

RECREATION CENTERS OF SUN CITY, INC.
MINUTES REGULAR BOARD MEETING
December 18, 2014

At the Regular Monthly Board Meeting called to order by President Brasher at 9:00am on December 18, 2014, at Sundial Auditorium, the following took place:

PRESENT: James Brasher, President; Linda Lindquist, Vice President; David Wieland, Treasurer; Carole Martinez, Secretary; and Directors Ron Jesse, Peter Lee, Michael Kennedy, Bill Pearson and Dan Schroeder

ALSO PRESENT: Jan Ek, General Manager; Jim Wellman, Assistant General Manager; Brian Duthu, Director of Golf; Theresa Cirino, Director of Member Services; Marion Krell, Director of Human Resources; Linda Menna, Executive Assistant to AGM; Joelyn Higgins, RCSC Communication & Marketing Coordinator; Deanna Szentmiklosi, Executive Coordinator to the Board and GM; Allen Kleinhans and Jason Lee, RCSC Audio/Video Technicians; 31 RCSC Cardholders and 1 member of the press

Pledge of Allegiance: Everyone stood for the Pledge of Allegiance.

Board Quorum: Secretary Martinez verified that a Board Quorum was present.

President Comments: President Brasher explained the process for a Regular Board Meeting and how the Board conducts business. He introduced the Directors and members of the Management team.

Recognition of the DAR: President Brasher recognized the Daughters of the American Revolution – Aqua Fria Chapter and introduced their Board members who were present: Fran Morris, Registrar; Marion James, Chaplain; Madeline Shackelford, Honorary Regent and Parliamentarian; Ethelmae Sanders, Librarian; Martha Emmons, Treasurer; Kathie Mittelsteadt, Secretary; and Barbara Paddock-Sandford, Historian. President Brasher then presented Madeline Shackelford with a Proclamation from the Board honoring the Chapter which was the first to be formed in a retirement community, more than 50 years ago. Madeline thanked the Board for the recognition and Proclamation that was presented.

Installation of Board Candidates: President Brasher installed Ida Eisert, Rich Hoffer and Carol Lawry who were elected on December 9, 2014. The Directors-elect will each serve three 3-year terms on the Board and they will take office on January 1, 2015.

Presentation to Outgoing Board: President Brasher presented Vice President Linda Lindquist, Secretary Carole Martinez and Director Bill Pearson with plaques thanking them for their service to the RCSC and its membership. Linda Lindquist served for three years and was Vice President in 2014. She also served as Vice President of the Sun City Foundation. Carole Martinez served a one year term in 2011 and was then elected to a three year term in 2012. Bill Pearson served a three year term and also served as President of the Sun City Foundation for the past three years.

Minutes: On Motion by Treasurer Wieland and seconded by Vice President Lindquist the Minutes of the November 20, 2014 Regular Board Meeting were unanimously approved.

Treasurer's Report: Treasurer Wieland presented the Treasurer's Report. On Motion by Director Kennedy and seconded by Secretary Martinez, the Report was unanimously approved. The monthly Treasurer's Report is available at www.sunaz.com, along with the monthly financials.

Management Reports: Jan Ek, General Manager; Jim Wellman, Assistant General Manager, and Brian Duthu, Director of Golf, presented their Management Reports. All the management reports are available at www.sunaz.com.

Special Recognition: Special Recognition was made by Jan Ek to Marion Krell, Director of Human Resources, for her 25 years of service to RCSC. Assistant General Manager Jim Wellman also recognized his Executive Assistant, Linda Menna, for her 10 years of service to RCSC.

Committee Reports: The Directors reported on Committees as follows:

Bowling Committee: Chair Martinez reported the Committee received an update from Randy Johnson who stated the AZ State Seniors, the Senior Mixed Masters and the AZ State Women's Tournaments filled the schedule for December. The Metro City Bowling Tournament will start off the 2015 Tournaments in January. The Annual New Year's Eve bowling event is completely full with a waiting list. Current membership for the SC Bowling Association, including a number of life members, is seven hundred twenty-eight (728). Chair Martinez also reported that RCSC Director of Bowling Randy Johnson is now a director of the State USBC Board. The next Committee meeting is January 8, 2015 at 9:00am.

Club Organization (COC): Chair Pearson reported that club officer orientation will take place in January. Three new clubs are in the process of being formed. There was also discussion about allocation for the New Year's Eve dance. The COC recommended a meeting be held with the Presidents of the dance clubs, who were interested in meeting. The meeting was held and a recommendation was made for a joint venture beginning in 2015. The formal dance will be a shared event with clubs that want to participate and get involved. The Board approved the recommendation and Chair Pearson stated he believes this is a wonderful start to the dance clubs working more closely together. He thanked all those who attended the meeting and the Board for approving the recommendation. The Committee is looking for some additional members to serve as COC's. If anyone is interested, they can contact the Board Office for more information. The next meeting is January 14, 2015 at 1:00pm.

Elections: Chair Linda Lindquist thanked all the candidates who ran in the election and all the workers who volunteered their time to work on Election Day. The next meeting date will be scheduled sometime after the first of the year.

Entertainment: Chair Jim Brasher stated the Committee did not meet during December. The newly elected President of the Board will name Chair and Co-Chair for each of the Committees in January. A schedule of committee meetings will be determined once the appointments are complete. Chair Brasher also thanked the Committee for their work and also recognized Theresa

Cirino for the great job she did again this year in bringing in diverse and interesting entertainment events. Members are consistently praising the shows and attendance has been excellent. The next meeting date is to be determined.

Finance & Budget: Chair Kennedy reported the Board is voting this date to approve Regina Heck as a new member of the Committee. He also reminded everyone to pick up the 2015 budget summary on the back table. The Committee is also in need of club auditors. If anyone has background in conducting audits and would like more information, please contact the Board Office. The next meeting will be scheduled after the first of the year.

Golf Advisory: Chair Jesse stated the Committee heard the monthly report from Brian Duthu as well as representatives from each course who were present. The Committee recommended a change in Board Policy 10 which the Board is voting on today. The Committee also proposed a new Golf Draw System which will be discussed in further detail at the next meeting, scheduled for January 15, 2015 at 8:30am.

Insurance Committee: Chair Wieland reported on his interview with George Courtot, who will be voted on by the Board this date as a new member of the Insurance Committee. Mr. Courtot comes to the Committee with vast knowledge and experience and he will be a valued addition. The Committee will start meeting sometime after the first of the year and when that occurs, meeting information will be posted on the RCSC website.

Lawn Bowling: Chair Pearson stated Brian Duthu talked to the Committee about the extent of the Lakeview Greens project for 2015. The Committee discussed Lakeview backboard installation and expansion slots and how to avoid future backboard cracking. They also approved Committee membership criteria. The next meeting is January 6, 2015 at 1:00pm.

Outreach & Communication: Chair Schroeder reported the Committee continued its discussion on the survey and if done properly, will hopefully generate good statistical data such as whether new residents are snowbirds or year-round residents; whether they are working or not; and the average age at which residents are choosing to move into Sun City. The survey can also provide information on interests of residents as far as playing sports, other activities, and whether they are interested in clubs that are formed or may need to be formed, all of which will be beneficial in long range planning for the community. The next meeting is January 13, 2015 at 8:30am.

Properties: Chair Lee reported inspections turned in for the fourth quarter generated 58 work orders. All items on the inspections are either repaired or scheduled to be repaired. The Committee also discussed progress on current projects at the centers. He thanked everyone who has served on the Committee this year for their hard work in performing the detailed inspections. These inspections by Members are invaluable to the RCSC team because it is another set of eyes critically checking all the properties and bringing any issues to Jim Wellman and his team that need to be addressed. The next meeting is March 25, 2015 at 9:00am at Lakeview Center, Social Hall #2.

Other reports:

SC Foundation: Bill Pearson, President of the Sun City Foundation, stated he wanted to publically recognize the people who serve and do the job as Directors on the Foundation. It's a kind of a position that most people would not want to do. The Foundation gets applications every month and the ones that meet the initial criteria need to be interviewed in their homes. This can be very challenging but the Foundation feels it is very important. He stated he will be leaving the Foundation the end of the year and it has been a privilege to have served as President.

SC Visitor's Center: Bill Pearson, liaison to the Visitor's Center, confirmed again that the Visitor's Center will be coming under the direction of RCSC beginning January 1, 2015. This will be a good move for both organizations.

SC Community Assistance (SCCAN): Peter Lee, liaison to SCCAN, reported AARP tax aide will be taking over the SCCAN offices to assist with tax preparation. This service will be available to residents beginning February 1st.

NOTE: Unless otherwise stated above, all Committee meetings are held in the Lakeview Board Room (upper level) of Lakeview Center. Committee meeting dates can change so be sure to check the RCSC website at www.sunaz.com for the most up to date report on dates and times for meetings.

Member Comments: Member comments included well wishes and appreciation to the outgoing Board members; congratulations and best wishes for success to the newly elected Board members; appreciation to the current Directors who will continue to serve; Board Policy 10 and Board Policy 12 - proposed revisions were discussed and clarified; Duffeland Dog Park; fish in Viewpoint Lake; curb appeal issue and status of the repair at Willowbrook/Willowcreek, as well as many Members wishing all those present a Merry Christmas.

Outgoing Board Comments: Vice President Linda Lindquist, Secretary Carole Martinez and Director Bill Pearson all made statements on their tenure on the Board:

Linda Lindquist: Over the past three years of being on the Board and seeing the inner workings of the RCSC, I've seen a couple things I'd like to comment on. RCSC staff is very competent both management and people in the field. RCSC Board while not always agreeing has always kept Sun City's best interest at heart. I am very grateful for the privilege of getting to serve on this Board.

Carole Martinez: As I prepare to leave the Board, my first thought is of this community. It has been my privilege to work with other Directors in an effort to keep Sun City a community it has become. Compromise is the key to success for the community and this Board. Sun City needs people who are willing to work for us. I leave but will keep my eyes and ears open and will be back but on the other side of things, sitting on that side. Thank you to the management team for all they do.

Bill Pearson: It's been an interesting three years - sometimes more than I wanted and sometimes less. Sun City is a fascinating community. If you have not looked at the history, let me throw this at you - hundreds of thousands have gone into the making of Sun City. If I did the math in

my head correctly, it does not seem possible. When I talk about making Sun City, it is doing things others would not think of doing, joining committees, being part of organizations, serving on the hospital as a volunteer, organizations like Benevilla and Olive Branch, and it's amazing all the volunteers that do serve and that is part and parcel of making Sun City what it is. It's not the RCSC or golf courses. It's the sum of all its part. Here's a staggering figure - 75% of the residents here will turn over. Think about that. Where you come from - you knew your neighbors for years. I have seen homes sell 2-3 times, where people I knew came in and left, then another owner, and another. It's an ongoing evolution as a community. No one person has made Sun City great. I drove by where Jane Freeman lived and she was an incredible part of Sun City. Every one of us that says I can do that, they are bit players. Give a little or give a lot, but give something. Keep making Sun City a great place to live.

In my humble opinion, the largest challenge in this community is what happens outside the walls. We are impacted by things over which we have no control. We recognize our ability to act before they hit us. I'm toying with forming a Futurist Club and going back to the Museum. The past is a huge part of the future. We know that coming buyers are working later in life and that's devastating to a community that relies on volunteers who will have less time as retirees, whether we like it or not. Failing to look at that sets us up to fail. The sum total of Sun City is not just what buildings need to be fixed, what golf course should get new irrigation – that's just a small piece of what makes Sun City a great place to live. Board members change and committee members change maybe more often. What does not change is that Sun City is self-governed. We serve the community as a whole and look long term. There is no I -- just us. Shame on us if we don't take responsibility. 54 years - I applaud all of you who put their hands up. For Sun City to function as it has for 54 years, it's inherent for us to take that on. Thank you for the opportunity to serve you.

Outgoing President Comments: I have been told it might be appropriate for me to make a couple remarks as outgoing President. I will remain on the Board for one more year. My time as President over the past two years has been challenging, interesting, and informative, and I have loved it. I look forward to working under the next president of the Board. Anything we have done as Board, I would not hesitate to say is all due to the fact that we have great leaders with Jan Ek and on down. I have told the Directors a number of times that Jan knows more than we do. Thank all of you for your support as President.

Motions:

1. **Club Charter – Sun City Bell Center Billiard Club:** Director Pearson moved for approval of a charter to the Sun City Bell Center Billiard Club. Seconded by Director Lee, the Motion was unanimously approved.
2. **Club Charter – Sun City Dart Club:** Secretary Martinez moved for approval of a charter for the Sun City Dart Club. Seconded by Director Lee, the Motion was unanimously approved following a roll call vote.
3. **New Cardholder Amenity:** Director Lee moved for approval of a new Cardholder amenity at the Bell Lanes including electronic dart machines to be located close to the east entrance, with a budget of \$35,000 to include five electronic dart machines; sound barrier wall between pool area and dart area and some tables and chairs for participants with the unbudgeted capital expense funded by prior year access. Seconded by Treasurer Wieland, the Motion was unanimously approved following a roll call vote.

4. **BP10 – Code of Conduct & RCSC Rules & Regulations:** Vice President Lindquist moved that Board Policy Resolution No. 10, as amended, be approved in its entirety and replace previous Board Policy No. 10, titled the same. Seconded by Director Schroeder, the Motion was unanimously approved following a roll call vote.
5. **BP12 – Chartered Clubs:** Director Lee moved that Board Policy Resolution No. 12, as amended, be approved in its entirety and replace previous Board Policy No. 12, titled the same. Seconded by Vice President Lindquist, the Motion was unanimously approved following a roll call vote.
6. **BP20 – Sun City Foundation:** Director Jesse moved that Board Policy Resolution No. 20, as amended, be approved in its entirety and replace previous Board Policy No. 20, titled the same. Seconded by Secretary Martinez, the Motion was unanimously approved following a roll call vote.
7. **Annual Property Assessment:** Director Kennedy moved that the annual property assessment be increased to \$462 per year on the per property assessment and \$231 per year on the per person assessment basis, effective February 1, 2015. He further moved that the yearly Privilege Card cost be increased to \$231 per year, effective February 1, 2015. Seconded by Treasurer Wieland, the Motion was unanimously approved following a roll call vote.
8. **2015 Operating and Capital Budget:** Treasurer Wieland moved that the 2015 Operating and Capital Budget be approved. Seconded by Secretary Martinez, the Motion was unanimously approved following a roll call vote.
9. **401(k) contribution – qualified participants:** Vice President Lindquist moved that a corporate match be approved for the first \$500 contributed in the year 2015 to the 401(k) plan by each qualified plan participant. Seconded by Director Jesse, the Motion was unanimously approved following a roll call vote.
10. **Posse Donation:** Director Schroeder moved for approval of a \$2500 donation for 2015 to the Sun City Posse as a goodwill gesture for their continued assistance to the RCSC. Seconded by Director Pearson, the Motion was unanimously approved following a roll call vote.
11. **Preservation & Improvement Fund – Long Range Plan & Budget:** Treasurer Wieland moved for approval of the PIF – Long Range Plan & Budget, as detailed in the Motion. Seconded by Vice President Lindquist, the Motion was unanimously approved following a roll call vote.
12. **Duffeland Dog Park:** Director Pearson moved for a budget of \$75,000 with unbudgeted capital expense funded by the prior year excess, as detailed in the Motion. Seconded by Director Lee, the Motion was unanimously approved following a roll call vote.
13. **Finance & Budget – New Committee Member:** Director Kennedy moved that Regina Heck be approved to serve as a member of the Finance & Budget Committee. Seconded by Director Jesse, the Motion was unanimously approved following a roll call vote.
14. **Insurance - New Committee Member:** Treasurer Wieland moved that George Courtot be approved to serve as a member of the Insurance Committee. Seconded by Director Kennedy, the Motion was unanimously approved following a roll call vote.

15. **Club Charter – Duffeeland Dog Park Club:** Director Pearson moved that a charter be granted to the Duffeeland Dog Park Club. Seconded by Director Lee, the Motion was approved following a roll call vote, with 8 voting in favor of the Motion and 1 abstaining.

Next Meetings: President Brasher reported that the next Board/Member Exchange, with Agenda, is Monday, January 12, 2015, at 9:00am in Social Hall #3 at Lakeview Center. The next Regular Board Meeting is Thursday, January 29, 2015 at 9:00am at Sundial Auditorium.

Adjournment: The meeting adjourned at 11:20am.

Respectfully submitted,

Carole Martinez, Secretary