

**CEO Report – Kent J. Blumenthal, Ph.D., CAE
GVR Board of Directors Meeting @ Las Campanas Center
May 22, 2018**

There were many GVR initiatives and other undertakings since the last regular session of the Board on April 24. A few of these deserve special mention, though they are not part of today’s proceedings. Other initiatives will be considered by the Board this afternoon. Some agenda items have reached the proverbial “tipping point” where the Board must decide to fish or cut bait, and several of these are dependent on new funding from reserves or other sources.

That’s just a natural evolution of providing recreation services for our membership in an ever-changing environment. It is the Board’s role to make decisions about policies and funding. As CEO, my perspective may be different from other Board members, and as CEO, my obligation is to help the Board make the best possible decisions.

At this point at today’s meeting, funding considerations involve our three reserve accounts and the current operating budget. To provide a frame of reference, these are our reserve account balances as of today:

- Repair & Maintenance Reserve: \$ 5,673,128
- Emergency Reserve: \$ 938,278
- Initiatives Reserve: \$ 1,998,213

Next, I want to highlight a few notable activities that occurred recently that are NOT on today’s Board agenda.

1. At 5:30 PM last evening, GVR became owner of the 10.8 acre parcel on Camino de la Canoa in Green Valley to develop a 24-court Pickleball Center. This acquisition and achievement was years in the making. For the record, the negotiated sales price was **\$87,500**. The original asking price was **\$105,000**. The Board authorized an additional ‘up to’ **\$37,500** to pay for needed due diligence engineering and survey work, prep for a Pima County mandated public hearing, and any required closing costs. Special thanks to all GVR members that contributed to making this dream a reality. Thanks also to Pres. Crothers who made herself available the past few days to sign settlement documents.

2. Last Wednesday, with the able assistance of GVR member Helen Russo, I conducted Part II of a 'Conversation with Kent on Communications' at East Center. The audience seemed appreciative of steps being taken to improve overall Communications within GVR. I explained that the improvements are works in progress, and that I anticipate more conversation with the GVR Board about implementation and more importantly, about long-term sustainability of the enhanced effort. More about that in a moment. Kudos to the GV News and reporter Kim Smith, who accurately reported on the event in last Sunday's local newspaper edition.
3. On May 15, a focus group of five GVR members from mandatory deed restricted HOAs met with me and other GVR staff to discuss improvements that might be made to GVR facility space reservations procedures. The focus group's input was invaluable. On May 17, I reported to the Green Valley Council's Assembly an update on the status of the focus group. I expect to present to the GVR Board suggested improvements to our facility space reservations policy by August that involves HOAs and GVR Clubs. Recreation Services Dir., George Rushing II is your staff lead to see this project through.
4. Let's get back to communications. As many of you are aware, expanding and enhancing Board communications with Members is a top Board priority. This follows a 2018 survey result that reported that only 4 in 10 members or 40% of members rated 'accessibility of the GVR Board' as excellent or good. Putting emphasis in this area is a good thing, and staff is here to help make improvements in this area, where possible. One of the proposals to be considered at this Board meeting is about identifying additional staff resources to meet the Board's expanded communications objectives. The Board's relatively new expectations for recording and posting committee meeting agendas, rosters, minutes, meeting highlights, and exhibits on the GVR website are extensive. Recall that the 2018 budget was developed and approved by the Board back in September 2017. Much of what is now desired was not anticipated last September. So finding a new approach to address these new expectations is important. Initially, I floated an idea at the open Board work session on May 10 at East Center to fund additional needed FTEs through the Initiatives Reserves, which I'll refer to as 'Option A'. At the time, this idea met with general acceptance. Since then, I became aware of concerns from a few Board members about doing this.

I asked my Staff Leadership Team to help me find an alternative solution, whereby we could meet additional staffing needs by adjusting programs or services instead of funding the needed staffing with new money, which I refer to as Option B. The Staff Leadership Team includes all department directors and supervisors. I am the one responsible for presenting Option B here today.

In a conversation yesterday afternoon with Pres. Crothers, VP Coon and Executive Office Manager, Jen Morningstar, a third option was discussed which I refer to as Option C. Rather than funding from Initiatives Reserves or adjusting or modifying any current programs or services, I would be encouraged as CEO per Board policy as stipulated in the “Budget Development Policy” and published within the Corporate Policy Manual to “... *Shift amounts between line items in the Board-approved budget to meet current or anticipated needs. Any line item that is decreased or increased by more than 15% or \$15,000, whichever is greater should be reported to the board of directors.*” This existing Board policy is found in Appendix I, Board Policies, Subsection 1. Budget Development Policy, which was updated by the Board on January 31, 2017.

If the Board feels that Option C is the preferred option, then I request that they reaffirm their support of this Board policy so that we might quickly move forward together to meet the best interests of GVR members and the Board’s expanded expectations for communications. I look forward to further discussion about this issue when we get to that agenda item.

Thank you for participating in today’s Board meeting.