

SECTION VI – BOARD/BOARD COMMITTEES

SUBSECTION 1. POWERS, DUTIES, AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

The Board is responsible for governing in a manner that emphasizes strategic leadership rather than administrative detail. It is to be proactive in its decision making and keep a clean delineation of staff and Board roles. In this spirit, the Board will:

- Focus on the intended long-term goals of the organization, not with the administrative or programmatic means of attaining these goals.
- Establish policies which address (a) the products (what benefits for which needs at what cost), (b) ethical and other boundaries for which the staff shall be held accountable, (c) Board roles and responsibilities, and (d) Board/staff relationship.
- Discipline itself as to attendance, speaking with one voice and adhering to policy governance.
- Be accountable to the membership by competently, conscientiously and effectively accomplishing its obligation as a body.
- Be an initiator of policy and responsible for its own performance.

A. POWERS OF THE BOARD

1. The Board shall be the governing body of GVR, establishing policies and monitoring compliance with those policies.
2. The Board shall develop a “Strategic Plan” to assist GVR in shaping its future. The Strategic Plan and its annual update shall be the Board’s Statement of Direction for GVR. Towards that end, the following policies are an integral part of the plan:
 - a) Annual Strategic Plan Updating – Each year the Board shall review and update the Strategic Plan and carry it forward one additional year.
 - b) Integration with Programs and Services – The Strategic Plan and annual updates shall be provided to Board committees and GVR staff to develop action plans which pursue the fulfillment of outlined objectives found in the plan.
 - c) Integration with the Budget Process – The objectives contained in the GVR Strategic Plan shall provide the primary basis upon which recommendations with regard to the annual budgeting process shall be made.
 - d) Progress Updates to the Board – Strategic planning shall be a standing element of Board committee meetings. Written status papers will be provided to the Board prior to semi-annual retreats.

B. BOARD CODE OF CONDUCT

1. The Board Code of Conduct adopted by the Board of Directors is as follows:

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GVR members have granted special trust and confidence to the Board of Directors. Each Director shall act to maintain that trust and confidence. They shall be accountable to the membership by working cohesively in a competent and conscientious manner at all times.

- a) Directors shall represent ALL members of GVR. They shall not put the interests of an individual, club, program, and neighborhood, or outside entity, ahead of the organization as a whole.
- b) A Director's duty, including duties as a member of a committee, shall be discharged:
 - 1) In good faith
 - 2) With the care an ordinary prudent person in a like position would exercise under similar circumstances, and
 - 3) In a manner the Director reasonably believes to be in the best interest of the Corporation.
- c) Directors shall adhere to the highest ethical standards. No Director may receive any compensation, real or otherwise from any Board action.
- d) Directors shall scrupulously avoid conflict of interest. If a conflict of interest exists the Director shall advise the Board President and recuse himself from discussion and voting.
- e) Directors shall provide their reasoned positions on matters before the Board. Following a decision by the Board which puts a policy in place, Directors shall support the Board policy.
- f) The President or designated representative shall represent the Board on all official matters to the membership and the public. Directors shall refrain from publicly discussing or opposing Board decisions with the press unless approved or authorized by the President.
- g) Director shall keep confidential all information they know or receive as a Board member in a closed session involving legal advice, pending or contemplated litigation, personal health or financial information about an individual of the Association, job related items for GVR employees, and if held in closed session, a member's appeal of any violation or penalty. The Board member shall not disclose such information to members of the press or members of the public, even after their term of office has ended.
- h) Directors shall focus on long term and short term goals for GVR. Directors shall not provide specific direction to GVR employees, except as specified in the GVR Bylaws and the Corporate Policy Manual.
- i) Each Director shall sign the Statement Referencing Behavior and Confidentiality. Failure to sign shall be a violation of the adopted GVR Board Code of Conduct.

2. Statement Referencing Behavior and Confidentiality:

Pursuant to its Bylaws, the affairs of Green Valley Recreation, Inc. ("GVR"), an Arizona non-profit corporation, are governed by a Board of Directors (the "Board"). In order to maintain the integrity of the Board's decisions and permit it to effectively govern in GVR's best interests, the Board has adopted the Code of Conduct Statement Referencing

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Behavior and Confidentiality, which shall apply to all Directors. Every Board Member is required to sign this document as set out in the GVR Board of Directors' Code of Conduct. Failure to sign shall be a violation of the adopted GVR Board Code of Conduct.

C. VACANCIES

1. Any vacancy on the Board of Directors, shall, if possible, be filled by the unsuccessful candidate of the most recent election, who, of those willing to fill the vacancy, received the greatest number of votes.
2. The President of GVR will contact potential candidates who received the highest number of votes in the prior election to determine if that individual is willing to complete the remaining term of the vacancy. The President will continue to contact candidates until all candidates from the prior election have stated that they have no desire to serve on the Board.
3. If none of the unsuccessful candidates is willing and able to serve, the remaining Directors, even if less than a quorum, may appoint a successor who shall serve for the unexpired term of his predecessor.

D. INDEMNIFICATION

The Corporation shall indemnify and hold harmless its Officers, Directors, employees, and agents to the extent permitted by Arizona law.

SUBSECTION 2. BOARD OFFICERS: NOMINATIONS AND ELECTIONS

A. GENERAL

1. Election of Board Officers will be done by secret ballot. This is applicable to both the nominating ballot and the electing ballot.
2. Nominations from the floor will not be accepted.
3. Election for each office follows its seniority in the Bylaws: President, Vice President, Secretary, Treasurer, Assistant Secretary, and Assistant Treasurer.
4. The present President, or in his/her stead, the Executive Director shall administer the election until the new President has been elected.

B. THE NOMINATING BALLOT

1. The President (chair) will ask that nominating ballots be distributed to each Director.
2. Each Director receiving a vote is nominated for that office.
3. A nominating ballot cannot take the place of an electing ballot.
4. There may be self-nominations by Board Members who desire to stand for election to any office.

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5. Nominees must verbally indicate a willingness to serve before the electing ballot is distributed.
6. The chair will announce the names of the nominees and the number of nominations each received.

C. THE ELECTING BALLOT

1. A nominee is considered “elected” if he/she receives a majority of the votes cast.
2. Balloting should be repeated as many times as necessary to obtain a majority vote for one candidate. The nominee receiving the lowest number of votes is never removed from the next ballot.
3. If a stalemate persists, the rules may be suspended in order to consider alternatives such as eliminating the candidate with the lowest number of votes. The motion to suspend is not debatable and requires a 2/3 vote to pass.

SUBSECTION 3. BOARD MEETINGS

A. RULES OF ORDER FOR AGENDA PREPARATION

1. Items for agenda consideration must be submitted by 12:00 p.m., eight (8) business days prior to the date of the Board meeting. Items submitted by Board members must include any background materials required for an understanding of the issues, including any action up for consideration.
2. By 12:00 p.m. seven (7) business days prior to the Board meeting, a draft agenda will be distributed by administrative staff to the Board either by e-mail or by placing the document(s) in the Board files or both.
3. Board members will review the draft agenda, and forward any comments (for example, removing items from the proposed agenda) by e-mail to the entire Board and Administrative Staff by 12:00 p.m., five (5) business days prior to the Board meeting. Any Board members without access to e-mail should provide an alternative to accomplish this.
4. Items that do not have the support of a least two (2) Directors will not be placed on the agenda.
5. Items on the draft agenda will be reviewed and approval of the agenda will be voted on at the Board meeting (simple majority of the Directors present to approve), but Board members are expected to provide comments in advance, particularly when eliminating agenda items.
6. The agenda presented at the Board meeting must be followed unless a change to the agenda is approved by a two-thirds (2/3) vote of the Directors voting.

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B. PROTOCOL AND CONDUCT FOR BOARD MEETINGS

1. Board meetings are announced in all available electronic and print media and are open to the general membership.
2. GVR members are permitted to address the Board at meetings. Members may address the Board for two (2) minutes, or more, at the discretion of the President.
3. Special meetings of the Board may be called by the President or the Vice President, or by such officers at the request of any two (2) Directors. Directors will be given two (2) days written-notification of any special meeting.
4. Meetings shall be conducted under the latest edition of Robert’s Rules of Order, Newly Revised, unless otherwise determined by the Board.
5. The Board will use the following small board protocol during Board meetings:
 - a) Board members do not have to stand but should be recognized by the President to speak or make motions.
 - b) Motions must be seconded.
 - c) Board members may speak for no more than a total of ten (10) minutes per topic.
 - d) Informal discussion is allowed on non-motion subjects.
 - e) Votes will be taken by a show of hands or vocal, if attending electronically.
 - f) To vote on a subject, a formal motion must be made.
 - g) The President need not stand when putting items to a vote.
 - h) The President may debate, make motions and vote.
6. Board meetings shall be held at least quarterly each fiscal year, at a place and time determined by the Board.
7. Any discussion by members during Board meetings must be pertinent to GVR issues and devoid of personal reference.
8. Board meetings shall not be adjourned until all agenda items have been considered, except by a two-thirds (2/3) affirmative vote of the Directors in attendance.

C. MINUTES OF BOARD MEETINGS

1. The Executive Assistant or other designee shall take minutes at regular, annual and special Board meetings.
2. Minutes shall be retained with other corporate documents in a secure location.
3. Recordings of all open Board meetings shall be made and kept under the custody of the Executive Assistant in the Member Services Center until the minutes have been approved.
4. Minutes of the Board meetings will list the names of voting Directors in the minority of each vote as well as any Director abstaining from said vote. The person providing the second will not be named in the minutes.
5. Minutes of Board meetings shall contain summaries of the action taken at the meeting.
6. Committee reports which are “informational only” will not be summarized in the minutes. These reports will be noted “received and placed on file.”
7. Member comments are not part of the minutes.

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D. USE OF LEGAL COUNSEL

1. The President, Vice-President or Executive Director shall make initial contact with GVR's legal counsel.
2. GVR Board contracts, Bylaw changes and all similar documents shall be submitted to legal counsel for review and comment prior to approval by the Board.

SUBSECTION 4. BOARD COMMITTEES' DUTIES AND RESPONSIBILITIES

A. TERMS OF BOARD COMMITTEE CHAIRPERSONS

Board standing Committee Chairpersons shall remain active until the appointment of new Committee Chairpersons.

B. COMMITTEES OF THE BOARD OF DIRECTORS

1. A Committee Chairperson shall be a Director nominated by the President, except for Chairpersons of Audit and 401(k) Committees. All Chairpersons shall be approved by the Board.
2. The Board will establish the duties and responsibilities of the committees. Each committee shall make policy recommendations to the Board for consideration.
3. Committee meetings may be held in executive session at the discretion of the committee or subcommittee.
4. The Board may establish additional committees comprised of members/assigned members in good standing, Directors and Administrative Staff.
5. Committees are not required to follow Robert's Rules of Order.
6. Meetings shall be set by the Chairperson and shall be conducted as needed, but not less than quarterly.
7. Except as noted on the Audit and 401(k) Plan Oversight Committees, in addition to the Chairperson, at least one other committee member shall be a Director of the Board. Committee members shall be GVR members appointed by the Chairperson and staff members selected by the Executive Director. To the extent possible, committees will include members knowledgeable about the functionality of that specific committee.

C. DUTIES AND RESPONSIBILITIES OF BOARD COMMITTEES

1. BOARD AFFAIRS COMMITTEE

- 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.

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- c) Arrange appropriate in-service training, as required, for the Board. Ensure that Board orientation programs are held annually.
- d) Endeavor to maintain a community link with residents of the greater Green Valley community.
- e) Review and recommend Board action on group applications for GVR “Club Status.”
- f) Where appropriate, recommend modification to GVR club policies, which are in the best interest of the corporation.
- g) The committee shall review the Articles of Incorporation, the Corporate Policy Manual, for updates and revisions. Changes may be editorial, necessary for consistency of the documents and necessary for changes made in meetings of the Board and committees, or considered from written suggestions from members.
- h) All proposed revisions to the Articles of Incorporation and Bylaws must be forwarded to legal counsel for opinion, including the effect on tax-exempt status. After consultation, the specific wording of the recommended modifications shall be forwarded to the Board for their review and appropriate action.
- i) As needed, develop pro and/or con statements for issues and proposals for inclusion in the ballot that is presented to the members. Members of GVR are strongly encouraged to present their positions to the committee for consideration and possible inclusion, in the pro and con statements.
- j) Meet with Club officers to adjudicate any disputes concerning the Annual Club Agreement.

2. FISCAL AFFAIRS COMMITTEE

- a) Membership Considerations:

To the extent possible, the committee will include members knowledgeable about capital projects and members with experience in financial management.
- b) Responsibilities:
 - 1) Review and assist in presenting the annual budgets to the Board. Such review will consist of recommending Reserve, the disposition of the Revenue/Expense Adjustment, and the amount of the Capital Fund Cash Account.
 - 2) Monitor progress toward achievement of annual fiscal objectives.
 - 3) Review financial statements (operations, capital analysis and balance sheet), and report to the Board as appropriate.
 - 4) Coordinate with the GVR Audit Committee.
 - 5) Review and recommend policy to assure financial control.
 - 6) Review and recommend guidelines for corporate investment policy.
 - 7) Recommend the establishment and the amount of tenant fees, membership dues, initial fees, transfer fees, and assessments.
 - 8) Recommend the financing method to be adopted for specific major projects recommended by the Planning and Evaluation Committee for Board approval.

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- 9) Coordinate with the Planning and Evaluation Committee as it relates to proposed expenditures for capital improvements.

3. PLANNING AND EVALUATION COMMITTEE

a) Membership Considerations:

To the extent possible, the committee will include members knowledgeable about capital projects and members with experience in financial management.

b) Responsibilities:

1) The committee shall maintain a planning system for GVR.

(a) This planning system shall address the immediate and potential needs of GVR members in regard to facilities and programs, stressing safety, use and demand, maintenance cost, age of facility, member support, source of funding and cost effectiveness.

(b) Four (4) plans will be put into place:

- i) Annual Operations Narrative
- ii) 3-Year Maintenance Schedule (1 – 3 years)
- iii) Long Range Plan (3 – 10 years)
- iv) 3-Year Strategic Plan

(c) The committee shall establish the responsibilities in developing, evaluating, and updating each of these plans annually.

2) Conduct research into issues and trends affecting GVR.

3) Review and recommend a facility plan for facility capital development.

4) Coordinate with the Fiscal Affairs Committee as it relates to proposed expenditures for capital improvements.

5) Review and approve unplanned capital expenditures over staff's expenditure authority outside the approved budget.

4. AUDIT COMMITTEE

a) Membership:

1) The Chairperson, a member of GVR in good standing, appointed by the Board, shall be neither an officer of the corporation nor a member of the Fiscal Affairs Committee.

2) The Audit Committee shall consist of two or more GVR members who should have knowledge of financial reporting and internal control procedures. An Audit Committee member shall be neither a Board member nor a member of the Fiscal Affairs Committee.

b) Responsibilities:

1) The Audit Committee functions in the capacity of an overseer of GVR's financial reporting process and internal controls. The committee is the conduit between GVR and the independent auditing firm.

2) The principal functions of the Audit Committee are:

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- (a) To recommend a CPA firm to the GVR Board to act as the corporation's independent auditor.
- (b) To review the independent auditor's terms of engagement.
- (c) To review the results of each audit including opinion qualifications or expectations.
- (d) To review the auditor's management letter and GVR management's response.
- (e) To review issues and disputes that may arise between GVR management and the independent auditor during an audit.
- (f) To review the adequacy of internal financial controls with GVR management and the audit firm.
- (g) To review the procedures and provide any appropriate assurances regarding, 1) GVR elections, and 2) GVR administered funds, not included in the financial statement.

5. NOMINATIONS AND ELECTIONS COMMITTEE

a) Membership Considerations:

Any member of the committee who decides to run for the Board will resign from the committee immediately.

b) Responsibilities:

1. Nominations

- a) Present to the Board and GVR membership, a slate of potential candidates for the Board prior to dissemination of the ballots.
- b) Provide the Board and GVR administration with a list of GVR members who would prefer to serve on a committee, rather than seek a position on the Board.
- c) The Committee shall be responsible for selecting candidates for the ballot from among the applicants.

2. Election Process

- a) Establish the cut-off date for finalizing the ballot. This date shall not be earlier than thirty (30) calendar days prior to the planned mailing date of the ballots.
- b) Verify the names of the slate of candidates for election to the Board and/or any proposed Bylaw changes and/or any proposed GVR boundary changes and/or any other matters to be voted upon as soon as the ballot is finalized in order to plan the procedure to follow in validating/counting the returned ballot.
- c) Allow each candidate to appoint a maximum of two (2) GVR members to participate each day in a pool for the validation and counting process. Deliver to and monitor the electronic counting of ballots by Pima County Elections officials, who will give the final tally sheet to the chair of the Nominations and Elections Committee or his or her representative.

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- d) The deadline date and time of day for receiving valid ballot is 4:00pm at least one (1) week before the annual meeting.
 - e) The Nominations and Election Committee Chairperson shall report proof of a quorum and the balloting results at the annual meeting.
 - f) The names of the candidates shall be announced in the order of the total votes received.
 - g) The results of the ballot for any other matters shall be announced in the order in which the items appeared on the ballot.
3. Mailed Ballots
- Any matters submitted to the members of GVR by the Board for voting will be done by mail. A member who may not have received ballot materials in the mail may request ballot materials from GVR Administration and/or provide the name and address to which they should be mailed. Any such request shall only be acted upon if received prior to the cut-off date for that ballot and such ballots must be received by the deadline date and time.
4. Validation/Counting
- a) The ballot business reply envelope shall display all information deemed necessary for validation purposes for use by the committee.
 - b) The committee shall keep an accurate count of all ballots received, both those valid and those invalid.
 - c) The committee shall have the validation/counting process completed within two (2) business days before the date of the annual meeting and/or special meeting.
 - d) In the election of Directors, if there are fewer than 15 valid votes separating the last successful candidate and the first unsuccessful candidate in the election, or in other voting if there is less than a 15 vote difference in any ballot, there shall be an immediate recount of the votes.
5. Use of Outside Services
- The services of an independent organization may be used for any of the tasks directly associated with a ballot (e.g., printing and mailing the ballots, the validation process and/or the counting process).
6. Notification of Balloting Results to the Board
- The Committee Chairperson will notify the Secretary of the Board when votes are counted. In turn, the Secretary will notify the candidates within 24 hours prior to the annual meeting and notify the Board at the same time. In the case of all other ballots, the results shall be made available to the President of the Board as soon as they are known unless such action would be contrary to any previous announcement.
7. Destroying Ballot Materials
- The Committee Chairperson shall destroy all balloting materials thirty (30) days after announcing the results of that election/ballot, unless the Board approves a motion to delay the destruction of ballot materials.

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6. 401 (k) PLAN OVERSIGHT COMMITTEE

a) Membership:

- 1) Chairperson shall be a member of GVR in good standing who shall not be a Director of the Corporation. He/she shall be recommended by the President and approved by the Board.
- 2) The committee shall consist of two other members who have knowledge of employee retirement plans and shall be in good standing with the corporation. Members of the committee shall be selected by the Committee Chairperson and shall not be Directors of the Corporation.
- 3) The Finance Director shall serve as the Plan Administrator and will participate in any meetings of the committee.

b) Responsibilities:

- 1) The purpose of the 401 (k) Plan Oversight Committee is to provide a general review of the employee plan on an annual basis and submit a written report to the Board of Directors of its findings.
- 2) The principal functions of the review may include:
 - (a) Evaluation of the administrative structure of the 401(k) plan, including basis for award to selected vendors; vendor assurance of plan compliance with U.S. Department of Labor and Internal Revenue Service regulations; and the practical plan design for reasonable plan management.
 - (b) Review/critique, as deemed necessary, those providing services for plan management, i.e., Plan Trustee, Third Party Administrator, record keeping and investment manager, including for demonstrated competence, quality of service and competitive fees.
- 3) The Finance Director shall make available to the Committee the fees charged by the 401(k) plan chosen.

Section VI was approved by the GVR Board of Directors on September 27, 2011.