welcome them to try GVR using a 2 Day Guest Pass issued by Membership. We will be tracking replies. The first batch was mailed 5/13/24**
- **Recreation Department**
 - 2.1.1 Review current programming and make adjustments, if needed, to ensure variety and alignment with current and future member needs.
 - Through member surveys, identify gaps and needed adjustments. (Ongoing) **Two surveys of the Events/Entertainment program, one directly related to this past season's events, and another related to members' wishes for next season, completed in April. Staff are using the results to plan the upcoming season.**
 - 2.3.1 Explore changes in process of instructor hiring, actively recruiting instructors to meet member needs.
 - Require all instructors to complete a background check. (Ongoing) **New contracts have been issued. As they are returned by instructors and personal trainers, background check processes are being introduced**

Board Goals for CEO, 2024 *(approved by the Board of Directors February 14, 2024)*

1. (Projects) Communicate with Board of Directors (BOD) and members on a monthly basis about project progress as follows:
 - a. *Construction progress*
 1. *The Del Sol Clubhouse renovation is on schedule despite some brief delays. We have yet to secure a contracted vendor to provide food and beverage services but efforts continue. A discussion with the Board is tentatively scheduled for June on next steps.*
 2. *The following projects are in research and planning: West Center clubs expansion and lobby improvements, including Metal Arts expansion. Staff has explored options of converting the shotgun building (entire length of previous Glass Arts kiln room at West Center) to allow for Metal Arts expansion. The Metal Arts Club is enthusiastic about this option. Since this is a new project, the Board will be asked to approve Initiatives Fund funding to make the needed improvements. Expect this question on the Board's May agenda.*
 3. *Concerning the Desert Hills locker room expansion, construction documents are being finalized and permits will be pulled. Bids will then be solicited. The Board will be asked to award contract once bids have been reviewed.*
 - b. *Explain delays and challenges*
 1. *The County required an access point to be redesigned at the Del Sol Clubhouse to meet updated county code regarding the turn radius. The redesign and permit process*

triggered a minor delay and an unexpected expense of \$28.5k. Staff recently explained this situation to the Board.

2. Meetings with architects this week should bring the Ceramics Club and West Center club expansion projects closer to next-steps. Once an agreed-upon design is in hand, the next step for Ceramics will be pulling permits. Once concept drawings are in hand, the next step for West Center club expansions will be soliciting cost estimates so options can be brought before the Board.

2. (Meetings) Attempt to improve teamwork by scheduling monthly one-on-one meetings with Board members who wish to meet with me. It is understood and agreed that meetings may need to be rescheduled or canceled due to scheduling conflicts or other pressing matters.

a. Scott met with 7 Board Directors in the last month.

3. (Communication) Communicate with Board of Directors (BOD) on a monthly basis about capital expenses in comparison to Board-approved amounts from the Initiatives, and MRR-B funds.

| GREEN VALLEY RECREATION | | | | | | |
|----------------------------|-------------------------------------|----------------------|-------------|-----------------------------|--------------------|------------------------|
| CAPITAL PROJECTS REPORT | | | | | | |
| 4/30/2024 | | | | | | |
| | | TOTAL | 2024 | Project to Date | | |
| Center | Description | Total Project Budget | 2024 Budget | Total Project Spent to Date | 2024 Spent to Date | Project Budget Balance |
| NON RESERVE CAPITAL | | | | | | |
| ALL | 2024 Unplanned Unbudgeted Items | \$ 100,000 | \$ 100,000 | \$ - | \$ - | \$ 100,000 |
| CR | Shade Structure for Canoa Ranch pc | \$ 16,000 | \$ 16,000 | \$ - | \$ - | \$ 16,000 |
| CP1 / ABS | Deck shade structures for CP1 and A | \$ 26,000 | \$ 26,000 | \$ - | \$ - | \$ 26,000 |
| ALL | Accessibility Initiatives | \$ 67,023 | \$ 50,000 | \$ 17,023 | \$ - | \$ 50,000 |
| PBC | Pickleball Fencing | \$ 35,000 | \$ 35,000 | \$ 6,080 | \$ - | \$ 28,920 |
| WC | Vacuum System for Woodshop | \$ 90,000 | | \$ 33,315 | \$ 21,168 | \$ 56,685 |
| INITIATIVES | | | | | | |
| SRS | Remodel for Glass Arts | \$ 900,000 | | \$ 828,605 | \$ (24,224) | \$ 71,395 |
| DH | Desert Hills Fitness Center | \$ 1,127,744 | | \$ 1,128,161 | \$ - | \$ (417) |
| DH | DH Locker-room Expansion | \$ 299,355 | \$ 299,355 | \$ 9,591 | \$ - | \$ 289,764 |
| DH | Desert Hills Stage Removal | \$ 15,000 | \$ 15,000 | \$ - | \$ - | \$ 15,000 |
| DSCH | Del Sol Clubhouse Note Payable | \$ 110,000 | \$ 11,000 | \$ 22,000 | \$ 22,000 | \$ 88,000 |
| DSCH | Del Sol Clubhouse Rennovation | \$ 1,900,000 | \$ - | \$ 1,031,285 | \$ 519,001 | \$ 868,715 |
| WC | West Center Expansion (Lap, Wood | \$ 158,835 | \$ 100,000 | \$ 16,841 | \$ 2,783 | \$ 141,994 |
| DH | Ceramics Kiln room | \$ 90,000 | \$ 90,000 | \$ - | \$ - | \$ 90,000 |
| CH | Gym Conversion | \$ - | \$ - | \$ - | \$ - | \$ 180,000 |
| WC | West Center Lobby improvements | \$ 150,000 | \$ 150,000 | \$ - | \$ - | \$ 150,000 |
| ALL | Security Cameras | \$ 50,000 | \$ - | \$ 49,974 | \$ 49,974 | \$ 26 |

4. (Capital) Include usage, trade-offs, and justification as part of the annual budget and capital planning process to provide the Board of Directors (BOD) with the necessary information to make capital planning decisions.

- a. Staff have solicited Requests to apply for Type II Capital Improvement Projects. Type II project proposals will be reviewed by staff and P&E.*
 - b. Type I Capital Improvement proposals have been gathered, but the evaluation and award process has been put on hold. 2024 CIP funds are currently frozen due to lower than expected home sales this first quarter.*
- 5. (Capital) Provide information to the Board of Directors (BOD) on usage, trade-offs, and justification for a proposed/planned new capital project when the Board reviews concept plans.
 - a. Updated information on a potential Desert Hill locker room renovation/expansion was provided to the Board. The Board approved the Desert Hills locker room expansion as and direct staff to move forward with developing construction documents, obtain permits, and go out for bids.*



MINUTES

BOARD OF DIRECTORS SPECIAL MEETING

Wednesday, March 20, 2024 - 2pm

West Center Auditorium / Zoom

*Code of Conduct

Directors: Marge Garneau (President), Carol Crothers (Vice President), Bart Hillyer (Secretary), Jim Carden (Treasurer), Barbara Blake (Assistant Secretary), Joe Magliola (Assistant Treasurer) Nancy Austin, Kathi Bachelor, Beth Dingman, Steve Gilbert, Bev Lawless, Richard Sutherland, Scott Somers (non-voting)

Visitors: 36

AGENDA TOPIC

1. Call to Order / Roll Call – Establish Quorum

The President being in the chair and the Secretary being present.

President Garneau called the meeting to order at 2:01pm MST. Secretary Hillyer called the roll; quorum established.

2. Adopt or Amend Agenda

MOTION: Director Garneau moved, Director Dingman seconded to amend the Agenda by moving the 3.A. Presentation of the Del Sol Clubhouse Café to Action Item between 4.A and B. Passed: 11 yes / 1 no (Hillyer)

MOTION: Director Hillyer moved, Director Blake seconded to amend the Agenda by deleting Action Items 4.B through E including the recently moved 3.A. Presentation to the Action Item. Passed: 7 yes / 5 no (Bachelor, Dingman, Gilbert, Lawless, Sutherland)

3. Action Items

A. Resolve the Tie Vote from the 2024 Election (Somers)

CEO Somers reviewed the two paths possible for resolving the tie vote for the 2024 election: 1) seat the two tied candidates, or 2) do a runoff election. The attorney has opined that both paths are acceptable.

MOTION: Director Carden moved, Director Blake seconded to seat both candidates with the condition to not fill a resigned Director position in the 2024-25 Board year, to be on track for having nine Directors in the 2026-27 Board year.

MOTION TO AMEND: Director Hillyer moved, Director Carden seconded to seat the number 3 and 4 vote-getters and the Board remain at 12 Directors this 2024-25 Governance year with any resignation being filled. Start the bylaw change in 2025 and members will vote for only three Directors and the Board will move to 11 on the Board. Passed: 7 yes / 5 no (Bachelor, Dingman, Gilbert, Lawless, Sutherland)

Amended Motion Passed: 8 yes / 4 no (Bachelor, Gilbert, Lawless, Sutherland)

Amended Motion: Approve to seat both candidates, the number 3 and 4 vote-getters, with the Board to remain at 12 Directors this 2024-25 Governance year with any resignation being filled, and begin the bylaw change in 2025 when the members will vote for only three Directors and the Board will move to 11 Directors.

~~**B. Del Sol Clubhouse Café Power Point and Business Plan (Johnson)**~~

~~**C. Accept the FAC recommendation to accept the Subcommittee's Del Sol Café Report.**~~

~~**D. Release the \$50,000 in the 2024 Capital Budget earmarked for café startup costs to be spent by staff at their discretion based on whether or not we have a vendor for the proposed cafe/gathering spot at the Del Sol Clubhouse.**~~

~~**E. Approve the FAC recommendation to amend the CPM to allow non-member patrons access to the proposed café for a nominal daily fee of \$1.00.**~~

~~**F. Approve the FAC recommendation to amend the CPM to allow pets on the patio of the clubhouse.**~~

4. Member Comments – 1 comment

5. Adjournment

MOTION: Director Hillyer moved, Austin seconded to adjourn the meeting at 2:50pm MST.

Passed: 10 yes / 2 no (Dingman, Gilbert)



MINUTES

BOARD OF DIRECTORS WORK SESSION

Wednesday, April 10, 2024, Following Special Meeting
WC Auditorium / Zoom

Directors Present: Marge Garneau (President), Bart Hillyer (Vice President), Jim Carden (Secretary), Carol Crothers (Treasurer), Candy English (Assistant Secretary), Nellie Johnson (Assistant Treasurer), Nancy Austin, Kathi Bachelor, Barbara Blake, Beth Dingman, Bev Lawless, Joe Magliola, Scott Somers (non-voting)

Staff Present: Steve Kindred (Recreation Program Director), Steve Mendoza (Facilities Director), Nanci Moyo (Administrative Supervisor), Natalie Whitman (COO)

Visitors: 18 including staff

AGENDA TOPIC

1. Call to Order / Roll Call

Work Session Called to Order at 2:15pm by President Garneau. Secretary Carden called the roll.

2. Amend / Approve Agenda

MOTION: Director Johnson moved, Director Carden seconded to approve the Agenda.
Passed: unanimous

3. Canoa Hills Gymnasium

Natalie Whitman, COO, reviewed the Canoa Hills Gymnasium proposal, converting the auditorium to a multi-use gymnasium.

- This is a Type II Capital Improvement Project (future and long-term projects) in the phase 4 stage, where staff presents concept drawings and associated cost estimates to the Board for approval.
- The estimated cost currently budgeted for 2024 is \$180,000.
- There is no plan to change the footprint of the building.
- Remove the false ceiling for more ball clearance.
- Remove the risers to allow for table tennis to store tables when not in use.
- Cage the light fixtures and speakers.
- Paint court lines and walking track.
- Kitchen equipment in Canoa Hills would be repurposed to Del Sol Clubhouse.

Directors shared thoughts and asked questions:

- Consider more member feedback on this project and review the data from the charrette held at Canoa Hills.
- Six feet of additional space once false ceiling is removed.

- The multi-use gymnasium is a good idea with fairly minimal cost. Possibly defer the basketball court and hoops until a need is determined.
- Bridge players and line dancers do not want to move from the auditorium of Canoa Hills.
- There is Board and member support for a walking track.
- Due to lower house sales in 2023 and possibly 2024 it would be good to watch extra spending this year.

Scott Somers, CEO, stated there has been overwhelming negative feedback to changing the auditorium to a multi-purpose gymnasium. He recommended putting this project back on the list of Capital projects and revisit it in the future.

The memo in the Board Meeting Book regarding Canoa Hills had three recommended options. First option is for the Board to approve the project as described, budgeted, and complete by October 2024; Second option is to complete all proposed elements, but defer basketball installation to a later date, pending further outreach to ensure interest is sufficient to justify the cost; and third option is no desire for the overall change in the use of the room, paint a walking track around the perimeter so indoor walking programs can commence.

Member comments:

- Sound quality would be affected if stage was removed because of the drapes as sound buffers.
- Raising the ceiling, also affects the sound quality.
- Walking track would work well at Canoa Hills.
- Is there a walking club? There is not a walking club.

Consensus of the Board was to include a walking path in the auditorium and do not move forward on any other changes to Canoa Hills.

4. Desert Hills Locker Room Expansion and Steam Room

Natalie Whitman, COO, reviewed the Desert Hills Locker Room expansion and the Steam Room.

- This project was recommended by P&E with a \$445,000 budget.
- There was not a lot of support for the steam room in the survey.
- The locker rooms' funding would come out of the MRR due to the need for rehabilitation and the balance out of initiative for the whole project.
- Possible plans are to shift the women's locker room north into the old Desert Hills weight room. Replace tiles and fixtures in the locker rooms. Provide more toilets and showers, and increased changing space. The steam room or deck shower next to the sauna. Remove the unisex bathroom. Replace the ventilation because it is not up to Pima County Code. It is possible to tie the ventilation to the upstairs kiln room because of the improvements needed there.
- The staff report included options the Board can consider which include: 1) Include the proposal as depicted in the attached floorplan sketch on the agenda for the regular April Board meeting; 2) Consider only an expansion of the locker rooms, replacing the steam room with a deck shower; 3) Consider only a rehab within the current footprint, with necessary ventilation upgrades; and 4) Consider alternate direction for staff.

Directors shared thoughts and asked questions:

- Consider not moving the sauna for a cost savings.
- Consider the boxing room being changed to a club space and move the boxing room to the old weight room.
- How much has the architecture been paid for drawings? This was unknown but would be part of the project.
- Include non-slippery textured floors for safety.
- The \$445,000 budget includes the \$90,000 slated for the ventilation upgrade. The initiative shows \$299,335 for the project which includes the \$90,000.

Consensus of the Board is not to move forward on the steam room and keeping the sauna, and have staff bring back concept and construction drawings that uses the old exercise room as part of the women's locker room with a larger men's locker room.

Adjournment:

MOTION: Director Dingman moved, Director Hillyer seconded to adjourn the meeting at 3:47pm MST.

Passed: unanimous



MINUTES

BOARD OF DIRECTORS MEETING

Wednesday, April 24, 2024 - 2pm

West Center Auditorium / Zoom

Directors: Marge Garneau (President), Bart Hillyer (Vice President), Jim Carden (Secretary), Carol Crothers (Treasurer), Candy English (Assistant Secretary), Nellie Johnson (Assistant Treasurer), Nancy Austin, Kathi Bachelor, Barbara Blake, Beth Dingman, Bev Lawless, Joe Magliola, Scott Somers (non-voting)

Staff Present: Steve Kindred (Recreation Program Director), Steve Mendoza (Facilities Director), Nanci Moyo (Administrative Supervisor), David Webster (CFO), Natalie Whitman (COO), Kris Zubicki (Member Services Director)

Visitors: 22 Including support staff

AGENDA TOPIC

1. Call to Order / Roll Call – Establish Quorum

The President being in the chair and the Secretary being present.

President Garneau called the meeting to order at 2:02pm MST. Secretary Carden called the roll; quorum established.

2. Amend/Adopt Agenda

MOTION: Director Bachelor moved, Director Crothers seconded to amend the Agenda to include Action Item F as Delete Canoa Hills gym conversion with the exception of the walking track from the Capital Budget.

Passed: unanimous

Director Dingman moved to amend the amendment by putting this discussion off for six months to one year.

Failed: Due to lack of a second

MOTION: Director Johnson moved, Director Carden seconded to add CEO's recommendation for the Board to consider Initiatives Budget Adjustments for the 2024 budget and put it as A in Action Items.

Passed: unanimous

MOTION: Director Crothers moved, Director Blake seconded to accept the agenda as revised.

Passed: unanimous

3. President Report

- Thanked members for coming to the Board meeting to talk to the Board and see how the Board works.
- Thanked the Board Directors for the work they do.

4. CEO Report

- Del Sol Clubhouse: the contractors are expected to be completed with construction around the first of June and the building will be open towards the end of June.
- Canoa Ranch: the pool deck resurfacing has been completed. The pool will reopen by the end of the week. This pool deck resurfacing will become the new standard for pool decks if this is successful.
- Metal Arts: Staff and Metal Arts Club have been working to find a permanent home for the Metal Arts Club. The next step for the project team will be to develop a scope of work to consult with a builder regarding plans and permits. A cost estimate will be developed and brought to the Board to consider a not-to-exceed amount from the Initiatives Fund. The space being considered is where the Glass Arts Kiln room was located – called the shotgun building. Metal Arts would keep the current space and expand into the new space.
- West Center Clubs project: Potential expansion of Lapidary, Artisan Shop, and Woodworkers Shop. There are two plans. Plan A is larger and more expensive, and Plan B is narrower in scope and doable financially. The plans and cost estimates are hoped to be ready to come before the Board at the May 8 Work Session.
- The Del Sol Clubhouse Café timing and expenditure of the \$50,000 for this space will be brought back to the Board if the Board chooses for further discussion or decision on a future agenda. The vendor option is still being pursued along with looking at vending machines.

5. Presentations

A. Quarterly Financial Report

David Webster, CFO, reviewed the quarterly financial report with these highlights:

- The total revenue for GVR in the first quarter is behind by 0.2 percent. The details of the first quarter shows 17 percent behind revenue generated from home sales, but 44 percent increase in recreation programs (classes and events). There are expenses for the recreation programs that offset the revenue. Expenses overall were over by 5.2 percent. Personnel line item is slightly over budget due to custodial services being brought back inhouse.
- Non-reserve capital budget has a hold placed on it for the year, due to low home sales, and that is \$277,000 total project approval in the budget.
- Investments performance look good for the first quarter with gains.
- The largest Initiatives project is the Del Sol Clubhouse. The Security Cameras, also an Initiatives project, was budgeted for \$50,000 and closed at \$49,974 in the first quarter of 2024.

6. Committee Reports - Those committees who met reported and the reports are placed on file.

- Audit
- Board Affairs – No report
- Fiscal Affairs
- Investments
- Nominations & Elections – No report
- Planning & Evaluation

7. Consent Agenda

MOTION: Director Hillyer moved, Director Crothers seconded to approve Consent Agenda with the removal of pulled minutes – 1,2, and 5.

Director Bachelor asked to pull Special Meeting March 20 and April 10 Work Session minutes for discussion.

Director Lawless asked to pull February 28 minutes for discussion.

Passed: unanimous

A. Minutes:

~~1) BOD Regular Meeting Minutes: February 28, 2024~~

~~2) BOD Special Meeting Minutes: March 20, 2024~~

3) BOD Special Meeting Minutes: March 27, 2024

4) BOD Special Meeting Minutes: April 10, 2024

~~5) BOD Work Session Minutes: April 10, 2024~~

B. Financial Statements:

1) December 2023 – March 2024 Financials

8. Action Items

A. Initiatives Budget Amendment

MOTION: Director Dingman moved, Director English seconded to adjust the Initiatives Budget for 2024 as follows: remove projected \$50,000 income from prior year surplus transfer, remove \$180,000 costs for Canoa Hills gym conversion, and adding \$15,000 of costs for stage removal at Desert Hills. Resulting in a net reduction of the Initiatives Budget by \$115,000.

Passed: 11 yes / 1 no (Crothers)

B. Acceptance of Draft Audit

MOTION: Director Crothers moved, Director Bachelor seconded to accept the Draft 2023 Audit as presented.

Passed: unanimous

C. Approval of Tentative Annual Calendar for Board Meetings

MOTION: Director Crothers moved, Director Carden seconded to approve the Annual Meeting Schedule as presented to the Board.

MOTION TO AMEND: Director Hillyer moved, Director Carden seconded to amend the motion by removing July meetings from the calendar.

Passed: 11 yes / 1 no (Lawless)

Amended Motion Passed:

11 yes / 1 no (Lawless)

Amended Motion: Approve the Annual Meeting Schedule with the July meetings removed.

D. Approve Desert Hills Locker Room Expansion

MOTION: Director Carden moved, Director Dingman seconded to approve the Desert Hills locker room expansion as indicated and direct staff to move forward with developing construction documents, obtain permits, and go out for bids.

Passed: 11 yes / 1 no (Crothers)

E. Approve Desert Hills Stage Removal in Auditorium

MOTION: Director Dingman moved, Director Johnson seconded to approve staff pursuit of removal of the stage in the auditorium at Desert Hills by seeking bids per policy and awarding a contract not to exceed \$15,000 from the Initiatives Fund.

Passed: 11 yes / 1 no (Crothers)

- F. Delete Conversion of Canoa Hills Gym, but keep the walking track.

MOTION: Director Bachelor moved, Director Johnson seconded to delete the conversion of the Canoa Hills Gymnasium from the Capital Project list, but keep the walking track and not to conflict with current scheduled uses.

MOTION TO AMEND: Director Garneau moved, Director Carden seconded to amend the motion by taking out “not to conflict with current scheduled uses.”

Passed: 10 yes / 2 no (Bachelor, Dingman)

Amended Motion Passed: 11 yes / 1 no (Bachelor)

Amended Motion: Delete the conversion of the Canoa Hills Gymnasium from the Capital Project list, but keep the walking track.

- G. Minutes pulled from Consent Agenda: Regular Meeting February 28, 2024, March 20 Special Meeting and April 10 Work Session

MOTION: Director Lawless moved, Director Johnson seconded to amend the February 28 minutes Section 5 Committee Reports to read “All reports received and placed on file and the Del Sol Committee Report will be filed on the GVR Website under Governance/Documents/Other Documents.”

Failed: 3 yes (Bachelor, Johnson, Lawless) / 8 no

MOTION: Director Hillyer moved, Director Crothers seconded to accept the February 28, 2024, minutes.

Passed: 8 yes / 3 no (Bachelor, Johnson, Lawless)

The motion on resolving the tie vote in the minutes of the Special Meeting of March 20, 2024, will be reviewed by staff and brought back at the Regular Meeting of the Board in May.

Discussion was held on the minutes from the Work Session on April 10, 2024, regarding whether the \$90,000 to enhance ventilation in the kiln room was part of the \$445,665 estimate for the Desert Hills locker room expansion.

MOTION: Director Bachelor moved, Director Johnson seconded to take out “for the kiln room” on the last page of the minutes and the last bullet from the minutes of April 10, 2024, Work Session.

Passed: unanimous

9. **Member Comments** – There were no member comments.

10. **Adjournment**

MOTION: Director Hillyer moved, Director Johnson seconded to adjourn the meeting at 4:41pm.

Passed: unanimous



MINUTES

BOARD OF DIRECTORS SPECIAL MEETING

Wednesday, May 8, 2024 - 2pm

West Center Auditorium / Zoom

*Code of Conduct

Directors: Marge Garneau (President), Bart Hillyer (Vice President), Jim Carden (Secretary), Carol Crothers (Treasurer), Candy English (Assistant Secretary), Nellie Johnson (Assistant Treasurer) Nancy Austin, Kathi Bachelor, Barbara Blake, Beth Dingman, Bev Lawless, Joe Magliola, Scott Somers (non-voting)

Visitors: 6

AGENDA TOPIC

1. Call to Order / Roll Call – Establish Quorum

The President being in the chair and the Secretary being present.

President Garneau called the meeting to order at 2pm MST. Secretary Carden called the roll; quorum established.

2. Adopt or Amend Agenda

MOTION: Director Johnson moved, Director Austin seconded to approve the Agenda.

Passed: unanimous

3. Action Items

A. Del Sol Clubhouse: Amend Contract with Building Excellence

CEO Scott Somers reviewed the action needed for amending the contract for Building Excellence: 1) Parking Lot improvements that were not anticipated, due to a Pima County permit requirement change, with the funds to come from the MRR Fund in the amount of \$154,109.63; and 2) The rest of the contract would be funded out of the Initiatives Fund. The increase to the Initiative Fund will be \$21,298.07. The project is under budget by about \$346,000.

MOTION: Director Dingman moved, Director Carden seconded to amend the contract with Building Excellence for work being completed on the Del Sol Clubhouse by increasing the total contract amount from \$1,083,943 to \$1,259,350.70, a total increase of \$175,407.70, \$21,298.07 of which will be expended from the Initiatives Fund and \$154,109.63 of which will be expended from the MRR Fund, and authorize the President to sign the amended contract.

Passed: unanimous

4. Member Comments – 0

5. Adjournment

MOTION: Director Hillyer moved, Director Magliola seconded to adjourn the meeting at 2:21pm MST.

Passed: unanimous



MINUTES

BOARD OF DIRECTORS WORK SESSION

Wednesday, May 8, 2024, 2pm

WC Auditorium / Zoom

Directors Present: Marge Garneau (President), Bart Hillyer (Vice President), Jim Carden (Secretary), Carol Crothers (Treasurer), Candy English (Assistant Secretary), Nellie Johnson (Assistant Treasurer), Nancy Austin, Kathi Bachelor, Barbara Blake, Beth Dingman, Bev Lawless, Joe Magliola, Scott Somers (non-voting)

Staff Present: Steve Kindred (Recreation Program Director), Steve Mendoza (Facilities Director), Nanci Moyo (Administrative Supervisor), David Webster (CFO), Natalie Whitman (COO), Kris Zubicki (Member Services Director)

Visitors: 6

AGENDA TOPIC

1. **Call to Order / Roll Call**

Work Session Called to Order at 2:21pm by President Garneau. Secretary Carden called the roll.

2. **Amend / Approve Agenda**

MOTION: Director Hillyer moved, Director Magliola seconded to amend the Agenda by removing Agenda Topic #4.

Failed: 5 yes (Austin, Carden, Crothers, Hillyer, Magliola) / 6 no / 1 abstain (Garneau)

MOTION: Director Carden moved, Director Blake seconded to approve the agenda as presented.

Passed: 11 yes / 1 no (Hillyer)

3. **Board and Director's Roles, Duties, and Responsibilities**

- **Board Calendar (How Topics are Added)**

The Board Calendar is updated by Staff. Items can be added when requested by the Chair or a Director.

- **Bylaws/CPM/Roberts Rules (Two times to speak and Call the Question)**

Explanation was provided for Conduct for the Board Meeting: At a Regular Meeting a Director introducing a motion may speak for ten minutes and Directors may speak for no more than three minutes per comment per topic. The President allows Directors to speak twice per topic per Robert's Rules of Order VII Debate, 42. The small board part of Robert's Rules of Order is not used during a Board meeting. If a Director would like to bring up a change at a meeting the President says it needs a 2/3 vote of the Directors to pass to make this change.

- **Work Sessions (Allowing members to make comments)**
Presiding Board Director can ask/allow members to make comments during a Work Session.
Call the Question (stop discussion and hold a vote) guidelines: Need to be recognized by the presiding officer, state "Call the Question", discussion is finished and vote needs to occur with a 2/3 vote to stop discussion and move to a vote on the topic at hand.
- **Board/Member Emails (How it is coordinated)**
Part 7 Communications – Section 3 Member Communications
The Board receives all Board emails sent from members.
Part 7 Communications – Section 4 Board of Communication
Encouraged Directors to be polite in the emails to one another.

4. **GVR Foundation**

Directors on the GVR Foundation Board would like to work with GVR Board on how each Board functions, moving forward and working together.

5. **Adjournment Director Hillyer moved, Director Magliola seconded to adjourn the meeting at 3:27pm.**

Passed: unanimous

DRAFT



Green Valley Recreation, Inc.

CONSOLIDATED FINANCIAL STATEMENTS

The accompanying pages are the Financial Reports for April 30, 2024. The four statements are:

Statement of Financial Position.

This is also known as a Balance Sheet or the Statement of Net Assets.

Statement of Activities

Also known as an Income and Expense statement. This report shows the types of Income, the categories of expense and the unrealized Investment Market changes for the year to date. The bottom line in this report is the net for all the reserve accounts maintained by GVR.

Statement of Changes in Net Assets

This report displays the financial activity of the four reserves that make up the Net Assets of Green Valley Recreation. These reserves are:

Unrestricted - These net assets include the Fixed Assets (land, buildings and equipment), undesignated current assets less the current liabilities and deferred revenue items.

Emergency - Designated by the Board of Directors, this reserve is held to provide liquidity when needed for operational emergencies.

Maint - Repair - Replacement - designated by the Board of Directors, this reserve is the accumulation of assets in support of the Reserve Study which is mandated for Common Interest Realty Associations like Green Valley Recreation. Annual amounts are budgeted and transferred into this reserve for the purposes of the name of this reserve.

MRR-B Pools and Spas - Board designated reserve for end of life replacement of Pools and Spas

Initiatives - This reserve is designated by the Board of Directors to help with the funding for new programs that evolve from member interests and demands. Innovation in programming enables GVR to respond to member expectations.

Investment Portfolios

This report displays the market values of investments at the beginning of the year, the dollar amounts of changes that occurred from January 1st to the date of the financial statements. The unrealized gain or loss on market value changes is shown on a separate line to result in the market value of investments as of the reporting month end. The investments related to each of the Reserves (Unrestricted and Designated) are included in separate columns.



Green Valley Recreation, Inc.
Statement of Financial Position

As of Date: April 30, 2024 and Dec 31, 2023

| | April 30, 2024 | Dec 31, 2023 |
|---|-----------------------------------|-----------------------------------|
| | Total | Total |
| ASSETS | | |
| Current Assets | | |
| Cash/Cash Equivalents | 832,509 | 2,599,548 |
| Accounts Receivable | 406,708 | 220,589 |
| Prepaid Expenses | 79,940 | 218,015 |
| Maintenance Inventory | 22,003 | 22,003 |
| Designated Investments (Charles S./SBH) | | |
| Emergency - Fund | 576,059 ⁽¹⁾ | 560,194 ⁽¹⁸⁾ |
| MRR - Fund | 8,138,604 ⁽²⁾ | 7,175,602 ⁽¹⁹⁾ |
| Initiatives - Fund | 1,187,197 ⁽³⁾ | 1,750,056 ⁽²⁰⁾ |
| Pools & Spas - Fund | 1,113,603 ⁽⁴⁾ | 814,765 ⁽²¹⁾ |
| Total Designated Investments (CS/SBH) | 11,015,463 ⁽⁵⁾ | 10,300,617 ⁽²²⁾ |
| Undesignated Invest. (JP Morgan Long Term) | 1,723,853 ⁽⁶⁾ | 1,699,386 ⁽²³⁾ |
| Undesignated Invest. (JP Morgan) | 2,664,375 ⁽⁷⁾ | 1,767,892 ⁽²⁴⁾ |
| Investments | 15,403,690 ⁽⁸⁾ | 13,767,895 ⁽²⁵⁾ |
| Total Current Assets | 16,744,850 | 16,828,050 |
| Fixed Assets | | |
| Contributed Fixed Assets | 18,700,035 | 18,017,085 |
| Purchased fixed Assets | 31,045,204 | 31,004,036 |
| Sub-Total | 49,745,238 | 49,021,121 |
| Less - Accumulated Depreciation | (27,873,985) | (27,464,438) |
| Net Fixed Assets | 21,871,253 ⁽⁹⁾ | 21,556,682 ⁽²⁶⁾ |
| Operating Lease ROU, Net of Accum. Amortization | - | - |
| Finance Lease ROU, Net of Accum. Amortization | 72,483 | 72,483 |
| Total Assets | 38,688,587 | 38,457,215 |
| LIABILITIES | | |
| Current Liabilities | | |
| Accounts Payable | 372,413 | 727,655 |
| Deferred Dues Fees & Programs | 4,844,824 | 4,533,756 |
| Accrued Payroll | 136,174 | 156,036 |
| Compensation Liability | - | - |
| MCF Refund Liability | 214,750 | 211,700 |
| In-Kind Lease Liability -Current | 6,666 | 4,000 |
| Operating ROU Liability - Current | - | - |
| Financing ROU Liability - Current | 40,307 | 40,307 |
| Total Current Liabilities | 5,615,134 | 5,673,454 |
| In-Kind Lease Liability - LT | 46,667 | 46,667 |
| Notes Payable | 11,000 | 11,000 |
| Financing ROU Liability - LT | 43,954 | 43,954 |
| Total Long Term Liabilities | 101,621 | 101,621 |
| TOTAL NET ASSETS | 32,971,831 ⁽¹⁰⁾ | 32,682,140 ⁽²⁷⁾ |
| NET ASSETS | | |
| Temporarily Designated: | | |
| Board Designated: | | |
| Emergency | 576,059 ⁽¹¹⁾ | 560,194 ⁽²⁸⁾ |
| Maint - Repair - Replacement | 8,138,604 ⁽¹²⁾ | 7,175,602 ⁽²⁹⁾ |
| Initiatives | 1,187,197 ⁽¹³⁾ | 1,750,056 ⁽³⁰⁾ |
| Pools & Spas | 1,113,603 ⁽¹⁴⁾ | 814,765 ⁽³¹⁾ |
| Sub-Total | 11,015,463 ⁽¹⁵⁾ | 10,300,617 |
| Unrestricted Net Assets | 21,666,678 | 22,381,524 |
| Net change Year-to-Date | 289,691 ⁽¹⁶⁾ | - |
| Unrestricted Net Assets | 21,956,368 ⁽¹⁷⁾ | 22,381,524 |
| TOTAL NET ASSETS | 32,971,831 | 32,682,140 |



Green Valley Recreation, Inc.
Summary Statement of Activities
 YTD Period: 4 month period ending April 30, 2024
 FY Budget Period: Jan 1, 2024 - Dec 31, 2024

| | PRIOR YEAR COMPARISON | | | | BUDGET COMPARISON | | | | Fiscal Year Budget | Remaining FY Budget |
|-----------------------------------|-----------------------|------------------|-----------------------|--------------|-------------------|------------------|------------------|---------------|--------------------|---------------------|
| | 2023 YTD Actual | 2024 YTD Actual | Year to Year Variance | % | YTD Actual | YTD Budget | YTD Variance | % | | |
| Revenue | | | | | | | | | | |
| Member Dues | 2,352,875 | 2,379,380 | 26,505 | 1% | 2,379,380 | 2,377,583 | 1,797 | 0.1% | 7,132,750 | 4,753,370 |
| LC,Trans., Crd Fees. | 309,519 | 301,979 | (7,541) | (2%) | 301,979 | 295,247 | 6,732 | 2% | 705,637 | 403,658 |
| Capital Revenue | 930,048 | 913,186 | (16,862) | (2%) | 913,186 | 1,115,598 | (202,412) | (18%) | 3,039,780 | 2,126,594 |
| Programs | 52,685 | 143,636 | 90,952 | 173% | 143,636 | 64,944 | 78,692 | 121% | 92,403 | (51,234) |
| Instructional | 179,535 | 234,506 | 54,971 | 31% | 234,506 | 206,856 | 27,650 | 13% | 393,000 | 158,495 |
| Recreational Revenue | 232,220 | 378,142 | 145,922 | 63% | 378,142 | 271,800 | 106,342 | 39% | 485,403 | 107,261 |
| Investment Income | 172,652 | 168,767 | (3,885) | (2%) | 168,767 | 141,819 | 26,947 | 19% | 425,458 | 256,692 |
| Advertising Income | - | - | - | 0% | - | - | - | 0% | - | - |
| Cell Tower Lease Inc. | 15,648 | 16,152 | 504 | 3% | 16,152 | 15,698 | 454 | 3% | 47,093 | 30,941 |
| Comm. Revenue | 15,648 | 16,152 | 504 | 3% | 16,152 | 15,698 | 454 | 3% | 47,093 | 30,941 |
| Other Income | 43,375 | 49,061 | 5,686 | 13% | 49,061 | 57,433 | (8,372) | (15%) | 87,072 | 38,011 |
| Facility Rent | 8,324 | 11,705 | 3,381 | 41% | 11,705 | 6,667 | 5,038 | 76% | 20,000 | 8,295 |
| Marketing Events | - | - | - | 0% | - | - | - | 0% | - | - |
| In-Kind Contributions | 1,333 | 1,333 | - | 0% | 1,333 | 1,333 | - | 0% | 4,000 | 2,667 |
| Del Sol Café Revenue | - | - | - | 0% | - | 2,778 | (2,778) | (100%) | 25,000 | 25,000 |
| Other Revenue | 53,033 | 62,099 | 9,067 | 17% | 62,099 | 68,211 | (6,111) | (9%) | 136,072 | 73,973 |
| Total Revenue | 4,065,994 | 4,219,704 | 153,710 | 4% | 4,219,704 | 4,285,957 | (66,252) | (1.5%) | 11,972,193 | 7,752,489 |
| Expenses | | | | | | | | | | |
| Major Proj.-Rep. & Maint. | 84,420 | 127,733 | (43,313) | (51%) | 127,733 | 164,579 | 36,847 | 22% | 489,203 | 361,470 |
| Facility Maintenance | 61,755 | 122,267 | (60,512) | (98%) | 122,267 | 136,393 | 14,126 | 10% | 405,251 | 282,984 |
| Fees & Assessments | 12,178 | 3,722 | 8,456 | 69% | 3,722 | 625 | (3,097) | (495%) | 5,000 | 1,278 |
| Utilities | 444,263 | 457,293 | (13,030) | (3%) | 457,293 | 368,899 | (88,394) | (24%) | 1,000,134 | 542,841 |
| Depreciation | 468,434 | 409,547 | 58,887 | 13% | 409,547 | 442,713 | 33,167 | 7% | 1,275,000 | 865,453 |
| Furniture & Equipment | 84,997 | 96,851 | (11,854) | (14%) | 96,851 | 101,133 | 4,281 | 4% | 268,945 | 172,094 |
| Vehicles | 26,277 | 38,433 | (12,156) | (46%) | 38,433 | 32,672 | (5,761) | (18%) | 98,000 | 59,567 |
| Facilities & Equipment | 1,182,323 | 1,255,846 | (73,523) | (6%) | 1,255,846 | 1,247,015 | (8,831) | (1%) | 3,541,533 | 2,285,686 |
| Wages | 1,309,750 | 1,430,621 | (120,871) | (9%) | 1,430,621 | 1,315,426 | (115,195) | (9%) | 4,047,812 | 2,617,191 |
| Payroll Taxes | 102,555 | 123,108 | (20,553) | (20%) | 123,108 | 107,081 | (16,027) | (15%) | 323,634 | 200,525 |
| Benefits | 297,536 | 254,024 | 43,512 | 15% | 254,024 | 327,555 | 73,531 | 22% | 964,545 | 710,520 |
| Personnel | 1,709,841 | 1,807,753 | (97,912) | (6%) | 1,807,753 | 1,750,063 | (57,690) | (3%) | 5,335,990 | 3,528,237 |
| Food & Catering | 8,287 | 32,105 | (23,818) | (287%) | 32,105 | 8,013 | (24,092) | (301%) | 21,386 | (10,720) |
| Recreation Contracts | 171,434 | 269,518 | (98,084) | (57%) | 269,518 | 169,724 | (99,794) | (59%) | 348,685 | 79,167 |
| Bank & Credit Card Fees | 56,254 | 63,484 | (7,230) | (13%) | 63,484 | 61,991 | (1,493) | (2%) | 77,000 | 13,516 |
| Program | 235,975 | 365,108 | (129,132) | (55%) | 365,108 | 239,729 | (125,379) | (52%) | 447,071 | 81,963 |
| Communications | 31,707 | 41,931 | (10,224) | (32%) | 41,931 | 34,149 | (7,781) | (23%) | 96,023 | 54,092 |
| Printing | 50,096 | 49,047 | 1,050 | 2% | 49,047 | 38,441 | (10,605) | (28%) | 103,183 | 54,136 |
| Advertising | 12,972 | 1,984 | 10,988 | 85% | 1,984 | 7,140 | 5,156 | 72% | 17,920 | 15,936 |
| Communications | 94,776 | 92,961 | 1,815 | 2% | 92,961 | 79,731 | (13,230) | (17%) | 217,126 | 124,165 |
| Supplies | 163,825 | 176,581 | (12,756) | (8%) | 176,581 | 188,165 | 11,584 | 6% | 558,587 | 382,006 |
| Postage | 4,637 | 8,853 | (4,216) | (91%) | 8,853 | 5,451 | (3,402) | (62%) | 17,922 | 9,069 |
| Dues & Subscriptions | 6,239 | 5,685 | 554 | 9% | 5,685 | 6,815 | 1,130 | 17% | 17,091 | 11,406 |
| Travel & Entertainment | 22 | - | 22 | 100% | - | 800 | 800 | 100% | 1,600 | 1,600 |
| Other Operating Expense | 31,529 | 32,424 | (895) | (3%) | 32,424 | 37,242 | 4,818 | 13% | 113,884 | 81,460 |
| Operations | 206,252 | 223,543 | (17,291) | (8%) | 223,543 | 238,472 | 14,929 | 6% | 709,084 | 485,541 |
| Information Technology | 22,309 | 13,429 | 8,880 | 40% | 13,429 | 45,957 | 32,528 | 71% | 136,781 | 123,352 |
| Professional Fees | 124,253 | 78,429 | 45,824 | 37% | 78,429 | 92,442 | 14,013 | 15% | 213,816 | 135,387 |
| Commercial Insurance | 111,820 | 117,662 | (5,842) | (5%) | 117,662 | 118,271 | 608 | 1% | 354,812 | 237,149 |
| Taxes | (276) | - | (276) | 100% | - | 4,333 | 4,333 | 100% | 33,000 | 33,000 |
| Conferences & Training | 10,589 | 1,870 | 8,719 | 82% | 1,870 | 16,481 | 14,610 | 89% | 34,127 | 32,257 |
| Employee Recognition | 857 | 2,775 | (1,917) | (224%) | 2,775 | 7,168 | 4,393 | 61% | 21,500 | 18,725 |
| Provision for Bad Debt | - | - | - | 0% | - | - | - | 0% | - | - |
| Corporate Expenses | 269,552 | 214,165 | 55,387 | 21% | 214,165 | 284,651 | 70,486 | 25% | 794,036 | 579,870 |
| Expenses | 3,698,720 | 3,959,376 | (260,656) | (7%) | 3,959,376 | 3,839,660 | (119,716) | (3.1%) | 11,044,839 | 7,085,463 |
| Gross Surplus(Rev-Exp) | 367,274 | 260,328 | (106,946) | (29%) | 260,328 | 446,297 | (185,969) | (42%) | 927,354 | 667,026 |
| Net Gain/Loss on Invest. | 262,113 | 29,362 | (232,750) | | 29,362 | - | 29,362 | | - | (29,362) |
| Net from Operations | 629,387 | 289,691 | (339,697) | (54%) | 289,691 | 446,297 | (156,606) | | 927,354 | 637,663 |



Green Valley Recreation, Inc.
Statement of Changes in Net Assets
As of Date: April 30, 2024 and Dec 31, 2023

| | Totals | Unrestricted | | Emergency Reserve Fund | Maint - Repair - Replacement Reserve Fund | Initiatives Reserve Fund | Pools & Spas Reserve Fund |
|--|---|---|--|---|--|--|--|
| | | Unrestricted | Fixed Assets | | | | |
| Net change in net assets-GVR | 289,691 (16) | 289,691 | - | - | - | - | - |
| Transfers between unrestricted and reserves: | | | | | | | |
| Reserve Study Allocation | - | - | - | - | - | - | - |
| Principal Transfers | | | | | | | |
| Transfers For Funding | - | (1,696,177) | - | - | 1,220,295 | 176,482 | 299,400 |
| Transfers Prev. Yr. Surplus | - | - | - | - | - | - | - |
| Transfers Curr. Yr. Surplus | - | - | - | - | - | - | - |
| Transfers Between Funds | - | - | - | - | - | - | - |
| Depreciation | - | 409,547 | (409,547) | - | - | - | - |
| Disposal of Fixed Assets | - | - | - | - | - | - | - |
| Purchase & Contributed Fixed Assets | 58,177 | (22,434) | 724,118 | - | (318,059) | (325,448) | - |
| Purchases Withdrawals Outstanding | - | 417,352 | - | - | 4,612 | (421,964) | - |
| Allocations of Net Change components: | | | | | | | |
| Investment income | - | (96,927) | - | 3,574 | 71,456 | 13,334 | 8,564 |
| Investment Expenses | - | 38,428 | - | (1,938) | (27,537) | (5,524) | (3,429) |
| Net Gains (Losses) in Investments | - | (21,029) | - | 14,229 | 12,236 | 261 | (5,696) |
| Net Change to April 30, 2024 | 347,868 (16) | (681,549) | 314,571 | 15,865 | 963,002 | (562,859) | 298,838 |
| Net Assets at, Dec 31, 2023 | 32,682,140 (27) | 824,841 | 21,556,682 (26) | 560,194 (28) | 7,175,602 (29) | 1,750,056 (30) | 814,765 (31) |
| Net Assets as at, April 30, 2024 | 33,030,008 (10) | 143,292 | 21,871,253 (9) | 576,059 (11) | 8,138,604 (12) | 1,187,197 (13) | 1,113,603 (14) |
| | | 22,014,545 (17) | | 11,015,463 (15) | | | |

Footnotes refer to Statement of Financial Position and Statement of Activities



Green Valley Recreation, Inc.
Investment Portfolios
Changes and Market Values
Beginning of Year and Curent Month End

| | Totals | Unrestricted | Emergency Reserve Fund | Maint - Repair - Replace Reserve Fund | Initiatives Reserve Fund | Pools & Spas Reserve Fund |
|---|-------------------------------------|---|----------------------------------|---------------------------------------|---------------------------------|---------------------------------|
| Balance Dec 31, 2023 (at Market) | 13,767,895 ⁽²⁵⁾ | 3,467,278 ⁽²⁴⁾ | 560,194 ⁽¹⁸⁾ | 7,175,602 ⁽¹⁹⁾ | 1,750,056 ⁽²⁰⁾ | 814,765 ⁽²¹⁾ |
| Changes since Jan 1, 2023: | | | | | | |
| Principal Transfers | 3,696,177 | 2,000,000 | - | 1,220,295 | 176,482 | 299,400 |
| Investment income | 159,542 | 62,615 | 3,574 | 71,456 | 13,334 | 8,564 |
| Withdrawals | (2,210,859) | (1,150,000) | - | (313,447) | (747,411) | - |
| Investment Expenses | (38,428) | - | (1,938) | (27,537) | (5,524) | (3,429) |
| Net Change for 4 Months | 1,606,432 | 912,615 | 1,636 | 950,766 | (563,119) | 304,534 |
| Balance before Market Change at April 30, 2024 | 15,374,327 | 4,379,894 | 561,830 | 8,126,368 | 1,186,937 | 1,119,299 |
| 4 Months Net Change in Investments Gain/(Loss) | 29,362 | 8,334 | 14,229 | 12,236 | 261 | (5,696) |
| Balance at April 30, 2024 (at Market) | \$ 15,403,690 ⁽⁸⁾ | 4,388,227 ⁽⁶⁾ ⁽⁷⁾ | 576,058.70 ⁽¹⁾ | 8,138,604 ⁽²⁾ | 1,187,197 ⁽³⁾ | 1,113,603 ⁽⁴⁾ |
| | | | | 11,015,463 ⁽¹⁵⁾ | | |

Footnotes refer to Statement of Financial Position and Statement of Activities



Green Valley Recreation, Inc.
Board of Directors Meeting

Approval of Committee Action Plans

Prepared By: Nanci Moyo, Admin. Sup.

Meeting Date: May 22, 2024

Presented By: Marge Garneau, President

Consent Agenda: No

| |
|---|
| <p>Originating Committee / Department: Board of Directors</p> |
| <p>Action Requested: Review the Committee Action Plans from the Audit Committee, Board Affairs Committee (BAC), Fiscal Affairs Committee (FAC), Investment Committee, Nominations and Elections Committee (N&E), and Planning and Evaluation Committee (P&E).</p> |
| <p>Strategic Plan Goal: GOAL 5: Provide sound, effective governance and leadership for the corporation</p> |
| <p>Background Justification: The Corporate Policy Manual (CPM) in Part 3 Committees, Section 1 General – 3.1.1.H states: Responsibilities of Committee Chairpersons, along with Committee members, and staff liaison, are to identify goals in conjunction with the Strategic Plan; provide Committee Action Plans to the Board for approval; provide, at least, quarterly updates to the Board; and at year-end identify accomplishments of the Committee and continuing tasks for the next year.</p> |
| <p>Fiscal Impact: N/A</p> |
| <p>Board Options:</p> <ol style="list-style-type: none"> 1) Approve the Committee Action Plan as presented. 2) Provide amendments to the proposed Committee Action Plan and approve as amended. 3) Provide alternative direction to Committee Chairpersons. |
| <p>Staff Recommendation: Option #1 or #2</p> |
| <p>Recommended Motion: Move to approve Committee Action Plans as presented for these committees: Audit, Board Affairs, Fiscal Affairs, Investment, Nominations and Elections, and Planning and Evaluation.</p> |
| <p>Attachments:</p> <ol style="list-style-type: none"> 1) Audit Committee Action Plan 2) Board Affairs Committee Action Plan 3) Fiscal Affairs Committee Action Plan 4) Investment Committee Action Plan 5) Nominations and Elections Committee 6) Planning and Evaluation Committee |



Committee Action Plan

2024-2025 Audit Committee

Chair: Nancy Austin

Staff Liaison: David Webster, CFO

Committee Members: Peggy Adelman, Bert Olson, Gail Vanderhoof

Committee Purpose:

3.5.2 Responsibilities

- A. The Audit Committee functions in the capacity of an overseer of GVR's financial reporting process and internal controls. This oversight is conducted by review of the reporting and communication from a qualified independent auditing firm. The Committee is not involved in The Corporation's daily accounting functions.
- B. The principal functions of the Audit Committee are:
 1. To recommend a CPA firm to the GVR Board to act as The Corporation's independent auditor.
 2. To review the independent auditor's terms of engagement.
 3. To review the results of each audit including opinion qualifications or expectations.
 4. To review the auditor's management letter and GVR management's response.
 5. To review issues and disputes that may arise between GVR management and the independent auditor during an audit.
 6. To review the adequacy of internal financial controls with the audit firm.
 7. Items explicitly authorized by the Board of Directors.
 8. Review IRS Form 990 and recommend acceptance to the Board.

Priorities Established for 2024-2025:

- Review the Audit

Timeline for Established Priorities:

- March 2025



Committee Action Plan

2024-2025 Board Affairs Committee

*Bylaws Article VIII, Section 1:
"The Committees shall make policy recommendations to the
Board of Directors for approval."*

Chair: Bart Hillyer

Staff Liaison: Nanci Moyo

Committee Members: Carol Crothers, Beth Dingman, Ed Knop, Joe Magliola, Pat Reynolds, Lanny Smith, Gail Vanderhoof, Jodie Walker

Committee Responsibilities:

3.2.2 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 the Articles of Incorporation or Bylaws to staff for submission to legal counsel for appropriate action. Any BAC approved change to the CPM which staff determines needs legal review will also be submitted. Should legal counsel recommend a revision to a governing document, it will be returned to the Committee for final review before being presented to the Board for 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.

Priorities and Timelines Established for 2024-2025:

- Review possible bylaw changes for Committees, Membership Definition, small changes
 - ✓ June-December

- Review changes to the CPM including: Tied vote; Change Work Session to Orientation; consider moving Operations out of CPM; consider reviewing Agenda Scheduling and Preparation; and any other changes that arise
 - ✓ May 2024 – February 2025

Resources Needed:

- Attorney review of bylaws and policy proposals
- Attorney approval for possible bylaw changes



Committee Action Plan

2024-2025 Fiscal Affairs Committee

*Bylaws Article VIII, Section 1:
"The Committees shall make policy recommendations to the
Board of Directors for approval."*

Chair: Carol Crothers

Staff Liaison: David Webster

Committee Members: Dale Howard, Nellie Johnson, Bob Quast, Pat Reynolds, Steve Reynolds, Lanny Smith, Priscilla Spurgeon, Mandy Vernalia

Committee Responsibilities:

3.4.2 Responsibilities

- A. Meet quarterly, or as necessary, to review and recommend the capital projects for the Capital Improvement Plan to the Board, per the CPM.
- B. To be knowledgeable of the Strategic Plan and Five-Year Capital Plan to ensure that all planned capital projects comply with these plans.

Priorities and Timelines Established for 2024-2025:

- Review monthly financial reports from the GVR Chief Financial Officer
- Assist in the development of the 2025 Budget (Oct-24)
- Establish new policies where needed:
 - Economic Downturn Policy (Sep-24)
 - Prioritize Spending / Cutback Contingency Plans (Sep-24)
 - Breakeven Policy (Sep-24)
 - Conservative Budget Policy (Sep-24)
 - Budget Adjustment Policy (Sep-24)
 - Financial Reserves Policy (Sep-24)
 - Updates to Capital Improvement Project Policy and Process (Sep-24)

Resources Needed:

- Staff is responsible for preparing the 2025 budget
- Staff is responsible for proposing new policies.



Committee Action Plan

2024-2025 Investment Committee

Bylaws Article VIII, Section 1:

"The Committees shall make policy recommendations to the Board of Directors for approval."

Chair: Nellie Johnson

Staff Liaison: David Webster, CFO

Committee Members: Michael Cataldo, Dale Howard, Bev Lawless, George Losleben, Eric Sullwold

Committee Purpose:

3.7.2 Responsibilities

- A. The IC has the following specific responsibilities and duties with respect to the GVR Reserve and Operational Investment Accounts:
 1. Make timely recommendations to the Board concerning:
 - a. The hiring, termination, and replacement of the Investment Manager and/or Investment Adviser (collectively, the IM/IA) for each of the accounts that comprise the Reserve and Operational Investment Accounts.
 - b. The terms and wording for any contract between GVR and an IM/IA.
 - c. The specific wording and specifications for the Investment Policy Statement (IPS) set forth in Appendix 1, Section 3 that governs each of the accounts that comprise the Reserve and Operational Investment Accounts.
 2. Perform the following ongoing functions:
 - a. Complete due diligence and evaluation of each IM/IA at the end of each quarter or more frequently, if desired/needed.
 - b. Monitor the IM/IAs to confirm compliance with the applicable IPS.
 3. Make timely reports, in accordance with the IPS, to the CFO, CEO, and the Board of the following:
 - a. A serious and meaningful violation of the IPS.

- b. A potential replacement of an existing IM/IA.
 - c. Any update requested by the Board.
 4. Collaborate with the CEO/CFO concerning the following:
 - a. The invested Operational Funds regarding compliance with the applicable IPS and performance.
 - b. What information and analysis the CEO/CFO will provide to the IC for the purpose of enabling the IC to perform its duties.
 - c. The specific actions required by the CEO/CFO in order to bring an IM/IA back into compliance with its applicable IPS.
 5. In the process of completing its duties, the IC will generate the following documents:
 - a. An IPS for each of the accounts that comprise the Reserve and Operational Investment Accounts.
 - b. An Investment Management Contract for each IM/IA hired by GVR as signed and implemented by the GVR Board President.
 - c. Minutes of each meeting of the IC.

Priorities and Timelines Established for 2024-2025:

- Review (individually) investment reports monthly with assistance from David Webster, CFO and summary provided by current Controller/Finance Manager, Howey Murray, to make sure we are within approved ranges in the IPS. Contact Chair with any concerns who will then contact David Webster, CFO, and /or Investment Advisor as needed. Ongoing
- Attend quarterly meetings with the Investment Advisors to review returns and discuss any changes to the IPS recommended due to changes in GVR spending or current markets. Please remember our IPS has flexibility built in so changes should not need to be made often. Ongoing
- Review long- term and short-term operating reserves and review if changes should be made to maximize investment returns. August/October
- Spot-check the Chase Bank arrangement and determine if it is still the best banking relationship from a cost, return on investment and quality of services provided. August/October

Resources Needed:

- CFO and Controller provide assistance in monitoring investment reports and reviewing checking account fees.



**Committee Action
Plan
2024-2025
Nominations and Elections Committee**

Chair: Barbara Blake

Staff Liaison: Nanci Moyo

Committee Members: Candy English, April Hasson Hillard, Betsy Walton, Marge Garneau (President)

Committee Responsibilities:

3.6.2 Responsibilities

- A. Nominations
 - 1. Submit a slate of qualified candidates to the Board at least ninety (90) days prior to the Annual Meeting.
 - 2. Submit a slate of qualified petition candidates to the Board at least sixty (60) days prior to the Annual Meeting.
- B. Election Process
 - 1. Recommend to the Board a record date to determine the eligible roster of voting members which shall be no more than thirty (30) days prior to the election. If the Board fails to set a record date, the record date shall be the date of ballot delivery.
 - 2. The counting of ballots, at the discretion of the Board may be conducted by an independent organization (e.g., Pima County Elections or electronic voting firm), in which case the results shall be obtained from the organization by the Nominations and Elections (N&E) Chairperson or their representative. *(Bylaws Article V Section 3)*
 - 3. In the election of Directors, if there are fewer than fifty (50) valid votes separating the last successful candidate and the first unsuccessful candidate in the election, or less than a fifty (50) vote difference on any other ballot issue, then the Board may, at its sole discretion, order a recount.
- C. Election Forums for Members

Arrange two (2) election forums for members to attend to hear the candidates answer questions arranged by the N&E Committee and questions from the members.
- D. Election Results

1. The Chairperson shall notify the Board Secretary of the results of the election.
2. The Committee Chairperson shall report the establishment of a quorum and the election results at the Annual Meeting. Successful candidates shall be announced in the order of the total votes received. The results of the ballot for any other matters shall be announced in the order in which the items appeared on the ballot.

Priorities and Timeline Established for 2024-2025:

- N&E Approve Timeline for Elections 2025/Committee Action Plan
 - ✓ May 2024
- Recruit Board and Committee Candidates
 - ✓ September 2024
- Informational Meeting for Prospective Candidates October 2024 (Format and Presenters)
 - ✓ September 2024
- Provide Board of Directors with Record Date 2025
 - ✓ September 2024
- Orientation for Candidates in January 2025 (Format and Presenters)
 - ✓ December 2024
- Forums and Interviews for Candidates (MC, Format and Questions)
 - ✓ December 2024 and January 2025
- Recruiting for Committee Members during Election Cycle
 - ✓ January 2025
- Paper Ballot Discussion
 - ✓ January 2025
- Year-End Review
 - ✓ March 2025

Resources Needed:

- Prepared Timeline
- Provide Optional Record Dates
- Provide Past Questions from Forums and Interviews
- Provide Brochure and Handout for Committee Recruiting



Committee Action Plan
2024-2025
Planning & Evaluation Committee

Chair: Jim Carden

Staff Liaison: Natalie Whitman

Committee Members: Dave Barker, Candy English, April Hasson Hillard, Ed Knop, Bob Quast, Stewart Tagg, Betsy Walton, Diane West, Marge Garneau (ex officio), Scott Somers (CEO)

Committee Responsibilities:

3.4.2 Responsibilities

- A. Meet quarterly, or as necessary, to review and recommend the capital projects for the Capital Improvement Plan to the Board, per the CPM.
- B. To be knowledgeable of the Strategic Plan and Five-Year Capital Plan to ensure that all planned capital projects comply with these plans.

Priorities and Timelines Established for 2024-2025:

- Review staff recommended Five-Year Capital Improvement Plan
 - ✓ July, 2024
- Finalize a Five-Year Capital Improvement Plan to be recommended to the Board of Directors.
 - ✓ August, 2024



Green Valley Recreation, Inc.
Board of Directors Meeting
Metal Arts Club Expansion

Prepared By: Natalie Whitman, COO

Meeting Date: May 22, 2024

Presented By: Natalie Whitman, COO

Consent Agenda: No

| |
|---|
| <p>Originating Committee / Department: Facilities, Recreation</p> |
| <p>Action Requested: Approve staff’s pursuit of converting the shotgun building at the north end of the West Center shuffleboard courts to a metalworking shop for use by the Metal Arts Club.</p> |
| <p>Strategic Plan Goal: Goal 1: Provide excellent facilities for members to participate in a variety of active and social opportunities</p> |
| <p>Background Justification: In recent years, the shotgun building at the north end of the West Center shuffleboard courts has housed the Glass Arts Club’s kiln room, the shuffleboard club’s supply closet, and GVR materials storage.</p> <p>The Metal Arts Club has been working out of two shipping containers placed in the parking lot nearby. The club’s active hours are limited by lack of space and shade. By late morning, the uninsulated metal containers are too hot for safe operation, even through much of the winter.</p> <p>The 2024 Five-Year Capital Plan includes creating a permanent home for the club. No immediate solution seemed evident when the Five-Year Capital Plan was developed. The project was not scheduled for 2024. Since then, the Glass Arts Club has vacated the building and the Admin Annex building will be removed and repurposed to provide materials storage for GVR. Relocating the shuffleboard supplies to the pool ramada on the south end of the courts would leave the building completely available to the Metal Arts Club who could then expand their current footprint.</p> |
| <p>Fiscal Impact: TBD. A <u>very rough</u> estimate of \$200k has been suggested by Building Excellence. The project would be funded by the Initiatives Fund.</p> |
| <p>Board Options:</p> <ol style="list-style-type: none"> 1) Direct staff to pursue construction documents, permits, and bids for the conversion of the shotgun building. 2) Provide alternate direction to staff |
| <p>Staff Recommendation: Option 1</p> |

Recommended Motion:

Approve moving forward on construction documents, permitting, and bids for a Metal Arts Improvement/Expansion project in the shotgun building at West Center.

Attachments:

None



Green Valley Recreation, Inc.
Board of Directors Meeting

Leave Surplus from 2023 Budget in Operations

Prepared By: David Webster, CFO

Meeting Date: May 22, 2024

Presented By: Carol Crothers, Treasurer

Consent Agenda: No

Originating Committee / Department:

Fiscal Affairs Committee

Action Requested:

Allow the 2023 GVR Surplus of \$12,273 to remain in the Operating Fund.

Strategic Plan Goal:

Goal 4: Cultivate and maintain a sound financial base that generates good value for our members.

Background Justification:

Green Valley Recreation's Operating Surplus has been calculated in accordance with the Calculation of Operating Surplus or Deficit Formula in the Corporate Policy Manual (CPM) Section 3 – Reserve Policy Part 5.3.2 C. This calculation results in a \$12,273 Operating Surplus for the fiscal year ending December 31, 2023. The FAC recommends that the surplus funds remain in the Operating fund of GVR and not be transferred out to Initiatives. This relatively small surplus is best used as operating cash at this time.

Fiscal Impact:

The fiscal impact from not transferring the 2023 Operating Surplus is that the balance of operating cash is \$12,273 more than if the Board transferred this surplus to the Initiatives Fund. Likewise, the Initiatives Fund balance is \$12,273 less than if the transfer had been made.

Board Options:

- 1) Accept the recommendation of the Fiscal Affairs Committee and allow the \$12,273 2023 surplus to remain in Operating Fund.
- 2) Transfer the \$12,273 Surplus Out of Operations into the Initiatives Fund.
- 3) Table this decision at this time.

Staff Recommendation:

Option #1

Recommended Motion:

I move to accept the recommendation from the Fiscal Affairs Committee to allow the \$12,273 FY 2023 surplus to remain in the Operations Fund.

Attachments:

- 1) 2024 Surplus calculation.

Analysis of GVR Net Increase in Assets after Reserve Funding

Purpose: To determine if there is sufficient Operating Cash for additional Reserve Funding

| | Total Surplus Calculation 12/31/2023 | 2023 GVR FINANCIAL STATEMENT REFERENCE | 2023 GVR AUDIT REPORT REFERENCE | GVR Surplus Formula Ref CPM p 35 |
|---|---|--|---|---|
| | <u>GVR Surplus Formula</u> | | | |
| Total Increase in Net Assets | \$ 1,401,539 | Page 3 December Financial Stmt. | Pg. 4 Statement of Activities | a. |
| Reserve Accounts Income: Net Gain / Loss on Investments, Unrealized | \$ (740,774) | Page 3 December Financial Stmt. | Pg. 8 Statement of Cash Flows. | b. |
| Net Increase in Net Assets | \$ 660,765 | Page 3 December Financial Stmt. | | |
| Non Cash Contribution: Less Non Cash In Kind Rental Income | \$ (4,000) | Page 3 December Financial Stmt. | Pg. 8 Statement of Cash Flows. | h. |
| Reserve Income: | | | | |
| Deduct Net Income of Reserve Accounts and Unrealized Gains on Operating Investments. | \$ (296,663) | Unrealized Gains/Losses on Operating Investments and Reserve Accounts Income deducted to determine funds available from Operations. Investment Expenses Removed. Pages 4-5 December Financial Statement | Designated Reserve portion of Investment Income reported on page 4 and 14 of Audit. | b., c. |
| \$ (217,478) | \$ - | | | |
| | \$ 79,185 | | | |
| Reserves Funding: | | | | |
| Maintenance Repair & Replacement Reserve Funding for 2022 | \$ (1,179,941) | 2022 MRR Funding transfer Jan-22 based on Browning Reserve , Page 4 | N/A | g. |
| MRR-B Funding | \$ (289,405) | Page 4 | N/A | g. |
| Initiatives Funding per CPM Formula | \$ (559,835) | 2022 Reserve Funding per CPM formula 2022 Initiatives Transfers | N/A | g. |
| Net Increase after Reserve Funding | \$ (1,589,894) | Net Increase after deducting 2022 Reserve Funding | | |
| Cash Adjustment for Capital Purchases: | | | | |
| Add Back Depreciation | \$ 1,362,706 | Add Back Non cash Depreciation. (page 3) | Page 6 Statement of Functional Expenses | d. |
| Deduct Non Reserve Capital Purchases | \$ (43,980) | See attached | N/A | e. |
| Add Back MRR Expenses paid for out of the MRR Reserve | \$ 283,441 | See attached | N/A | f. |
| Surplus after Reserve Funding and Capital Purchase Adjustments | \$ 12,273 | Gross Surplus | | Pg. 35 |
| Adjustments | \$ - | | | |
| Surplus Available for Transfer | \$ 12,273 | | | Pg. 35 |

SURPLUS 2023

2023
ACTUAL

Revenue:

| | |
|---|-------------------|
| Member Dues | 7,051,930 |
| Transfer Fees, Tenant, Credit Crd, Life Care Fees | 740,844 |
| Capital Revenue | 2,753,060 |
| Recreation | 514,095 |
| Investment Income | 456,354 |
| Communication | 47,478 |
| Other Revenue | 107,304 |
| Total Revenue | 11,671,065 |

Expenditures:

| | |
|--|-------------------|
| Facilities & Equipment with Depreciation | 3,689,031 |
| Personnel | 5,015,239 |
| Program | 472,846 |
| Communications | 214,478 |
| Operations | 705,330 |
| Corporate Expenses | 913,376 |
| Total Expenditures | 11,010,300 |

| | |
|----------------------------------|----------------|
| Excess Revenues Over Exp. | 660,765 |
|----------------------------------|----------------|

Transfers and Adjustments:

| | |
|----------------------------------|------------------|
| In Kind Non Cash Revenue | (4,000) |
| Non Reserve Capital Projects | (43,980) |
| Remove Income From Reserves | (296,663) |
| Reserve Funding Initiatives | (559,835) |
| Reserve Funding MRR & MRR-B | (1,469,346) |
| MRR Expenses paid by the Reserve | 283,441 |
| Remove Reserve Investment Exp. | 79,185 |
| Remove Depreciation | 1,362,706 |
| Total Adjustments | (648,492) |

| | |
|----------------|---------------|
| SURPLUS | 12,273 |
|----------------|---------------|



Green Valley Recreation, Inc.
Board of Directors Meeting Session
Adjustment to the 2024 Budget

Prepared By: David Webster, CFO

Meeting Date: May 22, 2024

Presented By: David Webster, CFO

Consent Agenda: No

Originating Department:

Finance

Action Requested:

Approve an amendment to the FY 2024 Capital Budget

Strategic Plan Goal:

Goal 4: Cultivate and maintain a sound financial base that generates good value for our members.

Background Justification:

The Original 2024 Capital Budget from the Initiatives Fund included all \$445,000 of anticipated costs for the Desert Hills Locker Room Project. Additionally, the 2024 Reserve Study includes \$145,665 for improvement to the men's and women's locker rooms at Desert Hills. After allocating this \$145,665 of the project funding to the MRR, the net amount of Initiatives funds needed are \$299,355. This amendment will accurately reflect the amount of funding from the Initiatives Fund for this project.

Fiscal Impact:

This action decreases the amount of Initiative funds needed for the Desert Hills Locker Room Project by \$145,665 after utilizing the \$145,665 available in the MRR Fund.

Board Options:

- 1) Approve an amendment to the FY 2024 Capital Budget as presented.
- 2) Approve an amendment to the FY 2024 Capital Budget with changes.
- 3) Table this decision at this time.

Staff Recommendation:

Option #1

Recommended Motion:

I move to approve an amendment to the FY 2024 Capital Budget to decrease the Initiatives Fund by \$145,665 to a balance of \$299,355.

Attachments:

May 22, 2024, Revised Budget worksheet

Attachment

GVR
Budget
FY 2024

INITIATIVES CAPITAL IMPROVEMENT
BUDGET:

| | <u>ORIGINAL BUDGET</u> | <u>APRIL 24TH REVISED BUDGET</u> | <u>MAY 22ND REVISED BUDGET</u> |
|--|-----------------------------|----------------------------------|--------------------------------|
| Del Sol Club House | \$ - | | |
| WC Lapidary, Wood, Artisan Expansion | \$ 100,000 | \$ 100,000 | \$ 100,000 |
| DH Ceramics Kiln Room Code | \$ 90,000 | \$ 90,000 | \$ 90,000 |
| CH Gym conversion | \$ 180,000 | \$ - | \$ - |
| WC Lobby improvements | \$ 150,000 | \$ 150,000 | \$ 150,000 |
| DH Locker room Steam room | \$ 445,000 | \$ 445,000 | \$ 299,335 |
| Desert Hills Stage Removal | \$ - | \$ 15,000 | \$ 15,000 |
| TOTAL BUDGETED INITIATIVES CAPITAL BUDGET | \$ 965,000 | \$ 800,000 | \$ 654,335 |
| NON RESERVE CAPITAL PROJECTS 2024 | \$ 227,000 | \$ 227,000 | \$ 227,000 |
| MRR CAPITAL PROJECTS 2024 | <u>\$ 1,369,273</u> | <u>\$ 1,369,273</u> | <u>\$ 1,369,273</u> |
| GRAND TOTAL CAPITAL PROJECTS BUDGET 2024 | \$ 2,561,273 | \$ 2,396,273 | \$ 2,250,608 |
| 2024 OPERATING BUDGET | <u>\$ 11,034,015</u> | <u>\$ 11,034,015</u> | <u>\$ 11,034,015</u> |
| GRAND TOTAL BUDGETS | <u>\$ 13,595,288</u> | <u>\$ 13,430,288</u> | <u>\$ 13,284,623</u> |

Removed \$180,000 gym conversion

Added \$15,000 stage removal

Revise Initiatives budget to reflect actual anticipated costs



Green Valley Recreation, Inc.
Board of Directors Meeting

Emergency Fund Transfer to Initiatives Fund

Prepared By: David Webster, CFO

Meeting Date: May 22, 2024

Presented By: David Webster, CFO

Consent Agenda: No

Originating Committee / Department:

Fiscal Affairs Committee

Action Requested:

Approve a policy whereby a transfer out of the Emergency Fund amounts greater than \$500,000 to the Initiatives Fund occurs without additional Board action after the annual audit is accepted each year.

Strategic Plan Goal:

Goal 4: Cultivate and maintain a sound financial base that generates good value for our members.

Background Justification:

The CPM states that contributions to the Emergency Reserve Fund shall be recommended by the Chief Financial Officer (CFO) to the Board for consideration and approval. The attached March 11, 2022, Emergency Fund memo describes the determination of \$500,000 as a reasonable funding level for the Emergency Fund.

Fiscal Impact:

The general intent of the Emergency Fund is described in the March 11, 2022, memo. By right sizing the Emergency Fund and transferring amounts greater than \$500,000 annually, funds will be made available for Capital Projects in the 5-year Plan that are to be funded by the Initiatives Fund. As of April 30, 2024, the balance of the Emergency Fund was \$576,059

Board Options:

- 1) Authorize staff transfer amounts in excess of \$500,000 out of the Emergency Fund into the Initiatives Fund and establish a policy in the CPM whereby staff may transfer realized cash amounts in excess of \$500,000 annually after the audit is accepted.
- 2) Do not authorize any transfer out of Emergency Fund and do not create any policy regarding the size of the Emergency Fund.
- 3) Authorize GVR staff to transfer an amount that is in excess of an amount different than \$500,000.00 and establish a policy that matches that amount in the CPM.
- 4) Table this decision at this time.

Staff Recommendation:

Option #1

Recommended Motion:

I move to authorize staff transfer amounts in excess of \$500,000 out of the Emergency Fund into the Initiatives Fund and establish a policy in the CPM whereby staff may transfer realized cash amounts in excess of \$500,000 annually after the audit is accepted.

Attachments:

- 1) Emergency Fund memo from March 11, 2022.



P.O. Box 586 Green Valley AZ 85622

520.625.3440

MEMO

TO: Scott Somers
FROM: David Webster
DATE: March 11, 2022
RE: Appropriate Balance for Emergency Reserve

Scott, the FAC has requested that we bring forward the topics we have been discussing and researching regarding the appropriate level of funds for the GVR Emergency Fund. Back in 2014, this account had \$540,000. After spending only a small amount out of this account in the past 7 years the investment earnings have grown this fund to \$1,072,496 as of February 28, 2022. The CPM states that Contributions to the Emergency Reserve Fund shall be recommended by the Chief Financial Officer (CFO) to the Board for consideration and approval. At a minimum, we should transfer annual earnings out of the Emergency Fund, I believe we should also transfer the cumulative total of earnings into the Initiatives account to be used to help with the projects we have planned in our Long-Term Capital Funding Projection. The current low balance point of the Initiatives Fund balance in this projection is \$745,596 in 2023 if we move forward with all the capital projects we currently have listed.. A \$600,000 transfer from Emergency to Initiatives will help with this Long-Term plan and would not compromise the investment earnings potential of this cash and would leave us with a very healthy Emergency reserve of around \$500,000. I spoke with our insurance advisors about the relevance of \$500,000 in an Emergency Fund and we could not determine a need for more than this amount in terms of risk management. Furthermore, I do not believe a Reserve greater than \$500,000 is necessary for the requirements as prescribed by the CPM. For your information, the Industry benchmark of 3% of Gross Revenue would require only \$340,000 of Emergency Reserve for GVR.

Items that GVR may need this Fund for include the following:

- Insurance deductibles - \$1,000 to \$10,000 depending on the event. Operating cash could easily accommodate this need. Even if we were to decide to increase

the deductibles significantly, it would take several large claims to deplete \$500,000 Emergency Reserve. (see attached Deductible analysis)

- Economic Downturns – GVR has proven to have relatively stable income streams from Dues and Capital Fees through the Pandemic period. These two items make up about 85% of the annual revenue. However, with Capital Revenue budget of \$2,500,000 which comprise 23% of GVR's total revenue, this is the most "at risk" income category. While this revenue category remains stable or growing, GVR could conceivably see a sudden decline in this revenue source. In 2016 when GVR had lower transaction rates and different policies that resulted in lower revenues, the total income was a recent low point of \$2,007,000. The 2022 work plan includes the following task: "As part of annual budget development process with staff, develop contingency plans, such as decreasing expenditures by 10%, 20%, etc." I believe that a sudden unexpected decline of Capital Revenue greater than \$500,000 to GVR is very unlikely.
- Unforeseen uninsured expenses – after discussing this with two insurance advisors, we have determined that this is a very limited risk. GVR has sufficient insurance. In recent years, the only expenditure of Emergency Funds has been a \$15,000 disbursement at the East Center.
- Major failure of Property, Plant and Equipment – GVR's Maintenance Repair and Replacement Fund and MRR – B Fund for Pools and Spas sufficiently provide for pools, equipment, parking lots, recreation facilities, and mechanical property. The risk to GVR may be if a building were to require replacement or remediation. This is extremely unlikely due to our proactive maintenance plan. Furthermore, the event may be covered by insurance dependent on the circumstances.
- Theft, Fraud, and Embezzlement – GVR has insurance and control policies in place that makes this a very low risk. With the recent additional data security investments, the risk from ransomware is mitigated as well.

- Other – there are always other unforeseen risks. However, looking at GVR’s Statement of Financial Condition supports the position that GVR is well positioned to sustain unexpected financial setbacks. Evidence of this position includes the fact that as of December 31, 2021, GVR has over \$19 million in Current Assets and all but \$460,000 is in cash or near cash deposits. GVR’s Fixed Assets have a Book Value of \$18 million and a market value of approximately \$40 million and no debt. Current Liabilities are \$5.6 million leaving GVR with a very strong balance of book value Net Assets of almost \$32 million with zero debt. Furthermore, the \$15 million in investments included in Current Assets have appropriate Investment Policy Statements that reflect the risk and time horizon of the funds and are generally conservative. The Balance Sheet strength and reliability of GVR’s revenue streams make GVR a very financially strong organization.

When GVR is examined holistically with the 90-day Operating Cash Policy, GVR Surplus Policy, Funding Policies for the MRR Fund, MRR-B Pool and Spa Fund, and Initiatives Fund, along with the general prudent monthly review of Operating Revenue and Expenses and Budget that is conducted, the need for an Emergency Fund that is greater than \$500,000 is not warranted.

Staff recommends transferring the Emergency Fund balance that is greater than \$500,000 into the Initiatives account. Annually, after the fiscal year has ended and the GVR books are closed, any earnings that cause the Emergency Fund balance to grow in excess of \$500,000 should be transferred into Initiatives.

The following is an addendum to the March 11, 2021 Emergency Fund Memo and is based on subsequent information provided by GVR's Commercial Property and Liability Insurance Broker.

GVR
Insurance Deductible Analysis

The following estimates are provided by GVR's insurance broker to estimate the premium savings to GVR if the deductibles are increased

Commercial, Property, and Casualty Insurance

| Line of Coverage | Current Deductible | Increased Deductible | Estimated Premium Savings |
|--|-----------------------|-------------------------|---------------------------------|
| Property | \$ 10,000 | \$ 100,000 | \$ 14,550 |
| Inland Marine | \$ 1,000 | \$ 10,000 | \$ 6,450 |
| General Liability | \$ 1,000 | \$ 10,000 | |
| Automobile | \$ 1,000 | \$ 10,000 | |
| Umbrella Liability | \$ 1,000 | \$ 10,000 | |
| Management Liability | \$ 1,000 | \$ 10,000 | |
| Crime | \$ 1,000 | \$ 10,000 | |
| Cyber Liability | \$ 1,000 | \$ 10,000 | |
| Difference in Conditions | \$ 2,500 | \$ 10,000 | |
| Pollution Liability | \$ 10,000 | \$ 10,000 | |
| Flood | \$ 1,000 | \$ 10,000 | |
| total (11 lines of insurance) | \$ 30,500 | \$ 200,000 | <hr/> |
| Total estimated annual savings in Insurance Premiums | | | <u><u>\$ 21,000</u></u> |

NOTE> The above deductible amounts are for each occurrence per year on each policy line of coverage



Green Valley Recreation, Inc.
Board of Directors Meeting
Emergency Fund Management

Prepared By: Carol Crothers

Meeting Date: May 22, 2024

Presented By: Carol Crothers

Consent Agenda: No

Originating Committee / Department:

Original request by CFO David Webster in a letter to CEO Scott Somers. David asked that this be put on the May 21 FAC agenda which I approved but I told him I disagreed with his recommendation.

Action Requested:

Reaffirm and clearly document the policy that the Board has authority for any movement of funds between Reserve accounts. Approve keeping excess funds in the Emergency Reserve (with potential for appreciation) until the Board better understands the impact of potential revenue shortfalls for 2024 and 2025.

Strategic Plan Goal:

Goal 4: Cultivate and maintain a sound financial base that generates good value for our members.

Background Justification:

Reserve Funds have built up through the allocation of member dues and fees (including capital fees), and significant investment returns. The Emergency Reserve has the best record for investment returns of all our Reserves. (From the March 2024 Quarterly Financial Report: 6.1% return for first 3 months and 18.1% return for previous 12 months – double or more the return of all other investment accounts except MR&R which returned 9.5% in the last 12 months, slightly more than half the Emergency Reserve.)

We presently have a shortfall in 2024 capital revenue resulting in a potential overall revenue shortfall. Administration has made the decision to cut back on certain approved budget expenditures such as funding for small Capital projects and accessibility projects.

Shouldn't the Board be involved in cutback decisions, especially those involved in capital policy decisions that resulted in capital budget approval? Unless administration recommends moving back to the old policy of having the Board approve all smaller capital requests such as club requests or staff/individual requests (most of these were reviewed by P&E with a recommendation to fund forwarded to the Board), lets hold back the excess Emergency Reserve funds to potentially fund these smaller projects if we continue to have a revenue shortfall.

An alternative use of the approximate \$76K, if we continue to have shortfalls in capital revenue, is move it to operations at the beginning of 2025 to avoid excessive dues increases. \$76K (or potentially more if the Emergency Fund continues to appreciate) is the equivalent of \$5-\$6 dollars of additional dues increases.

Fiscal Impact:

Potential use of excess funds to make up for shortfalls in capital revenue so we can continue to fund smaller (<\$100k) and accessibility projects without using Initiative Reserve funding. Alternatively, a safety net if we continue to see capital funding shortfalls that result in the need for excessive dues increases in 2025. \$76K is the equivalent of an additional \$5-\$6 dues increase.

Board Options:

- 1) Reinforce policy that Board should be involved in major transfers of Reserve Funds.
- 2) Delay decision on transfer of funds from the Emergency Reserve until we better understand and agree on funding policy for smaller capital projects and the overall impact of capital revenue shortfalls this year and following years.

Staff Recommendation:

Automatically allow Staff to transfer excess over \$500K in the Emergency Reserve to the Initiatives Reserve.

Recommended Motion:

I move to keep excess amounts in the Emergency Reserve (which has the best record of capital appreciation) until we better understand revenue shortfalls and funding alternatives.

Attachments:

- 1) See Emergency Fund memo in meeting book
- 2) See Apr Board meeting book which contains investment results of various funds.



Green Valley Recreation, Inc.
Board of Directors Meeting

Limiting Board Directors Comments

Prepared By: Nellie Johnson, Director

Meeting Date: May 22, 2024

Presented By: Nellie Johnson, Director

Consent Agenda: No

Originating Committee / Department:

Nellie Johnson, Director

Action Requested:

Make a motion to discontinue the current practice of limiting board members to speaking two times on a topic at a board meeting.

Strategic Plan Goal:

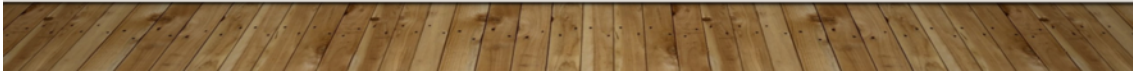
GOAL 5: Provide sound, effective governance and leadership for the corporation

Background Justification:

At the May 8 Work Session of the Board, the President presented PowerPoint slides of the Board’s Roles and Responsibilities. One of these slides (see below) includes a reference to Roberts Rules (VII Debate 42) pertaining to limiting “members” to two times to speak on a topic. However, the staff report identified a different Roberts Rules Newly Revised (12) edition which states (Chapter 49.21.3) for smaller Boards (defined as 12 or fewer Board members) “There is no limit to the number of times a member can speak to a debatable question.” That same section notes that a provision limiting the number of times a member can speak is more appropriate for settings such as a “large assembly” (e.g. annual HOA meeting).

TWO TIMES TOSPEAK

- CPM 2.3.2 Conduct for Board Meeting
 - 1. Directors should be recognized by the President to speak or make motions.
 - 2. Regular meeting are for decision making, action, ad votes. A Director introducing a motion may speak for no more than ten (10) minutes to introduce a topic. Comments from Directors should be for no more than three (3) minutes. The Presiding Officer shall actively facilitate and guide discussions to remain on topic. The Board shall avoid creating side topics and/or asking unexpected questions of staff and each other at meetings.
- ROBERTS RULES OF ORDER VII Debate, 42.
 - No member shall speak more than twice during the same day to the same question (only once on an appeal), nor longer than ten minutes at one time, without leave of the assembly; and the question upon granting the leave shall be decided by a two-thirds vote without debate.¹ No member can speak a second time to a question as long as any member desires to speak who has not spoken to the question
- Source: Slide from Board President–Working Session of May 8th



At this May 8 Board Work Session, I raised a point of parliamentary inquiry in that there were two conflicting interpretations of RRO's cited regarding limiting the number of times to speak. It appears that RRO Section VII Debate 42 refers to an assembly. Legal guidance may possibly be needed to clarify this issue although the RRO guidance seems clear. From my on-line research, the terms "assembly" and "board" have distinct meanings.

1. An assembly refers to the entire group of members who have the right to participate in the organization's decision-making process. This is the main body of the organization, often comprising all members, and it is where the highest authority resides. Examples include the membership of a club, a convention or a general meeting of shareholders (or GVR Members/HOA's)
2. A board is a smaller, often elected or appointed, subset of the assembly tasked with managing the organization's affairs between the general meetings of the assembly. Boards' specific duties and powers as listed in the organization bylaws or the motion that establishes a board

The GVR Bylaws (Article XII Section 3) states that "Roberts Rules of Order (RRO) shall prevail unless otherwise determined by the Board of Directors. These changes would be adopted by the GVR Board through its Corporate Policy Manual. Regarding these time limits, the Board modified selective parts of the RROs by including a provision in its Corporate Policy Manual (CPM) as noted in the PPT above. The Board approved limiting a Board member to no more than ten minutes to introduce a topic and comments from Directors to no more than three minutes. The CPM does not limit the number of times a member may speak, but only on the length of speaking (3 minutes). If the board desires to not follow RRO guidance and limit the number of times a board member may speak, it would require the Board to modify the CPM.

I, also, raised issues with the time limit because it is a policy that

1. Inhibits the exchange of ideas, opinions, and open dialogue of Board members during a formal board meeting
2. Is not explicitly allowed in the Corporate Policy Manual (CPM) and
3. Exposes the Board to claims of lack of transparency and prohibition of free speech and dialogue amongst board members.

Also, limiting the number of times a member may address a topic also raises legal issues for the board in that it limits a board member's opportunity to provide pertinent information that may impact the outcome of a motion/vote. Several board members raised this point at the work session. This may expose the board to liability issues. We may wish to seek legal advice on this particular point.

During the May 8 Work Session, Board members raised the point that GVR is a small organization because it has 12 or less board members. The RRO defines small boards as having 12 or less Board members. In addition, according to prevailing definitions, GVR is not a small Board or organization. Per the Department of Labor (<https://www.dol.gov/agencies/whd/fact-sheets/14a-flsa-non-profits>), small nonprofits are \$500,000 or less in capital and medium-sized are \$500,000 - \$5 million in capital. Investopedia defines nonprofit organizations as entities with operating budgets; Small: \$1 million – \$5 million; Mid-size: \$5.1 million – \$10 million; Large – over \$10 million. In terms of numbers of board members, large companies have 8 to 12 directors, medium-size companies have 6 to 8 directors and small companies have 4 to 6 directors. Nonprofit boards are large if they have 8-12 board members and small nonprofits have 7 or less according to Diligent

(<https://www.diligent.com/resources/blog/best-practices-board-size-and-corporate-governance>).

None of these definitions suggest that GVR is a small nonprofit. GVR serves an estimated 23,000 members, employs nearly 100 staff and has \$20 million in combined operating and reserve capital. For most of our members, GVR owns a lien against their property. Our fiduciary responsibility is greater than other nonprofit organizations that have no financial hold on the people they serve. Therefore, we need to be cautious when we limit free and open discussion amongst Board members regarding issues impacting our members.

Lastly, the reason given by the Board president for using this two-time speaking rule is the need to control the agenda so that all topics are covered within the allotted two-hour board meeting time. However, there may be other ways to accomplish this objective, such as

- Putting suggested time frames on each topic;
- Reminding board members not to repeat information already given
- The Board may stay an extra ten minutes if it ensures that all information on a topic was presented.

In the end, it may promote better governance and improved board relations to not continue with this type of speaking limit.

Recommended Motion:

Move to discontinue the current practice of limiting board members to speaking two times on a topic at a board meeting.



Green Valley Recreation, Inc.

Board of Directors Meeting

Add Member Comments to Work Session Agenda

Prepared By: Nellie Johnson, Director

Meeting Date: May 22, 2024

Presented By: Nellie Johnson, Director

Consent Agenda: No

Originating Committee / Department:

Nellie Johnson, Director

Action Requested:

1. Add member comment as an agenda item as part of the official meeting Agenda format for all future Work Sessions.
2. Request the Board Affairs Committee to amend the Corporate Policy Manual (CPM) for possible refinements regarding meeting agenda including a standing Member Comment item.

Strategic Plan Goal:

GOAL 5: Provide sound, effective governance and leadership for the corporation.

GOAL 3: Promote increased involvement of members in GVR

Background Justification:

I requested on April 17 that the topic of allowing GVR members to speak at the Board Work Session be a topic of the May 8 Work Session agenda. The Board President added the topic as part of her Board and Director's Role, Duties, and Responsibilities agenda topic.

At this May 8 Board Work Session, the discussion focused on the purpose of a Board Work Session and the fact that allowing and encouraging member comments on particular topics would encourage GVR members' involvement and strengthen the GVR Board's decision-making by considering new facts and ideas presented by these members.

The Corporate Policy Manual (CPM) contains several provisions relating to Board meetings and member participation:

1. Types of Board Meetings: Section 3 of the Corporate Policy Manual identifies the types of Board meetings. They are Regular, Work Sessions, Special Meetings, and Executive Sessions. It further states that all Board meetings, excluding Executive Sessions, are open to the General Membership.

Work Sessions are defined in #12: "Work sessions are not for taking action, but are for the Board to hear presentations, discuss matters, and listen to pertinent topic."

2. Protocols at Board Meetings: Section 2.3.1, titled Conduct at Board Meetings, includes protocols for Board members at Regular meetings but is silent on the protocols used during Work Sessions.

3. GVR Member Participation: Section C of 2.3.1 addresses GVR Members and reads: “GVR Members shall be permitted to address the Presiding Officer to provide input, subject to the following protocols, and it lists 8 specific ones. While this section appears to apply to all Board meetings including Work Sessions, there are specific protocols for members (2.3.1 C. 6) that specify time limits for members when speaking on “action items being considered at each Regular or Special Meeting after all Directors have an opportunity to speak to the issue and for no more than two (2) minutes, unless additional time is allotted by the Presiding Officer”.
4. Board Agenda: Section 2.3.1 (J) of the Corporate Policy Manual outlines what a Regular Meeting agenda shall include -Consent, Action Items and Committee Reports. However, it does not specifically mention Member Comments. Rather, it has been the policy of the Board to include Member Comments as a regular part of the Regular Board Meetings as the last item on the agenda.

Summary: Work Sessions are a valuable part of Board Governance. The board has a practice of not including Member Comments in the agenda. Therefore, members are unaware whether they have an opportunity to speak on a topic because it isn't acknowledged on the agenda as it is in regular Board Sessions. Inserting a Member Comment item as part of the Work Session Agenda would encourage members to attend these sessions and allow them to provide valuable input on a particular topic.

At the May 8 Work Session, the Board President noted that while it isn't a formal part of the Agenda, she does allow members to comment if she is reminded or if there appears to be interest from members attending the meeting. Placing it on the agenda makes it visible to members and should encourage participation.

Recommended Motion:

1. Add a Member Comment agenda item as part of the official meeting Agenda format for all future Work Sessions.
2. Request the Board Affairs Committee to amend the Corporate Policy Manual (CPM) for possible refinements regarding meeting agenda including a standing Member Comment item.