



A regular meeting of the GREEN VALLEY RECREATION, INC. BOARD OF DIRECTORS held Tuesday, February 27, 2018 at West Center, the President being in the chair and the Secretary being present.

**Directors Present:** Jim Nelson (President), Kathy Palese (Vice President), Lance Heise (Secretary), Bob Allen (Treasurer), Donna Coon (Assistant Secretary), Roger Myers (Assistant Treasurer), Carol Crothers, Don Lathrop, David Messick, Denise Nichols, Tom Sadowski, Tim Stewart, Kent Blumenthal (CEO)

**Staff:** Cheryl Moose (CFO), David Jund (Facilities Director), Jen Morningstar (Executive Office Manager), Karen Miars (Administrative Assistant)

**Visitors:**

**I. Call to Order / Establish Quorum**

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

**II. Adopt Agenda**

**MOTION: / Seconded. Adopt Agenda as amended.**  
**Passed: unanimous**

**III. Consent Calendar**

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

**IV. President's Comments**

Picasso said it best: "If there were only one truth, you couldn't paint a hundred canvases on the same theme." So it seems with Green Valley News editor, Dan Shearer, who promotes his 'truths' in hyperbolic fashion. This past year for GVR—a train wreck, REALLY? The vast majority of GVR members and Board Directors beg to differ. Let's take a closer look. With GVR's leadership and community engagement, Green Valley was recognized as a top retirement community in 2017 (Forbes.com; Topretirements.com). Additional homeowners voluntarily opt-in to GVR each year, with 31 homes becoming GVR member properties in 2017 alone. We added a Tuesday Farmer's Market at West Center, and made significant progress toward installing solar panels at 10 GVR sites over the next year for energy conservation and to save thousands of dollars a year in expense reductions. GVR was recognized for its excellence in programs and services by the Arizona Parks and Recreation Association, receiving the 2017 "Active Adult 50+ Program" Award. Last May, we partnered with the Green Valley Council and Green Valley/Sahuarita Chamber of Commerce, county officials and others to further economic well-being of our community with a Joint Resolution, "Partnership for an Envisioned Future." With extensive member input, GVR's volunteer leaders honed the 2016 Long-range Facilities Plan into a conceptual 3-5 Year Strategic Facilities Plan. We commissioned a comprehensive survey of member needs, wants, interests and values, with every member having an opportunity to participate (results will be presented at our 2018 Annual Membership Meeting). For the first time in 2017, GVR successfully incorporated reserve study components into its facilities repair and maintenance activities. Thanks to volunteer leaders, a compelling investment portfolio is established for reserve accounts. Hardly a train wreck. But let's look at specific examples cited by Mr. Shearer.

GVR has a well-deserved reputation for solid administrative and financial management evidenced by the fact that County Administrator Chuck Huckelberry reached out to GVR to assist the Community Performance and Arts Center and maximize use of this county-owned facility and classrooms formerly managed by Pima Community College. In a March 7, 2017 letter to GVR CEO Dr. Kent Blumenthal, County Administrator Huckelberry wrote, "...It is unfortunate that GVR has been drawn into the CPAC controversy. The media reports fail to indicate that our initial involvement with GVR was for the purpose of having your Facilities staff maintain our facility."

At the Green Valley Council's Board of Representatives on February 15, Mr. Huckelberry said that conversion of the closed Canoa Hills golf course into a County-owned open space park is close to becoming a reality. Mr. Huckelberry had originally accepted a staff recommendation not to accept the donation of the closed golf course, but the GVR Board and CEO persuaded him to change his mind. GVR's collaborative relationship with GVC led to a community-based task force for the initiative. With 77% of all Green Valley residents being GVR members, additional parkland is important.

Using the word 'debacle' to describe GVR's "December election" (actually, it was nominations, not elections) is disingenuous. GVR followed its Bylaws correctly. Bylaws stipulate that Board applicants be "selected" by a nominating committee. The Bylaws allows non-selected applicants to be added to the ballot via a petition process.

Criticizing GVR's Board for considering the Esperanza Property for a future Pickleball Center omits the fact that conducting public forums was a Board requirement for considering the property. GVR negotiated a 45-day contingency period to hold public forums and conduct due diligence. The Esperanza Property met all requirements for a 24-court Pickleball Center attested to by architects, engineers, and Pima County. The Board remains committed to finding a workable solution that addresses the increasing demand for more pickleball courts.

GVR must consider the varied needs and interests of more than 23,000 members. Lumping together all GVR members into one "membership" basket doesn't work. Missteps? I think not. "Steps forward" is a more appropriate description.

## V. **CEO Report**

Your GVR staff has been quite busy since our last Board meeting.

- We have negotiated offers to purchase property for Pickleball Center.
- Launched 2018 election ballots.
- Held a public forum on a potential site for a GVR Pickleball Center.
- Worked with the National Research Center in Boulder Colorado and GVR's Blue Ribbon Committee towards completion of the 2018 GVR comprehensive membership survey.
- Had GVR's independent outside CPA auditor review our books on the 2017 budget and undertake a review of internal controls.
- Worked with our partner the GVR Foundation to enhance and fine-tune RetireArizona.org, Green Valley's community-based website.
- Met with some GVR club officials to consider options for much needed designated space.
- Met with Browning Reserve Group owner, Bob Browning to consider proper application of the GVR Reserve Study reports.
- Planned Member Forums to introduce candidates in the 2018 election and answer questions about the proposed Restatement of GVR Bylaws.

- Conducted numerous performing arts events including hosting the Tucson Symphony Orchestra at GVR West Center.
- Have planned for an exceptional second annual Southern Arizona CultureFest event at West Center this Saturday, March 3, from 10am-5pm.
- GVR's Board has encouraged me to have more "Conversations with Kent" about a variety of topics of importance to GVR members. I'm sure they did not intend for me to just talk to myself. I'm planning another "Conversation with Kent" about nothing less than GVR/Member Communications. I want to have this event during GVR's peak season, and have selected Tuesday, March 13 from 9:30-11am at East Center Auditorium. Look for more information and an announcement about this soon!
- Lastly, back to the 2018 Southern Arizona CultureFest. We have several fantastic performances, including a Drumming Circle with Native American Tony Redhouse, the renowned Nogales High School Mariachi Band, Jarabe Mexicano, Nolic Dancers of Tohono O'odham, and other performers. The event is a fundraiser for the GVR Foundation and the Greater Green Valley Community Foundation. 2018 Southern Arizona CultureFest will feature 60 vendors with more than 20 sponsors. Tickets for adults are only \$10/each! The event starts at 10 AM on Saturday, with a Blessing by Tony Redhouse. I hope to see you there!

**VI. New Business**

**A. Recommendation: Lighting Pickleball Courts #1 #2 and #3 at East Center**

**MOTION: Nelson / Seconded. Provide court lighting in FY 2018 at GVR East Center Pickleball Courts #1, #2, #3; further:**

1. Funding for the East Center court lighting and associated engineering and design work shall not exceed \$90,000; and
2. Monies to pay for the East Center lighting of courts #1-#2-#3 shall be from reallocated monies within the Board-approved, FY 2018 budget for non-reserve capital projects.

**Passed: unanimous**

**B. Recommendation: Initiatives Reserve Funding Mechanism**

**MOTION: Allen / Seconded. Each quarter, GVR shall fund the Initiatives Reserve Fund according to the following formula:**

1. For each home sold with a New Member Capital Fee, twenty (20) percent of the fee, rounded up to the next \$5 and
2. For each home sold with an Initial Fee, twenty-five (25) percent of this fee rounded up to the next \$5 will be transferred to the Initiatives Fund.

**At the end of each fiscal year, the Board of Directors shall determine the amount, if any, to contribute over and above the aforementioned funding from excess Revenue-Over-Expenses plus Depreciation Expense less Reserve Contributions to the Maintenance, Repair and Replacement Reserve Fund, and amend the CPM as describe in Exhibit.**

**AMEND MOTION: Lathrop / Seconded. Begin Motion with Beginning Fiscal Year 2019**

**Passed: unanimous**

**MOTION Passed: unanimous**

**C. Recommendation: Philanthropic Naming Opportunities Policy**

**MOTION: Palese / Seconded. Accept Philanthropic Naming Opportunities Policy/Guidelines for naming in recognition of financial gifts, the donor will be expected to provide all or a substantial part of the cost of the entity. "Substantial" is deemed to mean either a significant majority of the cost (25%) or a contribution which, while not being a significant majority, would not have been available from another source or was in some way integral to project completion. A guide for naming may be based on**

cost of area per square foot with appropriate adjustments based on visibility of space to be named and other considerations. Naming of programs, funds and services for individual donor gifts may be made when a substantial gift is received for such purpose. A substantial gift generally is deemed a gift that provides an endowment necessary to support a specific program, fund or service.

Donors may be individuals, families, organizations, foundations or corporations.

In establishing objectives for a fundraising campaign, GVR Foundation, in consultation with the Green Valley Recreation, Inc. (GVR) Board, will establish a schedule of naming opportunities and the level of donation required for each. The Foundation will consult with the GVR Board to advise whether the gift levels are appropriate and consistent with other similar campaigns.

#### General Provisions

1. No naming will be approved or (once approved) sustained that will call into serious question the public respect of Green Valley Recreation.
2. Names of facilities or areas should lend prestige to GVR. The credentials, character and reputation of each individual, organization or corporation for whom the naming rights are being considered shall be carefully scrutinized and evaluated. Nominations submitted for consideration must be accompanied by supporting documentation.
3. When a building or significant area is named, GVR will continue to use the name so long as the building or area remains in use and serves its original function. When the use has changed such that it must be demolished, substantially renovated or rebuilt, GVR may retain the use of the name, name another comparable room or facility or discontinue the use of the name.
4. It is the responsibility of the Foundation negotiating on behalf of GVR to advise potential benefactors that their gift may be recognized by naming, subject to approvals and decisions consistent with this policy.
5. It is also recognized that the Foundation, in developing and executing a campaign, may rely on plaques, a donor wall (monument), pavers, benches, etc. to encourage and recognize a variety of donors.

#### Approvals

1. All proposals for naming will be forwarded to the GVR Board, who shall make a determination whether the proposed naming conforms to this policy, is otherwise appropriate, and is of sufficient merit.
2. The GVR Board will consider for approval the naming of buildings, substantial areas or significant landscape features. The Board will also approve the schedule of naming opportunities and the level of donation required for each upon the launching of a capital campaign on campus. Similarly, the GVR Board will consider for approval the naming of programs, funds and services in recognition of substantial financial support.

AMEND MOTION: Myers / Seconded. Remove sentence: A substantial gift generally is deemed a gift that provides an endowment necessary to support a specific program, fund or service.

Passed: unanimous

MOTION: Passed unanimous.

**D. Recommendation: Governing Documents Legal Audit – Phase III**

**MOTION: Palese / Seconded. Complete governing documents legal audit with a goal of updating the Corporate Policy Manual accordingly. Further, continue governing documents legal audit subcommittee as presently constituted through the completion of said task.**

**AMEND MOTION: Myers / Seconded. *Delete:* Further, continue governing documents legal audit subcommittee as presently constituted through the completion of said task.**

**Amendment Passed: 7 yes / 5 no (Allen, Heise, Nelson, Nichols, Palese)**

**SECOND AMENDMENT: Nelson / Seconded. Further, continue governing documents legal audit subcommittee and augment as presently constituted.**

**Amendment Failed: 5 yes (Coon, Messick, Nelson, Nichols, Palese) / 7 no**

**Amended Motion Passed: unanimous**

**Amended Motion: Complete governing documents legal audit with a goal of updating the Corporate Policy Manual accordingly.**

**MOTION: Lathrop / Seconded. Recess and convene in Executive Session for a legal matter.**

**Passed: unanimous**

**MOTION: Nelson / Seconded. Reconvene meeting in regular session.**

**Passed: unanimous**

**MOTION: Myers / Seconded. Convene as committee of the whole.**

**Passed: unanimous**

Nelson relinquished the chair to Kathy Palese. Palese announced the Board voted in Executive Session to purchase property on Camino de la Canoa for construction of a 24 court Pickleball and park complex and opened the meeting up to member comments.

Member comments on the subject: 22

**MOTION: Stewart / Seconded. Adjourn committee of the whole and reconvene in regular session.**

**Passed: unanimous**

**MOTION: Palese / Seconded. Agree to purchase property referred to as the Canoa property, for the purpose of constructing not less than 24 court GVR Pickleball and park complex, with a 30 day period to conduct due diligence for an amount not to exceed \$125,000 that includes funds to conduct the due diligence, to be funded by initiative fund. Further, the Board of Directors acknowledges that exterior lighting will never be a possibility.**

**Passed: unanimous**

**VII. Committee Reports**

- A. Nominations & Elections** – Director Heise reported the 2018 election is underway, results will be reported at the Annual Meeting on March 29
- B. Blue Ribbon** – Carol Lambert reported preliminary results are in for the member survey, results will be reported at the Annual Meeting on March 29
- C. Board Affairs** – no report
- D. Fiscal Affairs** – no report
- E. Planning & Evaluation** – Director Lathrop reported 2019 club request documentation has been delivered to club presidents
- F. Investments** – no report

- VIII. **GVR Foundation Report** Foundation President Blaine Nisson reported on the happenings of the GVR Foundation.
- IX. **Member Comments: 44**
- X. **Adjournment**  
**MOTION: Palese / Seconded. Meeting Adjourned at 4:40pm MST.**  
**Passed: unanimous**

**\*\*‘Action without Meeting’ Unanimous Consent Resolution.**

At the request of President Jim Nelson on February 12, 2018 the GVR Board of Directors established February 12, 2018 as record date for GVR’s 2018 election.



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Donna Coon  
Secretary

Date

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Jen Morningstar  
Manager, Executive Office

Date