



A regular meeting of the GREEN VALLEY RECREATION, INC. BOARD OF DIRECTORS was held on Tuesday, February 28, 2017 at West Center. The President being in the chair and the Secretary being present.

Directors Present: Joe Gunton (President), Tony Zabicki (Vice-President), Jim Nelson (Secretary), Vicky Mournian (Treasurer), Bob Allen (Assistant Treasurer), John Arnold, Lance Heise, Richard Kidwell, Don Lathrop, Barb Mauser, Kathy Palese, Kent Blumenthal (non-voting)

Absent: Leslie Shipley

Staff: Jim Conroy (COO), Cheryl Moose (CFO), Jen Morningstar (Executive Office Manager), David Jund (Facilities Director), Nat Whitman (Communications Specialist), Karen Miars (Administrative Assistant),

Visitors: 50

I. Call to Order / Establish Quorum

President Gunton called the meeting to order at 1:30 MST.
Roll call by CEO Blumenthal; Quorum established.

II. Adopt Agenda

MOTION: Kidwell / Seconded. Adopt Agenda
Passed: unanimous.

III. Consent Calendar

MOTION: Allen / Seconded. Approve Consent Calendar, as presented:
Passed: unanimous.

IV. President's Report

President Gunton read the following report:

During a recent meeting with members of GVR, I said that we would re-look at our Vision Statement that supports our Long Range Plan and that we should consider again conducting a survey of members. I believe it is important to consider these tools in a broad context of good governance.

Upon reflection, as GVR nears the end of the five-year strategic plan adopted in 2013, we have an excellent opportunity to review our progress toward the objectives outlined in that plan and begin the process of developing new objectives for the coming years. With that opportunity in mind, I have the following recommendations for our next governance board:

- First, establish a task force to begin framing up the next five-year strategic plan
- Second, consider the merits of developing an organizational values statement
- Third, survey the membership again with an aim toward:
 - incorporating member views in a Values Statement
 - referencing the member-influenced Values Statement when determining how long-range

planning suggestions within WSM Architect's 2016 report should be integrated in the five-year strategic plan

- examining the current Vision and Mission Statements against the Values Statement and presumed objectives of the five-year strategic plan
- making any needed improvements to these governance tools in that broader context

I believe that these tools, if thoughtfully developed to ensure they are cohesive and complementary, will provide a clear roadmap for staff and board for years to come. I encourage the new Board to address these issues early in their leadership positions as Directors, and where necessary, outsource tasks associated with them to an independent, impartial expert to complete. As Directors, we are charged with ensuring that GVR is a sustainable organization well into a future that will certainly present evolving interests and challenges. It is not this or the next board's job to read tea leaves or otherwise predict those interests and challenges, but to lay a complete and sturdy foundation upon which future boards and staff can build a member-responsive organization. Now it is time to take this next step to ensure GVR is building on a solid foundation of values, vision, mission and goals.

V. **CEO Report:**

CEO Blumenthal read a statement highlighting recent progress on former Nursery property acquisition and re-zoning and Pima County owned property.

Blumenthal also reported pm Pima County Outreach to GVR Regarding County-owned PCC & CPAC Facilities in Green Valley

- In January 2016, Pima County Administrator, Chuck Huckelberry invited GVR to join him in a focused discussion between the County, CPAC and Green Valley Recreation, Inc. regarding a future operating model for CPAC.
- In January 2017, County Administrator, Huckelberry sent correspondence to newly-elected Pima County Supervisor (District 4), Steve Christy encouraging Mr. Christy to broach a potential partnership between GVR and the CPAC Foundation that could lead to the publically-constructed facilities in Green Valley being put to better and more extensive use. A meeting between the parties has not yet happened.
- If I may, let me read you County Administrator Huckelberry's response to individuals who write to him about this issue:

Dear ,

I appreciate your letter regarding the Community Performance and Arts Center (CPAC).

Our goal in having the CPAC Foundation and Green Valley Recreation (GVR) discuss this issue is to increase utilization of the public assets constructed by County taxpayers. We do not wish to displace the CPAC Foundation; we are simply examining how best to use a public asset.

Nothing will occur regarding any reduction in CPAC's use of the facility, nor will anyone be turned away if GVR chooses to locate in, operate or lease the facility.

We will continue to discuss the options with both organizations and are hopeful an agreeable solution can be reached to preserve the activities of both parties while improving the utilization of this public facility.

Sincerely,

*Chuck Huckelberry
County Administrator*

- GVR is not driving this bus. We did not reach out to Pima County, the County reached out to us because GVR has a good reputation for managing its assets well and for delivering high-quality programs and services to our members. Our members represent over 75% of all Green Valley residents.
- Yes, with the Board’s endorsement and encouragement, GVR is interested in having the conversation with the County and the CPAC Foundation. Why? Because partnerships that bring a greater good to all parties, including GVR members is important to us.
- There are five (5) Focus Areas in GVR’s Five-year Strategic Plan adopted in September 2013 to continue through 2018. Focus Area #4 is: Partnerships. The two goals for Focus Area #4 are:
 1. Create a minimum of two new working partnerships each year.
 2. Enhance benefits to GVR members through partnerships.
- I am pleased to report that GVR has pursued with zeal public and private partnerships both within and without the Corporation. Largely these partnerships have benefited all parties involved. GVR partners include the Green Valley Council, the Green Valley/Sahuarita Chamber of Commerce, the Greater Green Valley Community Foundation, Freeport Mac Moran, the Green Valley Fire District, the Green Valley Economic Development Management Team, the “From insufficiency to Self-sufficiency” coalition and others.

VI. New Business

A. Proposed GVR Insurance

MOTION: Nelson / Seconded. Authorize the CEO to pursue GVR agency or employee licensure and negotiate terms of agreement between GVR and Lovitt & Touché, Inc. to establish a full-service personal lines insurance program for GVR members at competitive rates, with negotiated terms of agreement subject to Board review and final approval.

Passed: unanimous

B. Proposed Cardio Spark “Heart Safe Community” Endorsement

MOTION: Gunton / Seconded. Endorse the CardioSpark research project of The Arizona Center for Accelerated Biomedical Innovation (ACABI) at the University of Arizona in support of establishing ‘heart-safe’ communities in Green Valley; further, assist ACABI in conducting the study, including recruiting Home Owner Associations (HOAs) and their respective HOA residents as volunteer research study participants.

Passed: unanimous

VII. Standing Committee Reports

A. Fiscal Affairs – Director Mournian At the last FAC meeting we began discussion on the end of year excess revenue and asked Cheryl to advise us of the total. I am going to ask Cheryl to address this so that we can see where this excess comes from, how it will be disbursed and what will be the final amount that our committee will be discussing at our next meeting in regard to allocation. It is also important to know that the FAC will follow the CPM and the Reserve Policy to advise the Board on the allocation of any excess.

Last month I spoke about how GVR will handle the funding for the 10-year plan and will re-iterate that there will be no special assessment. The main projects will be funded from either the Capital Repair, Replacement and Maintenance fund for existing items or the Capital Initiatives fund for new items. These funds remain strong at approximately \$5M and \$2M respectively at December 31st 2016 before any adjustments from the Auditor. It is also to be noted that any projects must have the funds available before they can begin. The final Audit report for 2016 will be presented to the Board and membership at our Annual meeting on March 28th at 9am in the West Center, I do hope that you will attend.

There have been comments about the 2017 budget which I would also like to address. Please remember that budgets are estimates based on the information available at the time of preparation. The recent annual membership fee increase of 2% was based on a 1.7% CPI and then rounded to eliminate odd cents. The estimated 2017 annual membership dues fund 62% of the operating expense budget – this is \$62 of each \$100. When looking at the total operating and capital expense budget for 2017 the annual dues fund 56% – this is \$56 of each \$100. The balance of the budget income comes from non-dues revenue such as classes, performing arts and New Member Capital Fees, so any excess revenue at the end of the year would be attributed to this source. Without this non-dues revenue we would need to raise the dues by a considerable amount just to keep GVR where we are now.

Considering the changes that have been put in place by the Dept. of labor regarding wage classification and the cost savings found by the CFO the difference between the 2016 budget and the 2017 budget is an increase of 8.5%. This is considerably less than what was envisioned at the start of the budget development process and I commend the CFO for her diligence in this area.

I hope that this has helped to explain how FAC and the Board work together to make sure that we do the very best we can to preserve, maintain and protect the investment that we all have in our community of GVR.

B. Planning & Evaluation – Director Arnold club requests in the amount of less than \$2,500 are due tomorrow. Anticipate members will be polled on their preferences for long-term plans. When the order is identified, we have the opportunity to work with GVR Foundation to help fund long-term plans

C. Nominations & Elections – Director Allen reported 2017 election is under way, and gave a summary of progress thus far.

D. Board Affairs – no report

VIII. Ad Hoc Committee Reports

A. Investment Committee – no report

IX. Member Comments: 8

X. Adjournment

MOTION: Nelson / Seconded. Adjourn meeting at 3:00pm MST.

Passed: 10 yes / 0 no / 1 abstain (Gunton)

Jim Nelson
Secretary

Date

Jen Morningstar
Manager, Executive Office

Date